9/29/00

file: child support

Children's Defense Fund

The Child Support Distribution Act of 2000:
Overwhelming House Vote Creates Opportunity
The Children's Defense Fund Urges Senate Action Before Adjournment

On September 7, the House of Representatives passed the Johnson-Cardin Child Support Distribution Act of 2000 (H.R. 4678) by a vote of 405-18. The bill will increase the likelihood that children receive support, financial and otherwise, from both parents.

If H.R. 4678 becomes law, children will benefit because their families will receive more child support dollars – when the law is fully implemented, families will receive more than $1 billion a year in additional support. H.R. 4678 also provides grant funds to programs that encourage fathers to play a more important role in their children's lives, preparing them for responsible fatherhood through employment, and providing counseling, mentoring and other approaches to promote conflict resolution, prevent violence, and increase the likelihood that absent parents can play a positive role in a child's life.

Bills introduced in the Senate promote similar goals. Children First, the Child Support Reform Act of 1999 (S.1036), sponsored by Senators Kohl and Snowe, contains similar child support distribution language, and the Responsible Fatherhood Act of 1999 (S.1364), sponsored by Senators Bayh and Domenici, includes related fatherhood provisions. We urge the Senate to take advantage of the momentum created by the overwhelming House vote to pass a bill with as few changes as possible to ensure enactment in the short time remaining in this session. Provisions in H.R. 4678 that should be part of a Senate bill:

Child support for families who have left welfare:

✓ **H.R. 4678 simplifies child support rules by providing that back child support is paid to the family, and not to the state.**

> Current law allows states to keep arrearages collected through federal tax refund intercepts – that amounts to one-third of all back support collections overall and two-thirds of arrearage collections made on behalf of families receiving welfare. By allowing families who have left welfare to receive these arrearage collections, H.R. 4678 provides much-needed income and stability at a crucial time. Wages for families leaving welfare are typically low. States report that parents in their third quarter of work after leaving welfare have average earnings of $2,571 for the whole quarter, or only about 75 percent of the federal poverty line. Receiving back child support owed to the family would provide an important cushion, helping them to manage unexpected shocks such as car repairs, so that they can maintain employment and avoid hardship.

Child support for families currently receiving cash assistance:

✓ **H.R. 4678 provides incentives to states to pass child support to families receiving assistance. To the extent that the state passes on the child support collected and allows those dollars to add to (not replace) the cash assistance payment, the state does not have to pay the federal share of the collected support.**

> Under current law, while a family receives assistance, any child support collected first is paid to the state and federal government to reimburse for welfare costs. In many cases, this means that the family is no better off. After a family leaves welfare, any child support collected which reflects amounts unpaid while the family received welfare, is paid first to the state and federal government to reimburse for welfare costs.

When families receive child support, it provides a far stronger incentive for absent parents to pay. Families who receive child support will find it easier to make the transition to employment, because they can count on continuing to receive the child support payments once they start work. Since average earnings in the first quarter of employment are only $2,088 (about 60 percent of the federal poverty line), consistent child support payments can provide stability and escape from hardship. In 1998, child support payments for children still receiving welfare averaged $1,840 per case with collections, but almost 90 percent of all the funds collected was kept by states, not the families.

Fatherhood grants: H.R. 4678 provides $140 million over two years for grants to programs that promote marriage, successful parenting, and employment of fathers (or non-custodial mothers). In general, programs must serve fathers with incomes under 150 percent of the poverty line, or whose children are (or were recently) receiving assistance. Preference in awarding grants shall be given to programs that encourage payment of child support, and that work cooperatively with welfare and job training/placement agencies, as well as domestic violence programs. Programs receiving grants must be evaluated. The grants under H.R. 4678 provide flexibility for programs, allowing them a broad range of activities to achieve their goals. At the same time, they also require accountability, by building in evaluations and by targeting low-income families. A Senate bill should retain these accountability features, target low-income fathers (or noncustodial mothers), include preferences for programs that work with domestic violence service providers, allocate most of the funds on a competitive basis, and evaluate all programs.

National fatherhood projects: H.R. 4678 provides $15 million to non-profit fatherhood organizations to develop a public education campaign to encourage both parents to be involved in their children's lives, addressing issues of responsible fatherhood and parenting. A national organization would establish a clearinghouse for information evaluating effective programs and media campaigns. National organizations would receive some of this funding for multi-city fatherhood projects. Provisions from S. 1364 (the Bayh-Domenici bill) could be added to the House measure to provide media grants to the states to promote responsible fatherhood and state grants for fatherhood programs.

The Senate should seize this opportunity to help children!

Passing legislation very similar to H.R. 4678 will mean billions of dollars in child support directed to families. It will enable fathers to play a more positive role in their children's lives. Leaders on these issues in the Senate have an important role to play. Their laudable child support and fatherhood goals can be met if they act swiftly. With only a short amount of time before the 106th Congress adjourns, we hope Members will not lose this opportunity for children.

For more information, contact Deborah Weinstein, Director of CDF's Family Income Division, (202) 662-3565; e-mail: dweinstein@childrensdefense.org or Grace Reef, Director, CDF's Intergovernmental Relations Department, (202) 662-3558; e-mail: greef@childrensdefense.org

file: Child Support

THE WHITE HOUSE

Domestic Policy Council

DATE:

FACSIMILE FOR: Ann O'Leary

FAX: 6-2878
PHONE:

FACSIMILE FROM: Andrea Kane

FAX: 202-456-7431
PHONE: 202-456-5573

NUMBER OF PAGES (INCLUDING COVER):

COMMENTS: Support for child support / fatherhood bill -

Center for Law and Social Policy

CLASP

1616 P St, NW, Suite 150, Washington, DC 20036 (202) 328-5186 / (202) 328-5195 Fax

cc Julie
Margy
Barbara Chow
Donna Stone
Michele Ahern

Fax

To:	Andrea Kane	**From:**	Michelle Jordan (email: mjordan@clasp.org)
Fax:	456-7431	**Pages:**	4 (not including cover)
Phone:	456-5573	**Date:**	10/05/00
Re:	The Child Support Distribution Act of 2000 (H.R. 4678)		

• **Comments:**

Center for Law and Social Policy

CLASP

VICKI TURETSKY
SENIOR STAFF ATTORNEY

October 4, 2000

Steve Ricchetti
Deputy Chief of Staff
The White House
Washington, DC 20500

Dear Mr. Ricchetti:

We urge you to make enactment of H.R. 4678, the Child Support Distribution Act of 2000, a priority this session. The legislation would result in over $1 billion per year in additional child support going to families leaving welfare. This money would otherwise be retained by the states and federal governments as recovered welfare costs. The legislation also includes important fatherhood legislation.

On September 7, 2000, H.R. 4678 overwhelmingly passed in the House 405-18. When the legislation passed, the President issued a statement in support. HHS testified in favor of the legislation and has signaled its interest in the legislation. Many states and advocates strongly support this bill as well. However, the legislation is stalled in the Senate Finance Committee.

H.R. 4678 contains many of the key provisions of the President's Fathers Work/Families Win proposal:

- H.R. 4678 simplifies child support rules by providing that back child support is paid to families leaving welfare, and not to the state.

- H.R. 4678 allows states to pass through support to families receiving assistance.

- H.R. 4678 creates a competitive grants program for projects that help low-income fathers gain employment and parenting skills.

We feel it is critically important to seize this incredible opportunity to move legislation this year that will result in billions of dollars to low-income families leaving welfare and provide help to low-income fathers. We hope the Administration will make passage of H.R. 4678 a legislative priority this session.

Sincerely,

Vicki Turetsky

Vicki Turetsky
Senior Staff Attorney

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9/20/00

Children's Defense Fund

The Child Support Distribution Act of 2000:

Overwhelming House Vote Creates Opportunity

The Children's Defense Fund Urges Senate Action Before Adjournment

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Bills introduced in the Senate promote similar goals. Children First, the Child Support Reform Act of 1999 (S.1036), sponsored by Senators Kohl and Snowe, contains similar child support distribution language, and the Responsible Fatherhood Act of 1999 (S.1364), sponsored by Senators Bayh and Domenici, includes related fatherhood provisions. We urge the Senate to take advantage of the momentum created by the overwhelming House vote to pass a bill with as few changes as possible to ensure enactment in the short time remaining in this session. Provisions in H.R. 4678 that should be part of a Senate bill:

Child support for families who have left welfare:

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> Current law allows states to keep arrearages collected through federal tax refund intercepts – that amounts to one-third of all back support collections overall and two-thirds of arrearage collections made on behalf of families receiving welfare. By allowing families who have left welfare to receive these arrearage collections, H.R. 4678 provides much-needed income and stability at a crucial time. Wages for families leaving welfare are typically low. States report that parents in their third quarter of work after leaving welfare have average earnings of $2,571 for the whole quarter, or only about 75 percent of the federal poverty line. Receiving back child support owed to the family would provide an important cushion, helping them to manage unexpected shocks such as car repairs, so that they can maintain employment and avoid hardship.

