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CHILD SUPPORT ENFORCEMENT

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

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CHILD SUPPORT ENFORCEMENT

TUESDAY, MARCH 28, 1995

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The hearing was convened, pursuant to recess at 9:30 a.m., in room 215, Dirksen Senate Office Building, Hon. Alan K. Simpson presiding.

Also present: Senators Chafee, Grassley, Simpson, D'Amato, Moynihan, Bradley, Conrad, Graham, and Moseley-Braun.

OPENING STATEMENT OF HON. ALAN K. SIMPSON, A U.S. SENATOR FROM WYOMING

Senator SIMPSON. The hearing will come to order. I think the record should reflect that I was on time, which is a remarkable thing in itself.

Let the record also disclose that the Chairman pressed this duty upon me. So he, in the old sense of the West, owes me one.

I am very pleased to be here, though, because I am very interested in the issue. And it is a great personal privilege to be here with my friend from New York.

Let me just say that, when I came to the Senate in 1979, I ran into Daniel Patrick Moynihan on the Environment and Public Works Committee, and found him to be a remarkable gentleman, a word that is truly definitive of the man. He was also a great help to a freshman Senator as we waded through issues that were totally foreign to me, like GSA, which is still totally foreign. But we will find out eventually what they are doing.

And we worked on things like public buildings, environmental laws, the Corps of Engineers. And he was very instructive to me, and very helpful. I have never forgotten that kindness in any way.

So we are here to discuss and learn more about child support enforcement, one issue in the welfare debate which is certainly in high intensity in America. There seems to be a growing consensus; everyone agrees that State-based child support systems have improved since the 1980's. However, the system remains most haphazard in collecting child support from so-called deadbeat parents.

I do not think there is a Democrat or a Republican who believes we do not need to address this important issue as part of welfare reform. Senators Dole and Snowe have a bill addressing child support enforcement, as does Senator Bradley, who is a member of the Commission on Interstate Child Support Enforcement. Two of them are Members of this Committee.

We have much consensus on this Committee on what needs to be done in this area. In addition, the House's welfare reform bill, was, of course, voted on last Friday.

It contains many of the bipartisan provisions that Senators Bradley and Snowe had been working on over the past years.

There are startling statistics in this area. My colleague, Pat, has written about these things in the past. People are paying a lot more attention now, interestingly enough. These are serious issues. And this Committee intends to address them this year.

But there are startling statistics out there. And we know why we must address this issue. Apparently 17.6 million children live in single-parent homes; almost 10 million women are raising children on their own. And almost one-third of them live below the poverty level.

In 1990, only 58 percent of these single women had a child support order. In my own State of Wyoming, in 1993, there were 45,000 children who were entitled to child support. That is out of a population of 475,000. I may have been at the root of that. I did 1,500 divorces in my nearly 20 years or practice, and maybe these are vestigial aspects of that. Nevertheless, whacking on the parent to provide is an eternal problem.

Child support is important in the welfare debate because, if child support is collected, mothers obviously have a better chance of staying off welfare. Tougher child support enforcement resulted in collections for 873,000 families on welfare in 1993. And, because of these collections, money was then paid back to the taxpayers to make up for the welfare payments already made. And stricter child support enforcement makes certain financial and budgetary sense.

And the link to welfare makes child support a valid concern of the Federal Government. In addition, it is a Federal concern because one-third of all child support cases are interstate cases. Because of the ease with which residents move from one State to another in this country, there is a real need for stronger and more efficient communication among the States in the collection of child support.

And these interstate cases are the most difficult to resolve because parents can deliberately evade State laws by moving from State to State and changing jobs. We need a national data base of child support orders.

Under the bills that have been introduced, States would be required to periodically report new child support orders to this registry, which would also be accessed by other States. And this type of program would assist greatly in tracking down interstate cases. And I believe the mood and the mode is to track them down. And we will do that.

So we can make a real difference in making certain then that truly poor children are taken care of, even those who are not poor, and the responsibility lies in parentage and proof of parentage. And you are going to share those things with us.

Improving child support enforcement will directly improve the quality of these children's lives and their chances for any future at all—an important issue in every sense.

I am looking forward to the testimony. We have a fine group. I will now ask my colleague from New York, the Ranking Member,

and former Chairman of this Committee, if he would wish to make any commentary.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, A U.S. SENATOR FROM NEW YORK

Senator MOYNIHAN. I would, Mr. Chairman. First to thank you for your gracious remarks. And to note and emphasize that this is truly a bipartisan matter in this Committee and in our Congress.

The welfare legislation passed on Friday included the proposals that the President has made on child support enforcement. Both proposals, in turn, reflected the legislation which Senator Dole and Senator Bradley of this Committee have been advancing. This is very promising indeed.

A simple statistic too. One is that the majority of American children born today will live in a single-parent family at some point in their lives. This is a whole new experience.

When you go far enough back to the age of typhoid, typhus and yellow fever, it may have been pretty high also but, in the last century, it is a wholly new condition.

The Urban Institute has done a study which estimates that, if child support was fully enforced, there would be an extra $34 billion paid, of which $4 billion would go to persons on welfare. And there would be a reduction in welfare caseloads of 10 percent, which is no small thing. We have not found a way to do that.

In the 1988 legislation, we provided that the first $50 of child support goes to the mother of the dependent children, which is good in itself. But I also think there is a larger social purpose here of keeping some family relations intact, that there is a responsibility for children, and that it is carried out.

And so I look forward to this hearing, and to this year's legislation.

Senator SIMPSON. Thank you, Senator Moynihan.

And now our panel, consisting of Leslie L. Frye, Chief of the Office of Child Support, California Department of Social Services, Sacramento; Bill L. Harrington, National Director of the American Fathers Coalition of Tacoma, Washington; Margaret Campbell Haynes, J.D., Director of the Child Support Project of the American Bar Association, and chair of the 1992 U.S. Commission on Interstate Child Support, from Washington; Michael R. Henry, J.D., Director of the Division of Child Support Enforcement of the Virginia Department of Social Services in Richmond, Virginia; Geraldine Jensen, President of the Association for Children for Enforcement of Support, of Toledo, Ohio; and Marilyn Ray Smith, J.D., chief legal counsel and Associate Deputy Commissioner, Division of Child Support Enforcement, Massachusetts Department of Revenue, Cambridge, Massachusetts.

I understand that you have been informed that we will have testimony necessarily limited to 5 minutes each.

Then we will have rounds of questioning from the Ranking Member and myself, and other Members, in the order of their appearance, from this side of the stage, stage left. And that will be a 5-minute limitation.

So, if you would please proceed in the order of the witness list. Leslie Frye.

STATEMENT OF LESLIE L. FRYE, CHIEF, OFFICE OF CHILD SUPPORT, CALIFORNIA DEPARTMENT OF SOCIAL SERVICES, SACRAMENTO, CA

Ms. FRYE. Thank you, Mr. Chairman. It is a real opportunity to address the Committee today. We in California look forward to improvement of the child support enforcement program in our State and nationwide.

In June, 1992, Governor Wilson announced a 5-year plan for improving child support performance in California. Called Vision of Excellence, it provided a road map for legislative and administrative changes which would result in increasing collections, as well as other key program outcomes.

Since the announcement of that plan, we have moved ahead aggressively to implement the nation's most fully automated licensing restriction system, denying new and renewal applications for more than 50 categories of business and professional licenses for persons with overdue child support.

Recent legislation allows revocation of licenses where agreements to repay are not honored. This year, the Governor is sponsoring legislation to apply these restrictions to individual drivers' licenses as well.

We have found this system to be a particularly effective method of reaching the self-employed professional or business person who does not receive wages that can be readily attached.

We estimate that each agreement to repay, secured as a result of one of these restrictions, results in a child support payment of about $1,000. So the 10,000 such agreements we have gotten to date have generated about $10 million in child support collections for California's children.

Long a leader in using high volume enforcement techniques, California recognizes the value of automation to identify and intercept income and resources of obligors.

In 1978, we pioneered the tax refund intercept system, using our own State tax system, which then became a model for the Federal tax refund intercept required of all States in 1981.

Building on that success, we started interfacing with other State agencies which disburse funds, and began intercepting disability and unemployment benefits, lottery winnings and workers' compensation payments.

In 1991, we began automated reporting to credit agencies of all child support obligations, both current and overdue, which elevates child support to the level of consumer debt, and provides an important incentive to payor to remain current.

Automation has also enabled us to form a partnership with our State tax agency to impose liens and wage garnishments administratively, a program which generated over $30 million in its first operation in just 6 of our 58 counties.

Due to this success, the pilot effort has been replaced with Statewide implementation over a 2-year period.

All of these techniques require automated data processing to link computer systems. The more automation available to child support, the more successful the program can be.

It is critical that States have sufficient resources to fully automate their programs, as was envisioned by the Family Support Act of 1988.

Unfortunately, the late issuance of Federal regulations describing system requirements, a scarcity of qualified staff at all levels of Government and within the private sector, and the cumbersome planning and procurement processes have resulted in many States running out of time to complete their FSA systems.

In order for us to move forward in a cost effective manner, it is imperative that enhanced funding authorized by Congress be allowed to extend, at least as long as the Federal regulations were delayed, at levels already approved. This would result in an October 1, 1997 cutoff of enhanced funding. The last thing any of us want to do is to rush these complex projects, and find that they cannot do the job.

California has improved its program outcomes over the last 4 years by instituting an incentive payment system for its counties, which rewards performance. This incentive system mirrors the current Federal system in that it operates as a percentage applied to collections, but differs significantly in that it neither limits rewards to a single indicator, cost effectiveness, nor restricts incentives earned on so-called non-welfare collections.

California believes that putting our money where our mouth is—that is, rewarding desired program outcomes—is exactly what Congress should do with the child support program funding.

Under the current Federal scheme, only one performance criterion is rewarded—getting the most dollars in at the least cost. This focus ignores the very important program activities of establishing paternities and support orders, which require a resource investment that does not immediately result in payments.

Further, growing portions of our caseload, which we are appropriately mandated to serve, are categorized as non-welfare, and incentives on these collections are capped. States are actually penalized for meeting program goals, such as moving families off of welfare, or keeping them in non-cash, Medicaid-only status.

We advocate redefining these mandated caseloads as welfare or public assistance for at least some period of time, so that States are encouraged through the funding mechanism to help families minimize or avoid welfare dependency.

California believes that a performance-oriented collection-based incentive system, with the 66 percent match rate, can assist families in targeting resources to meet program goals. A collection-based incentive system encourages States to enact innovative tools and techniques because, to the extent that they will increase collections, they are self-funded.

The performance-oriented collection-based incentive system is preferable to other schemes under discussion, which promise a higher rate of Federal match for better performance, but will inevitably result in child support programs becoming just another cost center in State budgets, no matter how well they perform.

Senator SIMPSON. Well, that kind of timing is unknown to this panel. And then we have a bell too, which I have only heard the other day. [Laughter.]

[The prepared statement of Ms. Frye appears in the appendix.]

That was very excellent testimony, and we appreciate it.
And now Bill Harrington, please.

STATEMENT OF BILL L. HARRINGTON, NATIONAL DIRECTOR, AMERICAN FATHERS COALITION, TACOMA, WA

Mr. HARRINGTON. Thank you, Senator Simpson.

My name is Bill Harrington. I am from Washington State, the other Washington. I am here speaking on behalf of the so-called deadbeats and fathers that were presented to the country last week. And I am hoping that through out presentation today, we can talk about the fathers who deeply love and care about their children, and the kind of issues and policies that can be put in place to dramatically change the orientation of our country.

You have all been talking about a huge financial deficit in this country, and I think there is an even greater deficit, and that is a parenting deficit, a lack of time that parents spend with their children.

What we are asking you to do is to value that from both the perspective of fathers. And we have begun to see that in the Republican bill in the House.

As I said, I am from the other Washington, I have watched this debate going for a number of years. I went through the divorce process. I kept thinking that the fathers who ended up with the negative stereotype somehow deserved it, and have seen that maybe we are not so correct in our judgment.

We have had 80 years of the tender years doctrine. And, in the early 1950's, the Federal Government intervened and said, we have poverty in two-parent households. What do we do? Not the States and not the parents, not the churches, not the schools, but the Federal Government adopted the no man in the house rule.

You said we will give support to needy children, but only with one parent. And it was decided, in the wisdom of the Federal Government, that the parent who shall leave the home shall be the father. You did it. You said that the highest value of a father is money. Well, we respectfully disagree. We believe it is the love and affection of both parents.

In my State, we have six duties to be a parent. Duty number 6 is financial support—not duty number one. And all we have heard from the Federal Government is money. Well, that is not what children need the most. They need values, and they need involved caring parents.

In the early 1960's, the welfare state started, and you all decided that all you had to do was have physical possession of a child, and that constituted the best parent. Fathers were cast aside. They were not named on the birth certificates, no paternity affidavits.

Then, in the 1970's, the legal community intervened again, and said we have a better idea, no-fault divorce. We do not have to talk, no argument—again, a gender preference. Children were the losers, fathers were the losers, society was the loser.

And then, in 1974 and 1975, the Federal Government came in again and said, now we have another program—child support enforcement, The only problem with that whole scenario is that you have never gone back and reassessed the custody issue. Were chil-

dren properly placed with the better parent? You have never done that.

So all you have done is perpetrated one problem on top of another, and said we respectfully intervene, encouraging agreements between both parents, mothers and fathers, where they made bad deals. I am not here to defend that. Both moms and dads made bad deals.

Mom says I get custody. Dad, you do not have to pay very much, little or nothing, just disappear. And we reserve unilaterally the right to reassess your contract only on the financial issue, not the property. Many fathers gave up everything they had on the assumption that no child support would be ordered. One hundred percent property settlement, they left everything. And now we sit here 40 years later saying why does the child support system not work better?

Well, I am here to argue with you that maybe it is working as well as it will ever work, and that maybe you ought to take another look at one statistic, the 1990 census. When fathers see their children, and have shared rights, child support is paid 90 percent on time and in full. When fathers do not see their children, and have no rights, it is roughly 35 percent.

Ladies and gentlemen of the United States Senate, you have one issue, one opportunity to change. If you want voluntary increases in child support, give the fathers in this country the dignity of seeing their children, and enforce that right.

To its credit, the House of Representatives, in the back of the bill, H.R. 1214, has done this for the first time. And that came from President Clinton. We have had a number of meetings with the White House Welfare Reform Working Group. To their credit, they put in what is a nominal amount of money. But, also to their credit, we have met with every Republican leader in the House, and they agreed with it. They put it into the welfare bill; it is there. It is a historical precedent. You do not need more punitive laws. You do not need to chase down drivers' licenses and professional licenses. You do not need to be more mean-spirited and punitive. You just do not need to do it. You have to respect one fact; give the parents in this country the dignity and privilege of being a full participating parent in the lives of their children.

One ACCESS demonstration grant happened in 1988 in Iowa. When you paid a nominal amount of money to the State of Iowa, they had a program of ACCESS counseling and visitation. They had a 15 percent voluntary increase in child support, easily five times higher than the cost of the program.

The cheapest way to increase your child support payments is to let the parents see the children. You do not need more negative laws. You do not need more jails or more policemen. Just give the parents in this country the privilege and dignity of being involved.

We did not ask for no-fault divorce. That was given to us, imposed upon us. Give us back the opportunity to simply see our children, and the child support will be paid.

Thank you very much.

Senator SIMPSON. Thank you very much.

[The prepared statement of Mr. Harrington appears in the appendix.]

Senator SIMPSON. Margaret Campbell Haynes, please.

STATEMENT OF MARGARET CAMPBELL HAYNES, J.D., DIRECTOR, CHILD SUPPORT PROJECT, AMERICAN BAR ASSOCIATION, AND CHAIR, 1992 U.S. COMMISSION ON INTERSTATE CHILD SUPPORT, WASHINGTON, DC

Ms. HAYNES. Mr. Chairman, and Members of the Committee, than you for the opportunity to testify.

My name is Margaret Campbell Haynes. I chaired the U.S. Commission on Interstate Child Support. My testimony is also based on more than 10 years in child support as a prosecutor, researcher and trainer in more than 35 States.

As you consider welfare reform, it is crucial that you also act on child support reform. Many custodial parents who are not on welfare nevertheless live in fragile economic circumstances.

Unlike welfare, however, there are few mysteries about what is needed to reform the child support system. In fact, there is overwhelming consensus on the major elements of reform.

These elements are embodied in the report of the U.S. Commission on Interstate Child Support. That commission included three Congressional members, Senator Bradley, Congresswoman Kennelly, and Congressman Roukema.

My written testimony focuses on those reforms that I believe are most crucial to making the interstate system work. Embodied in these recommendations is a belief that we must have greater uniformity in State laws, greater use of technology, and case processing that allows transfer of debt without transfer of a whole case.

Some of my remarks represent fine tuning of commission recommendations. Given time constraints, I would like to focus my oral testimony on registries of support orders, employer reporting of new hires, elimination of multiple cases, and training.

First, registries. Congress should require every State to establish a registry of support orders. This registry should include every support order issued or modified in the State, regardless of whether a child support agency is involved.

Why involve Government in private cases? Because it is impossible to determine all the outstanding orders against an obligor unless the system includes both IV–D and non-IV–D cases.

The registry will especially help with enforcement. When we know all the orders against an obligor, we can better calculate arrears, and we can conduct automated enforcement through data matches.

In addition to State registries, we need a national registry of support orders. This would not duplicate State registries, but contain minimum abstracted information. It would serve as a pointer, letting someone know all the States that have support orders involving a certain person, so that we can then follow up in those States for more specific information.

Second, employer reporting of new hires. There are four main elements of a successful system. It must be universal. It must apply to all employers. It must be simple. All we need to know is the employee's name, date of birth, Social Security number and the employer's Federal ID number and address.

Third, it must be flexible. We need to allow employers many ways they can transmit the needed information.

And, fourth, it must be uniform. Multi-state employers in the child support community agree that the Federal Government must take the lead in standardizing certain definitions and forms in order for employer reporting of new hires and income withholding to work.

Congress should establish a uniform definition of income, a uniform definition of disposable pay that is subject to withholding for child support, a uniform ceiling on the amount of income that can be garnished for support, uniform standards regarding allocation of money when there are multiple withholding orders, and a uniform time period within which employers must report new hires. Congress should also require the Secretary of HHS to develop a standard withholding order form.

Third, we need to eliminate multiple orders and cases in this country. More is not always better, especially in the interstate arena. There are three quick fixes that I urge Congress to make.

Please require all States to enact the officially approved version of the Uniform Interstate Family Support Act, UIFSA. This Act establishes one order between the parties. If you leave it up to the States, we are going to have a uniform act that is not uniform.

We need technical amendments to the Full Faith and Credit bill that President Clinton signed last October, so that it is consistent with UIFSA.

And, third, we need to require all States to have laws creating administrative liens for child support, by operation of law, without the necessity of a prior notice and opportunity for a hearing. In other words, let us freeze the asset first, and then provide people with their day in court. And we need procedures where these administrative liens can be recognized from State to State.

We need to understand that, with child support, we are talking about transferring debt across State lines, and it is not necessary to always create a new case in a second State.

Finally, training should be a requirement in State plans. Far too often, when budgets are tight, training of staff is the first casualty. Yet, there is no greater investment that can be made. Trained personnel insures problems are better anticipated, customers better served, and appropriate legal remedies sought.

In conclusion, I realize we are seeking Federal mandates, at a time when the mood appears to be to the contrary in this country. However, this is a national problem, where the varying State laws and procedures are the major hindrances to effective enforcement. And it does demand a national solution.

Thank you.

Senator SIMPSON. Wow. Well, I will tell you, we ought to quit while we are ahead.

Thank you very much again.

[The prepared statement of Ms. Haynes appears in the appendix.]

Senator SIMPSON. Now, Michael Henry, please.

STATEMENT OF MICHAEL R. HENRY, J.D., DIRECTOR, DIVISION OF CHILD SUPPORT ENFORCEMENT, VIRGINIA DEPARTMENT OF SOCIAL SERVICES, RICHMOND, VA

Mr. HENRY. Thank you, Mr. Chairman, distinguished Members of the Committee. Thank you for the opportunity to testify this morning.

I am Mike Henry. I am currently the director of the Virginia Division of Child Support Enforcement. Prior to coming to Virginia, I spent 7 years in a similar post in the State of Missouri.

Virginia's child support program has a caseload of 358,000 cases. The caseload contains more than 400,000 Virginia children, over 25 percent of the children in the Commonwealth.

Each month, the caseload grows by over 2,000 cases. And, in fact, in recent months it has been more like 2,500 cases a month.

Working the cases are about 1,100 State and vendor staff.

Senator CHAFEE. What do you mean by "vendor?"

Mr. HENRY. A private contractor. I will talk about privatization in a minute, and flesh that out a little bit for you.

During the current State fiscal year, we expect to collect about $220 million in child support, establish paternity for over 30,000 children, establish over 31,000 child support orders, issue 76,000 income withholding orders, and establish about 9,000 liens against real and personal property.

Those numbers look good but, as I am sure you are aware, there is quite a bit left to be done out there, and we welcome your interest in trying to improve the program.

First, I want to provide a little bit of good news. You may remember the Omnibus Budget Reconciliation Act of 1993 had a number of provisions directed at paternity establishment. Generally, they were trying to move us toward a more voluntary, less litigious resolution of the problem, avoiding the need of sending people to court in order to get an uncontested case resolved.

We implemented a similar set of changes in Virginia in 1990, including the nation's second, I guess, in-hospital paternity establishment program, after the State of Washington. And I am here today to tell you that it has really paid off.

In 1989, before we implemented the changes, the program in Virginia established paternity for 11,600 children. This year we are projecting, as I said, to do about 30,000, about 25,000 within the child support program, and another 5,000 or so non-IV–D cases in the hospitals.

More significant, I think, is the fact that that number exceeds the number of children who will be born out of wedlock this year in the Commonwealth. We are actually going to establish more paternities than there are children coming into the system. So I think that causes some optimism. If the rest of the country can move to that kind of output, we will see overall paternities doubling to something like 1.2 million.

We think that even better results could be obtained if welfare recipients would provide more information to us regarding the identity and whereabouts of their children's fathers. States need greater flexibility in trying ways to promote this cooperation without seeking Federal waivers.

Last week, Virginia Governor George Allen signed sweeping welfare reform into law. Among many other things, the bill requires paternity to be established within 6 months of initial receipt of AFDC. Otherwise, with some limited exceptions, the children are no longer eligible for cash assistance.

