

NCSAC

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Support
Assurance

NATIONAL CHILD SUPPORT ADVOCACY COALITION

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CHILD SUPPORT ENFORCEMENT

IT'S NOT EASY FOR ANYONE

The National Child Support Advocacy Coalition (NCSAC) is the oldest and largest national network of individual advocates and independent child support advocacy organizations across the nation. NCSAC membership offers a broad based perspective representing the interests of both AFDC and non-AFDC families. NCSAC interfaces with local, state and federal government officials and monitors both state and federal legislation.

The object of the child support enforcement program is to hold parents accountable for supporting their children and to collect this support. Due to a number of obstacles, this program has yet to meet Congressional expectations. The potential for child support collections has been estimated at over \$47 billion by a White House task force on welfare. This estimate has nearly doubled since a 1984 national study set the collection potential at \$24 billion dollars. Of the \$13 billion support collected in 1993, state child support enforcement agencies collected \$8 billion.

Furthermore, studies have proven it is not the inability to pay, but rather refusal to pay that has plunged children into the depths of poverty. Most non-custodial parents are able-bodied and can contribute to the financial support of their children. Simply put, they do not pay because they know they can get away without paying.

We cannot depend solely upon legislation to fix the problems. There has to be improved cooperation between the states and the federal Office of Child Support Enforcement. More importantly, there has to be increased public awareness that non-support is a crime and should not be confused with welfare.

To this end, the majority of NCSAC members offer the following recommendations as a collective effort to assist in the development of a more effective child support enforcement program. NCSAC emphasizes "Child Support Enforcement" is not synonymous with Welfare. They are separate issues and should be dealt with accordingly.

ORGANIZATION AND STRUCTURE

1. The Federal Office of Child Support Enforcement (CSE) program should be a single and "separate" agency, reporting to an Assistant Secretary. Unless the Child Support program is separated from the Welfare program, it will always be viewed as a social problem.
2. The State structure should mirror the Federal design with reporting authority to the Governor.
3. This combined show of strength would send a message to the general public that non-support will not be tolerated.
4. The CSE program should not be federalized in IRS or SSA.

FEDERAL COMPLIANCE WITH THE SOCIAL SECURITY ACT

Section 452 of the SSA sets forth duties of the Secretary of HHS. OCSE/HHS has failed miserably in the following:

1. Establish minimum organizational and staffing requirements.
2. Provide technical assistance to the States, for example: review of state computer contracts for compliance with federal regulations prior to execution of same, thereby saving millions in re-negotiations; distribution of Policy Interpretation Questions (PIQs) and responses to all State IV-D Directors, etc.
3. Receive applications from States to utilize U.S. Courts and follow through to completion.
4. Submit to Congress an annual report on all activities, not later than three months after the end of each fiscal year.

IMPROVEMENTS AT FEDERAL LEVEL

1. Equalize AFDC and Non-AFDC IRS tax intercept criteria. Currently submission threshold for AFDC is \$150 and N-AFDC is \$500.
2. Eliminate age 18 restriction in Non-AFDC IRS tax intercept cases.
3. Improve utilization of IRS full collection process.

4. W-2 forms should include child support withholdings.
5. W-4 reporting should be expanded to include Federal employees.
6. Expand access to all tools available to IRS.
7. Amend the Fair Debt Collection Practices Act (FDCPA) to exempt collection of child support.
8. Amend the 1982 federal law permitting garnishment of military pay to comply with 1984 and 1988 child support withholding statutes.
9. Run annual SSN match against all federal agencies to identify delinquent civil service employees. Forward employment and medical insurance coverage data to states for enforcement.
10. Federal audits should measure performance rather than process.
11. Reconsider extending 90% Federal Financial Participation (FFP) for state automated systems.
12. Reactivate training contracts for legislators, judicial, state personnel and ABA Child Support Project.
13. Mandate all incentive moneys be reinvested in state IV-D programs.
14. Remove Non-AFDC incentive cap in order to increase interstate collections.
15. Extend FFP to reimburse state administrative costs for Non-IV-D automatic withholding cases.
16. Mandate universal statute of limitations for collection of child support arrears that would include exhaustion of all avenues (eg. Social Security Retirement Benefits, Pensions, Inherited Estates, etc. or upon death of non-paying parent).
17. Mandate states adopt Administrative Process.
18. Ratify United Nations Convention of 1956.
19. Establish a Central Agency through which States are mandated to enter reciprocal agreements with foreign countries participating in U. N. Convention of 1956.
20. Mandate corrective measures for delinquent parents at international level, such as: confiscation of passports; improved detection at U.S. borders through SSN crosschecks.

21. Currently international child support cases are entered by states as interstate cases. Consequently, data on international cases is non-existent. Require States to collect and include data in the Annual Report to Congress.
22. Add new categories to U.S. Bureau of Census studies on Child Support And Alimony to include: gender; residency; payment patterns; employment data (wage earner vs. self-employed); etc.
23. Extend FFP to reimburse states to enforce and collect medical arrears in IV-D cases
24. Mandate states to report all eligible AFDC and N-AFDC cases and amount of child support arrears to Credit Bureaus. Clarify which state is responsible for reporting arrears to credit bureaus in interstate cases.