Child support for families currently receiving cash assistance:

H.R. 4678 provides incentives to states to pass child support to families receiving assistance. To the extent that the state passes on the child support collected and allows those dollars to add to (not replace) the cash assistance payment, the state does not have to pay the federal share of the collected support.

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When families receive child support, it provides a far stronger incentive for absent parents to pay. Families who receive child support will find it easier to make the transition to employment, because they can count on continuing to receive the child support payments once they start work. Since average earnings in the first quarter of employment are only $2,088 (about 60 percent of the federal poverty line), consistent child support payments can provide stability and escape from hardship. In 1998, child support payments for children still receiving welfare averaged $1,840 per case with collections, but almost 90 percent of all the funds collected was kept by states, not the families.

Fatherhood grants: H.R. 4678 provides $140 million over two years for grants to programs that promote marriage, successful parenting, and employment of fathers (or non-custodial mothers). In general, programs must serve fathers with incomes under 150 percent of the poverty line, or whose children are (or were recently) receiving assistance. Preference in awarding grants shall be given to programs that encourage payment of child support, and that work cooperatively with welfare and job training/placement agencies, as well as domestic violence programs. Programs receiving grants must be evaluated. The grants under H.R. 4678 provide flexibility for programs, allowing them a broad range of activities to achieve their goals. At the same time, they also require accountability, by building in evaluations and by targeting low-income families. A Senate bill should retain these accountability features, target low-income fathers (or noncustodial mothers) and should include preferences for programs that work with domestic violence service providers.

National fatherhood projects: H.R. 4678 provides $15 million to non-profit fatherhood organizations to develop a public education campaign to encourage both parents to be involved in their children's lives, addressing issues of responsible fatherhood and parenting. A national organization would establish a clearinghouse for information evaluating effective programs and media campaigns. National organizations would receive some of this funding for multi-city fatherhood projects.

H.R. 4678 strikes a reasonable balance between competitive funding for targeted fatherhood services and projects of national scope. The Senate should adopt a similar balance, with most of the funds allocated on a competitive basis, and with all programs evaluated. These are all relatively new services. Earlier attempts at programs for fathers have been of limited effectiveness in increasing support for children, making it doubly important that we learn from the projects funded here.

The Senate should seize this opportunity to help children. Passing legislation very similar to H.R. 4678 will mean billions of dollars in child support directed to families. It will enable fathers to play a more positive role in their children's lives. Leaders on these issues in the Senate have an important role to play. Their laudable child support and fatherhood goals can be met if they act swiftly. With only a short amount of time before the 106th Congress adjourns, we hope Members will not lose this opportunity for children.

For more information, contact Deborah Weinstein, Director of CDF's Family Income Division, (202) 662-3565; e-mail: dweinstein@childrensdefense.org or Grace Reef, Director, CDF's Intergovernmental Relations Department, (202) 662-3558; e-mail: greef@childrensdefense.org

file: child suppor—

Children's Defense Fund

October 6, 2000

Ann O'Leary
Executive Office of the President, Office of Policy Development
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear Ann:

On September 7, by a vote of 405-18, the House of Representatives approved the Child Support Distribution Act (H.R. 4678) that will direct more than $1 billion a year in child support to children and their families when the law is fully implemented. The bill also contains $155 million in grant funding to promote responsible fatherhood. With adjournment of the 106th Congress near, we urge the Administration to push for inclusion of child support and fatherhood provisions in any final budget agreement reached in the waning days of the session.

Bills have been introduced in the Senate with provisions very similar to H.R. 4678. Senators Kohl and Snowe have introduced legislation to increase the amount of child support going to families rather than to the state. Senators Bayh and Domenici have introduced legislation providing for a small block grant for fatherhood programs and $25 million a year for a responsible fatherhood media campaign. We urge you to build on the momentum established in the House and to work towards final passage of this bipartisan issue.

This is clearly a time when the Administration's leadership can make a real difference in the lives of children to both receive the financial support of their parents and to strengthen families struggling to make the transition from welfare to work.

Attached is a fact sheet we have distributed to all Senators. At this last hour, we urge you to do everything you can to include the child support and fatherhood provisions as part of any final omnibus budget agreement.

Sincerely,

Marian Wright Edelman

Marian Wright Edelman

Enclosure

25 E Street NW
Washington, DC 20001
Telephone 202 628 8787
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E-mail
cdfinfo@childrensdefense.org
Internet
www.childrensdefense.org

9/29/00

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hli Child Support

United States Senate

WASHINGTON, DC 20510

September 18, 2000

Dear Colleague:

As you may know, our nation's children are currently owed over $47 billion in outstanding child support payments and the number of children living in households without fathers has tripled over the past forty years.

This year, we have a chance to address these issues by reforming our child support program to deliver more support directly to the children to whom it is owed and by promoting responsible fatherhood programs.

On September 7th, the House of Representatives approved overwhelmingly, 405 to 18, the Child Support Distribution Act, H.R. 4678. We have worked on a bipartisan basis on similar legislation in the Senate. While our approaches may differ on details from those in the House bill, we all agree that we can and should make progress this year on child support distribution and fatherhood legislation. Our nation's children need and deserve nothing less.

We are circulating the attached letter to urge the Senate leadership to act this year on a Senate version of child support and fatherhood legislation or to work with us to pass or improve H.R. 4678. We hope you will join us in this effort. A *Washington Post* editorial is also attached for your convenience. Please contact Eileen Hattan Lynch with Senator Kohl (4-1888), Sohini Gupta with Senator Bayh (4-5623), Jennifer Griffith with Senator Snowe (4-5344) or Ed Hild with Senator Domenici (4-6621), if you have any questions. Thank you.

Sincerely,

Herb Kohl

Herb Kohl

Evan Bayh

Evan Bayh

Olympia J. Snowe

Olympia J. Snowe

Pete V. Domenici

Pete V. Domenici

United States Senate

WASHINGTON, DC 20510

September 22, 2000

The Honorable Trent Lott
Majority Leader
U.S. Senate
Washington D.C. 20510

Dear Senator Lott:

On September 7th, the House of Representatives approved overwhelmingly, 405 to 18, the Child Support Distribution Act, H.R. 4678. This important legislation will improve our public child support system and promote responsible fatherhood. We write to urge you to pass similar legislation in the Senate and move forward this effort to improve the lives and futures of millions of American children.

The House bill expands child support passthrough and disregard policy, allowing more children to benefit directly from the child support payments made on their behalf. In addition, the bill provides for fatherhood programs to encourage more fathers to support their children and be emotionally involved in their children's lives.

As you know, we have worked on a bipartisan basis to advance similar goals in the Senate, either by sponsoring legislation or by recognizing the vital importance of these issues to American families. While we may differ on details, we all agree that we can and should make progress this year on child support distribution and fatherhood legislation. Our nation's children need and deserve nothing less.

Please give every consideration to approving a Senate version of this bill or to working with us to pass or improve the House version. Thank you in advance for your assistance.

Sincerely,

Herb Kohl
Herb Kohl

Evan Bayh
Evan Bayh

Olympia J. Snowe
Olympia J. Snowe

Pete V. Domenici
Pete V. Domenici

United States Senate

WASHINGTON, DC 20510

September 22, 2000

The Honorable Tom Daschle
Minority Leader
U.S. Senate
Washington D.C. 20510

Dear Senator Daschle:

On September 7th, the House of Representatives approved overwhelmingly, 405 to 18, the Child Support Distribution Act, H.R. 4678. This important legislation will improve our public child support system and promote responsible fatherhood. We write to urge you to pass similar legislation in the Senate and move forward this effort to improve the lives and futures of millions of American children.

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Sincerely,

Herb Kohl

Evan Bayh

Olympia J. Snowe

Pete V. Domenici

A34 WEDNESDAY, SEPTEMBER 13, 2000 R DM VA

The Washington Post

AN INDEPENDENT NEWSPAPER

A Boost for Mothers

THE FINAL weeks of a Congress are notorious for the mischief often done by election-minded members who use the clock and the confusion to sneak or force into law provisions that could not withstand normal scrutiny. But sometimes the end-of-session chaos provides an opportunity to do good as well. The Senate has been presented with such an opportunity by a vote in the House last week.

The House passed, 405 to 18, a bill by Reps. Nancy Johnson and Benjamin Cardin to increase the flow of child-support payments to mothers who have recently left welfare, and to some who are still on the rolls. The legislation would reduce the share of such payments kept by the states and federal government as compensation for the welfare benefits the mothers received. When fully phased in, the changes would increase the low incomes of such women by more than $1 billion a year, the Congressional Budget Office estimates.