States need flexibility to try new ways of promoting welfare recipient cooperation. Others have pointed out that child support workers are in a better position to gauge the level of cooperation than are IV–A AFDC eligibility workers. We would like to have the flexibility at the State level to test that out as well.

Now I want to spend a few minutes talking about privatization. Within the past year, Virginia has joined the States of Arizona, Georgia, Nebraska and Tennessee in privatizing full-service, front-line child support enforcement activities.

Within the next few weeks, we will award a contract to privatize child support operations across the Potomac in Alexandria and Arlington.

Last May, a contractor began running offices in the Tidewater Area, serving the cities of Hampton and Chesapeake, and five surrounding localities.

The vendors are paid a percentage of what they collect, at a rate that is significantly less than what it would cost the State to operate the offices itself.

Child support enforcement lends itself to privatization. Program output is objective and easy to measure in the form of dollars collected. Private companies are not burdened by inefficient Government procurement and personnel practices; they tend to exhibit a stronger customer service orientation.

Finally, because the current funding structure of the child support program allows States to more than cover their cost, a State can expand through privatization, with the realistic expectation that any long-term additional costs will be offset through increased revenues.

Over the next few months, you will be asked to consider changing the funding structure of the child support program. We ask you to be sensitive to the impact such changes might have on privatization efforts.

The strength of the current funding system, under which States earn incentive payments from the Federal Government, based on their collections, should be retained.

Another serious issue confronting States and their privatization efforts is vendor access to information already provided to the States by the Internal Revenue Service. States get information about delinquent parents, which is reported to the IRS by employers and financial institutions. It is currently unclear whether States can pass this information on to private vendors, who are fully responsible for child support cases at the front line.

A "no" answer to this question would end or seriously threaten the privatization movement in child support enforcement. It is critical that Congress resolve this issue by allowing vendor access, with appropriate safeguards against misuse or disclosure.

Thank you.

Senator SIMPSON. Thank you very much.

[The prepared statement of Mr. Henry appears in the appendix.]

Senator SIMPSON. And Geraldine Jensen, please.

STATEMENT OF GERALDINE JENSEN, PRESIDENT, ASSOCIATION FOR CHILDREN FOR ENFORCEMENT OF SUPPORT, TOLEDO, OH

Ms. JENSEN. Mr. Chairman, Members of the Committee, ACES is the largest child support organization in the U.S. It was contacted by 100,000 families last year. Eighty-eight percent of those told us that they had to apply for welfare, due to non-support.

My family experienced this. My caseworker told me to sign up for welfare, since my ex-husband lived out of State, even though he worked as a heavy equipment operator. He said to me, "It will take 6 months to get the paperwork to Nebraska, and another year before anything happens."

To stay off of welfare, I worked two jobs. But work, running and household and caring for my sons became too much, and we ended up on AFDC. I went back to school, became a practical nurse, and I got off of welfare. However, a year later, when the support payments were still not coming, and I became ill, we had to return to welfare for another 6 months.

All of my efforts to collect support were rebuffed by the Government, friends and family. It became evident that society condones irresponsible men who father children, and we treat women as the sole responsible parent.

It is as if they actually believe women go out and get themselves pregnant. No one seems to care about the children who struggle every day.

This is why I founded ACES, to organize parents, to work for improved child support.

Some advocates, attorneys and State officials will ask you to give States one more chance to collect child support. Millions of children have lost their chance.

In 1975, the year my youngest son was born, a State-based system was created. In 1984, when he was 9, child support amendments were enacted. The collection rate then was about 20 percent, and about 50 percent of the children did not have an order. When my son was 13, you passed the 1988 Family Support Act. In 1993, when my son was 18, the collection was still about 20 percent, and about 50 percent of the children still do not have an order.

We have lost a whole generation because of a broken system, not because of laws, and not because of money. We spend $2 billion year. The problem is that the system is overloaded, and different everywhere. Judges process cases on at a time, in an antiquated process, designed for when divorce and having children outside of marriage was unusual.

We need a system that sets up an administrative process to establish orders in paternity. You will hear from some that we should privatize child support. However, Tennessee reports, after 5 years of privatization in four counties, a collection rate that is even lower than 18 percent.

You will hear, let States do their own programs. Even if every State had income tax, and were all as aggressive as Massachusetts, it would not solve 36 percent of the cases, which are interstate, whose problems are caused by States being different.

Massachusetts' success teaches us that collection via the tax system works. It is a model for the IRS. This chart indicates the system that was just passed by the House of Representatives, and is in the legislation proposed in the Senate bills.

This national registry, State registry, new-hire registry, central payment registry system takes up to 12 steps per case. It is complicated, it is bureaucratic, and it will not work.

We need a new State and Federal partnership to solve this problem. On this chart is a system outlined to serve families. The State sends an abstract of the support order to the IRS. Then the employer sends a copy of their W–4 for new hires. It is matched with the order; the employer is told to withhold child support, just like taxes. Self-employed people will pay support in the same way as they pay taxes, through monthly payments.

The system is simple, it ensures confidentiality of IRS information, because it will not be distributed to local county workers or private vendors. It is cost-neutral. It can reduce child poverty by 40 percent, and it will save the taxpayers billions. It is literally less but more effective government.

I have seen parents use children as clubs against each other in the divorce process. Please make sure that the laws you enact do not encourage this behavior.

Please keep visitation and child support separate. A parent should not be allowed to withhold visitation due to non-support. The parent may be unable to pay because they are indigent, disabled, or ill. A parent should not be allowed to withhold support because they are denied visitation. It is wrong to steal food out of the mouths of your own children because you are having an argument with an ex-spouse.

To get families to quit taking the laws into their own hands, ACES recommends that you require States to set up a program for mediation and counseling families with visitation and child support disputes.

Please, for the sake of the children, no more halfway measures; no more money spent on inefficient State systems. Please, no more children going to bed hungry because we do not have an effective national enforcement system.

Thank you.

Senator SIMPSON. Thank you very much.

[The prepared statement of Ms. Jensen appears in the appendix.]

Senator SIMPSON. Now, Marilyn Ray Smith, please.

STATEMENT OF MARILYN RAY SMITH, J.D., CHIEF LEGAL COUNSEL AND ASSOCIATE DEPUTY COMMISSIONER, DIVISION OF CHILD SUPPORT ENFORCEMENT, MASSACHUSETTS DEPARTMENT OF REVENUE, CAMBRIDGE, MA

Dr. SMITH. Good morning, Mr. Chairman, Members of the Committee. Thank you for this opportunity to testify.

My name is Marilyn Smith. I am president of the National Child Support Enforcement Association, and I am also chief legal counsel at the Child Support Enforcement Division of the Massachusetts Department of Revenue.

The National Child Support Enforcement Association is the "big tent" that brings together child support professionals from all over the country.

The child support program in Massachusetts has been a priority for Governor Bill Weld. Massachusetts is already doing virtually every significant requirement of the major legislative proposals before Congress. And we are here to tell you that it works.

We have consolidated cases into a central case registry. All payments go to one location in the State, that processes 50,000 checks a week, most within 24 hours. All employers report new hires within 14 days, increasing collections by more than $14.5 million in the first year.

We can revoke professional, trade, recreational and driver's licenses of child support delinquents who refuse to honor payment agreements. We use computers to issue notices to seize bank accounts and other assets that we find through data matches with bank and tax information, collecting $7 million a year.

Our paternity acknowledgement program has 64 percent of the parents of children born out of wedlock establishing paternity within a few weeks of the child's birth.

And we just became the 21st State to enact the Uniform Interstate Family Support Act.

My written testimony contains details about each of these programs. I would like to focus here on three major areas.

The first is access to information; the second is cooperation; and the third is distribution of payments to help families stay off welfare.

First, on information, there is broad support for new hire reporting. It is the most lucrative innovation in child support enforcement. In Massachusetts, in the first 2 years, we have transferred more than 75,000 wage assignments. And the average time for the wage assignment to take effect to a new employer went from 15 weeks to 3 weeks.

Some proposals call for employers to report new hires to a national directory, with data matches then fed down to the States. We strongly prefer that new-hire reporting take place at the State level, and then report the information up to a national registry for interstate data matches.

Employers already have ongoing relationships with the necessary State agencies, both child support and wage reporting. Other data matches, such as unemployment and workers' compensation are also utilized.

Most important, States are in a better position than the Federal Government to do any necessary follow-up to insure accurate data entry and compliance by employers. In this era of strengthening States' control and flexibility for innovation, it makes sense to keep this program near the customer.

Congress can bring uniformity by mandating uniform time frames and standard formats, without creating another Federal bureaucracy.

Second, give us tax information from the IRS so we can quickly find hidden assets. Existing law restricts full access to Federal tax data, which is a rich source of financial information.

For example, Massachusetts State tax data indicates that 10 percent of noncustodial parents whose children are on AFDC could be paying enough child support to close the welfare case.

Rather than turning the child support program over to the IRS, as some have advocated, make IRS information and enforcement tools readily available to State child support agencies.

Turning now to banks, we need account information from banks, so we can go where the money is. State child support agencies find out about bank accounts by happenstance, or too late to be useful.

Massachusetts recently enacted legislation requiring all banks to exchange information quarterly with the Department of Revenue. In 2 years, we have levied more than 10,000 bank accounts, seizing more than $7 million from child support delinquents, who put money in the bank rather than food on the table for their children. Congress can boost collections for all States with a similar bank match program.

Next, we must require strict cooperation by applicants for welfare. Even in the age of information technology, the best source of information about the noncustodial parent is still the custodial parent. However, one study found that about half of welfare recipients had given false or misleading information to child support agencies.

In Massachusetts, we have found that a quarter of the cases we receive from the welfare department are "dead on arrival," not enough information to begin looking for more. And another 20 percent fail to cooperate along the way.

We recommend that Congress condition welfare benefits upon providing verifiable information, that you make the child support agency responsible for determining cooperation, and that you require the welfare agency to impose an effective sanction for failure to cooperate, something more than the current sanction of simply removing the recipient from the AFDC grant.

Last, we should design simple rules for distributing child support collections that encourage families to leave welfare. The current Federal rules for distributing money cause accounting nightmares for parents, headaches for computer programmers, and audit deficiencies for States.

If the mission of the child support program is to keep families off welfare, as we believe it is, then we need to change the rules for passing money to welfare families.

We recommend that Congress give States the flexibility to experiment with passing current support to the welfare family, counting it as AFDC income, and giving priority to collecting the past due support owed to former welfare families.

We can encourage compliance from the father, who gets the satisfaction of knowing that all his payments go to the children, and we can encourage cooperation from the mother, who sees that the family is not totally dependent upon welfare for survival.

And then caseworkers will be freed up to accomplish the real business of child support, establishing paternity and collecting support, so families do not have to turn to public assistance for survival.

Mr. Chairman, thank you for this opportunity to testify.

[The prepared statement of Dr. Smith appears in the appendix.]

Senator SIMPSON. Thank you, all of you. This has been very provocative and helpful to us. We appreciate your extraordinary attention to time limitations.

Crank it up, and I will take my 5 minutes, unless you wish to. You were here first.

Senator MOYNIHAN. No.

Senator SIMPSON. Then I will take the five.

This is something that is very deeply and personally familiar to me because, in practicing law in the tiny community of Cody, Wyoming for over 18 years, I did about 75 divorces a year. That was not my principal practice. Wyoming was the second easiest State in the United States in which to get a divorce.

It was six weeks in Nevada, and 60 days in Wyoming. And you establish residency by just coming and living in the Irma Hotel, which has a convivial atmosphere, visiting the Buffalo Bill Historic Center during the day, fishing, hunting, all sorts of avocational activities. And people would stay and simply take a divorce on the basis of irreconcilable differences. They would briefly say what those were, and usually have an agreement approved by the court.

But the orders never went anywhere, the supporting parent, usually the father, would leave, and he was directed by the court to make support payments.

But most of you, in one way or another, have spoken about the issue of support payments, and their regularity, having to do with parental visitation. One of you said it was using children as clubs. I found that they used them as pile-driving sledge hammers in this.

And it is a truly torturous situation because there is no hatred like two people who once loved. And so they would say that you were a half-hour late with the child. And there was always an attempt to see who could make the other one cry during the visitation privileges, the mother or the father. And it was, "Next week, you will not get to do that because you were a half-hour late, and you gave him chocolate ice cream, and I told you not to."

I mean it sounds silly but, brothers and sisters, it is real. They know just exactly how to press the other ones' button, just exactly how to get them enraged, and it works. And there is anguish all around, to see if there can be wailing and gnashing of teeth. It is a sad thing to watch

I do not know that will end, as long as the bitterness is there. But how are we going to logically separate a child support payment, consistency, with parental visitation?

Mr. HARRINGTON. Senator, one of the problems is your use of the term "visitation". That is a prison term, not a parenting term. Children do not visit parents. They live there.

You need to redirect the language of the legal system toward the dignity and privilege of parenting your children. It should be parenting time, not visitation. Visitation is a parent without rights, and you buy into that whole system if you are treated as less than equal, less than valuable. We need to redirect the whole system.

Senator SIMPSON. Some of the things you have shared with us are rather dramatic. But the one that I keep coming back to is the fact that, if the visitation is reasonable and if it is allowed, you are absolutely right.

I cannot tell you how many times in those 18 years, when somebody would come back and say, "Look, I am making good money. I am supposed to pay $150 per child, but I will be damned if I will do it if I do not see that kid. And she makes me go to court about twice a year. I am tired of it, and I will not pay."

Now that is real. Do any of you have any comment on that?

Ms. JENSEN. Senator, I think that those problems are very true. However, I think it is important that the laws we have in our country do not set up a standard where two wrongs make a right.

So, when someone withholds child support because they are denied visitation, that is exactly what is happening. And we need to say to parents, go back to court, resolve your differences. You may not withhold the food from your child.

Nor should you say that you cannot withhold visitation because you do not get child support payments.

It is important that our laws make people behave in an appropriate manner.

Senator SIMPSON. Well, my time is fleeting, but I just want to ask, there was a dual thought here from, I think, Ms. Jensen. Ms. Haynes, you said that, instead of having the computer information registry in every State, there should be one formal Federal registry that "handles everything".

But the Commission on Interstate Child Support recommended an integrated network, linking the State systems.

In your opinion, would the Federally-run system be more feasible than the various State systems linked together? And, if not, why?

Ms. HAYNES. We did not think Federalization within the IRS would fix the major problems with enforcement. You cannot enforce child support unless you can locate someone. Yet Federal agencies only get information annually or quarterly; States get much more current information through voter registration, DMV, and employer reports of new hires.

Nor will a Federalized system improve enforcement against self-employed obligors. It is no surprise that the biggest non-filers of income taxes are also self-employed people.

And States have more options for reaching these people, such as what is being done in Massachusetts and California with the license revocation.

We did not think a Federalized system would improve accessibility to custodial parents. You have local courts and agencies in many more places than IRS and Social Security offices. We also did not see any current Federal model for distribution of the millions of payments that may be weekly or biweekly and change as often as child support does.

Social Security deals with set monthly payments, and the IRS just processes annual reconciliations.

Senator SIMPSON. Thank you very much.

Ms. JENSEN. Senator, can I——

Senator SIMPSON. Yes.

Ms. JENSEN. Senator, excuse me. Can I respond to that also?

Senator SIMPSON. Yes.

Ms. JENSEN. Thank you. I was also a member of the interstate commission. During that time period, I think that the belief was that these computer systems could be integrated.

However, it is now 3 years later, and the Federal Government has spent about $1 billion on these State computer systems over 11 years. Only one State has a certified computer system that is working; that is Montana. All the other States are reporting difficulty getting them to work or that they will not be on line in time.

So, the belief that they can be hooked together, when they were not designed to do so, I do not believe is a reality.

Also, we found that one national registry protects the integrity of the IRS information, it is not distributed to a local level, and it creates more confidentiality. A person does not have to worry that a local worker or vendor is looking at their IRS information. And we feel that is essential and very important.

And, also, for the other side of what Meg said about collecting from self-employed people. IRS collects taxes from 87 percent of Americans. We only collect child support from 18 percent. No, we do not get money from everyone who earns money under the table, but we would certainly collect a lot more child support, and help a lot more children, if we collected the same as taxes.

Senator SIMPSON. Thank you very much. My time has expired.

And now our Ranking Member, Senator Moynihan. And next is Senator Chafee.

Senator MOYNIHAN. Yes, Mr. Chairman. This has been first-rate testimony. I would like to thank Mr. Harrington for his comment about the term "visitation". Words are powerful things. That is a prison term, as against "parenting".

I would like to thank Dr. Haynes and Ms. Jensen on this matter of a national registry. We have put up $1 billion for the States, and we do not have much to show for it. We have the data processing capacity. There would not have been any point in talking about this 50 years ago, or even 10 years ago. But you can do it now.

If it came to that, we could ask the American Express Company to show us how. They do it on a monthly basis, at some considerable advantage to themselves, I believe.

A national data base, which the Chairman mentioned earlier, seems to be in order. Senator Bradley, you have been an advocate of that, with Senator Dole.

But, if I can go to a somewhat more narrow subject of welfare—Mr. Henry, you mentioned a study conducted by Rutgers University, which found that the majority of welfare recipients had given false or incomplete information to child support officials in order to protect the identity or whereabouts of their children's fathers. We thought we had read everything up here, and we have not read that.

Dr. Smith, you gave that 50 percent number as the experience in Massachusetts?

Dr. SMITH. Right.

Senator MOYNIHAN. Now, that is not acceptable. It is not, and ought not to be. Would you not agree?

Dr. SMITH. We agree.

Mr. HENRY. Absolutely.

Senator MOYNIHAN. And the Federal Government can require it. We will call on Rutgers, if you can give us the address.

Mr. HENRY. Yes. Actually, I think this is an unpublished study. The author's name is Katheryn Edin, as I recall.

Dr. SMITH. We can send that to you.

Senator MOYNIHAN. We will get it. We know Katheryn Edin.

The honor of the back bench here has just been restored. It is unpublished. All right. But we know the author.

I would just like to invite attention to a suggestion from Dr. Smith that the $50 pass-through, the first $50 of child support received by a welfare mother, is kept by her, and the rest goes to the State and Federal Government to offset the payments.

You suggested that those $50 payments might be held in escrow, and be available as a lump sum when the family leaves welfare. That is kind of an attractive idea.

Where do you get all these ideas, Smith?

Dr. SMITH. I work for some smart people.

Senator MOYNIHAN. That is a very smart remark. Governor Weld will not be displeased. And, particularly since the House bill proposes to abolish that $50 pass-through altogether, which is silly.

Dr. SMITH. Well, we just think we ought to be looking at this program as much as possible to make maximum incentives for families to go off public assistance, and making it attractive for families to have some transition funds. In the process of passing from welfare to work, there are always additional expenses. And it also is certainly a major carrot at the end.

Senator MOYNIHAN. If you are taking a job and breaking off from the system it would be helpful to get $2,000 for furniture, or this or that, or a rainy day. It would cheer all of us up, I would think.

What does the panel think of this?

Mr. HARRINGTON. Senator, 2 years ago the State of California put $140 million of that money into the general fund for bridges and roads. Why is that money not being used for parenting classes, for alternative dispute resolution, or given 100 percent pass-through to the moms? Why do dads pay that money, and then have the States say that it is their money?

Senator MOYNIHAN. A fair question. But the escrow question? Ms. Haynes, how do you like that?

Ms. HAYNES. I think it is an excellent idea.

Senator MOYNIHAN. Could the Bar Association look into that for us?

Ms. HAYNES. I will ask them to, yes sir.

Senator MOYNIHAN. Would you? I think that would be a great service.

Mr. Chairman, again, thank you for this panel. It is very rewarding. Thank you all.

Ms. HAYNES. Senator Moynihan, let me just point out to you that the ABA does have a very strong policy in support of self-sufficiency. However the ABA does not support welfare reform that penalizes families based on characteristics or behavior of the parents, such as some of the things that have been discussed in the House. For example, the ABA is opposed to ceilings on the size of families. To deny benefits for additional children simply forces more children into poverty. However, I think the ABA would be supportive of an escrow idea, such as suggested by Ms. Smith.

Senator MOYNIHAN. I see. And I do note that the House bill abolishes the $50 pass-through altogether. That is gratuitous.

Dr. SMITH. Well, one of the things that is worth pointing out about the House bill, however, is that it does require that collections give priority to arrears that the family accrued, either before they went on AFDC, or after they left AFDC. And it gets rid of the assignment of pre-AFDC support payments that accrued before the family went on welfare.

So it has some other benefits in there that are favorable to families, which we also support.

Senator MOYNIHAN. I knew you worked for Governor Weld. Thank you very much.

Senator SIMPSON. Thank you. Now, Senator Grassley. And next, Senator Graham.

Senator GRASSLEY. Well, Senator Simpson, you brought up the issue of visitation, and the pay connection. I think Mr. Harrington spoke to a project in my State of Iowa, to encourage visitation rights on the part of noncustodial parents. And then, of course, that removes the barrier to visitation.

I think the research that we have had in our State clearly demonstrates that, when parents are allowed this sort of relationship with their kids, it helps collection rates. You demonstrate that by saying 90 percent, compared to 35 percent, I think.

I did not want to ask a question about it, because it has already been discussed, but I thought, from my State of Iowa, and also because Mr. Harrington had made reference to it, I would mention that so that people could look to my State if they want to know where there is some successful research on the issue.

You have evidently verified it. You may know more about it, Mr. Harrington, than I do.

Mr. HARRINGTON. ABC did a little synopsis of the Iowa experiment. When we showed that to the House leadership, that was it; that was the debate. When they saw that farm boy crying over his children, and actually showing the evolution of that, sitting down with the mother and working it out, people said, "We now understand." It is far more a dignity issue than a punitive issue.

Senator GRASSLEY. Yes. On another issue, I note that Dr. Henry and Ms. Jensen had touched on the subject of privatizing the collection of child support payments. I would like to have other people comment on this, if you have any opinion on that subject from your respective States, or respective positions.

Ms. FRYE. California has not gone into this area. I certainly can envision a situation in which we might consider it, for the reasons that Dr. Henry addressed. And that has to do with the ability to enter into a contract that is based on collection, and have the private sector resources, with their more streamlined personnel and procurement practices, assist the child support program.

There is more than enough work to go around. And, for those States that have found this to be an effective method for them, I think it has worked very well.

I certainly would be concerned about an alteration in the funding mechanism which makes those kinds of activities impossible, or much more cumbersome.