PATERNITY

1. Require States to conduct DNA testing (specifically buccal swabs of saliva samples) at the birth of the child, rather than waiting until the child is 6 months of age which is the current practice. In addition to expediting the paternity establishment process, it produces less trauma to the newborn child.
2. Establish support obligations at birth.
3. Provide 90 percent FFP funding for all administrative costs to establish paternity.

ENFORCEMENT

There is no argument that locate is the number one obstacle impacting the effectiveness of the current system. One cannot begin paternity establishment, enforcement or collection actions unless the non-custodial parent can be found. State and Federal Parent Locate Services do not meet the challenges that are posed by determined child support evaders, especially where non-paying parents possess multiple Social Security Numbers, the self-employed, and interstate cases.

Proposed legislation should be amended to require that all states access each other's driver's license, employment, unemployment, corrections, etc. through a single network. Currently, the Electronic Parent Locator Network (EPLN), which can be accessed without a Social Security Number, provides this service in nine states and could easily be expanded throughout the nation.

1. Standardize all forms (withholding, garnishment, etc.)
2. Revoke/restrict licenses, including professional, drivers, etc.
3. Prioritize payment disbursement: Current, Non-AFDC arrears, state AFDC reimbursement, tax liabilities
4. State systems and programs should be uniform throughout the state
5. States should contract with Credit Bureaus for reporting of debts and locating purpose
6. States should create central registry for all child support orders

FEDERALIZATION OF CHILD SUPPORT ENFORCEMENT

An overwhelming majority of NCSAC members do not support federalizing child support enforcement under the Internal Revenue Service (IRS). To do so, would be like "jumping out of the frying pan into the fire". Recent General Accounting Office (GAO) reports detail problems and deficiencies at the IRS. The problems at the IRS mirror those found in state child support enforcement systems.

- * Staffing imbalances
- * Flawed staffing methodology
- * Case prioritization schemes
- * Large numbers of low priority cases not worked
- * Inadequate collection process
- * Inaccurate data and statistics
- * IRS systems are "outdated, inefficient, unintegrated and error prone."
- * Accounting errors
- * collection efforts suspended on 40% of inventoried accounts
- * Taxpayer's lifestyle not considered in payment of debt
- * Uncollectible accounts increased over 178% since 1987

Aside from these internal problems, the IRS has never enthusiastically embraced enforcement of child support. The cost and time required to transfer entire caseloads and train federal personnel would be staggering. In addition, already impoverished single parents would be further burdened until the IRS expands its offices and services. All in all, a unwelcome move of this magnitude could only result in utter chaos and disaster.

CHILD SUPPORT ASSURANCE

Upon close examination of the child support assurance process, one finds it difficult to deny the strong similarities between assurance and welfare. Like welfare, child support assurance is:

- * a benefit program
- * funded by the federal government
- * primarily created for impoverished single parent families
- * treats symptoms, rather than cause
- * promotes more government control over family life
- * creates more disincentives than incentives

Advocates admit that only with a stronger and more improved child support enforcement program will child support assurance succeed. The child support enforcement program cannot reach that point without time and money. Are child support assurance advocates willing to wait? Or are they willing to jeopardize both programs? Our tax dollars cannot adequately fund both programs at this time.

Opposition to this entitlement program has raised many unanswered questions.

- * Does the (Garfinkel) total net cost estimate of \$2.1 billion only include eligible welfare cases?
- * What is the duration of eligibility for child support assurance compared to welfare?
- * Has this been factored into the cost estimate? What is the breakdown for welfare cases versus non-welfare cases?

- * Will this program be available to all parents in possession of a child support order?
- * Is it economically sound to consider extending this program to parents without child support orders?
- * What is the additional tax burden in this case?
- * Without reliable statistics and data, how can you project program costs?
- * Will it really be cost effective?
- * Do we want to create another layer of bureaucracy?
- * What are the additional costs of assured health benefits?
- * Many support awards are much lower than the published benefit levels. What are the projected costs in these cases?
- * With no sound data on cases outside the IV-D system, how can you project these costs?

Presently State IV-D personnel cannot adequately handle the current caseloads. Child support assurance will increase administrative costs and the need for additional staff. Each year states encounter a strong reluctance from state legislators to invest in the child support enforcement program. With the current trend to limit welfare to two years, state legislators will have second thoughts about pouring money into another entitlement program that so closely resembles welfare?

Upon close scrutiny, proposed and current demonstration projects in progress are confined solely to cases presently on welfare or where the parent has recently gotten off welfare. Without demonstration projects that include N-AFDC cases, there is no sound and admissible data to support the computer projected costs as reported to Congress. Crystal ball gazing and hypothesizing are not consistent with the current administration's thrust of "Reinventing Government".

In conclusion, child support assurance in it's current form will not "end welfare as we know it", but will only disguise it under another name.

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