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Child Support



Child Support Report

Office of Child Support Enforcement

Vol. XVIII, No. 10, October 1996

Reform: For the Sake of the Children

David Gray Ross

When I was appointed operating head of the Office of Child Support Enforcement (OCSE) a little over two years ago, welfare reform was an important issue. I was very excited about the prospect of its passage, in part because child support enforcement was a critical element in that proposed legislation. It would mean new resources for us in the child support community, enabling us to provide better support to our ultimate customers: children and families in need. It would also mean new tools for our partners in the states and localities, so that those who refuse to accept responsibility for the children they bring into this world would have less success in evading those responsibilities.

On August 22, I was privileged to be present when the President signed The Personal Responsibility and Work Opportunity Reconciliation Act of 1996—welfare reform. With that action, new demands and new responsibilities were placed on us, which, upon reflection, are really new opportunities.

We must never forget that the support of children is the essence of our work. The banner that I placed over my office door my first week at OCSE is still there: a banner that reminds me each day that I have just one job and that is to put "Children First."

On signing the welfare reform bill into law, President Clinton said: "There is no area where we need more personal responsibility than child support." He was referring to the responsibility of parents to meet their obligations to their children, to pay their legally and morally obligated support.

But his words apply as well to those of us who work in the program. There is no job where a daily personal and professional display of responsibility is more needed: the kind of responsibility that says,



"Whatever it takes to get the job done, whatever is needed to put children first, that's what I'll do."

This bill is good for child support enforcement—there can be little doubt about that—and that's exciting to think about. We can be sure that in years to come millions of children will live better lives and have expanded opportunities because of this legislation.

As child support enforcement professionals who have labored hard to improve the program, you can justifiably take pride in knowing that part of the credit for this historic change belongs to you. Many of the new enforcement tools derive from lessons learned in the field.

On behalf of all us here in OCSE and, more importantly, on behalf of our nation's children, whom you have consistently and generously put first, let me say, "Thank you."

This issue of *CSR* carries several articles about the new legislation and how it will affect your work. After you have read them, won't you take a moment to drop us a line to let us know your views? We'd like to hear from you. ■



U.S. Department of
Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement

Inside...

changing role for auditors
state perspective on welfare reform

A Brief Look at the Welfare Reform Bill

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193—welfare reform), signed into law by President Clinton on August 22, 1996, contains comprehensive child support enforcement (CSE) provisions. This article highlights a few of those and summarizes as well other aspects of the bill that may be of interest to CSE staff. Future issues of *CSR* will continue coverage of the CSE parts of the welfare reform legislation.

The new law includes the most sweeping child support enforcement measures in history.

The new law includes the most sweeping child support enforcement measures in history—measures which could increase child support collections by \$24 billion and reduce federal welfare costs by \$4 billion over 10 years. "If every parent paid the child support that he or she owes legally today, we could move 800,000 women and children off welfare immediately," the President said upon signing the bill.

Under welfare reform, each state must operate a child support enforcement program which meets federal requirements, including:

A national new hire reporting system

The law establishes a Federal Case Registry and National Directory of New Hires to track delin-

quent parents across state lines. It requires that employers report all new hires to state agencies for transmittal of new hire information to the National Directory. Also, it simplifies procedures for direct withholding of child support from wages.

A streamlined system for establishing paternity

Under welfare reform it will be easier and faster to establish paternities. The voluntary in-hospital paternity establishment program is strengthened. States must publicize the availability of and encourage the use of voluntary paternity establishment processes. Those persons who fail to cooperate in establishing paternity will have their monthly cash assistance reduced by at least 25 percent.

Uniform interstate child support laws

The new law provides for uniform rules, procedures, and forms for interstate cases. States which have not already adopted the Uniform Interstate Family Support Act (UIFSA) are required to do so by January 1, 1998.

Computerized state-wide collections

States are required to establish central registries of child support orders and centralized collection and disbursement units. Also required: expedited state procedures for enforcement of child support.

Tough new penalties

States can implement strict child support enforcement techniques. The new law expands wage garnishment and allows states to seize assets and, in some cases, to require community service. States also are empowered to revoke drivers and professional licenses

for parents who owe delinquent child support.

"Families First"

Under a new "Family First" policy, families no longer receiving assistance will have priority in the distribution of child support arrears. This new policy will bring families who have left welfare for work about \$1 billion in support over the first six years. In addition, the \$50 pass-through is eliminated October 1, 1996.

Access and visitation programs

In an effort to increase noncustodial parents' involvement in their children's lives, the new law includes grants to help states establish programs that support and facilitate noncustodial parents' visitation with and access to their children.