Dr. SMITH. Could I comment, please?

Senator GRASSLEY. Yes.

Dr. SMITH. We have privatized certain discrete functions of our program. Our payment processing is done by a private vendor. We have collection agencies. Our in-hospital paternity program is coordinated by a private company.

And we are in the process of putting out a request for proposals to deal with the intake issue, to have a private company help us interview custodial parents and get the information, so that we can move forward on those 50 percent of the cases that do not have a child support order, largely because we do not have enough information to go forward.

So it is an area which gives States a lot of flexibility to strengthen parts of the program that may be weak in a particular State, and where the private sector can add a source of talent and resources.

Senator GRASSLEY. On another point, I would ask comment from any of you—this is not directed to any specific participant. It comes from Governor Thompson of Wisconsin. You know, he has a proposal that he calls "pay or paint". And the idea is that noncustodial parents who do not pay their child support would do community service as a substitute. Collection of support has increased in that State dramatically under that proposal.

It is probably an example of bringing to the public's attention something that may be embarrassing to some extent. I do not know the reason why it presumably has worked, but I would appreciate any comment you have.

Ms. FRYE. I would like to comment on the Parents' Fair Share demonstration project, which is something that the Demonstration Research Corporation——

Senator MOYNIHAN. That was authorized by the Family Support Act.

Ms. FRYE. Yes. It has been operating. We have a site in Los Angeles County. And I think it combines a seek work order, or job training, with some peer support to address the issues of how to be a father. These men may have grown up with a one- or two-generation lack of experience with a father in the home, and they simply do not know what to do with a 3-year old. Where do you take that child? What do you do?

So the program provides support for the role of father for men who do not have direct experience with it, who want to. It provides job training and support services to get into the work force. And, frankly, in some instances, it provides the effect of identifying those who perhaps do have a source of income, who were reluctant to share that with their child.

So, when they need to report to a certain place at a certain time, 5 days a week or 3 days a week for classes, that income information has been forthcoming.

So it has multiple effects. I think Mike has had some experience with it in Missouri, in his prior job as well.

Senator GRASSLEY. Thank you, Mr. Chairman.

Senator SIMPSON. Now, Senator Graham. And next, Senator Moseley-Braun.

Senator GRAHAM. Thank, you, Mr. Chairman.

I would also like to commend the panel for the excellent series of statements that they have made available to us today.

I am concerned about the interplay of the issue of having enough Federal involvement in order to assure consistency, while not having so much that you stifle State flexibility and innovation.

Just as an example. The House bill would require States to do such things as create a central case registry to track the status of all child support orders. It would require the establishment of a new worker registry. It would require States to put Social Security numbers on professional licenses, commercial drivers' licenses, a number of other licenses.

I cite those just as examples of specific instances that raise this tension between Federal mandates to achieve uniformity and consistency, as opposed to Federal mandates which will also restrict and direct what States can do.

I will direct this to any member of the panel. What do you think ought to be Federalized, required uniformly of all States, and where the Federal Government should allow States the full range of flexibility, including the flexibility to do nothing at all, if the State decides that this the most appropriate action for its particular circumstances?

Ms. JENSEN. Senator, I would like to respond to that.

Our concern is that, for the past 20 years, the Federal Government has been making mandates on the States, and requiring them to take action. And it just has not worked. The States have been unable to meet those mandates and provide services.

So we think that a State and Federal partnership is essential in this process. And it seems to be a logical conclusion to have the States establish the orders, determine the amount of support to be paid, and establish paternity. But, once we have the order, then let the Federal Government assist with the collection.

The IRS could then payroll deduct it from anyone's paycheck, no matter where they moved in the U.S., no matter how many times they changed jobs. We would not have a problem with people like construction workers any more, who work at 15 different sites during the summer, because it would be easy to take it out of each and every paycheck through a W–4 reporting system.

And we think it is time for a State and Federal partnership that actually works.

Mr. HARRINGTON. Senator, let me also address the issue from paternity. In my statement, I made reference to a Law Review article. Let me just read the opening paragraph, which speaks right to the issue.

This is from Carole Tebben, American Journal of Family Law, August, 1990. "The U.S. Supreme Court has recognized the natural father's established relationship with his child as a protectable due process and equal protection interest. This interest has been created, further, by the court to include a natural father's potential relationship with his child. The States, however, have been divergent in their application of Constitutional protection to these interests.

"And many States give only cramped or minimal protection. The father's 14th Amendment rights are often pitted against such crucial public policy issues as the integrity of the family, the stability of the adoption process, or the best interests of the child.

"Although the court has recognized that the rights of the natural father are protectable, the court also allows a great deal of discretion to the States in determining the extent of that protection.

"In some State cases, results have been contradictory to the court's declaration that a father's established potential relationship with his child is protected. For many fathers seeking to protect the relationship with a child, the 14th Amendment has proven to be meaningless. We have serious reservations about States unilaterally acting to establish paternity."

See, the issue, Senator, is not really a father's right. It is the right of the child to the identity and the privilege of being parented by both parents. The States have not done that. They have been operating with gender blindness. We know for certain who the mom is; we are not so certain who the dad is. So, let us act on what we know for certain.

And that has done provable harm all over our country. So we have serious doubts that the States can act without some Federal protections.

Ms. HAYNES. Senator Graham, we had a long discussion in the commission about whether some of our recommendations were State-specific, as opposed to interstate. And it became very clear that, to have an interstate system that works, you have got to have strong State components of that. And that does require certain standardization.

You will see a lot of consensus among the States, and between Republicans and Democrats on this. I think everyone is in agreement about the registries, State and national registries of support orders, about the employer reporting of new hires, about URESA enactment.

Everyone wants States to be pulled up to the best enforcement techniques. And that is why you see a lot of requirements that States have certain enforcement remedies. And, obviously, you need Federal standards about funding.

I think, once you establish a goal though, you do not then need to give all the minute detail. It is one thing tc say that States should have registries of support order; you do not need to tell the States where that registry should be located. I think that is where the difference lies.

Ms. FRYE. If I just might add, I think that we need to focus on outcomes, on performance of States, and set those targets but, again, not necessarily dictate exactly how the States are going to achieve them.

Dr. SMITH. And I would like to join in that, that National Child Support Enforcement Association supports those provisions that you referred to, as does the Commonwealth of Massachusetts.

I think we do need to look at goals and, at the same time, provide some flexibility for State innovation. Every single innovative program in child support has always come from a State who had the creativity to try something. And then we brought it to Congress and said, "hey, this works. Let us have everybody do it."

And I think this has been the real strength of this program, and something that Congress should really be proud of, in the way that it has created this kind of partnership and dialogue.

Mr. HENRY. If I could chime in, in Virginia, we do not like mandates. We would prefer not to see many of them. But I think it is undeniable that, in child support, because there is such an interstate problem—it is up to a third of the caseload—there is a need for uniformity in process.

We need a mandate from Congress to all States to adopt the Uniform Interstate Family Support Act, verbatim, by a date certain. And we need the Federal Government to play an important role in linking our automated systems, so that this information can get from where it is to where it needs to be in order to locate individuals and their assets.

Beyond that, we want to leave the States with quite a bit of flexibility so that we can continue to come up with good ideas to improve the program.

Ms. JENSEN. Senator, may I say one more thing, which is that, if we continue on the path that we are going, and you allow States to set up all these different registries in any way they want, the results are what is outlined on that chart, which is very bureaucratic and very complicated.

So I think we need a very straight, simple system that works, and will actually help the children.

Senator GRAHAM. Thank you.

Senator SIMPSON. Senator Moseley-Braun. And next, Senator Bradley.

Senator MOSELEY-BRAUN. Thank you very much. I want to thank the panel also. This is a real area of interest.

I came to the Congress concerned about child support. We passed legislation last year calling for the interstate enforcement of child support orders, in an effort to try to regularize the experience among the various States.

Unfortunately, my State of Illinois was listed by the Childrens' Defense Fund as one of the Hall of Shame States because the level of collection in Illinois is so low.

I would like to focus in on your testimony regarding outcomes and targets because it is pretty clear, looking at the numbers. According to HHS, the numbers for Illinois specifically, say that my State received about $77.8 million for child support collection efforts, $60 million alone in the IV–D money, and $8 million in incentive money.

And yet, based on collections, it comes out to about $2 collected for every dollar spent in administrative costs. That is just outrageous, it seems to me. The idea of spending a dollar to collect $2 suggests that we are really wasting an awful lot of money, and wasting a lot of money that could otherwise be going to help children.

And Illinois, parenthetically, has a lot of the laws that have been talked about—license suspension, and making it a felony, and all of these things. The laws are on the books. All this money is being spent, and we have this abysmal collection rate.

Given the fact that Illinois is not alone on this Hall of Shame—this list of States with a low level of collection rates—my question would be, have you given any thought to methodologies which would track outcomes and tie the support for State efforts to outcomes, or to try to beef up State efforts in this regard, to avoid the

bureaucracy that may be one of the places where the child support money is getting lost in the shuffle?

Ms. FRYE. I would like to comment on that because California has implemented a system with its 58 counties, of essentially paying for performance.

Currently, the Federal incentive system recognizes only one outcome indicator, and that is cost effectiveness or, as you say, the ratio of dollars into costs of collecting those dollars.

Now that particular funding system drives performance in many States into a particular direction, which is to go after the cases where collection is more certain. This I believe, has historically led us to pay less attention to those harder to collect cases, or cases where we needed to establish paternity, we needed to make a location of somebody to move forward, or we needed to establish a support order.

And since we implemented this pay for performance system in California 4 years ago, our collections have increased significantly—22 percent. Paternities established increased 34 percent. Support orders increased 40 percent.

And what we are doing is saying that, while cost effectiveness is important, so are these other activities. It is my belief that the funding system that we currently have in place drives us to handle only the cases that are easy. And then we have an army of Federal auditors coming out to make sure that that is not how we behave, and that in fact we actually establish paternity, support orders, and so on.

So what we are asking Congress to do is to reorient the funding mechanism so that we are rewarded for achieving program goals. We are rewarded for establishing paternities, support orders, and increasing collections.

Senator MOSELEY-BRAUN. Well, what would you do in a case like my home State? When you have a 10 percent collection rate, you are spending $2 for every dollar you collect, what do you do for those States that are not performing?

Assuming for a moment, you are saying that because these do not include the dollars that go for the auditors to which you refer, these are dollars that go directly to the State, and they are not making their way to the children. So how do you provide a floor, a basis for performance, some standards, some expectations, if not requirements of the States? Particularly in these times, we are all concerned about mandates on the States, but this is just the opposite of a mandate. This is money going to the States that is just getting frittered away, it seems to me.

Mr. HARRINGTON. Senator, you are giving my speech. The bureaucracy does not work. You can do two things. You can treat parents as parents. Give counseling and parenting classes, and enforce the time that people have with their children. If you do that, the voluntary payments dramatically increase.

Your State does not support a parent's tie with their children. I get a lot of calls from Illinois. You do not respect the right of a parent to spend time with their children.

Senator MOSELEY-BRAUN. I would not argue the point with you that parental responsibility is a critical part of this entire debate. But, assuming for a moment that we have gotten to the point of

non-voluntary compliance, those parents that are not paying even though they get visitation rights, the bad actors—and you will notice I did not make it male or female—but let us assume the bad actors.

My question back to whoever wants to respond is, what do you do with the States who are not doing the job in this area?

Mr. HENRY. Generally, the States that have struggled have had structural problems within the State. The program is just too complex because there are too many people involved in it. And, in effect, nobody is in charge.

I think, if you look at Illinois, it is a fairly decent example of that. It is just too complicated; there is a big struggle between Cook County and downstate. Illinois was one of the first States in the country to pass an administrative process statute, which would allow the movement of much of the operations out of the court system and into the agency. To my knowledge, this has never been implemented.

And Illinois seems to repeatedly run into problems, where good legislation comes out of the General Assembly, and it is stifled by the Judiciary.

Senator MOSELEY-BRAUN. Until recently. But all right.

Dr. SMITH. Senator, I would like to add to that. I think leadership in the State, and having real clear accountability for a particular agency that is responsible for the outcome, are very important.

And that is the reengineering process that Massachusetts has gone through since 1986, where we had a very fragmented program.

All the enforcement responsibilities are now in the Department of Revenue, and we have been able to move because we have control over the caseload, because we have many of these provisions that are in the major legislative proposals before Congress about getting all the cases under one system, allowing for expedited data matches, so that you can go from what we call "retail" to "wholesale".

You are no longer looking at cases one at a time, but you are doing thousands of data matches, and that allows you to make quantum leaps in your collections without having to increase your staff. You can speed up your time, and you really use technology to the fullest.

You are starting to see the benefits of technology in some States, and some States are further behind in being able to bring these systems up to speed. But, in the next few years, I think you will start seeing some dramatic results.

But I cannot overemphasize what Mike says about having an organizational structure within the State so that there is one agency clearly responsible, through cooperative agreements and the funding mechanisms, and the interagency agreements that people operate, so that States have some ability to get other State agencies involved.

Mr. HENRY. And certainly, if you are concentrating on dollars collected and percentage increases, and you are still 40 percent below where you ought to be, you are not focusing on the right thing.

So our outcome measures need to be looking more at things like percentage of cases in which paternity is established, not just raw

numbers; the percentage of cases with orders, not just raw numbers; percentage collected, compared with what was due, instead of just a 15 percent increase over the prior year.

I think all of us have been a little guilty of this. We have patted ourselves on the back for a nice healthy increase over the prior year. And yet we are still falling way short of where we need to be.

Ms. JENSEN. Senator, I come from the State of Ohio, where the Federal Government has even come in and audited the State, and found a $10 million penalty against Ohio for failure to implement the laws. The collection rate, as a result of that, only went from 19 to 20 percent.

Our problem in Ohio, as in Illinois, is with 88 county child support agencies doing child support enforcement 88 different ways. I do not know if it is appropriate, or if it would ever truly happen, that we would make the Ohio government, which has been traditionally county-based, suddenly become State-based.

So it seems to us a much more logical solution, rather than trying to straighten out 88 Ohio counties, 98 Nebraska counties, and all the counties in Illinois and the other States, is to have the IRS do the enforcement. They can go everywhere, and collect easily, and they already have an ability to do so. And we do not have to restructure State and county government.

Senator SIMPSON. Thank you very much.

We will proceed on this first round in this order: Senator Bradley, Senator Chafee, Senator Conrad and Senator D'Amato.

Senator Bradley.

Senator BRADLEY. Thank you very much, Mr. Chairman. Let me thank the panel for their kind words for the reforms I have been advocating.

And let me ask, if I could, the State agency representatives, what are the three changes that you think we could do in Federal legislation that would have the biggest impact on establishing paternity, finding delinquent parents, and collecting support?

We can start with Mr. Henry, and move to Dr. Smith.

Mr. HENRY. That is fine. As I mentioned earlier, I think we need all States to adopt the Uniform Interstate Family Support Act. We need the Federal Government to play a significant role in tying our automated systems together, and making the central registry and some kind of national new-hire registry mesh together, along with an expanded parent locator service.

And, third, I think we need to take a look at the funding structure, and try to make changes that move us toward outcome measures, so that we are appropriately rewarded in the form of additional resources for better program performance, but without hindering our efforts to privatize in the process.

Ms. FRYE. He took my three, so I think I will add also that I think we need to take a look at the cooperation requirement for eligibility for public assistance. We need to spend some time thinking about what are the incentives and disincentives in the system?

I think Marilyn talked about an alternative to the $50 disregard, or the way we handle child support now, of passing on all the current support on to the family. I think that is very important to give the family a vision that they are being partially supported by the

tax dollar, as well as by the child support. I think it enables people to see that they can work their way off welfare.

But, in addition, again, I do think that we need to recognize that fatherlessness is not a life style choice; it is far too serious an issue in this country for us to allow people to deny children the right to know their father. And I think we have a major problem with that.

Senator BRADLEY. Ms. Smith?

Dr. SMITH. Well, I would like to add to my colleagues' comments. On the paternity arena, I think we should go one step further beyond OBRA, and allow parents to establish paternity through a voluntary acknowledgement process that becomes a conclusive presumption within—whether it is 60 days or 6 months—at least a short period of time.

In Massachusetts, we have had extraordinary success with a similar process, where almost two-thirds of the parents are establishing paternity in the hospital, or a few weeks thereafter.

I think the other very important thing is to build on Senator Bradley's amendment, by adding administrative liens that arise by operation of law, and that are recognized across State lines.

We have been using administrative liens in Massachusetts with extraordinary success. We have about 90,000 of them outstanding. As soon as we find an asset, we can move to seize it. One of the amendments that was added to the House bill was that provision. We hope it gets picked up in the Senate.

If we can move across State lines, and put liens on condominiums when obligors go to Florida, or bank accounts when we find them, we can cut an enormous amount of existing paperwork, which really strangles agencies, and makes it hard for us to do our job.

Senator BRADLEY. So, on the issue of paternity, you are suggesting that, once a father arrives at the hospital and acknowledges that he is the father of the child, after 60 days that becomes binding?

Is that opposed to the current circumstance where somebody acknowledges paternity at the hospital and then, 6 months, a year, 2 years down the road, for child support purposes denies paternity?

Dr. SMITH. That is exactly right.

Senator BRADLEY. And the next thing you are suggesting is that we have Federal data base, so that we can find absent parents, right?

Dr. SMITH. That is right.

Senator BRADLEY. And the next thing you are suggesting is that you have a new-hire report, so that anyone who hires someone has to file that hire with the Federal Government, against which you can match those who are delinquent on the payment of child support. Is that basically the gist?

Ms. FRYE. I think all of us here would agree that we would prefer to see the new-hire registry at the State level, and then an abstract of that. All right.

Senator BRADLEY. Right. No, I understand——

Ms. FRYE. It is a fine point, but an important point.

Senator BRADLEY. No, I understand. The State officials would like to see it at the State level.

But, of course, then we have a problem of interstate enforcement, finding fathers who move across State borders to avoid paying.

But what about allowing a State that has a child support order already existent against an absent parent simply informing the other State or the employer that there is such an order, and you do not have to go through the whole court system in the other State. Would that make sense to you?

Dr. SMITH. That makes a great deal of sense. We can already do that for interstate income withholding orders. They can go across State lines without having to go back to court.

The Interstate Family Support Act permits the employer in the second State to be able to honor the wage assignment, without even having to go through the child support agency. And this administrative lien, that is honored across State lines, will allow enforcement to go forward in the same way.

Senator BRADLEY. All right.

Now, Mr. Harrington, let me ask you, in S. 456 we tried to take account for the first time ever of the circumstance of fathers by putting some options for non-custodial parents to have disputes settled, such as custody and so forth.

With child support enforcement, there is clearly a Federal responsibility because it relates to welfare payments. What would you say is the Federal responsibility, as it relates to custody or visitation?

Mr. HARRINGTON. A one-word answer—equal. I think they have an equal responsibility. There is dual responsibility to being a parent. Raising the children is equal to the money. In most States, the financial responsibility to be a parent is not the first responsibility. It is listed last.

You really need to meet the parental duties, and you both have to do it. You cannot simply say that Federally we will do child support but, at the States, we are going to do custody and visitation. It needs to be equal.

Senator BRADLEY. But, do you have a specific suggestion?

Mr. HARRINGTON. Oh, the language that is in the House bill, H.R. 1214, is language we can live with.

The first 2 years is minimal to set up programs. States really are not set up to do it. But, under the 1988 demonstration grant in Iowa, there was some progress. And that can be expanded for dispute resolution, pick-up and drop-off points, anything to reduce the adversarial nature of the situation.

Senator BRADLEY. Mr. Chairman, I had questions for Ms. Haynes, who I respect greatly for her work for the Interstate Child Commission, and Ms. Jensen, but time has elapsed.

Senator SIMPSON. Thank you very much, Senator Bradley.

And, Mr. Chafee.

Senator CHAFEE. Thank you, Mr. Chairman.

Dr. Smith, I would like to ask you about this new-hires reporting. I missed some of the testimony here.

Are you suggesting that we have a Federal statute that mandates that?

Dr. SMITH. Yes. Some 20 States now have new-hire reporting. I think what the employers are looking for is that there be uniform

standards so that there are the same time frames and the same kind of information that is reported.

Senator CHAFEE. I can see that there is a wave of opposition to unfunded mandates around here, as you know. And so this would be Congress telling the States that they had to levy a requirement, or they had to follow the requirement that all new hires must be reported.

How does that work? Suppose I am a landscaper or an architect if you want to call it that. And I have two employees in the summer. And, if I have a big job, I might pick up a couple of others and have them help me out. It is a very transient type of work.

How does that work? What do I do as the boss?

Dr. SMITH. What you do is, when the employee fills out the W–4 form, it has all the information we are looking for—the Social Security number, the name of the employee, and the identification number of the employer. You can fax it or you can make a photocopy of it and send it to us.

We found that our employers were very responsive and cooperative. We made it particularly attractive to them because we use the information to detect fraud and abuse in workers compensation and unemployment compensation.

In fact, in the first year, we had more savings, almost $16 million, from people who were working under the table, and meanwhile taking a benefit which cost the employers money, than we actually got in child support.

Senator CHAFEE. Oh, I see.

Dr. SMITH. So there is a benefit for them. So we have made it worth it.

Senator CHAFEE. So you might have a situation where a worker is collecting workers compensation from employer A, and then goes to work for employer B. And this system traces it.

Dr. SMITH. That is right. That was a big sell.

Senator CHAFEE. In this era of rebellion against paperwork and unfunded mandates and big government, that is going against the tide, I would say.

Dr. SMITH. Well, Governor Bill Weld is a great proponent of few mandates and not many requirements, and trying to be supportive of employers. And this was an initiative that his administration put forward with a great deal of support from both parties, and from the employer community.

It has been virtually effortless for us to put this in place.

Senator CHAFEE. How small an employer is involved? Suppose I have one person working for me in my landscape business?

Dr. SMITH. If you are required to do withholding for that employee, then you are required to turn this information in. We do not make exemptions in Massachusetts for the size of the employer. And the reason is that many of the child support obligors that we are looking for—as are the people who are double-dipping in other compensation-type programs—are transient workers who move exactly from the type of employer you are talking about.

This is one of the reasons why we think it should be at the State level because we can find those folks easier than the Federal Government can.

Ms. JENSEN. Senator?

Senator CHAFEE. Yes.

Ms. JENSEN. I just wanted to say that I think you are pointing out something very important.