It's a sensible investment. The sponsors argue persuasively that the extra money will make it easier for the families to stay off welfare, or to leave. In the long run, that reduces governmental costs. The states would be further compensated in that they would be allowed to count the revenue forgone as a welfare expenditure; that would help them meet the spending requirements of the 1996 welfare law. Nor does the bill make sense just in fiscal terms; it makes clear that the obligation of absent fathers is not to the state but to their children.

The Senate Finance Committee could easily report out a comparable bill in the time remaining, or the Senate could simply concur in the House bill assuming no more than minor amendments. It would be a modest but genuine achievement of clear benefit to families in need; this Congress could use a few of those.

Catholic
Charities
USA

September 13, 2000

The Honorable William Roth
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of Catholic Charities USA, I am writing to express our support for H.R. 4678, the Child Support Distribution Act of 2000, which recently passed the House of Representatives by a vote of 405-18. I urge you to schedule H.R. 4678 for action as soon as possible, so that this important legislation can be enacted prior to the end of the 106th Congress.

At Catholic Charities USA, we believe that the primary goal of the child support system should be to ensure that children receive adequate support from their parents. When fully implemented, H.R. 4678 will result in more than $1 billion per year in additional income for children on the edge of poverty. By passing H.R. 4678, Congress can ensure that child support paid by non-custodial parents, primarily fathers, reaches the children on whose behalf it is paid, and can give low-income families the help they need to succeed without welfare.

Under current law, a family receiving cash assistance under the Temporary Assistance to Needy Families (TANF) program is required to assign to the state its right to child support payments during the assistance period. This can be discouraging for non-custodial parents who pay support for their children, only to see the money retained by the state instead. In addition, it can make the challenge of leaving the TANF program that much more difficult for needy families. H.R. 4678 would give states the flexibility to "pass through" child support payments directly to custodial parents and their children. For families that are struggling to become self-sufficient, child support payments can provide a critical boost. Indeed, studies have shown that, when households headed by single mothers receive child support payments, their poverty rate drops from 33 percent to 22 percent.

H.R. 4678 would also ensure that, once a family has left welfare, all child support is paid to the family first. In 1999, a record $1.3 billion in past-due child support was collected through the tax refund intercept program. Under current law, these funds are retained by the state and federal government to satisfy assigned child support arrearages; only after those debts have been paid does the family receive any share of the funds. H.R. 4678 would provide that all funds, including tax intercept funds, go first to satisfy obligations to families who are no longer receiving welfare.

1910 2000 90 years Charity for All Catholic Charities USA

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Phone: (703) 549-1390
Fax: (703) 549-1656
Web site: www.catholiccharitiesusa.org

In order to ensure that child support orders are adjusted to account for changed circumstances, H.R. 4678 would require states to review and update the support orders they enforce every three years. Under current law, states have the option of conducting such periodic reviews, but are not required to do so. Failure to conduct such reviews can result in children receiving less support than is necessary to meet their current needs. In addition, to increase the amount of child support collected, H.R. 4678 would lower the amount of past-due child support that triggers a passport denial (from $5,000 to $2,500); expand the tax refund intercept program to collect past-due child support owed for children who are no longer minors; and provide for partial garnishment of veterans disability payments to satisfy past-due child support obligations.

H.R. 4678 would also fund community and faith-based programs designed to promote and sustain marriage, to encourage non-custodial parents to become more involved in the lives of their children, and to provide job training and other services to help non-custodial parents contribute to the support of their children. As a general matter, children raised with the involvement of both parents develop fewer behavioral problems, perform better in school, and experience higher levels of sociability. We strongly support programs that seek to increase the number of fathers who are involved in their children's lives. We are pleased to see that the House of Representatives made changes in the legislation to address concerns about domestic violence and child abuse.

Finally, H.R. 4678 would give private agencies performing child protection services equal access to funds to train child welfare workers. Under current law, the federal government reimburses states for 75 percent of the costs of training workers in state-run child welfare programs. In many states, however, private agencies, including Catholic Charities agencies, care for the majority of children in the welfare system. In Illinois, for example, three out of every four children in the foster care system are cared for by private agencies. It is essential that workers in private agencies be every bit as well trained as workers in state-run agencies.

In light of the 30 million children throughout the United States who are currently owed more than $50 billion in unpaid child support, I urge you to move quickly to report H.R. 4678 to the Senate floor. If Catholic Charities USA can be of assistance to you in this endeavor, please do not hesitate to call our Director of Health Policy, Pam Smith, at (703) 549-1390, ext. 160.

Sincerely,

Fred Kammer, SJ

Fred Kammer, SJ
President

file: ~~[illegible]~~
Child Support

THE URBAN INSTITUTE 2100 M STREET, N.W. / WASHINGTON D.C. 20037

Harold S. Leibovitz
Communications Director
Assessing the New Federalism

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April 6, 2000

Ann O'Leary
Domestic Policy Council
Old Executive Office Building
Washington, DC 20502

Dear Ms. O'Leary,

The newest policy brief from The Urban Institute's Assessing the New Federalism project, *Child Support Offers Some Protection Against Poverty,* finds that child support reduces the number of poor children by 500,000. Among the findings:

Child support is an important source of income for those who receive it.

- Child support provided 16 percent of family income for children who had nonresident parents and whose families received child support in 1996.

Unfortunately, about 70 percent of poor children eligible for child support were not getting it in 1996.

- Families on welfare receive little, if any, child support, possibly because they are required to assign their right to child support to the state as a condition of receiving aid.
- And children with a child support order are nearly twice as likely to receive child support.

States vary significantly in the percentage of children with a nonresident parent receiving the full amount of their child support order.

- Of the 13 states studied, California, New York, and Mississippi had significantly lower percentages of children receiving the full amount of their child support order than the nation as a whole (14, 15, and 17 percent respectively). Wisconsin and Minnesota are the only two states studied that had significantly higher percentages of children receiving the full amount than the nation as a whole (30 and 29 percent respectively).

For more information or an opportunity to speak directly with the researchers, please feel free to call me or Alex Harrington at 202-261-5410.

Sincerely,

Harold Leibovitz
Director of Communications

Attachment

file: Child Suppor

MEMO TO MELANNE

FROM: **ANN O'L**

SUBJECT: **CHILD SUPPORT DISTRIBUTION ACT**

DATE: **September 19, 2000**

On September 7, 2000, the House passed the Child Support Demonstration Act with an overwhelming bipartisan margin (405-18). The bill, sponsored by Representatives Nancy Johnson (R-CT) and Ben Cardin (D-MD) contains child support provisions very similar to those proposed in the President's FY 2001 budget, allowing states to pass through more child support payments directly to children and simplify child support distribution rules. It also includes Fatherhood grants to communities to promote responsible fatherhood. The bill has received support from a wide range of advocates both for its impact on the lives of poor women and children and for promoting responsible fatherhood.

Currently, it is awaiting action in the Senate and in order for it to move this year, we need strong support from the Finance Committee – Senators Roth and Moynihan. There are currently several competing bills in the Senate – Senators Bayh and Domenici have their own fatherhood bill, while Senators Kohl and Snowe have a competing child support bill.

The Administration is sending a signal to the Senate that we would like them to take up the House version of this bill and pass it with enough time to complete work on the bill by the end of this legislative session. In order to support these efforts on behalf of children and families, we need to ask Senator Moynihan for his help.

Would you be willing to make a call on behalf of the First Lady and the Administration to ask Senator Moynihan for his help? If so, I will provide you with more details about this bill and suggested talking points. Please let me know.

National Survey of America's Families

No. B-10

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This series presents findings from the National Survey of America's Families (NSAF). First administered in 1997, the NSAF is a survey of 44,461 households with and without telephones that are representative of the nation as a whole and of 13 selected states (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin). As in all surveys, the data are subject to sampling variability and other sources of error. Additional information about the survey is available at the Urban Institute Web site: **http://www.urban.org**.

The NSAF is part of *Assessing the New Federalism,* a multiyear project to monitor and assess the devolution of social programs from the federal to the state and local levels. Alan Weil is the project director. The project analyzes changes in income support, social services, and health programs. In collaboration with Child Trends, the project studies child and family well-being.

The project has received funding from The Annie E. Casey Foundation, the W.K. Kellogg Foundation, The Robert Wood Johnson Foundation, The Henry J. Kaiser Family Foundation, The Ford Foundation, The John D. and Catherine T. MacArthur Foundation, the Charles Stewart Mott Foundation, The David and Lucile Packard Foundation, The McKnight Foundation, The Commonwealth Fund, the Stuart Foundation, the Weingart Foundation, The Fund for New Jersey, The Lynde and Harry Bradley Foundation, the Joyce Foundation, and The Rockefeller Foundation.

