

HHS NEWS

WR- Press Releases

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE:
Friday, June 10, 1994

Contact: HHS Press Office
(202) 690-6343

REPORT SHOWS \$34 BILLION GAP IN POTENTIAL CHILD SUPPORT PAYMENTS; ADMINISTRATION PLEDGES "AGGRESSIVE" SUPPORT ENFORCEMENT SYSTEM

America's child support enforcement system is failing to keep pace with the rising number of children who should receive payments from their non-custodial parents, according to a report released today. The report, prepared by the Welfare Reform Working Group, shows that fundamental, nationwide changes are needed to close a \$34 billion gap in uncollected child support.

"Many children in our country are being cheated by their own parents, most often their fathers, and we are not doing enough to protect them," HHS Secretary Donna E. Shalala said. "Improving child support enforcement would dramatically improve the well-being of millions of young mothers and their children: providing needed money for school clothes, food, books and child care."

Shalala pledged that "an aggressive, no-nonsense child support enforcement system will be a cornerstone of President Clinton's welfare reform proposals."

"We need to make it clear that parents -- both parents -- have responsibilities to support their children. The child support system must strongly convey this message," says the introduction of the report, signed by the co-chairs of the Welfare Reform Working Group. The three co-chairs of the group are Bruce Reed, deputy assistant to the president for domestic policy; David Ellwood, HHS assistant secretary for planning and evaluation; and Mary Jo Bane, HHS assistant secretary for children and families.

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"Government can assist parents, but cannot be a substitute for them," the co-chairs said. "We believe that movement toward universal paternity establishment and improved child support enforcement would send an unambiguous signal that both parents share the responsibility for supporting their children."

The report released today, "Child Support Enforcement," includes estimates showing that for every \$1 paid in child support, another \$2.50 could be provided by absent parents. The result is a gap in support which amounted to \$33.7 billion in 1990, according to figures cited in the report. This amount is higher than the total welfare payments made by states and the federal government under the Aid to Families with Dependent Children program, Secretary Shalala noted.

The report attributed the uncollected support to three primary causes: failure to establish support awards, inadequate award amounts, and insufficient enforcement.

Failure to establish awards accounted for \$19.3 billion of the 1990 collection gap. Inadequate award levels accounted for \$7.3 billion of the gap, and uncollected support due to insufficient enforcement totaled \$7.1 billion.

The report shows the need for better efforts to establish paternity at birth. "Of over a million out-of-wedlock births, only about one-third actually have paternity established," it says.

In addition, the report calls for automatically updating award amounts as a non-custodial parent's income changes. The report also highlights the importance of reducing fragmentation and increasing efficiencies in the child support enforcement system.

The importance of child support has grown rapidly in the past two decades, especially because of dramatic growth in out-of-wedlock births during the 1980s. "Rising numbers of children potentially eligible for child support, due primarily to the surge in out-of-wedlock births across the nation, are pressuring already overburdened state systems," the report says.

The federal-state child support enforcement system collected \$8.9 billion in support payments due during 1993, according to estimates by HHS' Administration for Children and Families. An additional \$5 billion to \$6 billion in support was paid through private arrangements.

The Welfare Reform Working Group has been responsible for preparing options for the president's welfare reform proposals.

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HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Wednesday, May 11, 1994

Contact: Melissa Skolfield
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STATEMENT RESPONDING TO MAINSTREAM FORUM PLAN

Mary Jo Bane, David Ellwood and Bruce Reed, co-chairs of President Clinton's Working Group on Welfare Reform, issued the following statement today in response to the introduction of welfare reform legislation by members of the Mainstream Forum:

"The members of the Mainstream Forum have introduced a thoughtful and effective piece of legislation, which in many ways mirrors the recommendations of the President's working group on welfare reform. We applaud their emphasis on rewarding work, demanding responsibility, providing opportunity and promoting the family. Following President Clinton's vision, their bill correctly focuses on restoring basic values to a welfare system that is badly in need of reform.

"Like the President's plan, this legislation is based on a simple compact. Support, job training and child care will be provided to help people move from dependence to independence. But after two years, anyone who can work, must work - in the private sector if possible, in a public service job if necessary.

"The introduction of this legislation is further proof of the broad consensus in Congress on the President's blueprint for fundamental change in the welfare system. The emphasis on work, child support enforcement and prevention of teen pregnancy is very much in keeping with the President's goals.

"We look forward to working with members of the Mainstream Forum, and other members of Congress in both houses and of both parties, to pass legislation to make welfare what it ought to be: a transitional system leading to work. We also look forward to working with Congress on the development of a balanced, fair, deficit-neutral financing package."

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DEPARTMENT OF HEALTH & HUMAN SERVICES

A fax message from:

Avis LaVelle

*W.R. -
Press Release*

Phone: (202) 690-7850 Fax: (202) 690-5673

To: Bruce Reed
White House Domestic Policy

Fax: 456-7739 Phone: _____

Date: 6-21-93 Total number of pages sent: 3

Comments:

February is American Heart Month.

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE
Monday, June 21, 1993

Contact: HHS Press Office
(202) 690-6343

The Clinton Administration is today reaffirming its commitment "to end welfare as we know it" by making the welfare system the transitional assistance program it was meant to be. HHS Secretary Donna E. Shalala told the U.S. Conference of Mayors, meeting in New York, that "welfare reform is one of the highest priorities of this administration."

Shalala told the mayors that the Welfare Reform Working Group established by President Clinton has begun the task of developing a program whose goal is to enable recipients to leave welfare within two years.

The administration's vision of welfare reform rests on the twin themes of opportunity and responsibility, Shalala said. "We believe that our goal is realistic and in the best interests of welfare recipients and the American public. We want to provide welfare recipients the opportunity to prepare for and enter the workforce, which we believe they have a responsibility to do," she said in later remarks. "Welfare cannot last forever."

The Clinton Administration is convinced that welfare use and welfare costs can and must be curtailed. The best way to reduce long-term welfare costs is to end welfare dependency for the substantial portion of recipients who currently stay on the rolls two years or longer.

(More)

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The Welfare Reform Working Group announced two weeks ago by the White House is co-chaired by Deputy Domestic Policy Advisor Bruce Reed and HHS Assistant Secretary for Planning and Evaluation David Ellwood. They will be joined by the HHS Assistant Secretary for Children and Families, when the position is confirmed by the senate. Mary Jo Bane has been nominated for the ACF position.

The group is charged with exploring creative solutions to the obstacles that have prevented welfare recipients from entering or re-entering the workforce. The working group expects to consult with elected officials, experts, and program recipients from around the country in an effort to devise a plan to submit to Congress.

"There is a great deal of support for welfare reform on Capitol Hill and nationwide," said Secretary Shalala. "I am confident that working together with state and local officials, Congressional leaders and committee chairpersons, we will craft a legislative package that will successfully transition people from welfare to work."

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W.R. - Press Release

**Draft Welfare Reform Statement
June 21, 1993**

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The Clinton Administration is convinced that welfare use and welfare costs can and must be curtailed. *It is widely understood that doing so requires re-directing short-term resources into training, child care and health care so that welfare costs can be reduced in the long-term.*

The Welfare Reform Working Group announced two weeks ago by the White House is co-chaired by Deputy Domestic Policy Advisor Bruce Reed and Health and Human Services Assistant Secretary David Ellwood. They will be joined by Mary Jo Bane, the nominee for HHS Assistant Secretary for the Administration on Children and Families once she is confirmed by the Senate.

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The best way to reduce long-term welfare costs is to end welfare dependency for the substantial portion of welfare recipients who currently stay on the rolls two years or longer.