

LICENSE TO COLLECT

"There is more that we ought to do, I think, together. Our plan calls on states to deny drivers and professional licenses to people who refuse to pay their child support. Now, I know that's a tough idea, but let me tell you -- 19 states are doing that today, and they're collecting a lot more child support as a result of it. So I hope that the Congress will join us to make this provision also the law of the land."

—President Clinton addressing the National Association of Counties

In the pursuit of delinquent parents who do not pay child support for their kids, states are turning to a successfully proven tool to enforce child support -- the threat and revocation of drivers, commercial and professional licenses.

President Clinton knew the value of license revocation and included it in his welfare reform proposal. Nine of the 19 states with license suspension or revocation programs reported that an estimated \$35 million has already been collected. If expanded nationwide, we estimate that license revocation can increase child support collections as much as \$2.5 billion over ten years, and the Congressional Budget Office estimates we could save the federal government \$146 million for the first five years.

Let's turn to the facts.

Everything you always wanted to know about license revocation, but were afraid to ask...

Nineteen states now have laws on the books to restrict or revoke drivers and professional licenses. The nineteen are Arizona, Arkansas, California, Florida, Illinois, Iowa, Kansas, Kentucky, Maine, Massachusetts, Minnesota, Montana, Nevada, Oklahoma, Oregon, Pennsylvania, South Dakota, Vermont and Virginia. Most are implemented. Several states are now proposing legislation for the program.

As President Clinton has called them "our nation's laboratories," states are experimenting with different combinations of license revocation. Eighteen states enforce orders with revoking occupational, professional, trade and business licenses. Though most states broadly define occupation, it can include doctors, lawyers, architects and real estate agents. Drivers licenses are revoked by seven states. Five states revoke commercial drivers licenses. Vehicle registrations can be revoked by three states.

A couple of states are extending beyond drivers and occupational licenses to other areas. Minnesota has tied the approval of student grants to paying child support. Massachusetts will revoke recreational permits if delinquent parents are not paying their child support.

Several factors prompt or "trigger" states to invoke the license revocation. Most trigger the action on a period of time that the non-custodial parent is delinquent in payments. The time ranges from 30 days to 6 months. Others base the revocation on the amount owed in arrears from \$1,000 to \$5,000. Some states take action based on court or administrative orders. In Nevada, decisions are at the discretion of the licensing authorities.

The President's Work and Responsibility Act proposed the first national approach for license revocation. Modeled after the successes in Maine and other states, the President introduced a requirement for all states to use the revocation of drivers, professional and recreational licenses to collect child support. The bill offered a Clinton hallmark in flexibility to the states on implementation of the program. Though some states would have to broaden the types of licenses subject to revocation, states under the President's plan would be able to continue their current successful programs.

Under due process, states will grant grace periods, temporary license and fair hearings for parents during the revocation process.

"It's a privilege to have a professional license or a driver's license, and it's a responsibility to pay your child support."

—Ted Kulongoski, Oregon Attorney General

Simple and Successful

"It's been incredibly successful," said Bill Kennemer, Republican State Senator in Oregon and sponsor of the state's license revocation legislation, "It's relatively simple and enjoys great public and legislative support." The report card is not complete, but the early grades are all A's.

Two significant features of license revocation have been successful in collecting child support. States find that the threat of revoking licenses is often enough to force delinquent parents to pay up. The threat of revoking a professional and commercial licenses is very effective in child support actions against self-employed parents whose wages can't be garnished.

Frequently cited as the success story, Maine started its program in August 1993. The state targeted and notified 21,018 delinquent parents that their drivers and/or professional licenses could be revoked. In May 1994, the state began sending notices that licenses would be revoked.

"These are chronic nonpayers who have insulated themselves from traditional child support enforcement remedies."

-Tom Mato, Legal Counsel Maine Department of Human Services

By February 1995, one and a half years since the program was initiated, 12,520 parents, or 60% of the original target group, had paid over \$23 million in child support. With over 21,000 potential licenses, Maine has only revoked 41. Thirty-nine were drivers' licenses, one was a master electrician's license and the other a motor vehicle inspection's license. In the vast majority of cases, just the threat of license revocation was enough.