About the Authors

Elaine Sorensen is a principal research associate and **Chava Zibman** is a research assistant in the Urban Institute's Income and Benefits Policy Center. Their areas of expertise include research on child support and noncustodial fathers. The authors are currently working on a paper about access to child support with a focus on children whose families have recently left welfare.

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THE URBAN INSTITUTE

NEW FEDERALISM

National Survey of America's Families

A product of
Assessing the New Federalism,
an Urban Institute Program to Assess Changing Social Policies

CHILD SUPPORT OFFERS SOME PROTECTION AGAINST POVERTY

Elaine Sorensen and Chava Zibman

In 1996, Congress "ended welfare as we know it" and replaced it with time-limited benefits, strict work requirements, and stronger child support enforcement. Many experts have wondered, however, whether child support can really be a significant source of income for poor families. In fact, it already is for poor families that receive it. Child support reduces the number of poor children by a half million and lessens income inequality among children eligible for it. Unfortunately, an important caveat mars this otherwise optimistic story. About 70 percent of poor children eligible for child support were not getting it in 1996. In addition, it will probably be difficult to obtain child support for these children because their parents are, on average, more disadvantaged than the parents of poor children who already receive child support.

> ***Children with a nonresident parent are nearly four times as likely to be poor as children who live with both parents.***

The magnitude of parental absence in America is staggering. One-third of our nation's children have a parent living outside of the household, representing 23 million children in 1997. Children with a nonresident parent are nearly four times as likely to be poor and five times as likely to receive food stamps as children who live with both of their biological parents. In addition, only 21 percent of them live in families with incomes that exceed 300 percent of the poverty threshold, while nearly half (49 percent) of children who live with both parents do. Most children with a nonresident parent (83 percent) live with their mother, but some (12 percent) live with their father. Five percent of these children live apart from both of their parents.

Relying on the National Survey of America's Families (NSAF), this brief examines the extent to which children receive money from and spend time with their nonresident parent; how much child support contributes to family incomes; whether child support reduces child poverty and income inequality; and whether we can expect additional child support enforcement efforts to increase child support receipt rates among poor children. In addition, because the NSAF generated state-specific estimates for 13 focal states (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin), we are able to discuss the relative success of these states with regard to child support.

Are Nonresident Parents Generous with Their Money and Time?

Parents are not likely to give money or time to their children from whom they live apart. As table 1 shows, only half of all children received any financial support from their nonresident parent in the past 12 months. Even fewer of these children (one-third) had

Table 1
Child Support Status of Children with Nonresident Parent, by Gender of Nonresident Parent

Status	Children with Nonresident Parents (%)	Children with Nonresident Fathers (%)	Children with Nonresident Mothers (%)
In the Past 12 Months, Received Any Financial Assistance from Nonresident Parent	52	53	39
Have a Child Support Order	50	52	28
Have a Child Support Order and Receive:			
Full Amount of Order	44	46	23
Part of Order	21	21	18
Nothing	35	34	59
Have No Child Support Order and Receive Financial Support	37	36	33
In the Past 12 Months, Have Seen Their Nonresident Parent:			
At Least Once a Week	34	30	47
Some, but Less Than Once a Week	38	38	38
Not at All	28	32	15

Source: 1997 National Survey of America's Families.

weekly contact with their nonresident parent during the past 12 months; one-quarter of them had no contact at all.[1]

Children with a child support order are nearly twice as likely to receive financial support from their nonresident parent as children without an order. In 1997, two-thirds of children with a support order received financial assistance from their nonresident parent. Nonetheless, table 1 also shows that only 50 percent of children with a nonresident parent had a child support order that year and, of these, only 44 percent received the full ordered amount.[2] Among children without an order, only 37 percent received financial assistance from their nonresident parent.[3]

Table 1 shows significant differences between nonresident mothers' and nonresident fathers' involvement with their children. In general, nonresident mothers are less likely than nonresident fathers to financially support their children but are more likely to see them. In fact, 53 percent of children with a nonresident father, but only 39 percent of children with a nonresident mother, received financial assistance from their nonresident parent. In contrast, 47 percent of children with a nonresident mother, but only 30 percent of children with a nonresident father, saw their nonresident parent at least once a week during the past 12 months. Interestingly, children with a nonresident mother are much less likely to have a child support order than children with a nonresident father.

How Important Is Child Support?

Averaged across all children and their families, child support appears relatively unimportant—a mere 2 percent of family income. But child support is an important source of income for children who receive it.[4] In 1996, children who had nonresident parents and whose families received child support received, on average, 16 percent of their family income from child support (figure 1a). The average amount of child support received by these families was $3,795. Although child support is an important source of income for these families, figure 1a also shows that it is not the dominant source of income. In 1996, on average, just over two-thirds of these children's family income came from earnings. Thus, child support supplements earnings but does not replace them.

Child support is an even more important source of income if the children who receive it are poor. Figure 1b shows that the average poor child with a nonresident parent, and whose family received child support, received $1,979 in 1996. This represents over one-quarter (26 percent) of their family income. Figure 1b also shows that child support is a more important source of income than cash assistance for these families.

In contrast, families on welfare receive little, if any, child support because they are required to assign their right to child support to the state as a condition of receiving aid. In 1996, the average amount of child support received by families on welfare was only $816, which represented 12 percent of their families' income. On the other hand, poor children who receive child support, but not welfare, can keep all of their child support, which averaged $2,674 in 1996. This represented over one-third of their annual family income (figure 1c).

Interestingly, we also find that poor children not on welfare are more likely to receive child support if they had received welfare in the past than if they had never received welfare. Over 40 percent of poor children who were eligible for child support and were former welfare recipients received child support in 1996, whereas only 33 percent of poor children who were eligible for child support and had never been on welfare received child support that year.

Does Child Support Reduce Poverty and Income Inequality?

We find that if child support were not paid, 39 percent of children with a parent living elsewhere would have been poor in 1996, compared to the 37 percent that were actually poor that year.[5] Child support lifts about half a million children out of poverty, reducing poverty among these children by 5 percent.

The poverty gap measures the amount of income needed to bring fam-

their youngest child with a parent living elsewhere had not seen their nonresident parent in the past 12 months; see Scoon-Rogers (1999). One factor that may contribute to these different outcomes is the way in which the questions were asked. The NSAF asks about contact between the child and the nonresident parent before any other questions about financial support or child support, but most surveys ask about contact within the context of a child support agreement and then ask about other contact as a residual category.

2. The percentage of children with a child support order is lower in the NSAF than typically found in Census surveys because NSAF asks only about court-ordered child support orders. Census surveys usually ask about all types of child support agreements, not just those that are court ordered. In 1996, the Census Bureau found that 58 percent of custodial parents had child support agreements; see Scoon-Rogers (1999). Thus, NSAF misses about 15 percent of agreements.

3. Our figure for financial support outside of an order is more than double what other surveys typically find; see Nord and Zill (1996). There are two possible reasons why these numbers are so different. First, other surveys generally inquire about all types of child support agreements, not just court-ordered ones, which we identify. Thus, more children have an agreement in these surveys than we find, and more of the financial support is associated with an agreement than we find. Second, other surveys typically ask about financial support outside of a child support agreement as a residual category—after a lengthy series of questions about financial support associated with an agreement, the survey finally inquires about financial support outside of an agreement. On the other hand, the NSAF switched this order and asked about any financial support first and then asked about child support orders and payments. As far as we know, no one has tested whether the ordering of the questions matters, but we wanted to capture the level of financial and emotional involvement of nonresident parents independently of child support and thus we asked these questions first, which may contribute to why the results are so different.

4. Child support income is derived from the section of the survey that measures family income. Thus, we do not know for certain that the child support income received by the focal child's family is actually for the focal child. It may be for another child in the family. Nonetheless, we do know that child support income is being received by the focal child's family in the amount that we have identified. Also note that in other sections of this paper (besides the discussion on income inequality) we rely on data from Section H of the survey that measures nonresident parent involvement. There are discrepancies between Section H and the income section of the survey, which cover two different time periods. We have not attempted to resolve these discrepancies since we do not have information to do so.

5. To examine the impact of child support on poverty and income inequality, we must take into account that if child support disappears for poor families, they may become eligible for cash assistance (or more cash assistance). We therefore estimate how many families would become eligible for cash assistance if their child support disappeared, and we assume that the state cash assistance program would bring their income up to their cash assistance payment standard. We expect this method overstates family income if child support were unavailable, since some families might not apply for aid and others might receive less than the state's payment standard.

6. Little Hoover Commission (1997).

References

Little Hoover Commission. 1997. *Enforcing Child Support: Parental Duty, Public Priority. Report #142.* May. http://www.lhc.ca.gov.

Nord, Christine Winquist, and Nicholas Zill. 1996. "Non-Custodial Parents' Participation in Their Children's Lives: Evidence from the Survey of Income and Program Participation." Washington, D.C.: U.S. Census Bureau.