Teen measures

In addition to its child support enforcement provisions, the welfare reform legislation contains other requirements of importance to the child support community. In order to receive assistance, unmarried minor parents are required to live with a responsible adult or in an adult-supervised setting and participate in educational and training activities. The Secretary of the Department of Health and Human Services is directed to establish and implement a strategy to prevent non-marital teen births and assure that at least 25 percent of communities have teen pregnancy prevention programs.

Other provisions

The law seeks to assist recipients of welfare in transitioning to work. With few exceptions, recipients must work after two years on assistance, while those who have received assistance for a total of five years (less at state op-

tion) will be ineligible for cash aid. But single parents with a child under age six who are unable to find child care cannot be penalized for failure to meet the work requirement. And women on welfare continue to receive health coverage for their families, including at least one year of transitional Medicaid when they leave welfare for work.

State responsibilities include an initial assessment of recipients' job skills and maintenance of spending on welfare at a level of at least 80 percent of FY 1994's expenditures. To facilitate their efforts to provide work, states are allowed to create jobs by taking money now used for welfare checks and using it to create community service jobs.

If you would like to read specific articles about the new law in *CSR*, let us know. Send a note to the Editor, Phil Sharman, or call him at (202) 401-4626. ■

A Changing Role for Audit Under Welfare Reform

By: Susan Bennington

The rules for auditing state child support enforcement programs are changing. Under new welfare reform legislation, says OCSE Audit Division Director Keith Bassett, "Federal audit requirements emphasize performance outcomes instead of process. This means that the Federal Government's oversight responsibilities are balanced with states' responsibilities for child support service delivery and fiscal accountability."

New regulations require states to perform an annual review of their operations to assess whether they are meeting the federal requirements for providing child support services, including expedited procedures. Also, they must report the calculations regarding the performance indicators to demonstrate how they are meeting the specified goals and objectives. Division of Audit personnel are ready to assist states that may want to develop their own self-assessment units.

States that meet or exceed the performance standards for each of the performance measures will become eligible for incentive payments. Failing to meet goals, or using unreliable data to compute performance standards, could result in reduced levels of funding of from one to five percent of the amount of the family assistance block grant. Regional program or audit staff will provide technical assistance to states taking corrective action for substantially or repeatedly failing performance requirements or for reporting unreliable program data.

At least once every three years OCSE Audit will assess the

reliability of a state's computer-processed data and of the reporting system used to calculate its performance indicators. The audit also will examine the computer system's general and application controls.

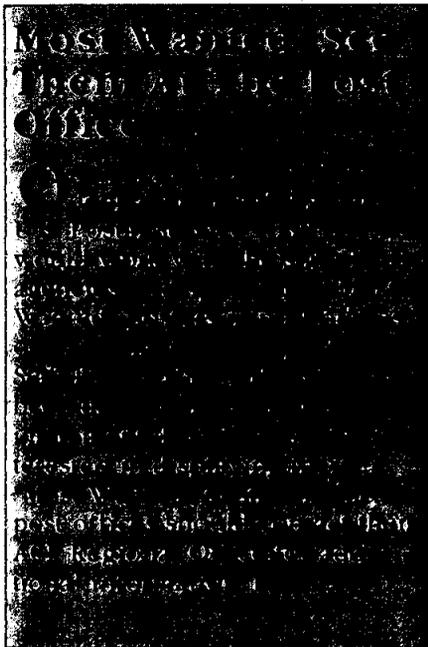
General controls include security, organization, management, and system software and hardware controls. Application controls include authority of data origination, accuracy of data input, integrity of processing, and verification and distribution of output. Auditors will test compliance with the general and application controls and test data produced by the system to ensure that it is complete and reliable.

Another of audit's functions will be to determine whether federal and other funds made available to carry out a state's program are being appropriately expended and fully documented. Collections and disbursements of support payments will also be reviewed for proper processing and accounting.

"Our audit personnel," OCSE Deputy Director David Gray Ross says, "are looking forward to their new responsibilities and believe that the next several years will be an exciting and productive time for them and for the nation's child support enforcement program."

For further information contact Keith Bassett, Director, Division of Audit at (202) 401-9387. ■

Susan Bennington is an Auditor in the Audit Support Branch of OCSE's Division of Audit.



OCSE—Giving Hope and Support to America's Children Since 1975

Partnership Success Through Metro Project

By: Sonia Rivero



Maryland Governor Parris Glendening, center, front, signs UIFSA law in presence of many who supported passage. Sonia Rivero is just behind and to left of the Governor. Delegate James W. Hubbard is just behind and to left of Sonia.

Maryland recently became the 31st State to enact the Uniform Interstate Family Support Act (UIFSA), legislation meant to simplify interstate case processing. Governor Parris N. Glendening signed into law the bill sponsored by Delegate James W. Hubbard. (New welfare reform legislation requires all states to adopt UIFSA by January 1, 1998.)