The version for child support enforcement ion the House bill, and in the current Senate bills, is very burdensome to employers.

Senator CHAFEE. Very what, burdensome?

Ms. JENSEN. Burdensome. It causes them a lot of extra work.

Senator CHAFEE. Not according to Dr. Smith. Dr. Smith says that is not so. They are very enthusiastic about it.

Ms. JENSEN. That is not my understanding of the situation.

Senator CHAFEE. I will not say they are enthusiastic, but they are accepting of it. I must say that there is a side benefit of this if somebody is collecting unemployment compensation.

But how does the central area that receives this know who is collecting unemployment compensation?

Dr. SMITH. We do data matches.

Ms. FRYE. And Senator, may I add, in California this process is run with our employment development department, which is our employment agency.

And the reason we did that is because employers throughout the State already have a relationship with that agency. They are already reporting withholding to that agency. And all we have asked them to do is——

Senator CHAFEE. In Massachusetts, it is under the treasury department, is it not?

Dr. SMITH. But we also do wage reporting, child support and tax all under one roof.

Senator CHAFEE. Yes, but how would you pick up the unemployment compensation?

Dr. SMITH. Well, we do data matches with the unemployment compensation agency, which we are already doing for child support purposes. We do a data match every two weeks, as they update their caseload, to find out who owes past due support. We already have the computer technology in place to do the matches. It works effortlessly.

Senator CHAFEE. All right. My time is running out here.

Yes, Mr. Jensen?

Ms. JENSEN. Senator, in addition to them having to figure out where to send the W–4 form, whether it is going to be the State child support agency or employment security, the other burden on employers is that they are going to receive income withholding orders from 50 different States. They are not all going to be on the same form, and they may not even be able to figure out what they mean.

They are then going to have to send payments out to 50 different State payment registries.

So we believe this plan is very complicated.

Senator CHAFEE. Well, I can see that, that it is complicated.

Ms. Frye——

Well, there goes my bell.

Senator SIMPSON. Senator Chafee, you were starting to ask your question.

Senator CHAFEE. I was in full flight.

Senator SIMPSON. That is our rule here.

Senator CHAFEE. All right.

Ms. Frye, the House-passed bill would deny AFDC payments to children whose paternity has not been established.

Now the implication is that women are refusing to cooperate in the establishment of paternity, and thus you need that sanction.

The question is, is cooperation a problem and, if so, will this be helpful?

I must say, in some instances, I suppose the women legitimately do not know who the father is.

Ms. FRYE. Senator, that may be the case, in some small numbers of instances.

But what we are seeing in the child support enforcement program is a fairly substantial number of situations in which people say they do not know, or they do not remember.

And, as has been indicated here, there is evidence, some studies that show that there is an ongoing relationship with the father of that child at the time of application. There may be an informal agreement to either pay dollars, or provide diapers, or take care of the child periodically.

But, unfortunately, what happens is that, if paternity is not established while there is still a relationship and the location of the father is known, that child risks a lifelong lack of a legal father, which is a terrible thing.

Senator CHAFEE. So you approve of the House provision?

Ms. FRYE. Yes. We are supporting that.

Senator CHAFEE. My time is up.

Senator SIMPSON. Senator Conrad. And then Senator D'Amato.

Senator CONRAD. Thank you, Mr. Chairman.

Mr. Harrington, if you had a response, you can go ahead and do that.

Mr. HARRINGTON. Yes. It is estimated that 70 to 85 percent of the fathers are either at the hospital when the baby is born, or see the child before they leave the hospital. It is the mothers who are not signing their names on the certificates, or identifying the fathers so they will sign.

The fathers do not really understand the process, that they have to sign something. If somebody talked to the men that were there. Maybe they are out in the hallways, looking through the baby windows. I have seen them. The problem is that there are so many incentives in the welfare system to not name the father.

Senator CHAFEE. So you would support this House provision?

Mr. HARRINGTON. Absolutely.

Senator CHAFEE. Thank you. Thank you, Senator.

Mr. HARRINGTON. Thank you, Senator.

Senator CONRAD. I would like to come at this in a somewhat different way, trying to understand the overall dimensions of the problem.

As I understand it, there are some 10 million mothers who are in this circumstance. About 58 percent of them have an order, roughly 6 million. That means 4 million have no order. About half of them are receiving full payment. So that is 3 million getting what the order provides. About 25 percent get a partial payment; about 25 percent are getting nothing.

So, if you take the 4 million with no order, and you take the million and a half who are getting nothing, that is 5½ million.

Do we have statistics that break down these groups so that we know how many of them have not identified the father? Do we know that?

Mr. HENRY. I can answer that for Virginia's caseload. Out of a caseload of 358,000, we have about 8,000 unknown father cases.

Senator CONRAD. So that is a relatively small part of the problem. Would that be true nationally?

Mr. HENRY. Identifying the fathers is a relatively small part of it.

Ms. FRYE. I will add that we have probably very few unknown fathers. Larry Smith. I do not know him, met him in a bar. We may have a name, it may be the right name, it may not. But we do not have enough information to make any establishment, to make that shadow a real father to that child. And that is the frustration that we all face.

Senator CONRAD. We are talking now, as I see it, about 5½ million that do not have an order, 4 million do not have an order, 1½ million were not getting any payment under their order.

Of the 4 million who do not have an order, what do we know about them? How many of them would never have sought an order?

Ms. JENSEN. Senator, we did a study called "Childhood's End" of 325 single parents. And it showed that 91 percent had provided the child support agency with the name of the father. About 80 percent even gave the Social Security number. But only about 23 percent got help from the State agency.

Mr. HENRY. What was the universe that was drawn from?

Ms. JENSEN. Three hundred twenty-five single parents from New York, Atlanta, Portland, Oregon.

Mr. HENRY. From your organization?

Ms. JENSEN. No. They were done from families that were at the social service agencies in those communities and at the community welfare agencies. They were not ACES members. It was done by several organizations.

Senator CONRAD. Let me just go back to this point. I would be interested in the four on the right here, who have dealt with administering programs. I am trying to get an idea here of how big a problem this is, not identifying a parent. In your numbers, you have 350,000, or something like that. In your caseload, you have only 8,000?

Mr. HENRY. If you look at the Kathryn Edin study, what she found is that we tended to get a little bit of information, but it was far short of what the mother actually knew. And what the mother, in welfare cases, was often doing was using the threat to turn the individual over to us, in order to get payments from him under the table.

Senator CONRAD. I know, but let us go back to the numbers. You have 350,000, and you say you have only 8,000 where you have not identified the father.

Mr. HENRY. No, no. In which the mother has said, I do not know who he is.

We are like most States. About 40 percent of our caseload is without an order, which is the biggest piece of the gap.

Senator CONRAD. And that is largely because the father has not been identified, I take it.

Ms. FRYE. We have not been able to locate the father. If we have sufficient information to search, then we are actively searching all of the data bases, both within our State and nationally.

But, unfortunately, too often we do not have the key pieces of information. We do not have a Social Security number. We do not have a driver's license number.

Mr. HENRY. Date of birth.

Ms. FRYE. Date of birth. Something to identify this individual out of all the people in the world.

Senator CONRAD. All right. So let us go back. Of the 4 million with no order, out of the 10 million we start with, 4 million we do not have an order, largely because the father has not been identified. Would you agree to that?

Dr. SMITH. Well, some of them are probably in process of being identified. Some of them are maybe not in the child support caseload. Some of them are in process where they are going through the system, and it takes a while. That is one of the reasons we need to streamline some of the processes.

And some of the others—again, in the Massachusetts caseload—about half of those who do not have a child support order, it is because we either have no name, or it is only a name, and it is not enough. You have to have something more than the name.

So to say you just have to name the father is not enough. You have to give some specific information that leads to information, and then have a process that, if that information does not pan out, the custodial parent has to come back in and continue to come up with something that works.

Senator CONRAD. I am trying to get proportions here. So, identifying the father would be right at the top of the list of things that need to be done, right?

Mr. HENRY. Right.

Ms. FRYE. Right. I would just like to add also, Senator, if I might, that creating a culture that says that fathers are important to children, and turning around this vision that we have that it is comme ci, comme ca, as to whether a child has a father, is essential in this struggle to make parents, mothers, understand why we care about it. It is very important.

Senator CONRAD. Well, let me just say, dealing with the courts on this, courts treat fathers as excess baggage.

Well, I have run out of time. Thank you, Mr. Chairman.

Senator SIMPSON. You mean, after that statement, you——

An interesting point. We will have another round.

Senator D'Amato.

Senator D'AMATO. Thank you, Mr. Chairman.

Let me, if I might, pursue the line that both Senator Chafee and Senator Conrad were pursuing. Apparently, in the House proposal, there is a requirement that, in order for a child to be eligible for assistance, or the mother of that child, she must identify the father. Is that correct?

Ms. FRYE. I believe it is that there be some specific information set forth by the State. A name and is what——

Senator D'AMATO. By the State?

Dr. SMITH. The State can determine what the specific list is that we are talking about. The bill requires the applicant to name the father. And then it is up to the State to determine whether specific other identifying additional pieces of information are necessary.

Senator D'AMATO. And whether the information given is sufficient?

Dr. SMITH. Is sufficient. And that you let the child support agency make that determination. In most States, that is made by the welfare agency, and they do not have up-to-date information, or the same investment in the outcome that the child support agency does.

We are actually asking for more work.

Mr. HENRY. Current law already requires cooperation. This is just an attempt to more clearly define what cooperation means.

Senator D'AMATO. Do you approve of that?

Ms. FRYE. Yes.

Senator D'AMATO. We will take this down the line. Does everybody approve of that?

Mr. HARRINGTON. They actually go beyond that. They actually give the assignment to the hospitals, which I question. There are due process right of the fathers to understand that, not only do you establish the paternity, you get rights to the child. You can have your name on the birth certificate. You can have the child take your last name. We go beyond this, and it is a significant improvement in the system.

Senator D'AMATO. All right.

Ms. JENSEN. Senator, I have some concerns with that. I certainly believe that the name should be provided, and that paternity should be established, but we want to make sure that the families do not get punished because of the bureaucracy being incompetent.

We have many members who provided names and Social Security numbers to their welfare case worker, and that information never seems to get to the child support department. Therefore, they list the case as one that they do not have the father's name, when it is actually sitting over in another file.

So we would want some safeguards that they actually communicate with each other, and use the information they are given.

Senator D'AMATO. Let me touch on something else—new-hire reporting. I take it from what I heard from Counselor Smith, Chief Legal Counsel and Deputy Commissioner, Division of Child Support of Massachusetts, that you are in favor of keeping that at the State level? Dr. Smith. That is right.

Senator D'AMATO. Might I ask the other panelists?

Mr. HENRY. So are we in Virginia.

Ms. FRYE. Yes.

Mr. HENRY. Mainly because we do not want to wait to get information on a third of our cases, which are interstate. We do not have to wait several days to get information on our in-State cases, which right now we are getting virtually overnight.

So we feel that we would end up having to wait for everything, just to get the interstate information.

Senator D'AMATO. May I touch on the interstate compact? Is that the Uniform Interstate Family Support Act?

Ms. FRYE. Yes.

Senator D'AMATO. That is an Act which permits the States to voluntarily to join the compact?

Mr. HENRY. At this point.

Ms. FRYE. Currently, yes.

Senator D'AMATO. How many States, if any of you know, have joined that compact?

Ms. HAYNES. Twenty-one.

Senator D'AMATO. Twenty-one.

Ms. JENSEN. However, Senator, they have not adopted all parts of it. They left out direct income withholding in several of the States. So they do not necessarily have the same law.

Ms. HAYNES. When the conference drafts these uniform acts, they leave it up to the States not only to decide whether or not to pass it, but also to decide in what form they pass it.

Senator D'AMATO. May I ask whether you are aware if New York has joined that compact?

Ms. HAYNES. New York has not.

Senator MOYNIHAN. They have silly delegates.

Senator D'AMATO. Some of the silliest you could imagine. Unfortunately, I think we are probably running in competition with my colleague from Illinois, who speaks in terms of the amount of child support not collected. We must be at the tippity top.

Senator MOYNIHAN. Well, we are closing on them.

Senator D'AMATO. Pretty close.

Senator MOSELEY-BRAUN. Senator, you missed being on the Hall of Shame.

Senator MOYNIHAN. But we are 41st in the nation.

Senator D'AMATO. What qualifies us as being in the Hall of Shame?

Senator MOSELEY-BRAUN. Being really bad. [Laughter.]

Senator D'AMATO. I have to tell you that I am very encouraged by some of the initiatives that I have heard.

I hope my senior Senator would join with me in making some recommendations. We always get these recommendations from the State Legislature telling us what we should do. Maybe we should make some recommendations to them, as it relates to this new-hire reporting.

It seems to me that is a great way to do two things. Number one, to get those people who bounce around from job to job and, therefore, duck out on support and, secondly, there will probably be a substantial number who are collecting unemployment or workmen's compensation. So that really makes some terrific sense for us to move in that direction.

So I want to thank the panelists for talking to us about some of the things that you are doing individually, or with your respective States, in attempting to deal with this problem. Hopefully we can make some progress.

Thank you, Mr. Chairman.

Senator SIMPSON. Indeed. Thank you, Senator D'Amato.

And we will go for another round here. I think we can accomplish that for those who are expressing an interest. This is a very interesting panel for me.

And I misspoke when I talked about that ground for divorce in Wyoming. It was "intolerable indignities," which really could fit

about anything in the human experience, and often we do just exactly that.

Senator CONRAD. You are lucky to have Ann still with you under that law. [Laughter.]

Senator SIMPSON. Yes. Yes, it is true.

I will talk to you later, and I will speak to Lucy personally, because this is shocking.

Forty-one years with this woman, however.

Mr. HARRINGTON. Good for you.

Senator SIMPSON. Yes. We always have a rule—never go to bed angry; stay up and fight. [Laughter.]

Mr. HARRINGTON. Senator, in Wyoming, at least you have the room to do that.

Senator SIMPSON. That is right. There is room to just walk right out and kick the pumpkins right out of the field.

A wonderful woman she is too, 41 years worth. And another one, I said, "How did we work through all these years?" And she said, "We both tried to control each other, and we both failed." A very good point.

A couple of things. We were talking about a thing I talked about 15 years ago, with regard to immigration. And that is, some kind of identification at the time of new-hire employment, which was not received very readily in the early 1980's.

But now we are doing things in both Houses that have to do with the critical issue of having some kind of enhanced verification system at the time of new hire, which would be either a revised Social Security card, a holographic, something like California was using with the driver's license. We had a pilot program on that. Barbara Jordan's commission has recommended seriously to us to do something with electronic identification—slide the card through the system, telephonic—new hire procedures.

I have witnessed the INS's great array of new electronic instrumentation last week, which was on display in the Capitol. It is truly extraordinary. They are beginning to link up with the SAVE system and other systems.

This is coming. And it may be, as my friend John Chafee says, not what we had in mind, but it is coming because of gimmickry. And when the systems just continue to be gimmicked, then people have the choice. They can remain gimmicked, or you begin to do something. And, in doing so, you lose some of your rights. You lose rights of privacy, and it is going to be a very interesting debate.

There must be very few women who get pregnant in order to obtain money from the Government. I do not believe that. I just do not believe that fits my view of it, even in the most abject of conditions. But it seems to me that, after having the child, and I believe they do visit with that father; they know exactly who that is. And I think the father has a pride at that point. He can go around and say, go look up there, that is my kid. I know that is true from my experience. But then paying for it and supporting it is a different matter.

But then it seems that the issue becomes, well, how do you pick up some money? How am I going to get out of the house? My mother drives me crazy, the old man did not like it anyway that I did this. So it seems to me that there is a great linkage system of

where do I get some money, which would be natural enough. Is that what is out there? And then sometimes comes the gimmickry of the system?

Ms. FRYE. Senator, I would agree with you that the motive at the moment of passion is probably not the potential AFDC check coming in the door, but we have a system which makes that decision less painful for people, or puts fewer moments for thought in the path of it.

I think what happens is that there is the AFDC program and the responsibility to identify the father is presented to the woman, but it is virtually unenforceable under current law.

In California, we had an injunction in the Ninth Circuit Court ruling, called the Sahi case, which says that, if the woman attests that she does not know anything, we cannot even ask any further.

We can ask once a year, did you remember anything this year? And the answer is no, no, no. So, in that process, we have no ability to identify the legal father of that child. And, as time goes on, the likelihood of that fragile relationship breaking up is strong. And the likelihood that that child will enter grade school having to write a question mark on the line where it says "father" grows with every passing year.

So, again, it is a very frustrating, difficult point as to how you identify or how you build the incentives into the system to give children their right to two parents in their lives.

Ms. JENSEN. Senator.

Senator SIMPSON. Yes.

Ms. JENSEN. I think that, if we had a system that truly collected support, and if we had a system where the three things we knew about life would be death, taxes and child support payments, that we would reduce illegitimacy in this Nation. And we would make it very apparent that, if you bring a child into the world, there is an absolute expectation that you will care for that child. It sends a very strong message of family values.

Senator SIMPSON. Well, this is very——

Mr. HARRINGTON. Senator, one of——

Senator SIMPSON. We are going to be doing so much in the area of the support system for immigration because of the public charge issue. We are going to force that sponsor now to be actually sure that this person does not become a public charge. That is one that is on the books that we do not get enforced.

It is just like the things they are talking about. Most of them are on the books, or lot of them. And I think you are seeing a whole new awareness of, if it is on the books, we are going to enforce it. If it is not on the books, we may well get it on the books.

Yes, you had a comment?

Mr. HARRINGTON. One of the issues here is the whole question of gender bias. This is a shocking statistic, and it came from Congressman Shaw. Two-thirds of the fathers who have children on welfare have incomes of $15,300 or more.

Now if our system allowed those fathers, or encouraged them, or just got out of the way and let them assume custody, there would be no welfare at all. But, when you want to petition the court, you end up having the mother having a free attorney to fight it, and then child support becomes the only issue.

We are not here asking for an affirmative policy. Just get the obstacles out of the way so that the fathers who want to assume either equal time or majority time responsibility could do so without having to fight the same government to do it.

In effect, you have an affirmative policy in favor of poverty.

Senator SIMPSON. I think that issue of joint custody is a separate matter. In my experience, there are not many men who want joint custody.

Mr. HARRINGTON. That is not the research, Senator.

Senator SIMPSON. And I think we have to be very careful there. Senator Moynihan.

Senator MOYNIHAN. Yes, sir. To respond, you mentioned the idea of a Social Security card with a hologram that could be used electronically.

What we are dealing with in so many of these things is a bureaucratic culture which will not change, and will not adapt to existing situations.

In 1982, I think, I got a provision in one of your immigration bills. I got a provision that called for a tamper-proof Social Security card, instead of the little cardboard card that you now have.

And my idea was that it would have a strip that an employer could put through and ring a bell. And Washington would say, yes, we know Juan Valdez. He has been working for 23 years. We have his papers, and he is a citizen.

And the bill was passed. A year and a half went by, and the new Social Security card arrived in the mail, and it was the same old Social Security card, but with invisible fibers, instantly detectable to an FBI lab. They had not done one damn thing.

In the 1930's they said Roosevelt was establishing an identification card like the Nazis had. And the original card said, "Not to be used for identification purposes." And they will not change it.

Now they are going to become an independent agency on Friday, and maybe they might. But these are problems.

Why did that judge in California reason that there is not a public interest in children knowing who their father is? Was this doctrine picked up at Reed College?

Ms. FRYE. I cannot defend the Ninth Circuit, sir.

Senator MOYNIHAN. Well, I am only asking you to explicate.

Ms. FRYE. I could not do that now. I could write to you and tell you why.

Senator MOYNIHAN. Would you?

Ms. FRYE. But it is a matter of privacy, I understand. I think we have had a lot of talk here about rights, about fathers' right, and so on.

And Mr. Harrington has several times pulled it back to where I think it belongs—and that is children's rights, and children's needs. Children need two parents. The research clearly shows us that. And, as I said earlier, I think we have gone very much in the direction of making this a life style choice, whether or not to allow the child access to that second parent.

And I think we see the results of that over the last 30 years in our society. I highly recommend "Fatherless America" to this Committee, and anybody who is interested in this issue.

Senator MOYNIHAN. Yes. I have been reading it, and it is useful.

As I said earlier, a majority of American children will live with a single parent before they are 18. And that would be one thing if it was a result of plague or a natural disaster. It is another thing if it is a life style choice which we accept.

Ms. FRYE. On the part of one or both parents.

Senator MOYNIHAN. And, Dr. Haynes, there is a public interest, is there not, in children knowing who their parents are? Are our courts incapable of finding that public interest?

Dr. SMITH. There is no question that children need both parents.

I started my legal career as a public defender in Dade County, Florida, representing juvenile delinquents. And I was overwhelmingly struck by how many of those children had no fathers in their lives, in a meaningful sense.

Senator MOYNIHAN. But we have known of this for 50 years.

Dr. SMITH. And this was 20 years ago. And it has gotten worse. And it is one of the reasons why I am so committed to this program. We do need both parents.

Senator MOYNIHAN. The correlations with social malfunction, social pathology, are just overwhelming. And they will overwhelm us as the size of this phenomenon increases.

Dr. SMITH. There is one thing I would like to add, if I could, about the privacy issue, with respect to Social Security numbers. I think that is an issue that is going to be recurring throughout this debate.

Congress really controls the use of Social Security numbers. And, in the House bill, there are a number of provisions where States are not only authorized, but required to pick up the Social Security number because that is the only way we can do these data matches.

We are beyond the ability, in a transient society, to be able to do gumshoe investigations; we have to use technology. And the Social Security number really is the key to the kingdom. And all of us are going to have to give up a little bit——

Senator MOYNIHAN. I think this is——

Dr. SMITH. Just like we give up our security when we go into the airport. For our safety, we all have to give up a little bit for the protection and well-being of our children.

Senator MOYNIHAN. I think you will find this Committee is disposed in that direction, and we are responsible. I am finished. Thank you very much.

Ms. JENSEN. Senator——

Senator SIMPSON. Do you wish to respond?

Ms. JENSEN. If I could. I think it is a very important problem that you are pointing out, and one that is very concerning to our organization.

In Los Angeles County, there are 600,000 child support cases. Of those, 400,000 do not have orders, and most need paternity established. Of the 400,000, 100,000 do not have the name of the father. So you have a remaining 300,000 cases.

They only have three county court commissioners to hear those cases. And there is no way that those children will ever have paternity adjudicated, if you only have three judges to hear it.