Scoon-Rogers, Lydia. 1999. "Child Support for Custodial Mothers and Fathers: 1995." Washington, D.C.: U.S. Census Bureau.

Other Selected Publications from the *Assessing the New Federalism* Project's National Survey of America's Families (NSAF)

Policy Briefs

No. B-6. Income Inequality among America's Children. Gregory Acs and Megan Gallagher. January 2000.

No. B-5. Racial and Ethnic Disparities: Key Findings from the National Survey of America's Families. Sarah Staveteig and Alyssa Wigton. February 2000.

No. B-4. Uninsured Children in Families Served by Government Programs. Genevieve M. Kenney, Jennifer M. Haley, and Frank Ullman. December 1999.

No. B-3. Are the Steep Declines in Food Stamp Participation Linked to Falling Welfare Caseloads? Sheila R. Zedlewski and Sarah Brauner. November 1999.

No. B-2. Work Activity and Obstacles to Work among TANF Recipients. Sheila R. Zedlewski. September 1999.

No. B-1. How Families That Left Welfare Are Doing: A National Picture. Pamela J. Loprest. August 1999.

ilies up to the poverty threshold. We estimate that the poverty gap for children with nonresident parents is roughly \$30.5 billion. In other words, it would take \$30.5 billion to bring all such children out of poverty. Without child support, however, this number increases by \$2.5 billion, to \$33 billion. Thus, we estimate that child support reduces these children's poverty gap by 8 percent.

To measure income inequality among children living apart from a parent, we compare family income in different income quintiles. We find that child support reduces income inequality among these families, although the reduction is relatively small. For example, children living in families in the top quintile of income have 4.8 times as much income as children in families in the bottom quintile. In the absence of child support, the disparity would be greater—those children who are best-off would have family incomes that are 5.2 times greater than those of the poorest children.

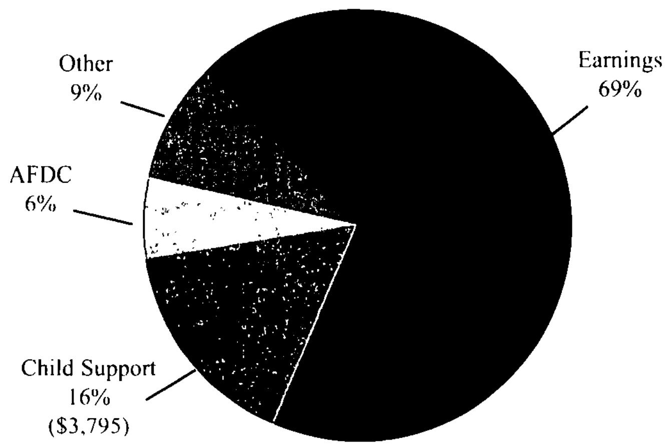
The finding that child support contributes to income equality among children who are potentially eligible for child support may seem somewhat counterintuitive because we know that the amount of child support received by poor families is less than that received by better-off families. Nonetheless, the amount of child support received by poor families constitutes a larger share of their income than it does for better-off families and thus contributes to income equality.

Does Child Support Receipt Vary by State?

Figure 2 shows that the percentage of children with a nonresident parent who receive the full amount of their child support order varies considerably by the state in which they reside. In 1997, only 14 percent of children with a nonresident parent who lived in California received the full amount of their child support order; 86 percent did not receive the full child support order or had no child support order. This state, along with New York and Mississippi, had statistically significantly lower percentages of children receiving the full amount of their child support order than the nation as a whole. On the other hand, Wisconsin and Minnesota were the only states of

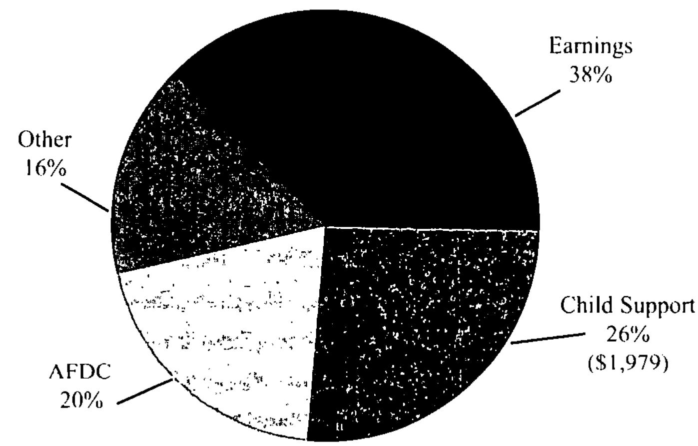
Figure 1
Family Income from Child Support for Children with a Nonresident Parent

1a. All Children with Child Support



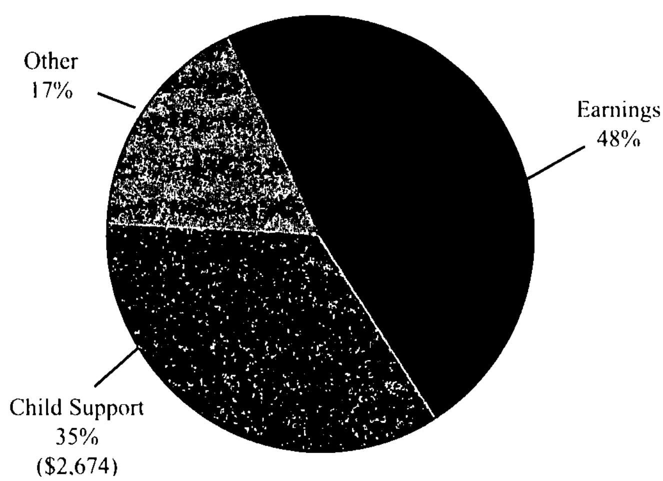
Average Family Income: \$34,967

1b. Poor Children with Child Support



Average Family Income: \$9,426

1c. Poor Children with Child Support but Not AFDC



Average Family Income: \$9,847

Source: 1997 National Survey of America's Families.

the 13 that had significantly higher percentages of children receiving the full amount than the nation as a whole. In Wisconsin, for instance, 30 percent of children with a nonresident parent received the full amount of their child support order; 70 percent received less than the full amount or had no order at all.

These differences by state may be caused by many factors, one of which is the effectiveness of the state's child support enforcement program. It is widely believed that Wisconsin and Minnesota run highly effective child support enforcement programs, while California does not.[6] Nonetheless, there are other differences among these states—such as differences in unemployment, immigration, nonmarital childbearing, and poverty—that are not taken into account in this analysis.

An important fact that figure 2 also conveys is that child support enforcement has a long way to go, regardless of the state in which the child resides, because less than a third of children with a nonresident parent have a child support order and receive the full amount due, even in states considered to have highly effective child support enforcement programs.

Are Poor Children Who Receive Child Support Different from Other Poor Children?

Although child support is an important source of income for poor children who receive it, only 29 percent of poor children who have a parent living elsewhere live in families that receive child support. Can increased child support enforcement improve this percentage? The answer depends, in part, on differences between poor children receiving and not receiving child support. We find that poor families least likely to receive financial support from a nonresident parent come from groups for whom earnings are lowest—African Americans, Hispanics, and those with lower levels of education. For this reason, it may well be harder in the future to obtain financial support for more poor children.