When not representing his constituents before the Maryland Legislature, Delegate Hubbard serves as an Assistant Sheriff in the Prince George's County, Maryland, Office of the Sheriff. That agency has a special partnership with the Federal Office of Child Support Enforcement through the Washington Metro Project (see November '94 CSR), which seeks to improve interstate child support enforcement in the Washington, DC, metropolitan area.

Maryland's status as a nonUIFSA State was identified by the Metro Project as a substantial barrier to effective child support enforcement. To remedy this situation, Metro Project Director Sonia Rivero approached Mr. Hubbard, requesting that he introduce legislation requiring the State to adopt UIFSA.

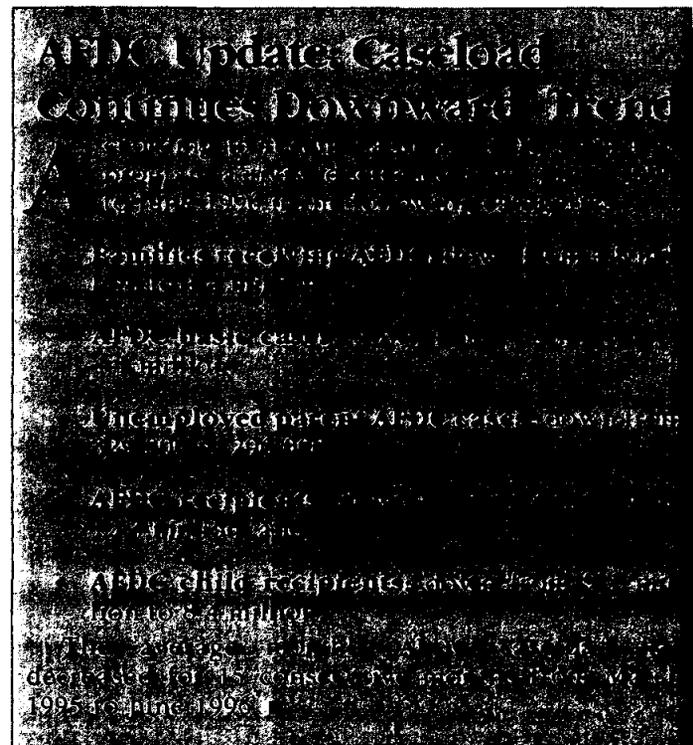
In a true spirit of partnership, Ms. Rivero and Mr. Hubbard worked together to educate State delegates about the importance of UIFSA. The strategy included Federal, State, and other UIFSA experts testifying before the legislature and Mr. Hubbard himself devoting time and energy to passage of the legislation.

OCSE Deputy Director David Gray Ross recognized Delegate Hubbard as Maryland's Legislator of the Year for 1996, citing his untiring efforts to strengthen

the State's child support enforcement program. "Jim Hubbard deserves special thanks from the children of Maryland," Judge Ross said. Noting that all three metro jurisdictions have now passed UIFSA, Ross pointed to the law as "an important building block in the creation of a more efficient metropolitan Washington child support program."

If you would like more information about the Metro Project, contact Sonia Rivero at (301) 952-5854. ■

Sonia Rivero is Director of the Washington Metro Project, which aims to identify and overcome barriers to interstate case processing among the District of Columbia and nearby counties in Maryland and Virginia.



Welfare Reform: A State Perspective

By: Jim Hennessey

This is the first of two articles by Mr. Hennessey on welfare reform. The second part will appear in the November issue of CSR.

The Leadership Responsibility

As leaders, workers, advocates, policy makers, and constituents, The Personal Responsibility and Work Opportunity Reconciliation Act of 1996—welfare reform—challenges us to exercise our shared leadership responsibility. In exercising leadership, we are presented with an opportunity to make child support enforcement a program marked by a level of effectiveness that we can celebrate with pride. America's children deserve no less.

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This new law comes at a time when we see:

- high demand for change in the way government operates;
- strong concern about the level of resources committed to government programs and competition for a part of the shrinking "resource pie;"
- growth in expectations for efficient and customer-friendly services in the public and private sectors;
- much work left to be done in some states to fully and effectively implement the provisions of the Family Support Act; and
- much automation work left to be done, with high levels of competition for scarce people resources in automated system development.



In my own State of Iowa, we have developed and implemented the policy provisions of the Family Support Act, have provided automated support for most of these provisions, and have already implemented major policy provisions contained in the new welfare reform law. Every step has been fraught with difficulty and obstacles.

These changes, however, have brought increases in our collections per case, collections per worker, number of cases handled per worker, and number of families receiving support. They have also brought substantial increases in total collections. Many other states and jurisdictions have accomplished similar results.

But we are not close to being done. We have had to maintain a steady focus on policy and automated system development over the past several years. And while we want to think that we have always done our best, it is only in the past year that we in Iowa have been able to undertake the major planning effort needed to fully align our child support enforcement vision, policies, goals, strategies, and operational plan and structure. This alignment must be completed with a focus on the outcomes we wish to achieve.