So we need a system where it is administrative, not only in California, but across the country.

Senator MOYNIHAN. This needs to be a social priority. After all, we are dealing with a problem that did not exist 30 years ago, and we are only beginning to come to terms with it.

You are going to write to me about the Ninth Circuit?

Ms. FRYE. Yes, I will. I promise.

Senator MOYNIHAN. All right.

Senator SIMPSON. It will be interesting to know, too, when the Social Security Administration removed from the card the language which says, "This card shall not be used for identification." That is exactly what is not on there now.

Senator Carol Moseley-Braun.

Senator MOSELEY-BRAUN. Thank you sir.

I would like to reference actually two points, a point which Senator Moynihan referenced when he talked about changing a bureaucratic culture, having to do with child support and child support collection, and creating an environment where both parents are important to the welfare of the child.

I wish Mr. Harrington was still here, because I wanted to say that I agree with Senator Simpson that joint custody has not mitigated favorably in my experience.

We also have, in addition to a bureaucratic culture to address, there is also a legislative culture with regard to these issues generally, and that may perhaps be as responsible for this problem as anything else.

Previous efforts in this area have all relied on mandates, requirements and penalties, as opposed to the flip side, the carrots and sticks, if you will, to encourage family unity, to encourage where unity is absent, both parents to be responsible for their children.

Senator Moynihan was one of the first to ring the bell for all of us about the phenomenon of single-parent families, and particularly out of wedlock births, in the United States, and what this portends for our society as a whole.

And this is a real problem. it is a problem for the children. The statistics make it clear that half of the children born in these single-parent homes are below the poverty level. So this is a major problem.

My question to the panel then, is have the experts in this area looked at the carrots, if you will, as opposed to the sticks? Have they looked at what incentives, what the law can do to help provide support for family unity, recognizing that we cannot do it all. It mostly needs to happen in the community, the church, the family. But certainly we play a role. To the extent that the law has played a role in helping to break families up, and to devalue fathers and families, we can play a converse role, it seems to me.

And my question to you is, have you given much thought to what we can do to encourage support for parental responsibility and for family unity?

Dr. SMITH. Well, I think we need to continue in some of the pilot projects that are out, Parents Fair Share or visitation projects. I also think we need to work on a much stronger public relations campaign, to get parents to establish paternity to see the benefits for their children.

Also, as David Blankenhorn points out in his book "Fatherless America," we spend a lot of our energy making the divorce process

work better, rather than putting our energy into helping families stay together. And giving families support when they are in times of stress, in times of breakdown, so that they do not need to turn to the system, that they can get through those difficult periods.

There is no marriage with children that does not have its moments of severe strain. Therefore we need to have a community that supports families, rather than making it too easy for people to "start a new life," so to speak.

Ms. FRYE. And, if I might add to that, if that is going to happen, if the family needs to break up, then I think we need to look at how we do family law. I think family law is way too adversarial. I think there are a lot of movements around the country to try to address that, so that you do not pour gasoline on that rage of anger that follows the passion, but attempt to work through the issues that are there.

And, again, I think we need a lot of education about trying to get parents not to be that mother before Solomon who would divide the child, psychologically and physically, in order to get back at the other parent. I think we really need to look at that in the process.

In California, we would not advocate for an administrative order establishment process, because we think that you then segment child support away from the other issues. In fact, we would like to go in the other direction of allowing those other issues of custody, visitation, property and so on to be added into the child support action once the temporary support is available.

We think we need to have generous set aside provisions, at the front and in the case of a default. We need to be very open.

I think that the issue about people seeing their children resulting in child support is maybe not direct. I think that if people are content with the circumstance, then they are going to be more willing to pay. If they have had an opportunity to participate in the process, they are going to be more accepting of the outcome of that adjudication.

I think that you are right in saying that, historically, not that many men have wanted full custody, or even joint custody. Maybe that is changing, and we need to be sensitive to that as well.

But I think the real issue is to look at what is right for the children, and try to get the parents to act like adults.

Ms. HAYNES. I think, in the support area, one of the most wonderful things that Congress has done is requiring all States to have in-hospital paternity acknowledgement, because that gets the parent involved in the very beginning. And it is one of the those preventive measures that keeps the family together.

I think, also, one of the groups of people that we need to do a lot more reaching out to are the young parents. I think that in-hospital acknowledgment programs are one way to reach them, but there are some jurisdictions that have done some innovative things in terms of minors who are parents, both in terms of parenting classes and job training.

I know Steve Goldsmith, who is the mayor of Indianapolis, did some very innovative things when he was the prosecutor, to deal with young parents.

So that is another area where, although you do not necessarily need laws to require States to do that kind of thing, you want to

make sure whatever funding formula you set up does not hinder the development of those type of programs.

That is something that is not necessarily going to result in quick money now. But, in terms of investment in the child's emotional and financial security down the road, it will more than pay off.

Mr. HARRINGTON. Senator?

Senator SIMPSON. Just quickly, yes.

Mr. HARRINGTON. On the last page of my testimony is the outline of our Federal public commission that I am on. This afternoon we are holding hearings on strengthening families, and a lot of issues.

I would urge your staff to contact us. There is a lot of testimony that has been offered, with a lot of creative ideas. We have been contacting a lot of groups. The country is alive with good ideas on alternative support systems.

So I would urge you to contact us, and we will get you that information right away.

Senator SIMPSON. Now the next questioner, Senator Bradley. He was not here when I opened the proceedings, but we did commend you for all the work you have done in this area for many years. I think it is a tremendous effort, and there was a great deal of discussion at that time.

Senator BRADLEY. Thank you, Mr. Chairman. There can never be too much.

Senator SIMPSON. Never? [Laughter.]

Senator BRADLEY. Let me, if I could, get back to a question we discussed earlier. When we are doing new-hire reporting, and maintaining a central registry, that should be done at the State level or the Federal level?

All of you have recommended that it be done at the State level. And you each have done it at the State level. Could you tell me how much it cost in Massachusetts and California to do this at the State level?

Dr. SMITH. In your materials, is a book describing in detail the way the Massachusetts child support program works.

As I recall, the benefit we got from it was a significant reduction in staff, from about 200 employees to enforce the same number of orders, down to 20. And it resulted, if my memory serves me correctly, in about $8 million savings in payroll costs, and we were able to deploy those staff to other functions of the program.

Senator BRADLEY. But my question is, notwithstanding the savings that you got, what did it actually cost to implement the new hire program?

Dr. SMITH. I believe it was less than $1 million a year, but the correct information is in that booklet.

Senator BRADLEY. All right.

And in California?

Ms. FRYE. Sorry, I do not have that. I will have to write to you.

Dr. SMITH. It is worth $70 million to us in collections and savings.

Senator BRADLEY. Right.

And, in Virginia?

Mr. HENRY. It is running about $30,000 a month. That is for the data entry, the telephone charges, and the data matches.

Senator BRADLEY. If you were looking at this in the world after the unfunded mandate bill, this is an unfunded mandate, where we were mandating the States to do something.

Mr. HENRY. Yes. But, depending on what it costs, the funding structure of the overall program works. It more than returns its costs in the form of increased AFDC collections, of which the State gets to keep a percentage. So there is a balancing in the form of additional revenue.

Senator BRADLEY. I agree with that. The real question is whether this will be the first test of the unfunded mandate bill, as to whether we will take our option of 51 votes to void an unfunded mandate. I think, for all the reasons you said, it is likely that we would support the mandate.

Now there is currently no Federal assistance to help States set up programs. Have you done it on your own? Did you get any Federal dollars to do that?

Ms. FRYE. The Federal dollars are not available for any development cost in the other agencies. So, in building a bridge from our agency to our employment security agency, the developmental costs are not returned by the Federal Government.

The ongoing operations are fundable at our normal 66 percent share rate.

Senator BRADLEY. So the Federal Government would contribute to the operation?

Ms. FRYE. Participate in the operations. That is correct.

Senator BRADLEY. And now there are how many States that have this?

Ms. FRYE. I think there are about 20 now.

Senator BRADLEY. Twenty States. Is that right, Meg?

Ms. HAYNES. Yes, it is either 21 or 22.

Senator BRADLEY. Twenty States.

See, my concern is that, if we go State-by-State, we make all States hostage to the worst State.

Let us assume California has a good system and say, New York, does not. And that is relevant to New Jersey, obviously, because a lot of the absent parents from New Jersey are in New York. And New York does not have a good system.

Well that means that, if you send a message to New York, they do not do the job because it does not have the system that you have in California or Massachusetts. So the advantage of a Federal approach would be that all States would have to comply with a specific set of requirements, as opposed to having all States hostage to those who do not have a system on new hires, for example.

Dr. SMITH. Can I respond to that?

Senator BRADLEY. Please.

Dr. SMITH. I think we are all in agreement that it makes sense for Congress to mandate that all States have such a system, and that all States have uniform standards, so that everybody is held to the same standard.

Our concern is really in the day-to-day operations, that we are really closer to where "the rubber meets the road," we have ongoing relationships with employers, we can do the follow-up if the information is inaccurate, or somebody does not comply. And we have a real strong interest in making sure that this is speedy. Time is

of the essence. And, as Mike Henry said, why slow down 70 percent of the cases in order to speed up 30 percent? It just does not make sense.

Senator BRADLEY. Right. You do want a Federal data base?

Dr. SMITH. Absolutely.

Ms. JENSEN. Senator, if I could respond. I think that it is important what you are pointing out, because most of ACES members have gone in to the State agency and we have told them that the non-payer is living in another State and working somewhere, working at Joe's grocery store in California.

And California has been told, and has failed to act. So we do not have any belief that, just because they are going to have a State registry, and the registry is going to tell them that is where the person is working, that they will act.

That is why a national system is so imperative, and is really needed to help the children.

Senator BRADLEY. Well, Ms. Jensen, I know that you want to Federalize the system, and turn collection over to the IRS.

But I was wondering if that did not happen, if we did not turn collection over to the IRS, what steps do you think would be the most effective to increase collection?

Ms. JENSEN. I think establishment of paternity and orders administratively, and to not put in place this complicated bureaucratic system. We would be better off the way we are than to have three—a central payment registry, a State order registry, a new-hire registry at the State level. And then have a new-hire national registry and a national order registry is just adding so much bureaucracy, and it will cause it to fail.

Then we will be told to wait, and we will be back 10 years from now, saying to you that it still it does not work. And another generation will have been lost.

Senator BRADLEY. Thank you.

Mr. HENRY. One might also wonder how long it would take the Internal Revenue Service to develop an automated system with the capacity to deal with 17 million child support cases.

Ms. JENSEN. They testified at the Welfare Reform Working Group that they had the technology and the ability to do it, and they thought they could do it in 2 years.

Senator BRADLEY. Except that they do not want to do it.

Ms. JENSEN. Right. But you could tell them to do it.

Ms. HAYNES. There is already existing Federal law that requires the IRS to collect child support like they do taxes. It is called the full IRS collection. It applies to interstate cases handled by child support agencies. The law allows the IRS to go anywhere in the country to collect support, and it is not working.

Mr. HENRY. And, in 1993, they collected less than one full-time equivalent State staff person.

Ms. JENSEN. That is because States do not send them cases.

Mr. HENRY. That is because they do not do anything when we do send them cases.

Ms. FRYE. I would also like to point out the General Accounting Office report about the functioning of the IRS, which was released last month. It indicates that they have serious problems in collecting the taxes that they are supposed to be collecting.

And I think that, to turn this program over where the emotions run even higher than they do on tax issues, to a centralized Federal bureaucracy that is not doing its job now, would be a tragedy.

Ms. JENSEN. They collected 87 percent of the tax cases.

It is also important that the second single highest source of child support collected is through the IRS, when they take people's income tax refunds. The only larger single source is through income withholding.

Senator BRADLEY. Would you agree, Ms. Jensen, that the second best way is through these interstate compacts with States sending the message to the other States?

Ms. JENSEN. I do not believe it will work, Senator, because it is too complicated. The computers are not in place, and they do not work. They have not been able to just send it directly and talk to each other. We do not think extra steps will help.

Senator BRADLEY. Thank you.

Senator SIMPSON. All these things, Social Security and the Internal Revenue Service, these things fall under this Committee's oversight, so we will be looking into that very carefully.

But here is our chance now to make the Social Security system function since they are going on their own. And we need good, strong, powerful impetus there.

Now, Senator Chafee, and then Senator Conrad.

Senator CHAFEE. Thank you, Mr. Chairman.

We have got a little problem with conflict here, as I see it.

Ms. Jensen I would label as feisty.

Mr. HENRY. Right.

Senator CHAFEE. And she believes that what you are proposing, Mr. Henry, Ms. Frye and Dr. Smith, is something that does not produce the goods.

Now, see if I understand this. What you are saying is to have the States have this employer reporting system, and have the States run the whole collection effort from the absent parent, usually the father. I understand how it has worked in Massachusetts, Virginia, and California with great success.

I think you said, Mr. Henry, that there is no point in having what Ms. Jensen is recommending, something that will slow it down for 70 percent of the cases in order to get 30 percent.

Is your point that 70 percent of your cases, the absent parent is in State?

Mr. HENRY. Right, that is the point I was trying to make.

Senator CHAFEE. And is that true for you too, Ms. Frye?

Ms. FRYE. Yes.

Senator CHAFEE. And you too, Dr. Smith?

Dr. SMITH. Well, no one really has good accurate data, but that is the best guess.

Senator CHAFEE. All right. Now let us take the situation where in Massachusetts you have tracked a parent, and he has gone to the sunny clime of California to work, and you know where he is. And he has got some money, he has a good job, and he has left two children in Massachusetts unsupported. What is the next step? What do you do?

Dr. SMITH. Well, if we do not know where he is——

Senator CHAFEE. Well, we do.

Dr. SMITH. We do know where he is. Well, then, under the Uniform Family Support Act, we can send a Massachusetts wage assignment, which we believe will be a uniform form, so that everybody is using the same form around the country——

Senator CHAFEE. Is that the way the situation is now?

Dr. SMITH. That is the way the law is going.

Senator CHAFEE. Well, where is the law now?

Dr. SMITH. Where we are right now is that we send a Massachusetts wage assignment to California, and they reissue a California wage assignment and, in some instances, they go back to court first. It sometimes takes as much as a year to make the wage assignment go into effect.

Under this new provision, it could go into effect within a couple of weeks.

Senator CHAFEE. Well, let us say you have an order in Massachusetts from the court in California, saying that this father owes $150 a week support for two children. So you have this order, during the divorce proceedings that is what the court said. Now you send that out to California to your friend, Ms. Frye. What does she do with it?

Dr. SMITH. Well, right now, she takes it to court and gets it registered, and then gets the California court to put a rubber stamp on it, and say the Massachusetts court looks like a real court, and so we will recognize it.

Well, that process takes weeks, if not months, because the courts are backlogged.

Senator CHAFEE. I will bet it does.

Dr. SMITH. And then the California court will send it to the California employer and the money will start to be withheld.

And what is in all these proposals is that Massachusetts will be able to send the order directly to the California employer, and the California employer, if nobody challenges it, will commence withholding immediately.

And the noncustodial parent's due process rights are protected. It is already an order. It is already a judgement. They have already had their day in court, and they always have the opportunity, if the order is invalid or they do not owe the money, to raise any defenses. But it basically shifts the burden.

Senator CHAFEE. All right. Now do you approve of that, Ms. Frye?

Ms. FRYE. Absolutely.

Senator CHAFEE. Mr. Henry?

Mr. HENRY. Absolutely.

Senator CHAFEE. And, Ms. Jensen, you do not think that is fast enough? You were complaining about the delay, but their recommendation is a way of getting around this delay.

Ms. JENSEN. Right. But we do not believe it is fair to employers because that means employers will receive wage withholdings from all the different States, have to send money to all 50 States.

For example, in the county where I live in Ohio, General Motors Corporation has a plant of 20,000 employees. Of those, about 3,000 are on income withholding. They currently have to send payments to 88 Ohio counties and 23 other States. That is a tremendous burden to them.

If we had the IRS notifying the employer——

Senator CHAFEE. Well, all right. I know you would send the IRS, and I appreciate that.

Mr. HARRINGTON. Senator?

Senator CHAFEE. My time is at my back, I always hear this winged chariot drawing near.

Mr. HARRINGTON. One of the assumptions you are making is that it is the noncustodial parent moving to hide. That is not the case, it is the reverse. The majority of the parents who move are the custodial parents who create the interstate problem. If they want the money——

Senator CHAFEE. Well, I know your views, Mr. Harrington, and you fight a strong battle for the males.

Mr. HARRINGTON. It is not a view, Senator, that is just a statistic. It is the custodial parents who move.

Senator CHAFEE. What do you say to that, Ms. Frye?

Ms. FRYE. I am sorry. I do not have data on whether it is the custodial parent or the noncustodial parent who moves more often. I think the issue is that, once that happens, child support and visitation are thwarted by the jurisdictional boundaries between States.

Ms. JENSEN. Senator, can I add one more thing?

Senator CHAFEE. You sure can, as long as it is brief, because my time is up.

Ms. JENSEN. The only problem with the State plan is that, if a person changes jobs frequently, if each time they change jobs, the original State has to send the order to the employer, it really slows down the process, and makes it impossible for the system to help families in that situation.

Ms. HAYNES. It should be pointed out that the child support community and the employer community has worked very closely on these proposals. And there is strong consensus among child support and employer groups about what should be in this employer reporting of new hires. We have even tried to develop compromise positions.

Senator CHAFEE. What is the consensus?

Ms. HAYNES. They are willing to work with a requirement that employers report new hires. They obviously prefer reporting to be to one place, but they will accept what is in the House bill that passed, where multi-State employers can report to the State where they have the most employees.

They would like there to be one place within the State where they send payments. So they would like States to have a centralized point where they can send the payment to, which obviously makes sense.

Senator CHAFEE. I must say, when we have something like Ms. Jensen pointed out, where General Motors is collecting, what did you say in your county? Of the 20,000 employees, they are withholding support payments on 3,000?

Ms. JENSEN. In 3,000 cases.

Senator CHAFEE. It is extraordinary what we are levying on employers here.

Thank you, Mr. Chairman.

Senator SIMPSON. Thank you very much, Senator Chafee.

And now Senator Conrad.

Senator CHAFEE. Could I just ask one more quick question?

And that is, I was interested in what you had to say about let us spend some time on reconciliation here, not having these divorces take place. I do not know what works, but maybe the States can do it. Our State tries it, but without great success. But if we can not have these cases, that is the best thing we can do.

Senator SIMPSON. Thank you very much.

Senator Conrad.

Senator CONRAD. Thank you, Mr. Chairman.

When you say there is a consensus on employer reporting, I can report to you that there is no consensus in my State. The Legislature just turned this down as being overly burdensome on employers.

So, when you talk about there being a consensus, I do not think there is consensus, at least in my part of the country.

Ms. HAYNES. Well, we are working with the American Society of Payroll Management and the American Payroll Association.

Senator CONRAD. Well, they must not be going to testify before the Legislature is all I can tell you, because they killed it deader than a doornail.

Now I want to go back to this question, and try to get a sense of where the problem lies, and in what proportion it lies in various areas.

We have these 10 million mothers, 4 million that do not have an order. The biggest problem there, from what I am able to ascertain from your testimony, is that we have not identified the parent.

We have 1½ million who have an order who are not getting any payment. What is the primary reason for that? Is it that they do not know the location of the parent? Is it that there is a lack of an effective enforcement mechanism? What is the reason? Is it that the parent is not working? Do you have any sense of the proportion, Ms. Frye?

Ms. FRYE. I am not sure that I can address the proportion issue, but I think that there are some reasons that you have just cited. One is that the parent is in prison, or is unemployed, or is himself on assistance.

Senator CONRAD. Well, I am trying to get a sense of how big. I know those are some of the things.

When we write legislation here, we need a priority. What are the things that are most important to do? Maybe I will ask it that way because I do not seem to get at it the other way.

Dr. Smith, I would ask you, what priority order would you put these things in—not identifying the parent, lack of an effective enforcement mechanism, do not know location of parent, the interstate problem? How would you rank order these things, and whatever other factors?

Dr. SMITH. Well, the parent not being identified is the issue that relates to the no child support order in the first instance. The instance where there is a support order, and it is not being collected, the new-hire reporting is very important to getting at that, because it allows you to pick up the people who change jobs very quickly.

Our data indicate that almost 60 percent of people who owe child support change jobs every year. So you have a very transient popu-

lation, not necessarily representative of the population as a whole. And they do move from State to State.

Senator CONRAD. Is that the most important thing?

Dr. SMITH. I think that will go a long way, and you can use that information also to locate people for whom the order is established.

Senator CONRAD. Thank you.

Ms. Frye?

Ms. FRYE. I would like to add to that. We also have a significant number of people who are self-employed, or employed by family businesses, where wages are not readily identifiable, where assets may be held in the name of a parent or a new spouse.

Senator CONRAD. So what is the best way to go about it?

Ms. FRYE. So I think there are two methods for that, which we have used in California. One is the credit reporting, which requires that we report all current and overdue accounts to the three major credit bureaus, so we give people an additional incentive to stay current. And we also give creditors the true picture.

Senator CONRAD. And what else?

Ms. FRYE. And the other one is the business and professional and driver's license restriction.

Senator CONRAD. How many licenses have you actually lifted?

Ms. FRYE. Approximately 10,000 agreements to repay as a result of this process, and we are now moving into the individual drivers' licenses.

We are really not interested in lifting the license. We want the attention.

Senator CONRAD. Sure. Mr. Henry, how would you rank order these things?

Mr. HENRY. Location, I think, is one of the large reasons why we do not get to more cases with orders.

Senator CONRAD. Do not know the location?

Mr. HENRY. Right. We need access to additional data resources.

Senator CONRAD. And what is the most important thing we can do there?

Mr. HENRY. Create the national registry, and empower the Federal parent locator service to do the appropriate data matches, and require them to get the information to us on a timely basis.

I would also like to add to your list if I could.

Senator CONRAD. Good.

Mr. HENRY. Virginia is certainly not one to be calling for bigger government. And that is not the point I am trying to make here. I am just trying to make a point that the reality of the situation is that we have got front line workers who are responsible for 1,000 cases or so in most States.

Senator CONRAD. Each.

Mr. HENRY. Each. And just to do the math, it breaks down to something like 8 minutes per case, per month.

And a lot of the cases that have orders, but are not paying, simply have not been looked at for months.

Senator CONRAD. So what do we do?