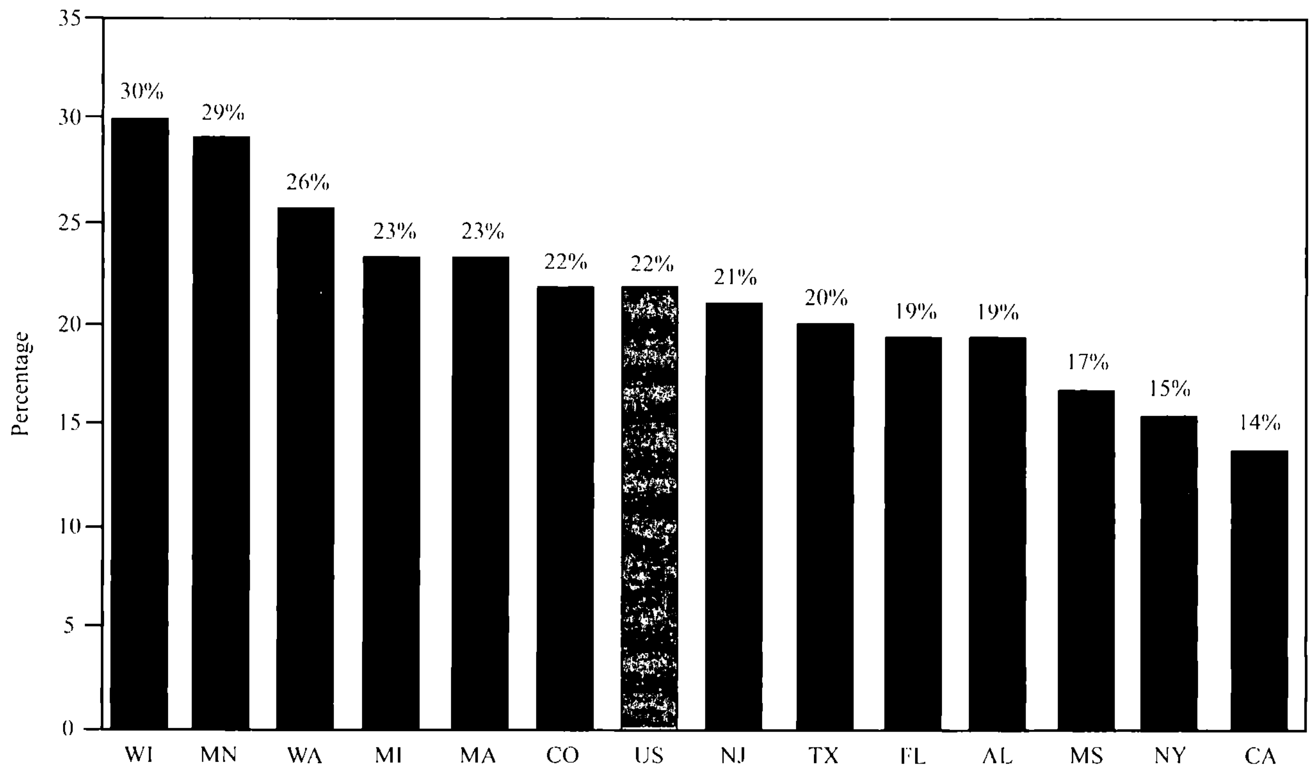
Greater Challenges Ahead

Child support reduces poverty and income inequality among children who live apart from a parent. In addition, it is an important source of income. Child support makes up 35 percent of the family income for poor families not on welfare. However, child support enforcers will encounter difficulty, particularly when trying to increase the percentage of poor children who receive child support. Over 70 percent of poor children with a parent living elsewhere do not receive child support—and these children tend to have nonresident parents for whom child support payments are a particular hardship. For this reason, child support enforcers will face a unique challenge in trying to extend payments to these children.

Notes

1. Our figure regarding no contact in the past 12 months (28 percent) is lower than found in other surveys. For example, the Census Bureau recently reported that 35 percent of custodians reported that

Figure 2
Children with a Parent Living Elsewhere Who Have a Child Support Order and Receive the Full Amount Due, by State



Source: 1997 National Survey of America's Families.

File: Child Support

THE WHITE HOUSE

Domestic Policy Council

DATE: 11/2

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NUMBER OF PAGES (INCLUDING COVER): 5

COMMENTS:

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6348

October 27, 2000

The Honorable J. Dennis Hastert
Speaker of the House
H-232 Capitol
Washington, D.C. 20515

Dear Mr. Speaker:

The Heritage Foundation and other conservative groups have been sending letters and notices to the Congress attacking the Child Support Distribution Act of 2000 (H.R.4678). This bill passed the House on a vote of 405 to 18 on September 7. The Senate Finance Committee has agreed to place a somewhat modified version of the bill in the Labor/HHS/Education Appropriation Bill. We are writing to clarify several of the incorrect claims and distortions of the material being sent to Congress so that we can pass this bill.

Both versions of the bill have two major provisions, one on child support and one on fatherhood. The child support provision aims to give more child support already being collected to mothers, especially low-income mothers who have left welfare, rather than to government. The fatherhood provision aims to promote marriage, better parenting, and more and better employment by poor and low-income fathers.

The major charge of the material is that our bill is anti-marriage. As shown clearly by the text of the bill and the debates conducted on the House Floor both last year (November 10, 1999; see *Congressional Record*, pp. H11870-H11902) and this year (*Congressional Record*, H7297-H7321), this bill is the single most pro-marriage act ever passed by Congress. The primary goal of the program is marriage. Every project funded by the program must explain in its proposal how it will promote marriage. Leaders from some of the small fatherhood programs now in existence told our Committee in testimony that promoting marriage was their main goal and that they operate in inner-cities with programs headed by married-couples who serve as role models. How can a bill that funds programs of this type be labeled "anti-marriage"?

Another major charge in the material is that the bill "spurns marriage and focuses all of its attention on child support collection". The material lists three activities that are supposedly "banned" by the bill. Those claims are false. All three of the activities the material claims are banned are in fact permissible under the bill. As for focusing attention on child support, the material is again exceptionally misleading. The first goal of the bill, listed in two different places in the text, is to promote marriage or, failing that, promote more contact between poor fathers and their children. In fact, to encourage poor fathers who are delinquent in child support payments to reestablish contact with their children, the bill specifically encourages states to forgive overdue child support. Moreover, the major child support provision provides financial encouragement for states to give more of the child support money already being collected to mothers, especially mothers leaving welfare. According to CBO, because of this bill mothers and children leaving welfare will receive around $4.3 billion over the first 10 years from child support money already being paid by fathers. What could be more pro-family than ensuring that children receive all the money their fathers are paying in child support?

The letter also charges that the "bill will funnel over one hundred million dollars to left-wing groups who are hostile or, at best, indifferent to marriage. No money will go to conservative pro-marriage groups." Again, this charge is shocking in its inaccuracy. Money to support the marriage and fatherhood projects is distributed in two ways. In one procedure, the Secretary of HHS selects the best projects from an open national competition (with the restriction that 75% of the funds must go to nongovernmental, including faith-based, organizations) after receiving advice from a bi-partisan advisory panel. Surely the conservative groups criticizing the bill cannot believe that conservative and pro-family organizations are incapable of writing competitive proposals. The second procedure for distributing funds is that money is given directly to states for them to establish their own procedure for selecting promising fatherhood projects. This is exactly the method used for distributing funds to abstinence education projects in the 1996 welfare reform bill. The Heritage Foundation and other conservative organizations strongly supported this mechanism in 1996 for the highly successful abstinence education program. How can these they now claim that this method of distributing money will shut out conservative groups?

Finally, in a matter conveniently overlooked by the groups lobbying against the bill, this legislation contains the Charitable Choice provision that Republicans fought so hard to retain on the House floor. This provision allows churches and other faith-based organizations to accept funds to conduct their own pro-marriage programs. It has been our experience that most faith-based organizations, especially those in the inner-city, are solidly pro-marriage.

Rather than depend on information from a seriously misleading letter or notice, we strongly recommend that Republicans review the actual text of the legislation and the floor debate. We have worked for over two years to write the strongest possible pro-marriage and pro-family legislation possible. In doing so, we worked with groups across the entire political spectrum, including the Heritage Foundation and other conservative groups. The final bill is supported by an unusually broad coalition of liberal and conservative oups as well as groups that represent mothers and groups that represent fathers. In fact, every fathers group we know about is fighting the conservative groups opposed to this bill. The fathers groups stand solidly behind this bill.

Do not be fooled by an inaccurate and intemperate material. The Child Support Distribution Act of 2000 deserved the 405 to18 vote it received on the House Floor. Its enactment into law will bring great credit to the Republican Party.

Sincerely,

Bill Archer
Chairman

Nancy L. Johnson
Subcommittee Chairman

Johnson Fatherhood and Child Support Bill
H.R. 4678

Robert Rector
Senior Research Fellow
The Heritage Foundation

The Johnson bill (entitled the Child Support Distribution Act, H.R. 4678) promotes a stunted and distorted conception of "fatherhood" based not on marriage but on collecting child support from and increasing visitation by absent fathers. ***No meaningful pro-marriage activities can actually be funded under this bill.*** The bill should, more properly, be labeled the anti-marriage and anti-fatherhood bill.

Marriage is good for children, good for adults and good for society. The presence of a married father in the home has dramatic positive effects on the well-being of children and society, dramatically reducing poverty, welfare dependence, crime, emotional disturbance, depression, school failure, child abuse, domestic abuse, and suicide. Living with two biological parents united in marriage is the strongest single factor leading to a child's success in future life. Married couples are far more likely to experience happiness than are individuals living alone.

A true fatherhood policy would seek to increase and strengthen marriages, reduce divorce and reduce out-of-wedlock births. Despite lip service to marriage, the Johnson bill does none of these things. Instead it seeks to promote failed "fragile family" programs which focus on collecting child support from absent fathers. Such programs have little or nothing to do with promoting marriage or real fatherhood, nor are they even successful in increasing child support.

While increasing stable marriages and decreasing single parent families will have dramatic positive long term effects on the lives of children, increasing child support and occasional visitation from absent fathers will have no long term positive effect. Despite this undeniable fact the Johnson bill spurns marriage and focuses all of its attention on child support collection.