For Iowa, the outcomes are threefold:

- support orders in every case possible;
- support paid in the month when due in every case possible; and
- time and customer-friendly access to persons we serve.

Some states are ahead of us in this effort; other states have not as yet been able to get this far. But we all have a clear need to get to the point where

(Continued on page 7)

NCSEA Conference Puts Children in the Winner's Circle

More than 1300 child support enforcement professionals attended the National Child Support Enforcement Association's (NCSEA) 45th Annual Training Conference and Exposition in Louisville, Kentucky, August 25-29, 1996.

Mary Jo Bane, Assistant Secretary for Children and Families, provided the keynote address at an upbeat opening session, reviewing the welfare reform legislation and the opportunities it presents for child support enforcement staff nationwide. President Clinton sent a letter of greeting to conference participants, read by NCSEA president Sue Bailey, while U.S. Attorney General Janet Reno contributed a videotaped message of support.

A total of 83 workshops upheld the conference theme: "Putting Children in the Winner's Circle." Many of the workshops were devoted to management training, systems, and research and were well-attended and enthusiastically received by participants. More than 20 OCSE staff had a role in the conference as speakers and/or workshop coordinators.

In recognition of the hard work and dedication needed to meet system certification standards, OCSE Deputy Director David Gray Ross presented automated system certifications to Arizona, Connecticut, Utah, West Virginia, and Wyoming during the conference. Special awards were also presented to 10 front-line child support enforcement workers—one from each region of the country—for outstanding individual achievements.

If you would like further information about NCSEA, or about this year's conference, call Heather Tonks at (202) 624-8180. ■



James Mobler, center, Wyoming's CSE Director, accepts systems award from OCSE Director David Gray Ross. California's Leslie Frye looks on.

New Hire Pilot

In August, 1996, *CSR* reported on President Clinton's June 18 Executive Action to develop a method of tracking parents across state lines. Individuals who leave jobs and move to other states have typically been difficult to locate. This article describes progress to date, including early results from the pilot test under this initiative.

States and OCSE have worked as partners to ensure the success of the new hire pilot. Conference calls were conducted with states to answer questions and gain their support. States agreed to allow their cases currently in the Tax Refund Offset Program (TROP) and Federal Parent Locate Service (FPLS) to be matched with new hire data. They were encouraged to submit additional locate cases to FPLS to take advantage of this data. And states with new hire reporting programs were invited to submit their data for the pilot and were given OCSE timeframes and tape specifications.

Twenty of the 26 new hire reporting states are providing new hire data to the pilot. "I was so pleased to see how quickly state and federal staff pitched in to make this effort successful," said Teresa Kaiser, IV-D director in Missouri, one of the first states to send in data. Some states are unable to provide data, either because their laws preclude them from doing so or their systems are not yet automated.

The pilot is being conducted in two phases. The first phase matches new hire data with TROP cases. The second phase, matching data with cases currently in the FPLS, began in late September.

In the first phase, as of this writing, new hire data from 10 states has been processed. States are provided information only on those cases which have been matched with another state's new hire data. So far, more than 52,000 delinquent obligors have been located in interstate cases—30,000 of whom are associated with AFDC cases.

"The number of matches is really impressive," said Donna Bonar, OCSE's Director of Program Operations, "given the fact that not all states are reporting data and that nationwide only a small fraction of employers report new hire information."

New welfare reform legislation requires employers and labor organizations to report name, address, social security number, and employer identification number on new hires to a State's Directory of New Hires within 20 days of the date of hiring. If you would like more information about new hire, or this pilot project, contact Karen Bartlett at (202) 401-4630. ■

Conference Calendar 1996

The Calendar is printed quarterly in *CSR* in January, April, July, and October. If you are planning a meeting or conference and would like for it to be noticed in *CSR*, please let OCSE's Roy Nix know—at (202) 401-5685. The Calendar is also available, and routinely updated, on ACP's Bulletin Board and the Internet.

October

- 1-4 California Family Support Council Quarterly Meeting, San Francisco, CA, Noanne J. St. Jean (209) 584-1425.
- 2-4 Maryland Joint Child Support Conference, Ocean City, MD, Howard Ferry (301) 952-3989.
- 6-9 Minnesota Family Support and Recovery Council, Brainerd, MN, Martha Kimzell (612) 348-8855.
- 9-11 Western Interstate Child Support Enforcement Council, Boise, ID, Donna Freeman (208) 334-0750.
- 16-18 Michigan Family Support Council, Boyne Highlands, MI, Nancy Christ (517) 258-1020.
- 17-18 Judicial Institute of Maryland, Crownsville, MD, Frederick Williams (410) 974-2475.
- 18 Connecticut CSE Training Conference, Hartford, CT, Tom Moran (860) 424-5270.
- 20-22 Illinois Family Support Enforcement Association, Alton, IL, Debra K. Hatcher (708) 208-2147.
- 22-25 Midwest Child Support Enforcement Association Annual Training Conference, Lodge of the Four Seasons, George Beach, MO, Joe Labela (573) 751-3398.
- 24-25 Judicial Institute of Maryland, Annapolis, MD, Frederick Williams (410) 974-2475.