The truck driver had been eluding the state of Maine for years. A long-distance hauler, he owed nearly \$20,000 in child support but refused to pay. Authorities knew his address but could not find a steady employer. Two months after the state threatened to revoke his driver's license, the trucker arrived at the state capitol with \$19,062 in hand.

In another case, a licensed real estate agent had never voluntarily paid support. After he too received a letter from the state warning of a potential license suspension, he paid his debt of \$11,153 in full.

One of the first states to start a license revocation program, California sent notices to 22,889 delinquent parents. The result of the notification letters prompted 10,160 parents to enter into payment agreements with the state. To date, without yet revoking one license, California estimates that over \$10 million has been collected for children. Ultimately the state expects to revoke 30% of the initial target group or about 6,860 licenses.

Massachusetts sent warning notices to 60,000 delinquent parents last year. From the first mailing, the state reports that it collected over \$600,000. Massachusetts has revoked 9 licenses.

South Dakota notified 13,000 delinquent parents that their drivers or occupational licenses would not be renewed unless child support was paid. Between 1,500 and 1,700 agreements to repay due child support were established. The result of the program has produced a 31% increase in collections. Within the first six to nine months, \$200,000 was collected. Since November 1993, the state has not renewed 5 licenses.

Montana had dramatic results in only three months. The state sent 800 notices warning nonpaying parents. Of that number, 182 were notices that Montana intended to suspend drivers and/or professional licenses. The response was immediate: 69 payment plans were put in place, 84 are pending and 72 wage withholding orders were issued to employers. In three months, \$120,000 was collected for Montana children. The state has revoked 12 licenses and 39 suspensions are pending.

Oregon produced successful results in six and half months. Notices sent to 1,341 delinquent parents pushed 402 parents into payment agreements, and Oregon quickly collected \$347,472 for children. The state has revoked 21 licenses since starting the program in July 1994.

Florida targeted 2,585 delinquent parents for warning notices to revoke drivers and professional (including teachers) licenses and vehicle registrations from January 1994 to February 1995. From this sample, 115 written agreements were established and \$389,210 was collected. The state has revoked 21 licenses.

Arkansas also targeted a group of 382 delinquent parents with notices to revoke commercial drivers and occupational licenses. Seventy agreements were entered into in response. Arkansas has collected \$106,664 from the initial target group. The state has revoked the most licenses to date with 84.

**STATE LICENSE REVOCATION INITIATIVES
FOR DELINQUENT CHILD SUPPORT COLLECTION**

State	Licenses Affected	Revocation/Suspension
Arizona	Professional, business & trade	Suspension, revocation, non-issuance or renewal
Arkansas	Commercial drivers, occupational, professional & business	Suspension for commercial drivers; suspension or revocation for others
California	Commercial drivers, professional, business, trade & commercial fishing	Non-issuance or renewal of license, revocation. Temporary, non-renewable license granted on either first issuance or renewal for 150 days.
Florida	Drivers licenses, vehicle registration, teachers, professional, business & trade	Suspension, revocation, non-issuance or renewal
Illinois	Drivers licenses, professional, business & trade	Suspension, revocation, non-issuance or renewal
Iowa	Commercial drivers, professional, business, occupational	Court may bar delinquent parent from engaging in license activity
Kansas	Professional	Suspension, revocation, non-issuance or renewal
Kentucky	Drivers licenses, commercial drivers	Suspension, non-issuance, or renewal
Maine	Drivers licenses, occupational	Revocation, non-issuance or renewal
Massachusetts	Drivers licenses, vehicle registration, professional, trade & recreational	Suspension, revocation, non-issuance or renewal
Minnesota	Occupational & student grants	Suspension

State	Licenses Affected	Revocation/Suspension
Montana	Drivers licenses, vehicle registration, professional, business, occupational & trade	Suspension, non-issuance or non-renewal
Nevada	Occupational, professional licenses & permits	Discretion of licensing authorities
Oklahoma	Professional & trade	Suspension, non-issuance or renewal
Oregon	Commercial drivers, electricians, plumbers, commercial fishing, real estate, construction contractors & landscapers	Suspension
Pennsylvania	Professional & trade	Suspension, non-issuance or renewal
South Dakota	Drivers, professional, occupational & trade	Non-issuance or renewal
Vermont	Professional, business & trade	Non-issuance or renewal
Virginia	Business, trade, professional & occupational	Suspension