True, the "purposes" section of the Johnson bill does contain pro-marriage rhetoric, but this rhetoric will have no bearing on how the money will actually be spent. At present, there are a number of strategies for promoting marriage and married fatherhood which are supported by the pro-marriage movement in the U.S. All of these initiative are clearly and deliberately barred from funding under the Johnson bill.

The banned pro-marriage initiatives include the following.

1) Providing marriage education to high school students on the value of marriage to adults, children, and society and providing skills on how to form healthy relationships leading to marriage. Such programs are not eligible for funding under the bill.

2) Providing pre-marital counseling and pre-marital inventories to couples intending to marry. While these programs have been shown to reduce divorce rates, there is a de facto bar on funding them under the bill.

3) Providing pro-marriage counseling and divorce prevention counseling to married couples. Because of the severe eligibility restrictions in the bill limiting services to males with incomes below 150 percent of poverty, it would be virtually impossible to fund such programs under the bill.

In addition, the complex bureaucratic structure of grant making will ensure no conservative pro-marriage groups will receive funding. In short, no meaningful pro-marriage activities can be funded under the "fatherhood" bill. The only activities which will be funded are providing job training collecting child support from absent fathers. Child visitation by divorced fathers will also be encouraged.

The bill will funnel over one hundred million dollars to left-wing groups who are hostile or, at best, indifferent to marriage. No money will go to conservative pro-marriage groups. The massive flow of funds into anti-marriage groups will allow them to redefine fatherhood in a way which excludes marriage. Overall the bill will severely undermine efforts to support marriage in the U.S.

file: ChildSuppor

THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release September 7, 2000

STATEMENT BY THE PRESIDENT

I commend the House of Representatives for its broad bipartisan approval today of the Child Support Distribution Act. Vice President Gore and I are committed to promoting responsible fatherhood and making sure more child support goes directly to children, and this bill is an important step toward achieving these goals.

This legislation, which is similar in many ways to my Administration's child support budget proposals, allows states to pass through more child support payments directly to families and simplifies child support distribution rules. Like our "Fathers Work/Families Win" initiative, this bill also provides grants to help low-income fathers and families work, pay child support, and reconnect with their children. These initiatives build on our long-standing commitment to strengthen the role of fathers in their children's lives.

I encourage the Senate to take up this important legislation this year, and I look forward to working with the Congress across party lines to ensure that more fathers can honor their responsibilities and more children can receive both the emotional and financial support they need.

Welfare Weekly Report – 09/07/00

Welfare – Child Support/Fatherhood Bill: Last week, the House passed the Child Support Distribution Act by a vote of 405-18, demonstrating overwhelming bipartisan support. This bill, spearheaded by Representatives Nancy Johnson and Ben Cardin, contains child support provisions that are very similar to those proposed in your budget, allowing states to pass through more child support payments directly to children and simplify child support distribution rules. The bill also includes Fatherhood grants to communities. While these grants have a somewhat different focus and delivery system than your Fathers Work/Families Win grants, there is considerable common ground. You issued a statement commending the House for this bipartisan action toward meeting goals that you and the Vice President have long shared, and urging the Senate to take action before it goes home.

The bill received support from a wide range of advocates, both for its positive impact on the lives of poor women and children and for promoting responsible fatherhood. Representative Bobby Scott offered several amendments to modify the welfare reform charitable choice provisions as they apply to the fatherhood grants, but these were defeated with about 40 Democrats joining Republicans to leave charitable choice intact. Given other priorities and time constraints, it will take a concerted effort to make sure the Senate finishes the job this year. Senators Bayh and Domenici have their own fatherhood bill, while Senators Kohl and Snowe have a child support bill. We will work closely with all parties toward a final bill that contains the key elements of these bills and our proposals, and that we can get enacted this year.

Child Support and Fatherhood Proposals: Comparison of Select Provisions

Child Support

Issue	Current Law	Administration Proposal FY2001	H.R. 4678 (Johnson)	S. 1364 (Bayh/Domenici)	S.1036 (Kohl)
Distribution	*Families currently receiving assistance:* States must pay the federal government its share of collections first, before keeping or passing through any collected child support. *Former assistance cases:* Current child support payments must be paid to the family if the family is no longer on TANF. If collections exceed current support, arrearages that accrue after a family leaves TANF go to the family first. Starting October 2000, arrearages that accrued before a family began receining TANF will also go to families first. The state and federal gov't keep all support collected through tax offsets. State must distribute CS collections pursuant to terms of agreements with Indian tribes.	*Families currently receiving assistance:* Distribution in current assistance cases would be the same as under present law, with the exception of the pass-through option described below. *Former assistance cases:* state option to distribute all collections to families, including collections on arrearages that accrued while the family was receiving assistance.	*Families currently receiving assistance:* States must pay federal government its share; retain or pay family the State share; and pay to the family any remaining amount. [Related provision – Pass Through, bullet 1] *Former assistance cases:* state must pay family current support first; to the extent that payment exceeds current support, pay family non-assigned arrearages, pay federal gov't, retain or pay family the state share; must pay the family any remaining amount. [Related provisions – Pass-Through, bullet 2, and Assignment] *Never Received Assistance:* pay full amount collected to the family HR 4678 also upholds existing distribution agreements with Indian tribes.	No provision	No provision

Issue	Current Law	Administration Proposal FY2001	H.R. 4678 (Johnson)	S. 1364 (Bayh/Domenici)	S.1036 (Kohl)
Pass Through	States may pass through some or all of the state share of collections; however, the federal share must be paid first, so states bear the full cost of any pass through.	States may pass through current support for a family receiving assistance. Provides capped federal matching for increased collections that the state distributes to families and disregards for purposes of TANF eligibility and benefit determination. If the state increases the amount distributed and disregarded from a base of 9/30/99, the federal government will reduce its share of collections by the federal medical assistance percentage of the greater of $100 a month or $50 over current State efforts.	*For families on assistance not more than 5 yrs.:* State is not required to pay federal share of an amount collected on behalf of a family, provided the money is passed on to the family and disregarded for purposes of TANF eligibility and benefit determination (up to $400/month, or at State option, up to $600 for families with 2 or more kids) *Former assistance cases:* State is not required to pay the federal share of an amount collected on behalf of a family, provided the money is passed on to the family	State may pass through current support for a family receiving assistance. State does not pay the federal share if it passes through up to $75 per month and disregards total annually collected. In addition, States would be allowed to use child support collections for fatherhood programs and not pay the federal share of the collections, provided the state has implemented the $75 pass through and disregard described above.	States may pass through all child support for a family receiving assistance. States may disregard child support received by a family for purposes of determining eligibility or amount of assistance. If a state passes through and disregards at least 50% of the amount collected, the state does not pay the federal share.
Assignment	A TANF family is required to assign to the State rights to support including any child support that accrues (or had already accrued before the family enrolled in TANF) before the date the family leaves TANF up to the cumulative amount of TANF benefits paid to the family.	No provision	A TANF family is required to assign to the State rights to support that accrues during the period the family receives assistance (not exceeding total assistance provided). The State has the option to discontinue assignments.	No provision	No provision

Issue	**Current Law**	**Administration Proposal FY2001**	**H.R. 4678** (Johnson)	**S. 1364** (Bayh/Domenici)	**S.1036** (Kohl)
TANF MOE Credit	Any child support that is collected on behalf of TANF families and subsequently passed through to the families and disregarded in determining TANF benefits and eligibility may be counted toward the TANF MOE requirement.	No provision	If this legislation causes a State to retain less child support than the State was allowed to retain under previous law, the state may count the difference toward TANF MOE or reimburse these costs with TANF block grant funding.	MOE credit for up to $75 pass-through if disregarded for purposes of determining eligibility.	MOE credit for amount of child support passed through directly to the family whether or not it is disregarded for determining TANF eligibility.
Passports	Parents owing more than $5,000 in past-due child support may not be issued passports.	Reduces minimum CS arrearage triggering passport denial from $5,000 to $2,500.	Reduces minimum CS arrearage triggering passport denial from $5,000 to $2,500.	No provision	No provision
Review and Adjustment	State option to review and adjust child support orders every 3 years.	Mandatory review and modification of child support orders for TANF recipients at least once every 3 years, rather than at State option.	Mandatory review and modification of child support orders for TANF recipients at least once every 3 years mandatory, rather than at State option. Certification that the CSE program will be notified of families leaving TANF with current support orders; automatic review if case hasn't been reviewed in last 12 months.	No provision	No provision
Expanded Work Requirements	Requires states to have procedures in place to require NCPs of children on welfare who owe child support to pay the support or participate in work activities.	Requires States to have procedures in place to require any NCP owing child support (not just those with children on welfare) to pay support or participate in work activities.	No provision	No provision	No provision