November

- 15-16 Conference on Collaboration in Pro-Family Policies, Washington, DC, Martin Whyte (202) 994-6894.

December

- 11-13 New Jersey Child Support Council's Annual Training Conference, Atlantic City, NJ, Robert Pilsler (609) 225-8797.
- 16-17 Child Support Decision-Making 2000: a training seminar for judges, masters, and hearing officers, Capitol Hilton, Washington, DC, Heather Tonks (202) 624-8180. ■

Jim Hennessey

(Continued from page 5)

we can exercise the leadership needed to achieve the full alignment I have described above.

Fortunately, during the same time that Congress was considering the major policy changes that were ultimately included in the new welfare reform law, many of us in the states and federal government were working together to develop a new national strategic plan for child support enforcement. From the beginning, our view was that we could accomplish as much to improve the program through shared leadership in developing and implementing a vision, goals, performance measures, and strategies as could be accomplished through major Congressional changes in the policy base for the program.

We now have both: a new welfare reform law and an agreed-upon national strategic plan, complete with agreed-upon performance measures. Since we know what we have to do, how we have to do it, and how we will measure it, we now have only to do it!

And we can get it done only by leading together. My own strong hope would be that in this coming year we begin to find effective ways to use the combined leadership talents of Congress and its staff, the Administration and its agencies, the state branches of government, the local agencies, the private sector companies, and the advocates to forge a program which works for children. This type of leading together has been very much in evidence during the give and take that occurred during the long welfare reform debate. It serves as a model of how government should work at the policy making level. We need to create a similar example of making government work at the implementation level. ■

Jim Hennessey is Director of the Child Support Enforcement Program in Iowa and President of the National Council of State Child Support Enforcement Administrators.



Now in Spanish . . .

OCSE's brochure on finding child support is now available in Spanish. Call the National Resource Center at (202) 401-5885 for your copy. ¡Conoce el libro en Español. De Sísitero. ■

U.S. Department of Health and Human Services

Administration for Children and Families
Office of Child Support Enforcement
Division of Consumer Services
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Child Support Report

Domestic Relations Education in Arizona

Arizona recently enacted a new domestic relations education law. Passage of House Bill 2063, codified as Chapter 201 of the Laws of 1996, resulted from a collaborative effort by judicial officers, legislators, members of the executive branch, attorneys, parents, educators, mental health professionals, religious leaders, and other involved citizens.

Effective January 1, 1997, the new law requires parents involved in domestic relations litigation to attend an educa-

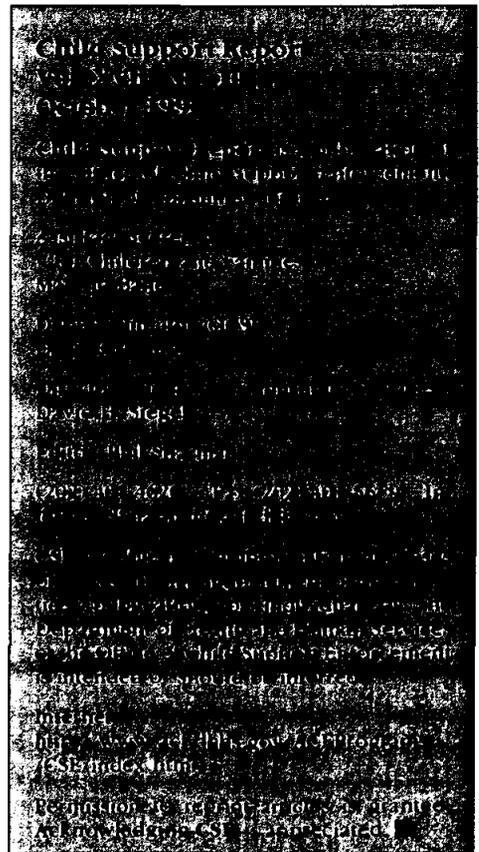
tional program focused on their children's needs.

Prior to that date, the presiding judge of the superior court in each Arizona county must adopt and implement an educational program consistent with minimum standards promulgated by the Arizona Supreme Court.

An interdisciplinary committee is being formed to develop standards, review county plans, and serve as an advisory group for the program.

For more information, contact Cheryl Lee at (602) 542-9253. ■

[Source: Domestic Relations Quarterly, Vol. II, No. 2, Summer, 1996. The DR Quarterly is distributed by the Arizona Supreme Court's Domestic Relations Division.]