Mr. HENRY. Well, the approach in Virginia and elsewhere is to reengineer the whole process so that the computer is doing a lot of the looking for us. But we are also turning to the private sector, as I mentioned earlier, with front line child support offices being

operated by private vendors, so that we can reduce caseloads in our offices.

Along with a number of other States, we are also referring tens of thousands of cases to private collection agencies. So you have more human beings touching more cases. And that is going to pay off in the long run.

Senator CONRAD. All right.

Dr. Haynes?

Ms. HAYNES. Well, I concur with what everyone has said. I think another strong improvement, that would address both the inability to locate and enforcement, is the recording of parties' Social Security numbers, not only on orders and birth certificates and death certificates, but also on applications for licenses. We need that Social Security number to do these automated matches that everyone is talking about. The Social Security number and date of birth is the biggest identifier.

So any bureau that provides licenses—occupational or driver's—should be required to collect Social Security numbers of the applicants.

Senator CONRAD. If I could ask Mr. Harrington?

Mr. HARRINGTON. Wayne Sorenson from the Urban Institute just released a new paper, "Why Noncustodial Fathers Do Not Pay child Support".

Number one is child out of wedlock, number two is poor, number three is out of work for part of the year. And number four is something we have not talked about at all—second families.

When people remarry and have children, there are other obligations, people move, and it gets real tangled. You have not looked at that at all. So I would suggest that you look at this new 8-page report.

Senator SIMPSON. All right.

Let me just say that it has been very productive. I want to commend the staff. They put together a fine panel, a splendid panel, and they worked well together, the Republican and Democratic staff members.

Senator MOYNIHAN. Are there any Democrats out there?

Senator SIMPSON. Thank you for raising your hand.

We will be looking carefully at the House legislation. As I see it, you really are trying to get people's attention. You have said it, not deprive them of their livelihood. That is not the purpose. At least I feel that. And I think that is excellent.

Making something serious about parenting, that parenting is serious business, with serious responsibilities. You will notice that Marge Roukema put in an amendment that passed 426 to 5, mandating the States to implement license revocation laws. after the Ways and Means Committee had failed to do that.

So that is going to be a very interesting debate here about mandates. There is a time to mandate, and a time not to mandate.

And so we must pass this on to the full Senate, and you will enable us to give them some good thoughts when we come to markup and procedures.

Thank you Senator Moynihan and all. And thank you again. You have been very helpful.

[Whereupon, at 12:13 p.m., the hearing was adjourned.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED

PREPARED STATEMENT OF SENATOR BILL BRADLEY

Mr. Chairman, the crucible of American society is the family. Today the family faces stresses and injuries that we have never seen before in this country. Almost every child is affected by these pressures: the 40% of children who go home to an empty house every afternoon because both parents work as well as the 27% of children who live with only one parent. Our efforts as a nation must address these stresses by seeking to recouple sexual behavior and childbearing with family responsibility. That responsibility involves giving time, love, care and attention, but it also includes food, clothing, and medical care. We should send a clear message, above all to young men: If you father a child, whether or not you are married to the mother of that child, be prepared to set aside one-sixth or more of your earnings every year for 18 years to help that child grow up healthy, educated and responsible.

That's the principle of child support. We need to reinforce that principle by repairing all the holes in the tattered, state-based system of child support enforcement. We left $5.1 billion in court-ordered child support uncollected last year. It succeeds in establishing paternity for less than 40% of out-of-wedlock births. Still, the complex federal-state system succeeds in collecting $3.98 for every dollar spent on enforcement.

Last month, along with several members of this committee, including Senators Chafee and Simpson, and Rockefeller, and several other members of both parties, I introduced the Interstate Child Support Responsibility Act. We worked closely with members of the House Caucus on Women's Issues, and I was pleased that, despite the fierce disagreements that raged in the House over welfare, there was, in the end, consensus on child support. I hope we can move quickly to build the same consensus here. I would also like to thank you, Mr. Chairman, for holding this hearing and including several people who made important contributions to our legislation, especially Meg Haynes, who I worked with for several years on the U.S. Commission on Interstate Child Support Enforcement, and Marilyn Smith, whose state has taught us many things about how the system can work better.

About 17.6 million children live with just one parent. There are almost ten million women who are raising children on their own. Almost one-third of them live below the poverty level. Less than 60 percent have child support orders. Only half of those who have child support orders receive the full amount due.

Mothers who do not receive child support do all they can to remain off of welfare. By definition, almost every family receiving Aid to Families with Dependent Children should be receiving child support, except in cases where one parent is deceased or in the small number of two-parent families participating in the AFDC-UP program. When we talk about welfare, we have to recognize that for every woman who is raising children, receiving welfare and not working, there is a father who is not raising the children and who may or may not be working. Either way, he is exploiting welfare as much or more than the mother who is receiving welfare. Tougher child support enforcement has resulted in collections for 873,000 families on welfare in 1993, and much of that money went back to the taxpayers to make up for welfare payments already made.

The link to welfare makes child support a valid concern of the federal government, but it is also a federal concern because one-third of all child support cases are interstate cases, which means that the parents live in different states. These cases are the most difficult to resolve. By moving from state to state and changing jobs, parents can systematically avoid paying child support, or even being located so that their wages can be withheld, for about a year at a time. These deliberate

evasions occur against a backdrop of inconsistent State laws, inadequate staff and computer resources, and a continually growing case load due to the tremendous rise in out-of-wedlock births.

Expanded paternity establishment is key to improving interstate child support enforcement. Every year more than 1 million children are born to unmarried women, about one-fourth of all births that year. About 57 percent of black children, 23 percent of Hispanic children, and 17 percent of white children born in 1990 were born to unwed mothers. In 1990, 68 percent of all births to woman between the ages of 15 to 19 were out of wedlock.

Out-of-wedlock births need not automatically consign a mother and children to poverty. They can be handled like a divorce; support can be ordered and enforced. But in about one-quarter of cases, the state cannot even get started, because they cannot obtain any information about the father.

Many of the paternity establishment provisions of my earlier bill were passed in the 1993 budget package, which required States to establish hospital-based paternity establishment programs. These programs are now up and running, and are demonstrating a significant increase in the number of child support cases in which the father can be identified, so that support can be ordered and the other enforcement mechanisms can kick in. About 85 percent of fathers are in touch with the child and mother at, or soon after, the birth. Many fathers visit their children in the hospital or birthing center. Programs that target these fathers and provide opportunities for them to acknowledge paternity can do a lot to cut down on the number of children for whom paternity has not been established.

For the situations where the father was not targeted at the hospital, this bill contains provisions which would make it easier for paternity to be established by courts or administrative agencies. It makes it less difficult to locate out-of-State fathers by expanding the locate information and services available to custodial parents and child support professionals. It mandates changes in evidence standards which remove many of the obstacles that now exist to paternity establishment across State lines. It provides state child support agencies for the first time with a federal incentive to work on establishing paternity, not just collecting child support that has already been ordered.

Even when parentage is established, custodial parents always seem to be one step behind noncustodial parents. If a noncustodial parent gets a job in another state, child support officials do not usually learn about the job change until the next quarter in which the employer has to report payroll information. By the time child support officials in the custodial parent's State learn the information, the noncustodial parent has often moved to another job. A year can pass. This scenario is played out over and over in interstate cases.

This bill requires information on every new hire to be filed in a national database, which states can regularly search for the names or Social Security numbers of parents who owe support to children in their states.

To eliminate the problems associated with establishing a support order across State lines, my bill requires the States to expand their long-arm statutes to reach more out-of-State noncustodial parents. It requires States to recognize and enforce child support orders from other States, and it also requires all States to adopt the Uniform Interstate Family Support Act, adopted by the National Conference of Commissioners on Uniform State Laws, verbatim so that inconsistencies between the States in case processing and enforcement can be eliminated.

Even where a support order has been established, custodial parents still have problems collecting money, especially in interstate cases. In response, this bill requires the States to take tougher measures against parents who do not pay their child support. It requires them to pass laws making it possible for delinquent parents to lose their professional and occupational licenses, hitting them in a sense at their livelihood. It requires the States to hold off issuing driver's licenses to delinquent parents. It calls for the expanded use of credit reporting—it is interesting that a noncustodial parent can be delinquent on a car loan and that fact can be reported on a credit report, but the fact that he or she is delinquent on child support might not be reported. In addition, this bill requires the States to intercept lottery winnings, money judgments, and other income of noncustodial parents who owe child support. This bill also requires the States to make it easier to freeze the bank accounts of delinquent parents, and requires the States to make it a State crime to willfully fail to pay child support.

This bill represents a consensus, an overdue consensus, about the kinds of repairs that are needed in the child support system. It began with the recommendations of the U.S. Commission on Interstate Child Support Enforcement, of which I was a member. I put those recommendations forward as legislation in 1992, as did my colleagues on the Commission, Representatives Marge Roukema and Barbara Ken-

nelly. Last year, the administration took those central recommendations and added some detail about the national databases of child support orders and new hires. Late last year and early this year, the House Caucus on Women's Issues took up the subject, and earlier this month introduced a bill modeled on the Administration's and my earlier bill. This in turn was passed largely intact by the House, and we should do the same.

TESTIMONY OF LESLIE L. FRYE
CHIEF, OFFICE OF CHILD SUPPORT
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

SENATE FINANCE COMMITTEE
MARCH 28, 1995

Mr. Chairman, thank you for the opportunity to address the Committee today. We in California look forward to the opportunity to contribute to improving the Child Support Enforcement Program in our state and nationwide.

In June 1992, Governor Wilson announced a five-year, ten point program for significantly improving California's child support performance. Called "Vision for Excellence," it provided a road map for legislative and administrative changes which would result in increasing collections as well as other key program outcomes. Each new program innovation is examined in light of its potential contribution to the overall goal of increasing collections, paternity establishment and court orders for support.

Since the announcement of that plan, we have moved ahead aggressively to implement the nation's most fully automated licensing restriction system, denying new and renewal applications for more than 50 categories of business and professional licenses for persons with overdue child support. Recent legislation allows revocation of licenses where agreements to repay are not honored. This year, the Governor is sponsoring legislation to apply these restrictions to individual drivers' licenses as well. We have found this to be a particularly effective method of reaching the self-employed professional or business person who doesn't receive wages that can be readily attached. We estimate that each agreement to repay, secured as a result of a restriction on a license, results in an average payment of $1000, so the more than 10,000 such agreements have generated more than $10 million in collections on behalf of California's children.

California also implemented a New Hire Registry of employees in a large number of high-turnover job categories. Almost 300,000 matches have resulted since this process was implemented in 1993, enabling us to attach wages for child support in an efficient, timely and cost-effective manner.

California's voluntary, in-hospital paternity acknowledgment process, piloted as part of the "Vision" and now implemented in over 400 hospitals statewide, is showing good results in its early months of implementation. We believe that this "Paternity Opportunity Program" or "POP" is essential to a much-improved child support program which encourages the involvement of unmarried fathers in the emotional and financial support of children from their earliest days of life.

Our performance indicates that the "Vision" is becoming a reality. Since State Fiscal Year 1991-92, child support collections in California have increased 22 percent, the number of paternities established has increased 34 percent, and the number for orders for support increased 40 percent. We believe that the road map of the "Vision for Excellence" is guiding us to a much improved child support program which will benefit children and taxpayers alike.

Long a leader in using high-volume enforcement techniques, California recognizes the value of automation to identify and intercept income and resources of obligors who have not paid child support. In 1978, we pioneered the tax refund intercept using our own state tax system, which then became a model for the federal tax refund intercept system, required of all states in 1981. Building on that success, we started interfacing with other state agencies which disburse funds and began intercepting disability and unemployment benefits, lottery winnings, and workers' compensation payments. In 1991, we began automated reporting to credit agencies of all child support obligations (both current and overdue), which elevates child support obligations to the level of consumer debt and provides an important incentive to payors to remain current. Automation has also enabled us to form a partnership with our state tax agency to impose liens and wage garnishments administratively, a program which generated over $30 million in its first year of operation in just six of California's fifty-eight counties. Due to this success, the pilot effort has been replaced with statewide implementation over the next two years.

AUTOMATION ISSUES

All of these techniques require automated data processing to link computer systems. The more automation available to the child support program, the more successful these

techniques will be. It is critical that states, including California, have sufficient resources to fully automate their programs, as envisioned by the Family Support Act of 1988. Unfortunately, the late issuance of federal regulations describing system requirements, the scarcity of qualified staff at all levels of government and within the private sector, and the cumbersome planning and procurement processes have resulted in many states running out of time to complete their FSA systems. In order for us to move forward in a cost-effective manner, it is imperative that the enhanced funding authorized by Congress be allowed to extend at least as long as the federal regulations were delayed, at levels already approved. This would result in an October 1, 1997 cutoff of enhanced funding. The last thing any of us want is to rush these complex projects and find that they can't do the job.

Further, we need future automation mandates to be fully funded, to ensure that the promise they offer the single parent families of this nation can be met. Linking state data bases and building better access to federal sources of information are great and necessary ideas, due to the large interstate component of this program. But capping the funds at some arbitrary amount will place unfunded mandates on states, or guarantee that the systems won't ver built.

"PAY FOR PERFORMANCE" FUNDING

California has significantly improved its program outcomes over the last four years by instituting an incentive payment system for its counties which rewards performance. This incentive system mirrors the current federal system in that it operates as a percentage applied to collections, but differs significantly in that it neither limits rewards to a single indicator--cost effectiveness--nor restricts incentives earned on so-called nonwelfare collections.

California believes that "putting our money where our mouth is"--i.e., rewarding desired program outcomes--is exactly what Congress should do with Child Support program funding. Under the current federal scheme, only one performance criterion is rewarded--getting the most dollars in at the least cost. This focus ignores the very important program activities of establishing paternities and support orders, which require a resource investment that does not immediately result in payments. Further, growing portions of our caseloads which we are appropriately mandated to serve are categorized as "nonwelfare" and incentives on these collections are capped. Therefore, states are actually penalized for meeting program goals, such as moving families off welfare, or keeping them in noncash, Medicaid-only status by collecting support. We advocate redefining these mandated caseloads as "welfare" or "public assistance," at least for some period of time, so that states are encouraged through the funding mechanism to help families minimize or avoid welfare dependency.

California believes that a performance oriented, collection-based incentive system, coupled with the current federal matching rate of 66 percent, can assist states in targeting resources to meet program goals. We have seen it happen in California with our 58 counties, as paternities and support orders established have increased significantly over the four year period that our "pay-for-performance" system has been in place. A collections-based incentive system encourages states to enact innovative tools and techniques because, to the extent they will increase collections, they are "self-funded."

A performance-oriented, collection-based incentive system is preferable to other schemes under discussion, which promise a higher rate of federal match for better performance, but will inevitably result in child support programs becoming just another cost center in state budgets, no matter how well they perform. As long as states reinvest collection-based incentives into the Child Support Enforcement Program, as is required by California law, the program can continually improve.

UNIVERSAL SERVICES

California conducts considerable outreach efforts to inform the public about the availability of Child Support Enforcement Program services. Consequently, our caseload has continued to grow rapidly over the last several years. We believe strongly that the program should remain an "opt-in" program for persons who do not receive welfare, rather than becoming a universal service, whether or not individuals have asked government to monitor their child support payments, as has been proposed by the Clinton Administration and others. It is important to target scarce resources toward the areas of greatest need, and we think it wasteful, as well as intrusive, to require people to take steps to "opt out" of the Child Support Enforcement Program, rather than serving them upon their request.

COOPERATION REQUIREMENTS

California would also like to see a more meaningful cooperation requirement placed on mothers seeking taxpayer assistance, regarding the identification of fathers. It is too easy, now, to avoid naming this important person. Not only does such evasion cost taxpayers in the form of nonpayment of child support, it also costs children by making it impossible to establish a legal father for them. We have to send a strong message that mothers are responsible to assist in locating the father and establishing paternity and child support. This could be accomplished by providing the necessary flexibility in welfare to require mothers to identify the father of the child before receiving benefits. In California, we are approaching the voluntary paternity acknowledgment process through extensive education and outreach, but we

realize that we must require real cooperation from mothers before more children can know their fathers.

California believes that an important step in this direction is vesting the Child Support Enforcement Program with the duty of determining whether cooperation has occurred, and shifting the burden of proof of cooperation to the mother. Fatherlessness is not simply a lifestyle choice.

Thank you for the opportunity to address the committee on issues of importance to California. I would be happy to answer any questions you may have.

Bill Harrington - National Director

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C H I L D S U P P O R T C O N F L I C T S I N A M E R I C A

POVERTY IS NOT THE PROBLEM
CHILD SUPPORT IS NOT THE SOLUTION

- MISUNDERSTOOD & MISAPPLIED SOCIAL POLICY
- ACCURATE STATISTICS NEEDED BEFORE NEW LEGISLATION
- 1990 CENSUS OFFERS DIRECTION FOR POSITIVE RESULTS

POSITIVE FATHER PARENTING "IS" A SUBSTITUTE FOR WELFARE - BUT WELFARE "IS NOT" A SUBSTITUTE FOR FATHERS OR TWO PARENT FAMILIES

PUBLIC HEARING
TUESDAY - MARCH 28TH, 1995 9:30AM
COMMITTEE ON FINANCE
UNITED STATES SENATE
SENATOR ROBERT PACKWOOD, CHAIRMAN

TESTIMONY OF BILL HARRINGTON

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MY NAME IS BILL HARRINGTON AND I AM THE NATIONAL DIRECTOR OF THE AMERICAN FATHERS COALITION - AN UMBRELLA ORGANIZATION OF 280 FATHERS RIGHTS ORGANIZATIONS FROM ALL OVER AMERICA. OUR FIRST MEETING OF NATIONAL FATHERS LEADERS WAS AT THE WHITE HOUSE IN OCTOBER OF 1993 AND WE ARE NOW AN ESTABLISHED VOICE FOR RESPONSIBLE FATHERS AT THE NATIONAL LEVEL.

THANK YOU FOR THE INVITATION

WE THANK THE SENATE COMMITTEE ON FINANCE FOR THE OPPORTUNITY TO GIVE ORAL TESTIMONY. WE FULLY UNDERSTAND THAT FATHERS ARE A PART OF THE FAMILY CRISIS IN AMERICA, HOWEVER, IT IS OUR POSITION THAT FATHERS ARE A BIGGER PART OF THE SOLUTION. WE KNOW THAT CONGRESS IS NOW SENSITIVE TO FATHERS ISSUES AND WE ARE PLEASED TO WORK WITH THE UNITED STATES SENATE AND ALL MEMBERS OF CONGRESS TO IMPROVE THE STATUS OF FATHER\CHILD RELATIONSHIPS IN AMERICAN LIFE AND TO SEE A REDUCTION IN PARENTAL BREAKUPS AND DISRUPTION OF INTACT FAMILIES. WE KNOW THAT IF FATHERS ARE ALLOWED TO RE-ENTER CENTRAL ROLES IN FAMILY LIFE THAT CHILDREN WILL BE THE WINNERS, AND THAT IS OUR TOP LEGISLATIVE PRIORITY.

I WORK IN A LAW OFFICE IN SEATTLE & TACOMA, THE PUGET SOUND AREA OF WASHINGTON STATE, WHERE HALF OF OUR WORK IS DOMESTIC RELATIONS. WE SEE THESE FAMILY LAW CASES EVERY DAY SO I KNOW CHILD SUPPORT ISSUES FIRST HAND FROM MANY PERSPECTIVES.

MY MOTHER, MY BROTHER, AND TWO OF MY SISTERS LIVE IN THE 8TH CONGRESSIONAL DISTRICT OF CONGRESSWOMAN JENNIFER DUNN'S WASHINGTON STATE DISTRICT AND BOTH SISTERS HAVE CHILD SUPPORT STORIES AND EXPERIENCES. ONE BROTHER-IN-LAW WAS ORDERED TO PAY CHILD SUPPORT AFTER 9 YEARS OF NOT KNOWING HE WAS EVEN A FATHER, EVEN THOUGH HE AND THE MOTHER WERE BOTH LIVING IN THE EASTGATE AREA OF BELLEVUE. THIS OTHER MOTHER WRONGFULLY DENIED HER DAUGHTER ANY KNOWLEDGE OR PARENTING BY HER FATHER, AND YET THIS MOTHER GETS FREE LEGAL SERVICES FROM THE STATE, AND THE FATHER IS DESIGNATED THE BAD GUY.

MY OTHER SISTER IN KENT, IN SOUTH KING COUNTY, DOES NOT RECEIVE CHILD SUPPORT FOR HER SON, AND HER NEW HUSBAND PAYS FAR TOO MUCH CHILD SUPPORT FOR HIS TWO CHILDREN, WHOM HE SEES REGULARLY. THIS IS SOCIETY'S IDEA OF A GOOD FATHER, A FATHER WHO WOULD WELCOME AN EVEN 50-50 SPLIT ON OVERNIGHT RESIDENTIAL TIME AND AN EVEN GREATER ROLE IN THE LIVES OF HIS CHILDREN. LAST YEAR THIS SISTER AND HER NEW HUSBAND HAD TO PAY OVER $1,500 IN ATTORNEY FEES JUST TO GET HIS TWO CHILDREN FOR A TRIP TO DISNEYLAND. THE NATURAL MOTHER FOUGHT AGAINST IT BECAUSE IT WAS HER "PREFERENCE" TO GO THERE FIRST WITH THE KIDS. THE MOTHER USED HER CHILD SUPPORT PAYMENT MONEY TO FIGHT AGAINST THE FATHER TAKING THE CHILDREN ON A TRIP. THIS IS JUST ONE STORY OUT OF ONE CASE, BUT IT IS REAL AND IT IS WRONG.

I HAVE SEEN ALL SIDES OF THESE CHILD SUPPORT STORIES, FROM FATHERS AND SECOND FAMILY MEMBERS IN PUBLIC MEETINGS AND ALSO FROM CLIENTS.

ONE GENERAL CONCLUSION IS THAT THE SYSTEM IS GENERALLY NOT HELD IN HIGH REGARD BY ALL PARTIES.