Issue	Current Law	Administration Proposal FY2001	H.R. 4678 (Johnson)	S. 1364 (Bayh/Domenici)	S.1036 (Kohl)
Non-IV-D Public Agency Demos	No provision	No provision	By 10/01, the Secretary must develop recommendations (in consultation with others) addressing the participation of public non-IV-D agencies in child support establishment and enforcement, such as rules re: privacy, data security, due process, or compatibility with State/Federal information systems. Secretary to approve 5 - 10 State pilots (provided qualifying applications are received) to involve public non-IV-D agencies in child support estab./enforcement Requires: evaluations, audit with Report to Congress, and Secretarial report to Congress	No provision	No provision
Private Child Support Agency Report	No provision	No provision	By 10/01, GAO required to report to Congress on activities of private CSE agencies to determine whether they provide a needed service in a fair manner using accepted debt collection practices and reasonable fees.	No provision	No provision

Issue	Current Law	Administration Proposal FY2001	H.R. 4678 (Johnson)	S. 1364 (Bayh/Domenici)	S.1036 (Kohl)
Tax intercept	Use of the federal tax refund offset is prohibited for non-welfare cases in which the child is no longer a minor.	No provision	Allows for use of tax refund intercept to collect past-due child support for children who are no longer minors	No provision	No provision
Garnishment of Veteran Disability Benefits	Under current law, veteran's compensation can be garnished for child support purposes only if (and to the extent) the veteran has waived part or all of his/her military retirement pay in order to receive such compensation. Garnishment is obtained through a request to the Secretary of the VA. In all other cases, veteran's compensation is not subject to garnishment for child support.	No provision	Generally increases the amount of veterans' compensation (payments for service-related disability) that can be garnished for child support purposes. The bill eliminates the limitations in the current law but adds three new conditions for garnishment of veterans' compensation: the veteran/obligor must be at least 60 days in arrears on child support, compensation cannot be garnished for payment of alimony, and no more than half of the compensation check can be garnished.	No provision	No provision

Fatherhood

Issue	Administration Proposal '01	H.R. 4678	S.1364
Fatherhood Grant Program	$125 M (discretionary) in 2001 for competitive grants to State and local WIBs partnering with coalitions of other public agencies, community-based and faith-based organizations and the private sector. (The Fathers Work proposal was accompanied by additional $130 M proposal for Families Win grants for low-income working families, including $10 M for tribes and $5 M for outreach and education around supports for working families). In addition, $3.75 M of the total is set aside for research and evaluation. *No legislative language proposed – initiative would be developed through WIA demo authority with specifics spelled out in the grant competition process.*	$140 M over 4 years (mandatory $) in competitive grants to public and private entities. Not less than 75% of the entities awarded grants in each fiscal year should be nongovernmental (including faith-based) organizations or governmental organizations that pass on at least 50% of the grant to nongovernmental groups.	$50 M per year authorized for Responsible Fatherhood Block Grant. Block grant to states would be distributed on a formula based on state's percentage all national young children and children at risk.
Purposes	Help approximately 40,000 low-wage NCPs obtain/retain employment, upgrade their skills, pay child support and reconnect with their children.	Promote and sustain marriage, foster successful parenting, and help fathers and their families avoid or leave cash welfare.	Encourage states to provide support for local efforts (gov't and nonprofit organizations) to promote the formation and maintenance of married two-parent families, strengthen fragile families and promote responsible fatherhood.
Eligible Participants	Unemployed and underemployed noncustodial parents of low-income children.	Fathers (or mothers) – including expectant and married parents -- whose children are (or were in past 2 yrs) recipients of welfare and whose income is less than 150% of FPL. Up to 25% can be individuals at risk of parenthood outside of marriage.	Parents; 50% of funding targeted to fragile families and responsible fatherhood and 50% to promoting the formation and maintenance of married two parent families.
Selection Panel and Process	Panels (including practitioner members) would select the grantees. Process would include site visits to finalists.	10 person panel: 2 appointed by Secretary HHS, 2 by Secretary DOL, 2 Ways and Means Chair, 1 by W&M ranking minority, 2 by Senate Finance Chair, 1 by Sen. Finance ranking minority. Panel reviews and recommends applications to be funded.	No provision (not applicable).

Issue	Administration Proposal '01	H.R. 4678	S.1364
Match	None required, although applicants demonstrating leveraged resources/high quality collaboration preferred.	20% of the amount of any grant (or not less than 10% if the Secretary deems it appropriate to reduce match)	25% of the block grant.
Charitable Choice	No specific charitable choice provision. However, WIBs could contract with community-based or faith-based organizations.	Includes charitable choice provision. Note: Rep. Scott has proposed 3 amendments: 1) clarifying that any eligible entity cannot subject a participant to sectarian worship, instruction or proselytization; 2) clarifies that eligible recipients are in receipt of federal financial assistance; and 3) closes the loophole allowing discrimination against beneficiaries when another standing law permits it.	Allows religious organizations to be subgrantees.
Research & Evaluation	Of total funding, $3.75 million would be used for evaluation and TA.	Provides $6 M to evaluate programs to assess impact on marriage, parenting, employment, earnings, payment of child support and incidence of domestic violence/child abuse.	Each State to which a grant is made must monitor, evaluate and provide a report on programs funded with this grant to the Secretary of HHS.
Media Campaign	No provision	No separate provision, but media campaign is one component of $5 M clearinghouse grant (see below).	$20 M for state media campaigns to promote responsible fatherhood, strengthen fragile families, and promote the formation of two parent married families.
National Clearinghouse	Of total funding, $3.75 million would be used for evaluation and TA.	$5 M grant to a nationally recognized nonprofit fatherhood promotion organization to develop a media campaign and a national clearinghouse on responsible fatherhood.	$2 M for a national clearinghouse to support state media campaigns and provide other assistance to states to promote and support responsible fatherhood.
Fatherhood Projects of National Significance – Multicity Fatherhood Projects	No provision	$5 M each to two nationally-recognized, multicity, nonprofit, fatherhood promotion organizations.	No provision

File: Child Support

THE WHITE HOUSE

Domestic Policy Council

DATE: ______

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NUMBER OF PAGES (INCLUDING COVER): 3

COMMENTS: may be of interest — CDF signed onto letter supporting Fathers Count bill

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November 4, 1999

Dear Representatives Johnson and Cardin:

We are writing this letter in support of H.R. 3073, the Fathers Count Act of 1999. This bill, reported from the Committee on Ways and Means on a unanimous bipartisan basis, contains several provisions that would increase employment services to low-income custodial and noncustodial parents, facilitate the payment of child support, and assist parents in meeting their parental responsibilities.

The legislation contains a number of meritorious provisions.

* Resources are provided ($140 million) for competitive grants, mostly to community-based organizations working in coordination with other private and governmental organizations, for demonstration projects to encourage and facilitate the payment of child support.

* The bill provides support for a media campaign to promote and distribute materials about responsible fatherhood, and funds two additional grants for multi-city low-income fatherhood projects.

* Instead of withdrawing all federal funding for child support enforcement programs failing to meet the requirement for a fully operational state disbursement unit, the legislation enacts a more reasonable and enforceable series of gradually increasing penalties upon states that fail to meet this requirement.

* The bill allows the use of the new hire database to assist in the collection of defaulted student loans and grants. As a result of this provision, the legislation is budget neutral.

* Funding is provided for the short-term training of core personnel involved in child protection system and for the Census Bureau to make the Survey of Program

Dynamics a more useful survey for the evaluation of welfare reform.

This bill also takes important steps to modify eligibility criteria in the welfare-to-work grants program. The criteria contained in current law is highly restrictive and has had the effect of preventing states and local communities from making effective use of available funds. The revised eligibility language contained in the bill reflects a broad, bipartisan consensus to address these problems and to ensure that parents needing help to make the transition from welfare to work are not inadvertently excluded from the program. We would support an amendment to return to the language reported out by the Committee on Ways and Means, to allow all welfare-to-work monies (not just those funds provided under the 30 percent requirement) to assist custodial parents below poverty who are not on welfare. Poor custodial parents need access to welfare-to-work services, and should not face far more restrictive eligibility criteria than the non-custodial parents.

There have been and continue to be serious concerns about the effectiveness of the child support system in assisting low-income noncustodial parents to meet their parental responsibilities. This bill reflects progress in addressing some of those concerns. The measures in this bill, especially the demonstration projects funded under Title I, will give us the opportunity to explore and learn from new integrated approaches to improve the child support system and services to low-income noncustodial parents and their families. Much more remains to be done, including changes in the child support distribution rules. While concerns have been raised about provisions in the bill, the positive features warrant support of the legislation.

We appreciate your leadership on this issue.

Sincerely,

Wendell Primus
Center on Budget and Policy Priorities

Vicki Turetsky
Center for Law and Social Policy

Deborah Weinstein
Children's Defense Fund