If you have enjoyed this issue of Child Support Report, please pass it on to a co-worker or friend. ■

**Personal Responsibility and Work Opportunity Reconciliation Act
1996**

Child Support Enforcement

Sec. 101. Block Grants to States. In order to be eligible for the family assistance program, a state must certify that the state will operate a child support enforcement program under the State plan approved under part D. States must deduct not less than 25 percent of the assistance provided to a family for any individual not cooperating with the child support agency and may, at state option, deny the entire family assistance. States must require that a member of a family receiving assistance assign any right to child support, not exceeding the total amount of assistance provided to the family, which accrue before the date the family leaves the program. If the assignment occurs after October 1, 1997, the assignment shall not apply to support accrued before the family received assistance but not collected from October 1, 1997 to October 1, 2000 (other than support collected pursuant to section 464, the tax refund offset). If the assignment occurs after October 1, 2000, it does not apply to any support accrued before the family receives assistance but not collected before the family leaves assistance (other than support collected pursuant to section 464, the tax refund offset). States are prohibited from requiring the assignment of post-assistance arrears.

Sec. 301. State Obligation to Provide Child Support Enforcement Services. Imposes a state obligation to provide child support enforcement services such that services will be provided for each child receiving assistance under IV-A, IV-E, and Title XIX. Services must also be provided for others who apply for services. States must provide continued child support services for those families ceasing to receive assistance without regard to a new application.

Sec. 302. Distribution of Collected Support. Changes distribution priorities to provide that families leaving welfare receive priority in payment of arrears. Changes are effective October 1, 1997 for post-assistance arrears and October 1, 2000 for pre-assistance arrears. Exception is made for the collections from the tax refund intercept program. Provides a hold harmless provision so that states are protected if the amount they lose because of changes in distribution exceed what they gain from the elimination of the \$50 pass-through. \$50 pass-through is eliminated October 1, 1996.

Sec. 303. Privacy Safeguards. Protects privacy rights with respect to confidential information.

Sec. 304. Rights to Notification and Hearings. Requires states to have procedures for providing notices of proceedings and

copies of orders to recipients of program services or parties to cases being served under Title IV-D.

Sec. 311. State Case Registry. Includes requirements for the central state registry, including maintaining and updating a payment record and extracting data for matching with other databases. Allows automated linkages of local registries.

Sec. 312. Collection and Disbursement of Support Payments. Includes requirements for the centralized collection and disbursement of support payments, including the monitoring of payments, generating wage withholding notices, and automatic use of administrative enforcement remedies. Requires States to have sufficient staff to carry out these activities. Permits linkages of local disbursement units to form centralized State disbursement unit for collection and disbursement of child support payments provided Secretary of HHS agrees that the system will not cost more nor take more time to establish or operate than a centralized system and employers have one point of remittance for income withholding. Requires distribution w/in 2 business days of receipt of collection; transmission of withholding orders to employers w/in 2 business days of notice of income source subject to withholding with an exception to the requirement to allow delay in disbursing arrearage collections pending resolution of any timely appeal regarding amount of arrearage owed.

Sec. 313. State Directory of New Hires. Requires employers and labor organizations to report, name, address, Social Security Number and Employer Identification Number on new hires to State Directory of New Hires within 20 days of hire (in the case of an employer transmitting reports magnetically or electronically, reports may be made by 2 monthly transmissions); requires the report to be the W-4 or equivalent at option of the employer; contains a multistate employer provision that allows an employer to report to a designated state where it's employees work; state option for a nominal penalty for failure to report, enhanced penalty based on conspiracy; information reported on new hires to the State Directory must be entered into the data base within 5 business days of receipt; State Directory must perform database matching using SSNs and report findings to any State; Directory must also report information to the National Directory within 3 business days, issue withholding notices within 2 business days of match, provide extracts of SESA information to National Directory quarterly, as well as other uses of new hire.

Sec. 314. Amendments Concerning Income Withholding. Strengthens and expands income withholding from wages to pay child support. Reduces the time for employers to remit withheld wages to 7 business days; adds a State law requirement allowing issuance of withholding orders by agency electronically and without notice to obligor; makes revisions to current statutory language governing providing notice to obligors concerning wage withholding actions

and procedures for contesting such. Provides rules for choice of law in interstate wage withholding.

Sec. 315. Locator Information from Interstate Networks. Includes requirements for access to locator information from state motor vehicle and law enforcement systems.

Sec. 316. Expansion of the Federal Parent Locator Service. The authority of FPLS to obtain information and locate individuals is expanded under this section. The language permits access to FPLS for the enforcement of child custody and visitation orders but requests must come through courts or child support agencies. This section grants the right of governmental entities to be reimbursed for fees under this section. A federal case registry of child support orders is to be established. Guidelines for the National Directory of New Hires are detailed, including a requirement that data be entered into the National Directory two days after receipt. The Social Security Administration is called upon to verify SSNs. Also allows disclosure of SSNs and addresses to agents of child support enforcement agencies. Allows disclosure of certain information, including Federal tax offset amounts, to agents.