RESPONSIBLE FATHERS

AMERICA'S LARGE MAJORITY OF RESPONSIBLE FATHERS ARE HERE TODAY TO PROVIDE A NEW PERSPECTIVE ON WHAT IT REALLY MEANS TO SUPPORT CHILDREN. WE SEEK NON-ECONOMIC VALUE FOR PARENTING TIME WITH OUR CHILDREN AS OUR HIGHEST PRIORITY - THE ONGOING DIGNITY OF DAY TO DAY DIRECT SHARED PARENTING AS WHAT IS IN THE BEST INTEREST OF OUR CHILDREN. WE NEED TO CALL PARENTS AND EXTENDED FAMILY MEMBERS TO THEIR HIGHEST CALLING - AS DIRECTLY INVOLVED CAREGIVERS AND NOT JUST AS FINANCIAL PROVIDERS. WASHINGTON STATE LAW, RCW 26.09.004 DESCRIBES SIX PARENTAL DUTIES, AND CHILD SUPPORT IS LISTED LAST, AND THIS IS AS IT SHOULD BE.

FATHERS SUPPORT CHILD SUPPORT

AMERICA'S RESPONSIBLE FATHERS SUPPORT THE EXISTENCE OF A CHILD SUPPORT SYSTEM AND WE ALSO SUPPORT THE EXISTENCE OF AN AGGRESSIVE CHILD SUPPORT ENFORCEMENT SYSTEM. OUR PROBLEM IS THE EXISTING SYSTEM IS NOT BASED ON RESPECT FOR DUE PROCESS RIGHTS EITHER FOR CHILDREN OR PARENTS, NOR IS THERE AN ACCURATE ASSESSMENT OF FAMILY LIFE ECONOMIC NEEDS. WE SEE THE NEED FOR ECONOMIC SURVIVAL OF BOTH PARENTS AS A PRIORITY, NOT JUST ONE PARENT AND THE CHILDREN. THE UNDERLYING POLICY ASSUMPTION FOR OUR EXISTING SYSTEM IS SINGLE MOTHER CUSTODY AND POSITIVE CHOICES FOR POVERTY AND DEPENDENCY LIFESTYLES FOR CUSTODIAL PARENTS AND CHILDREN. WE CLEARLY KNOW DEPENDENCY LIFESTYLES ARE PROVABLY HARMFUL TO CHILDREN OVER THEIR LIFE COURSE, YET THE EXISTING SYSTEM GROWS AND GROWS, AND MORE AND MORE CHILDREN ARE IN HARMFUL LIVING ENVIRONMENTS, NOT FEWER.

CHILD SUPPORT DISCRIMINATION AGAINST CUSTODIAL FATHERS

FOR FATHERS WHO ARE SINGLE PARENT HEADS OF HOUSEHOLDS, FATHERS RECEIVE CHILD SUPPORT ORDERS IS LESS THAN 10% OF THE CASES. OUT OF 1,400,000 FATHER HEADED HOUSEHOLDS ACCORDING TO THE 1990 CENSUS, CHILD SUPPORT ORDERS ARE ENTERED IN LESS THAN 300,000 CASES. EVEN WHEN ORDERS ARE ENTERED, THEY ARE USUALLY FOR LESS THAN STATE SUPPORT GUIDELINES. AGAIN, EVEN WHEN ENTERED, THESE ORDERS ARE NOT MET BY MOTHERS. FATHERS WHO SEEK ASSISTANCE FOR ENFORCEMENT ARE ROUTINELY IGNORED. THE SYSTEM DOES NOT WANT TO FIND MOTHERS IN CONTEMPT OF COURT FOR NON-PAYMENT NOR DOES IT WANT TO PUT MOTHERS IN JAIL FOR NON-PAYMENT. MOTHERS NON-PAYMENT RATE IS AT LEAST THREE TIMES HIGHER THAN FATHERS, YET IT IS FATHERS WHO ARE CALLED DEADBEATS. THIS IS ONE CLEAR EXAMPLE OF THE ANTI-FATHER GENDER BIAS OF THE CHILD SUPPORT ENFORCEMENT SYSTEM. FATHERS, AND FAMILY MEMBERS OF FATHERS, JUST DO NOT SEE EQUAL APPLICATION NOR EQUAL ENFORCEMENT OF THE LAWS.

CHILD SUPPORT TESTIMONY - 2
UNITED STATES SENATE

POVERTY IS NOT THE PROBLEM

WE HAVE ALLOWED POVERTY FOR CHILDREN TO BE A POSITIVE CHOICE MADE BY MOTHERS ALONE - WITHOUT REGARD TO THE ADVERSE EFFECTS OF DEPENDENCY LIFESTYLES UPON THE CHILDREN, AND WE HAVE RAISED BUREAUCRATIC SAFETY NETS DESIGNED TO SUPPORT EVERY MOTHER AND HER CHILDREN -REGARDLESS OF LIFESTYLES OR ECONOMIC WELLBEING -AND THEN WE BLAME FATHERS FOR THE TRAGEDY. OUR WHOLE FAMILY LAW SYSTEM, AND UNDERLYING THEORIES, NEED TO BE RE-EXAMINED, AND THEN RE-WRITTEN WITH A PRIORITY FOR COMMON SENSE AND INTACT TWO PARENT VALUES.

AMERICA NEEDS A NEW NATIONAL CAMPAIGN AGAINST POVERTY, NOT A CONTINUING CAMPAIGN AGAINST FATHER PARENTING. IF OUR GOAL IS LIFTING CHILDREN OUT OF POVERTY, AS WE SEEM TO BE SAYING, THEN WE NEED TO LOOK TO FATHERS, AND FAMILY MEMBERS OF FATHERS, AS TEMPORARY CAREGIVERS OF THE CHILDREN AS WE HAVE RECOMMENDED. THE WASHINGTON STATE HOUSE OF REPRESENTATIVES IN 1995, IN H.B. 1481, HAS ADOPTED SUCH A WELFARE REFORM PROVISION. OUR AFC WELFARE PLAN FILED LAST AUGUST 16TH WITH THE HOUSE HUMAN RESOURCES SUBCOMMITTEE WILL DO MORE GOOD FOR CHILDREN IN THE SHORTEST TIME THAN ANY OTHER PROPOSAL OFFERED SO FAR. UNDER BLOCK GRANTS, OUR AFC PROPOSALS SHOULD BE PRIORITY ITEMS FOR THE '50 GOVERNORS. WE WERE PLEASED TO SEE THAT GOV. ALLEN IN VIRGINIA INCLUDED MANY OF OUR ITEMS IN HIS WELFARE PACKAGE PRESENTED TO THE VIRGINIA LEGISLATURE.

OUR COUNTRY NEEDS CONFIDENCE IN OUR SOCIAL SERVICES SYSTEM, AND THE TRAGIC REALITY IS THAT WITH OUR TOO EASY DIVORCE SYSTEM, AND THE SKYROCKETING SCALE OF CHILDREN BORN TO NEVER-MARRIED PARENTS, THAT A MAJOR CHANGE IN ATTITUDE, VALUES, AND POLICY IS NEEDED NOW - TO HAVE ANY CHANCE OF RESTORING CONFIDENCE TO OUR SOCIAL SERVICES SYSTEM AND OFFER REAL HELP FOR NEEDY CHILDREN.

EASILY 2\3 OF ALL FATHERS WITH CHILDREN ON WELFARE HAVE FULL TIME JOBS WITH INCOMES OVER THE POVERTY LEVEL, AN AVERAGE INCOME OF $15,300. THIS STATISTIC COMES FROM REPUBLICAN CONGRESSMEMBERS; CLAY SHAW, NANCY JOHNSON; AND FRED GRANDY. IF OUR SYSTEM ALLOWED THESE CHILDREN TO LIVE WITH THEIR FATHERS, THE CHILDREN WOULD BE OFF WELFARE, OUT OF DEPENDENCY LIFESTYLES, AND INTO LIVES OF FREEDOM, PERSONAL PRIDE AND INDIVIDUAL RESPONSIBILITY. IF THIS WERE TO HAPPEN, THERE WOULD BE NO CHILD SUPPORT ORDERS. THIS WOULD BE REAL PROGRESS AND REDUCTION OF CHILD SUPPORT CASELOADS.

AMERICA DOES NOT NEED A JOBS PROGRAM TO LIFT CHILDREN OUT OF POVERTY - INSTEAD WE NEED JUSTICE AND FAIRNESS FOR FATHERS AND CHILDREN. "FATHER CUSTODY" IS THE QUICKEST TICKET FOR CHILDREN TO BE OFF OF WELFARE AND OUT OF DEPENDENCY LIFESTYLES. "FATHERS AS BABYSITTERS OF FIRST RESORT" IS THE BEST WAY TO ALLOW MOTHERS TO WORK AND AVOID CHILDCARE COSTS. MOTHERS MAY NEED JOBS PROGRAMS, ASSERTIVENESS TRAINING, OR PROGRAMS TO REDUCE DRUG & ALCOHOL DEPENDENCY, BUT THESE PROGRAMS SHOULD NOT BE JUSTIFIED ON THE BASIS OF REMOVING CHILDREN FROM POVERTY, BUT RATHER AS PROGRAMS DESIGNED

EXCLUSIVELY FOR THE BENEFIT OF MOTHERS. FATHERS ARE THE SINGLE BEST ANSWER TO MOVING CHILDREN OFF WELFARE, NOT MOTHERS.

MOTHERS STILL NEED HELP FOR THEIR PERSONAL NEEDS WHEN THE CHILDREN ARE ALLOWED TO LIVE WITH THEIR FATHERS FOR UP TO THREE YEARS ON A TEMPORARY BASIS. OUR CHILD SUPPORT SYSTEM COULD EASILY SEE A 50% CASELOAD REDUCTION THROUGH POSITIVE FATHER PARENTING POLICIES. THIS IS THE PRIORITY PROPOSAL OF THE AMERICAN FATHERS COALITION.

$67,000,000,000 TAXDOLLAR SAVINGS WITH FATHERS PROPOSALS

THE RESULT OF POSITIVE FATHER PARENTING PROPOSALS ARE HUGE SAVINGS OF COMBINED FEDERAL AND STATE TAXDOLLARS. THESE NUMBERS ARE FROM AN AVERAGE OF $25,000 PER YEAR FOR A MOTHER AND TWO CHILDREN. WHEN THESE CHILDREN ARE WITH THEIR WORKING FATHERS, THERE ARE NO PUBLIC WELFARE COSTS. INSTEAD, THESE MONIES COULD BE TARGETED TO HELP THE TRULY NEEDY MOTHERS WHERE THERE ARE NO WILLING FATHERS OR FAMILY MEMBERS TO HELP OUT. FATHERS SHOULD BE THE FIRST SAFETY NET FOR POOR CHILDREN AND THE TAXPAYERS WOULD SEE REAL SAVINGS.

CHILD SUPPORT ALONE - IS NOT THE SOLUTION

CHILD SUPPORT IS AN ECONOMIC TRANSFER SYSTEM WITHOUT AN ACCURATE NOR A FULLY UNDERSTOOD MISSION. IN WELFARE CASES, EVEN WITH FULL PAYMENT OF CHILD SUPPORT ON TIME AND IN FULL, OVER 95% OF THE MOTHERS WILL REMAIN ON WELFARE. THE SIMPLE TRUTH IS THAT MOTHERS MUST ALSO WORK TO HELP RISE ABOVE THE POVERTY LEVEL. CHILD SUPPORT PAYMENTS CANNOT, AND ARE NOT, AN ESCAPE FROM POVERTY. THIS IS WHY OUR TOTAL FOCUS ON CHILD SUPPORT IS A LOSING PROPOSITION.

THE PUBLIC SEEMS TO BELIEVE WE HAVE AN ECONOMIC SUPPORT SYSTEM DESIGNED TO SUPPORT CHILDREN - AND WE DO NOT. INSTEAD, AMERICA HAS A SYSTEM OF ECONOMIC TRANSFER FROM ONE PARENT TO ANOTHER WITHOUT REGARD TO CHILDREN, A SYSTEM THAT EFFECTIVELY UNDERMINES MARRIAGE AND SUBSIDIZES DIVORCE. IN REALITY WE HAVE A CHILD SUPPORT SYSTEM THAT UNDERMINES THE FAMILY STABILITY MOST NEEDED FOR CHILDREN, -THE INSTITUTION OF MARRIAGE. WE HAVE REPLACED FAMILY VALUES WITH BUREAUCRATIC SOCIAL ENGINEERS, WHO THROUGH THE BEST OF INTENT - DO MORE LONG TERM HARM TO CHILDREN THROUGH WRONGFUL AND VERY PUNITIVE INTERVENTION INTO THE AFFAIRS OF THE FAMILY MEMBERS, ESPECIALLY THE PARENTS.

WE HAVE THE NOTION THAT ONE FULL TIME WAGE EARNING PARENT CAN FINANCIALLY SUPPORT TWO SEPARATE HOUSEHOLDS. THERE IS NO MATH FORMULA THAT CAN STRETCH ONE SALARY THAT FAR, YET INNER BELTWAY POLICY MAKERS SEEM TO KEEP TRYING, OVER AND OVER, WITH LESS AND LESS SUCCESS, AND WE LEARN OVER AND OVER THERE IS NO MAGICAL HUMPTY-DUMPTY CURE TO MAKE THE SYSTEM WORK AS ORIGINALLY INTENDED.

WE HAVE ALSO SEEN THE 1992 LAW - CRIMINALIZING SOME INTERSTATE CASES - HAS HAD NO EFFECT OF REDUCING CASELOADS OR INTERSTATE

PROBLEMS. CRIMINALIZING INEFFECTIVE & IMPERFECT PARENTING DOES LITTLE TO BUILD PARENTAL RESPECT IN THE LONG RUN FOR MOST PARENTS. WHAT IS NEEDED IS A MORE REALISTIC SYSTEM THAT REACHES PARENTS BEFORE THEY MOVE, AND NOT AFTER, TO ADDRESS THESE POSSIBLE PROBLEMS BEFORE THE PARENT ENTERS A CRIMINAL CONTEXT FOR WHAT OTHERWISE WOULD NOT BE SEEN AS CRIMINAL CONDUCT. THIS IS ESPECIALLY TRUE WHEN IT IS MORE LIKELY THE CUSTODIAL PARENT (MOSTLY MOTHERS) WAS THE PARENT TO MOVE AWAY FROM THE DECREE STATE RATHER THAN THE NON-CUSTODIAL PARENT, THE FATHERS, WHO SEEMS TO GET THE BLAME.

DEFECTIVE ECONOMIC THEORY AT WORK

INSTEAD OF BUILDING ON THE SUCCESS OF THE WORKING, PRODUCTIVE AND RESPONSIBLE PARENT AS WHAT IS BEST FOR CHILDREN, BOTH THE FEDERAL GOVERNMENT AND ALSO THE INDIVIDUAL STATES HAVE CONTRIVED AN ECONOMIC TRANSFER SYSTEM, ESPECIALLY FOR WELFARE I-VD CASES, THAT TRANSFERS ECONOMIC ASSETS AND CONTROL, AWAY FROM THE ECONOMICALLY RESPONSIBLE AND PRODUCTIVE PARENT, TO THE LESS ECONOMICALLY SUCCESSFUL - LESS PRODUCTIVE PARENT - AND ALLOWED THAT PARENT A POSITIVE CHOICE TO PLACE CHILDREN INTO POVERTY LIFESTYLES WITH ALL ITS ANTI-SOCIAL ILLS - AND THEN WE BLAME THE ECONOMICALLY RESPONSIBLE PARENT FOR ALL THE PROBLEMS EXPERIENCED BY THE CHILDREN AS A RESULT OF DECISIONS MADE BY THE DEPENDENCY PARENT. AND WE CALL THIS ACCEPTABLE. THE AMERICAN FATHERS COALITION JOINS SEVERAL ORGANIZATIONS AND PROMINENT AMERICANS WHO ARE CALLING FOR MAJOR CHANGES AND WE ARE COLLECTIVELY SAYING - "WE DO NOT AGREE WITH THE EXISTING SYSTEM AND IT IS NOT ACCEPTABLE."

NEW CHILD SUPPORT SYSTEM NEEDED

WHAT IS NEEDED IS A NEW CHILD SUPPORT SYSTEM BASED ON REALITY OF TWO PARENTS DAILY INVOLVEMENT IN THE LIVES OF THEIR CHILDREN. WITH THIS POLICY IN WRITING, OUR ENTIRE SOCIAL SERVICES BUDGET FOR CHILDREN LIVING WITH SEPARATED PARENTS WOULD EASILY DECREASE. THEN WE COULD FOCUS ON THE MOST PROBLEMATIC CASES WHERE MORE ATTENTION - AND STRICTER ENFORCEMENT - IS NEEDED.

FIRST THINGS FIRST

BEFORE ANY POSSIBILITY OF NEW LEGISLATION ON ANY CHILD SUPPORT MATTER IS CONSIDERED - WE MUST FIRST HAVE THE CERTAINTY AND BELIEVABILITY OF STATISTICS - NUMBERS THAT MAKE SENSE, AND WILL CONTRIBUTE TO REALISTIC POLICY DECISIONS. IT IS MORALLY AND ETHICALLY WRONG TO GIVE FALSE HOPE TO MILLIONS OF MOTHERS IN DESPERATE SITUATIONS - TO THINK MILLIONS OF DOLLARS IN UNCOLLECTED, AND POSSIBLY COURT ORDERED CHILD SUPPORT - IS JUST ONE LAW AWAY FROM BEING AVAILABLE TO THEM - WHEN IT IS NOT EVEN REMOTELY POSSIBLE OR EVEN AVAILABLE. THIS WHOLE PROPAGANDA CAMPAIGN OF AN UNCOLLECTED $34 BILLION OF ANNUAL CHILD SUPPORT IS A CRUEL HOAX ON CUSTODIAL MOTHERS ALL OVER AMERICA.

CHILD SUPPORT TESTIMONY - 5
UNITED STATES SENATE

THE $ 34,000,000,000 - 700% ERROR - "FRAUD" STATISTIC

THE SENATE FINANCE COMMITTEE HAS BEEN WRONGLY SUBJECTED TO IRRESPONSIBLE "HYPE" ON THE ANNUAL DEFICIT OF "ALLEGEDLY ORDERED" CHILD SUPPORT PAYMENTS IN THE AMOUNT OF $34 BILLION. THIS WAS SECRETARY SHALALA'S TESTIMONY ON MARCH 10TH, 1995. THE EXACT NUMBER IN THE CURRENT 18TH CHILD SUPPORT REPORT TO CONGRESS IS $5.1 BILLION AS INDICATED ON PAGE 7. THE REPORT STATES THAT A TOTAL OF $16.3 BILLION IN CHILD SUPPORT PAYMENTS WERE DUE, AND $11.2 BILLION WERE COLLECTED. THIS REPRESENTS A 700% MARGIN OF ERROR - AND CONGRESS IS ASKED BY SECRETARY SHALALA AND THE CLINTON ADMINISTRATION TO MAKE NEW POLICY ON THAT MARGIN OF ERROR. CAN ANY POLICY BE EFFECTIVE BASED ON STATICTICS THAT ARE 700% IN ERROR?

THE $34 BILLION IS A BOOKKEEPERS PLAYNUMBER - NOT ANY FACTUAL NUMBER FOR ANY NATIONAL POLITICAL OFFICIAL TO STAND BEHIND AND DEFEND. THE NUMBER WAS CITED IN A REPORT ISSUED BY THE URBAN INSTITUTE AUTHORED BY ELAINE SORENSEN. IN OUR OPINION THE REPORT HAS BEEN SEVERELY MISQUOTED, AND ONCE THE QUOTE APPEARED IN PRINT, IT WAS ONLY TOO EASILY REPEATED OVER AND OVER. CONGRESS HAS BEEN MISLED BY ADMINISTRATION OFFICIALS WHO HAVE TESTIFIED TO THE LEGITIMACY OF THE $34,000,000,000 NUMBER WHEN IT IS NOT A LEGITIMATE NUMBER. IT'S ONLY VALUE IS AS A PROPAGANDA TOOL WHERE IT HAS BEEN USED RATHER EFFECTIVELY. OUR MARCH 13TH, 1995 LETTER TO ALL SENATORS CHALLENGES THESE STATISTICS.

MYTH OF DEADBEAT NON-PAYING FATHERS UNVEILED

ELAINE SORENSEN, AUTHOR OF THE FABRICATED $34 BILLION ANNUAL UNPAID CHILD SUPPORT STATISTIC, HAS ISSUED A NEW REPORT DATED FEBRUARY OF 1995. THE REPORT IS DIRECTED TO RESOLVE THE QUESTION OF WHY FATHERS DO NOT PAY CHILD SUPPORT. THE AUTHOR STATES AS FOLLOWS:

> "DESPITE THE CONSIDERABLE INTEREST IN STRENGTHENING THE THE CHILD SUPPORT ENFORCEMENT SYSTEM SO THAT MORE NON-CUSTODIAL PARENTS PAY CHILD SUPPORT, LITTLE IS KNOWN ABOUT THE ABILITY OF NONCUSTODIAL PARENTS TO PAY CHILD SUPPORT." emphasis added.

HOW CAN SUCH A STATEMENT BE MADE IN 1995, WHEN SO MANY MEMBERS OF CONGRESS ARE SO VIRTUALLY CERTAIN THAT MOST FATHERS ARE DEADBEATS? THESE FATHERS ARE CASTIGATED AND DENIGRATED AS FATHERS SITTING HOME, ENJOYING THEIR LIVES WITH PLUSH BANK ACCOUNTS, AND WILLFULLY NOT PAYING COURT ORDERED CHILD SUPPORT. THIS IS SELF GENERATED MYTH BY THE CHILD SUPPORT INDUSTRY AND THE CONGRESSIONAL CAUCUS ON WOMEN'S ISSUES. CONGRESS HAS NO IDEA OF THE REAL TRUTH ABOUT ANY STATISTICS RELATING TO UNPAID CHILD SUPPORT. THE ONLY EXISTING TRUTH ABOUT OUR CHILD SUPPORT SYSTEM IS THE NEARLY UNIVERSAL FEELING THE SYSTEM IS NOT WORKING EFFECTIVELY IN ANY WAY FOR THE BENEFIT OF CHILDREN.

THE ELAINE SORENSEN REPORT STATES FOUR (4) FACTORS FOR NONPAYMENT OF CHILD SUPPORT BY NON-CUSTODIAL FATHERS. THIS IS ON PAGE 3. NOT ONE OF THE FACTORS DESCRIBED CONTAIN ANY REFERENCE TO EMPLOYED FATHERS WHO HAVE SIGNIFICANT FINANCIAL ASSETS OR SUMS OF MONEY JUST WAITING FOR THE MOST EFFECTIVE CHILD SUPPORT ENFORCEMENT TECHNIQUE OR STRATEGY TO BE OPERATIVE AND SUCCESSFUL. THE ENTIRE MYTH OF WELL OFF "NOT PAYING" FATHERS IS TOTALLY FABRICATED. THIS IS FROM THE AUTHOR OF THE $34 BILLION NUMBER HERSELF. THIS NEWEST SORENSEN REPORT SHOULD BE REQUIRED READING FOR ALL NATIONAL POLICY MAKERS !