Sec. 317. Collection and Use of Social Security Numbers for Use in Child Support Enforcement. Requires use of Social Security Numbers on applications for professional licenses, commercial driver's license, occupational license or marriage licenses and in records for divorce decrees, support orders, paternity determinations or acknowledgements and death certificates.

Sec. 321. Adoption of Uniform State Laws. Mandates adoption of the Uniform Interstate Family Support Act.

Sec. 322. Improvements to Full Faith and Credit for Child Support Orders. Clarifies priorities for recognition of orders.

Sec. 323. Administrative Enforcement in Interstate Cases. Requires states to respond within 5 business days to a request from another state to enforce a support order. Electronic means are allowed for transmitting requests.

Sec. 324. Use of Forms in Interstate Enforcement. Calls for the promulgation of forms to be used in interstate income withholding cases, the imposition of liens, and administrative subpoenas across state lines, after consultation with State IV-D Directors.

Sec. 325. State Laws Providing Expedited Procedures. State IV-D programs are granted the authority to take action "without the necessity of obtaining an order from any other judicial or administrative tribunal, but subject to due process safeguards as appropriate." These actions include ordering genetic testing for paternity establishment, issuing a subpoena for financial or

other information, and requiring all entities to respond to requests for information. States are granted access to public records such as vital statistics of marriage birth and divorce, state and local tax records, real and titled personal property, license records, employment security records, public assistance programs, motor vehicle records and corrections records. Also grants access to certain private records such as public utility and cable television records and financial institution data. Other administrative measures provided in this section include the power to change the payee to the state, to order income withholding and to seize assets to satisfy arrearages and to increase the amount of the award to pay arrearages. This section also provides for presumed address of the obligor statewide jurisdiction. Automation must be used as a means of implementing the expedited administrative procedures.

Sec. 331. State Laws Concerning Paternity Establishment.

Streamlines the legal processes for establishment of paternity. Allows establishment of paternity anytime before a child turns 18. Provides for mandatory genetic testing in contested cases. Enhances the process for voluntary acknowledgement of paternity and requires a state form for voluntary acknowledgement. States may have good cause exceptions. Establishes a threshold probability for the establishment of paternity. Requires default orders in certain cases. Does not allow trial by jury. Orders temporary child support in certain cases. Establishes a national paternity acknowledgement affidavit.

Sec. 332. Outreach for Voluntary Paternity Establishment.

Mandates that state programs "publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate."

Sec. 333. Cooperation by Applicants for and Recipients of Temporary Family Assistance. Specifically shifts to the state IV-D agencies the responsibility for determining and redetermining whether recipients of temporary assistance for needy families (Title IV-A) are cooperating with child support enforcement efforts. It further specifies actions with which the State must require recipients to cooperate, as well as the duty of the IV-D agency to promptly notify the individual and the State Title IV-A agency of the determination and basis for any finding of noncooperation.

Sec. 341. Performance-Based Incentives and Penalties. The Secretary of HHS shall develop a new incentive system by March 1, 1997 which shall provide additional payments to any State based on such State's performance under such program for fiscal year 1999. Incentive system must be cost neutral. IV-D paternity establishment percentage is changed so that states with PEP from 75 to 90 must improve 2 percent per year. State may use either

the IV-D system rate or the rate for all out-of-wedlock births in the state.

Sec. 342. Federal and State Reviews and Audits. Changes the audit process to be based on performance measures.

Sec. 343. Required Reporting Procedures. Requires states to collect and report program data in a uniform manner as a state plan requirement.

Sec. 344. Automated Data Processing Requirements. Revises requirements for the state automated data processing systems. Contains a new implementation timetable that extends the deadline to 10/1/97 by which a state must have an automated case tracking and monitoring system meeting all Federal IV-D requirements up through the enactment of the Family Support Act of 1988. Sets a deadline of October 1, 2000 for implementation of new requirements except that the deadline shall be extended by one day for each day (if any) that the Secretary fails to meet the deadline for prescribing final regulations. The Secretary is to prescribe final regulations not later than two years after enactment.

Extends 90 percent funding for the amount approved for states in the Advance Planning Documents submitted on or before September 30, 1995. Sets funding at 80 percent for new requirements. Caps aggregate spending on the new automated system at \$400,000,000.

Sec. 345. Technical Assistance. Sets aside one percent of the federal share of reimbursed public assistance for information dissemination and technical assistance to states, training of state and federal staff, staffing studies and related activities needed to improve programs including technical assistance concerning state automated systems; and research, demonstration, and special projects of regional or national significance relating to the operation of state programs. An additional two percent is set aside for the operation of the Federal Parent Locator Service to conduct its expanded responsibilities, including those for interstate cases.

Sec. 346. Reports and Data Collection by the Secretary. Confirms data collection requirements and eliminates requirements for unnecessary or duplicative information. Several new data reports are to be included in the annual report to Congress including information about compliance, by state, with standards for program operations such as time limits for service delivery and distribution of payments.

Sec. 351. Simplified Process for Review and Adjustment of Child Support Orders. Requires processes for periodic modification of all child support orders. Reviews would occur every three years, but only upon request. Language permits states to either review against guidelines or use a COLA or automated method with the

opportunity to contest the award and make a request for a review using guidelines; permissive reviews based upon substantial change in circumstances outside the three year review process; and notice provided of right to request reviews every three years.

Sec. 352. Furnishing Consumer Reports for Certain Purposes Relating to Child Support. Expands access and use of consumer reports by child support agencies for establishing and modifying child support provided paternity has been established; child support agencies must notify the party that the state agency is obtaining a report.

Sec. 353. Nonliability for Depository Institutions Providing Financial Records to State Child Support Enforcement Agencies in Child Support Cases. Specifies that depository institutions would not be liable for disclosing financial information to the child support enforcement agency; child support enforcement agency would be prohibited from disclosing information obtained except for child support purposes.

Sec. 361. Internal Revenue Service Collection of Arrearages. Makes technical correction to IRS full collection process so that additional fees may not be charged for adjustments to an amount previously certified.

Sec. 362. Authority to Collect Support from Federal Employees. Eliminates separate withholding rules for federal employees. Applies to withholding of Federal compensation for death benefits, black lung benefits, and workers' compensation. Adds protection from penalty/liability against federal employees for disclosure. Determination of the amount of withholding would exclude certain taxes, health and life premiums and retirement contributions. Specifies that money subject to this process are due from the executive, legislative and judicial branches of the federal government.

Sec. 363. Enforcement of Child Support Obligations of Members of the Armed Forces. Sets forth processes for payment and enforcement of child support obligations for members of the armed forces.

Sec. 364. Voiding of Fraudulent Transfers. Requires state laws regarding voiding of fraudulent transfers.

Sec. 365. Work Requirement for Persons Owing Child Support. Requires the state to seek a judicial or administrative order that requires any individual owing past-due support to pay such support or participate in work activities.

Sec. 366. Definition of Support Order. Provide for the definition of a support order.

Sec. 367. Reporting Arrearages to Credit Bureaus. Requires all delinquencies and their amounts to be reported to credit bureaus.

Sec. 368. Liens. Requires liens on real and personal property by operation of law and extension of full faith & credit to liens arising in another State without registration of order in State where property is situated.

Sec. 369. State Law Authorizing Suspension of Licenses. Requires states to have laws providing for the suspension of driver's, professional, occupational, and recreational licenses.

Sec. 370. Denial of Passports for Nonpayment of Child Support. Establishes a process by which HHS can submit the names of delinquent obligors in excess of \$5,000 to the State Department for the denial of their passports.

Sec. 371. International Child Support. Secretary of State with the concurrence of the Secretary of Health and Human Services is authorized to declare any foreign country to be a foreign reciprocating country for purposes of establishment and collection of child support obligations. Details responsibility of HHS and states under state plan requirements for enforcement of international child support.

Sec. 372. Financial Institution Data Matches. Requires States to enter agreements with financial institutions doing business with the State to develop a data match system. Financial institutions are to provide certain information on accounts and to respond to notices of liens or levies.

Sec. 373. Enforcement of Orders Against Paternal Grandparents in Cases of Minor Parents. Adds a State option that a child support order of a child of minor parents, if the mother is receiving cash assistance, may be enforceable against parents of the noncustodial parent of the child.

Sec. 374. Nondischargeability in Bankruptcy of Certain Debts for the Support of a Child. Child support assigned to state in assistance cases is not dischargeable in bankruptcy.

Sec. 375. Child Support Enforcement for Indian Tribes. States may enter cooperative agreements with Indian Tribes and the Secretary may make direct federal funding to Indian tribes meeting certain criteria.

Sec. 376. Technical Correction to ERISA Definition of Child Support Order. Expands and clarifies definition.

Sec. 377. Enforcement of Orders for Health Care Coverage. It adds a new State law requirement to section 466 of the Act which provides that the State IV-D agency have procedures for notifying

new employer of an absent parent, when the absent parent was providing health care coverage of the child in the previous job, of the medical support obligation. The notice would operate to enroll the child in the absent parent's health plan, unless the absent parent contests the notice.

Sec. 381. Grants to States for Access and Visitation Programs.
Authorizes grants to States for access and visitation programs.