WALL STREET JOURNAL ARTICLE

ON MARCH 2, 1995 STUART MILLER OF THE AMERICAN FATHERS COALITION AUTHORED AN ARTICLE CHALLENGING SEVERAL NATIONAL CHILD SUPPORT STATISTICS. THIS CHALLENGE REMAINS UNANSWERED BY THE CHILD SUPPORT ENFORCEMENT SYSTEM IN AMERICA. THIS IS BECAUSE NO LEGITIMATE ANSWER IS EASILY AVAILABLE. see attached article.

CONGRESSIONAL INVESTIGATION NEEDED

THE AMERICAN FATHERS COALITION REQUESTS THAT CONGRESS CONDUCT AN INVESTIGATION INTO THE REAL TRUTH OF CHILD SUPPORT STATISTICS BEFORE NEW LEGISLATION IS ENACTED. IF THE UNITED STATES SENATE IS THE DELIBERATIVE BODY IT CLAIMS TO BE, THE TRUTH ABOUT CHILD SUPPORT SHOULD BE KNOWN FOR THE BENEFIT OF ALL 100 MEMBERS. TOO MANY FATHERS HAVE BEEN CASTIGATED AND DENIGRATED AS "DEADBEATS" WHEN THEY ARE NOT. THE TIME HAS COME FOR CONGRESS TO DISPLAY SOME INSTITUTIONAL INTEGRITY AND THE RESPONSIBLE FATHERS OF AMERICA HOPE THIS SOURCE OF TRUTH AND INTEGRITY IS THE UNITED STATES SENATE.

CONGRESS IS INTENTIONALLY BEING MISLED BY OVERLY ZEALOUS PROPONENTS OF ADDITIONAL PUNITIVE CHILD SUPPORT MEASURES - RATHER THAN FOCUSING ON REAL NEEDS AND THE BEST INTEREST OF NEEDY CHILDREN. TO UNDERTAKE AN OVERHAUL OF THE CHILD SUPPORT SYSTEM - CONGRESS MUST USE ACCURATE AND DEPENDABLE DATA - AND IT MUST UNDERSTAND THE FATHER - NON-CUSTODIAL PARENT FACTOR BEFORE IT ENACTS MORE COUNTERPRODUCTIVE CHILD SUPPORT ENFORCEMENT MECHANISMS THAT ARE DESTINED FOR FAILURE.

1990 CENSUS RESULTS OFFERS BEST DIRECTION FOR NEW POLICY

THE 1990 CENSUS PROVIDES US WITH THE BEST, AND MOST POSITIVE - MEASURING STICK OF WHERE WE NEED TO GO IN TERMS OF OFFICIAL CHILD SUPPORT POLICIES. WHEN FATHERS ARE IDENTIFIED, AND TREATED AS RESPECTABLE AND CARING PARENTS, AND OUR COURT SYSTEM EXTENDS SHARED DECISION MAKING, CHILD SUPPORT PAYMENTS ARE MADE ON TIME AND IN FULL IN OVER 90% OF THE CASES. WHEN SIGNIFICANT PARENTING TIME (FORMERLY VISITATION) IS ALLOWED TO NON-CUSTODIAL PARENTS, MOSTLY FATHERS, EVEN WITHOUT SPELLED OUT CUSTODY RIGHTS - CHILD SUPPORT IS STILL MADE IN FULL AND ON TIME IN OVER 80% OF THE CASES. WHEN FATHERS ARE NOT ALLOWED ANY RIGHTS AND ARE ALSO DENIED ACCESS OR

REGULAR CONTACT WITH THEIR CHILDREN, THE CHILD SUPPORT PAYMENT RATE DROPS TO AROUND 35% OF THE CASES. WHEN FATHERS HAVE INCOMES ABOVE THE POVERTY LEVEL, AND CHILDREN ARE ORDERED TO REMAIN LIVING IN POVERTY WITH THEIR MOTHERS, WE HAVE A SYSTEM THAT DISCRIMINATES IN FAVOR OF POVERTY AND AGAINST CHILDREN. THIS IS THE TORTURED REALITY OF OUR CURRENT WELFARE SYSTEM.

THE LESSONS TO BE LEARNED FROM THE 1990 CENSUS - TO GAIN MORE VOLUNTARY PAYMENT OF CHILD SUPPORT - ARE SIMPLE AND DIRECT:

1 - TREAT PARENTS WITH DIGNITY AND RESPECT - ALLOWING THEM TO SEE THEIR CHILDREN ON A REGULAR BASIS AND NOT ENGAGE IN ALIENATING NOR DESTRUCTIVE BEHAVIOR - AND ORDERED CHILD SUPPORT PAYMENTS ARE MORE LIKELY TO BE MADE THAN NOT. THE MOST COST EFFECTIVE STRATEGY FOR COLLECTION OF CHILD SUPPORT IS SPENDING ON VISITATION\ACCESS ENFORCEMENT FUNDING. THE IOWA DEMONSTRATION GRANT UNDER THE 1988 FAMILY SUPPORT ACT IS PROOF POSITIVE OF THIS COST-EFFECTIVE FINANCIAL INVESTMENT. IV-D STAFF MEMBERS NEED ADDITIONAL TRAINING ON THESE ISSUES AND BENEFITS FOR CHILDREN.

2 - ADDITIONAL PUNITIVE ENFORCEMENT MEASURES TO COLLECT SUPPORT PAYMENTS ARE NOT COST-EFFECTIVE AND IN THE LONG TERM WORK TO UNDERMINE PARENTAL RESPECT.

3 - CONGRESS SHOULD OPPOSE FEDERALIZATION OF THE CHILD SUPPORT SYSTEM AT THIS TIME, AND GIVE THE STATES ONE LAST TRY TO MANAGE POSITIVE RESULTS. THE HYDE-WOOLSEY AMENDMENT SHOWS THE DESPERATION OF THE SYSTEM, THAT NOTHING WORKS, AND WE NEED A NATIONAL POLICE FORCE FOR CHILD SUPPORT ENFORCEMENT. WE ARE EXPECTED TO SERIOUSLY CONSIDER THIS OPTION RATHER THAN LOOKING TO FATHERS AND FAMILY MEMBERS FIRST. THIS IS A CLEAR SIGN OF HOW OUT OF TOUCH WITH REALITY ARE SOME NATIONAL POLICY MAKERS AND LEADERS WITHIN THE CHILD SUPPORT ENFORCEMENT SYSTEM.

4 - IF CONGRESS IS REALLY SERIOUS ABOUT TAX BREAKS, WHY NOT A TAX CREDIT FOR ANY NON-CUSTODIAL PARENT WHO MAKES CHILD SUPPORT PAYMENTS IN FULL FOR A CALENDAR YEAR? WHY NOT A TAX BREAK FOR A FATHER WHO GETS CUSTODY OF HIS CHILDREN PREVIOUSLY ON WELFARE WHO TAKES HIS CHILDREN TOTALLY OFF THE WELFARE ROLLS AND OUT OF DEPENDENCY LIFESTYLES? WHY SHOULD WE GIVE TAX BREAKS TO BUSINESSES WHO HIRE WELFARE MOTHERS WHEN 2\3 OF TAX PAYING FATHERS WITH CHILDREN ON WELFARE ALREADY HAVE JOBS AND ARE WILLING TO SHARE EQUALLY IN RAISING THE CHILDREN OR RAISE THEM ON A MAJORITY TIME BASIS AND TOTALLY AVOID WELFARE PAYMENTS?

NON-CUSTODIAL PARENT (FATHER) RESEARCH IS NEEDED

IN A 1987 REPORT TITLED - YOUNG UNWED FATHERS: Research Review, Policy Dilemmas and Options - COMMISSIONED BY THE DEPT. OF HHS AND UNDERTAKEN BY MAXIMUS INC. ON PAGE 2 OF THE EXECUTIVE SUMMARY IS THE FOLLOWING STATEMENT -

> "Much public attention has focused on the social costs and consequences of adolescent out-of-wedlock childbearing. Yet for far too long, unwed births have been viewed as a problem solely for young women. Research, programs, and policies have virtually ignored their male partners - the fathers of their babies." EMPHASIS ADDED.

AGAIN, ON FEBRUARY 26th, 1994, IN PRESIDENT CLINTON'S WELFARE REFORM TASK FORCE REPORT TO THE PRESIDENT - PAGE #-37 - IS THE FOLLOWING COMMENT:

> "Much needs to be learned about noncustodial parents, partly because we have focused relatively little attention on this population in the past, and we know less about what types of programs would work."

HOW CAN CONGRESS GO AHEAD IN GOOD CONSCIENCE AND ACT TO CREATE EVEN MORE PUNITIVE LAWS TO CRIMINALIZE IMPERFECT PARENTAL BEHAVIOR, LAWS AND REGULATIONS THAT MAY POSSIBLY DO EVEN MORE LONG TERM HARM TO FRAGILE PARENT\CHILD RELATIONSHIPS, ESPECIALLY IN A SOCIAL ENVIRONMENT WHERE SEPARATED PARENTS ARE UNDER ENORMOUS PRESSURE JUST TO SURVIVE, WITHOUT HAVING ANY STUDIES OR RELEVANT INFORMATION ON NON-CUSTODIAL PARENTS - MOST OF WHOM ARE FATHERS?

NON-CUSTODIAL MOTHERS

ADDITIONALLY, WHAT IS THE IMPACT ON NON-CUSTODIAL MOTHERS OF WHICH THERE ARE 3,000,000, AND HOW DOES THE EFFECT OF MORE PUNITIVE LAWS COMPARE AND CONTRAST BETWEEN NON-CUSTODIAL MOTHERS AND NON-CUSTODIAL FATHERS?

MAYBE THE FACT THAT NON-CUSTODIAL MOTHERS HAVE A WORSE RECORD ON CHILD SUPPORT PAYMENTS IS AN INDICATION THERE ARE STRUCTURAL FLAWS IN THE CHILD SUPPORT SYSTEM THAT NEED TO BE STUDIED "BEFORE" WE ACT ON NEW LEGISLATION. IF MOTHERS CANNOT ECONOMICALLY SURVIVE AND ALSO MAKE CHILD SUPPORT PAYMENTS, MAYBE THERE ARE CHANGES THAT NEED TO BE MADE BEFORE WE ENACT MORE ANTI-FATHER PROVISIONS. EQUAL PROTECTION DOCTRINE REQUIRES THE APPLICATION OF LAW TO BE FAIR AND EQUALLY APPLIED, BUT WE SEE CHILD SUPPORT RESULTS THAT ARE MORE ANTI-FEMALE, AND MAYBE THERE IS A MESSAGE THAT NEEDS TO BE HEARD. WE BELIEVE THERE ARE GENDER PROBLEMS AFFECTING BOTH NON-CUSTODIAL MOTHERS AND FATHERS THAT NEED TO BE REVIEWED.

THE AMERICAN FATHERS COALITION, ON BEHALF OF AMERICA'S LARGE MAJORITY OF RESPONSIBLE FATHERS, ASKS WHEN ANY SUCH SERIOUS QUESTIONS ABOUT NON-CUSTODIAL PARENTS, AND FATHERS SPECIFICALLY, WILL EVER BE UNDERTAKEN BY OUR FEDERAL GOVERNMENT? HOW CAN EFFECTIVE NEW POLICY INITIATIVES BE UNDERTAKEN BY CONGRESS THAT DIRECTLY AFFECT CHILD\FATHER RELATIONSHIPS, WITHOUT SUCH STUDIES AND WITHOUT ANY UP TO DATE IDEA OF WHAT MODERN FATHERS ARE ALL ABOUT AND HOW THEY ACT?

PROGRESS IN HOUSE OF REPRESENTATIVES - H.R. 1214

TO ITS CREDIT, THE HOUSE OF REPRESENTATIVES IN H.R. 1214 HAS INCLUDED INITIAL FUNDING FOR VISITATION\ACCESS\MEDIATION PROGRAMS LARGELY DIRECTED AT NON-CUSTODIAL PARENTS. THIS IS AN HISTORIC VOTE AND WE SEE PROGRESS FOR THE FIRST TIME. WE AGREE WITH THE LIMITED FUNDING FOR THE FIRST TWO YEARS, BUT WE RESPECTFULLY REQUEST SIGNIFICANT FUNDING INCREASES FOR ADDITIONAL YEARS IF THESE PROGRAMS ARE TO BE EFFECTIVE.

BLOCK GRANTS AND FATHERS

BLOCK GRANT PROPOSALS BEFORE CONGRESS STILL LEAVES THE ISSUE OF CHILD SUPPORT ENFORCEMENT AT THE NATIONAL LEVEL. THIS HAS TO HAPPEN BECAUSE OF THE INTERSTATE NATURE OF CHILD SUPPORT COLLECTIONS. THIS SAME LOGIC SHOULD APPLY TO CUSTODY, DIVORCE, AND ALSO ENFORCEMENT OF PARENTING TIME BETWEEN CHILDREN AND PARENTS NOT LIVING TOGETHER.

WHAT IS THE DIFFERENCE BETWEEN CHILD CUSTODY AND CHILD SUPPORT IF THE PARENTS ARE IN TWO DIFFERENT STATES? WE SEE A MESS IN THE STATES ON CUSTODY ISSUES WHEN THE PARENTS ARE IN DIFFERENT STATES JUST AS THERE ARE MESSES IN CHILD SUPPORT CASES. THE AMERICAN FATHERS COALITION IS PROPOSING EQUAL FUNDING - AT THE NATIONAL LEVEL - FOR ENFORCEMENT OF PARENTING TIME JUST AS WE DO FOR CHILD SUPPORT. THIS IS WHERE WE NEED TO END UP AT SOME POINT IN THE FUTURE.

STATES FAILURE TO RECOGNIZE PATERNITY RIGHTS OF FATHERS

THE RECENT "BABY RICHARD" CASE IN ILLINOIS, JUST AS THE "BABY JESSICA" CASE BETWEEN IOWA AND MICHIGAN IN 1993, HAVE SHOWN SERIOUS WEAKNESS IN THE FAILURE OF STATE GOVERNMENTS AND WELFARE IV-D STAFFERS TO RECOGNIZE AND EQUALLY APPLY CONSTITUTIONAL SAFEGUARDS TO FATHERS AND CHILDREN IN UNMARRIED PATERNITY CASES. A FAMOUS LAW REVIEW ARTICLE - A FATHER'S RIGHT: SOME INCONSISTENCIES IN THE APPLICATION OF DUE PROCESS AND EQUAL PROTECTION TO THE MALE PARENT - AMERICAN UNIVERSITY - SUMMER OF 1990 - BY CAROL LYNN TEBBEN, SHOWS THE DEPTH OF THIS PROBLEM.

WHAT WE ARE CONCERNED ABOUT IS MOTHERS WHO ARE ALLOWED TO SIGN UP FOR WELFARE AND COLLECTION OF CHILD SUPPORT WITH ONLY POSSESSION OF THE CHILD - AND NO VALID TEMPORARY OR PERMANENT CUSTODY ORDER. HOW IS THE BEST INTEREST OF THE CHILD ESTABLISHED WITHOUT NOTICE AND A HEARING CONDUCTED WITH THE PRESENCE OF THE FATHER. THE TRAGEDY IS THAT ONCE AN ORDER IS ENTERED, CHILD SUPPORT IS THE ONLY CONCERN TO OCSE STAFF. FEDERAL REGULATIONS REGARDING UNIFORM PARENTAL DUE PROCESS AND EQUAL PROTECTION RIGHTS WILL BE NEEDED IN THIS AREA SPECIFICALLY IF PATERNITY ESTABLISHMENT IS TOTALLY TURNED OVER TO THE STATES UNDER BLOCK GRANTS.

THE SEVERAL STATES HAVE FAILED TO DO THE JOB ON PATERNITY CASES, ESPECIALLY WITH A 3% PATERNITY ESTABLISHMENT RATE IN OKLAHOMA. WE CANNOT JUST HOPE THE STATES GET IT RIGHT SOME TIME IN THE FUTURE. IF AMERICA IS TO SEE FEWER "BABY JESSICA" TRAGEDIES, 14TH AMENDMENT EQUAL PROTECTION PROCEDURES NEED TO BE SPELLED OUT BY CONGRESS, AND THIS IS A FORMAL REQUEST BY THE AMERICAN FATHERS COALITION.

CHILD SUPPORT DIRECTOR - A NATIONAL ASSET

THE CLINTON ADMINISTRATION HAS DONE ONE SPECIAL POSITIVE THING FOR THE IMAGE AND CREDIBILITY OF THE NATIONAL OFFICE OF CHILD SUPPORT ENFORCEMENT. THIS IS THE EMPLOYMENT OF JUDGE DAVID GRAY ROSS - THE DEPUTY DIRECTOR OF THE OFFICE OF CHILD SUPPORT ENFORCEMENT.

IT HAS BEEN OUR PRIVLEDGE TO MEET WITH HIM ON SEVERAL OCCASIONS, AND WITH HIS DIRECT STAFF. WE HAVE SEEN THE GENUINE DESIRE TO MAKE PROGRESS ON PATERNITY ISSUES, MEASURES TO INCREASE VOLUNTARY PAYMENT OF CHILD SUPPORT, AND ON ISSUES OF ACCESS AND PARENTING TIME ENFORCEMENT BETWEEN PARENTS AND CHILDREN. WE ARE MAKING PROGRESS, AND EVEN THOUGH FATHERS ARE VERY CRITICAL OF MANY FACTORS IN THE EXISTING SYSTEM, CONGRESS SHOULD BE AWARE OF THE EFFORTS OF JUDGE ROSS TO HUMANIZE THE CHILD SUPPORT ENFORCEMENT SYSTEM. OUR MARCH 7TH AFC MEETING WITH 14 SENIOR OCSE STAFF MEMBERS WAS AN OPPORTUNITY TO PUT A HUMAN FACE ON MANY NON-DEADBEAT FATHERS. JUDGE ROSS' WORK HAS BEEN TO BRING ABOUT A CIVILITY IN THE ONGOING DISCOURSE TO ENABLE MEANINGFUL DISCUSSIONS AND JOINT PROBLEM SOLVING, AND IN OUR OPINION IT IS WORKING, AND FATHERS WANT CONGRESS TO KNOW WE ARE NOW AN ONGOING PART OF THE ADMINISTRATIVE PROCESS OF CHILD SUPPORT ENFORCEMENT AND WE HOPE TO KEEP IT UP.

COMMENT ON CHILD SUPPORT RELATED ISSUES

1- PARENTING PROGRAMS NEEDED

One of the single greatest needs is for parenting programs for all young adults. America requires great efforts in drivers training for example, but we require nothing for new parents. Too many young parents today have no idea, and no experience from their personal family life, of how to prepare responsibly for proper child rearing. Every person applying for a marriage license, applying for any AFDC assistance, or filing for divorce should be required to enroll and complete a parenting class before receiving a marriage license or any public assistance. Part of the focus should be on family commitments and the necessity of both parents involvement for the children.

2 - DOWNWARD MODIFICATION

Non-custodial parents face enormous obstacles in approaching federal employees asking for assistance to reduce child support. Employees generally react with shock and disgust at such requests,

and downward modifications are seemingly unilaterally rejected with minimum investigation, if even that. Non-custodial parents need more enforcement of these basic rights. Most mothers report to GAO and the Census Bureau the number one reasons fathers do not pay the required support is - THEY JUST DON'T HAVE IT. If this process is to work, and be effective, it can be used to reduce overcrowded dockets in our court system working to resolve these issues before they involve lawyers, judges, and valuable courtroom space. We request that at east two persons in every OCSE office be delegated to non-custodial problems and issues.

3 - LICENSING REVOCATION\SUSPENSION

FATHERS are opposed to new authority to repeal or suspend drivers licenses or other professional licenses. These measures are usually punitive in intent and counterproductive towards motivation to voluntary increases in payment of child support. The child support enforcement agencies are having enough trouble enforcing previous provisions without being asked to accept additional enforcement authority. The 1994 GAO analysis of the current OCSE bureaucracy left little to recommend confidence in the current operation. The children of America need to have a positive approach to collection of support - not more negative and punitive measures. This is where we must begin. The Supreme Court has ruled on several cases of wrongful suspension of drivers licenses and we will pursue challenges in this area if necessary.

CONCLUSION

1990 Census results show the cheapest and most effective way to voluntary increases in payments of ordered child support. Any other way requires additional expenditures of valuable taxdollars and yields marginal improvements, if any. It is time to give positive father parenting a fair opportunity to work. This has been the missing element of national family policy from the beginning of the Child Support Enforcement System in 1974.

In today's world, children need both parents, and welfare reform cannot succeed without giving fathers a real opportunity to be involved in day to day parenting. This is the cheapest investment that government can make on behalf of children.

Again, we thank the SENATE FINANCE COMMITTEE for the invitation to testify and we are willing to respond to any written requests for additional information.

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REVIEW & OUTLOOK

The Myth of Deadbeat Dads

By Stuart A. Miller

Child-support collection has recently become a big issue in Washington. President Clinton issued an executive order this week requiring all federal agencies to facilitate the payment of fathers' debts. And Health and Human Services Secretary Donna Shalala testified that if we collect all of the child support owed by Americans, we would reduce the $200 billion welfare cost by 25%. In fact, Republicans and Democrats alike count on increased child support collections as a cornerstone of their welfare reform plans.

You don't have to be a member of the world champion U.S. Math Olympiad team to see that there is something wrong with those calculations. Even under the rosiest projections of the government's Annual Child Support Report, in 1992 (the last year for which data are available) there was about $10.9 billion in court-ordered child support owed by all Americans and, of that, a little more than $6 billion was paid. This leaves $4.9 billion in unpaid child support in 1992—far short of the $50 billion Ms. Shalala hopes to raise.

But it's virtually impossible even to collect the smaller amount of child support obligations. We've tried many times over the past 10 years, yet no effort has increased the percentage of collections for welfare mothers (the biggest target group) by more than 1%.

This is due to a number of factors. First, of the 30% of child support payments not collected, a significant number are owed by fathers who are imprisoned. A high percentage of prisoners have child-support obligations, and as many as one-third of the inmates in many county jails are there in the first place because of child support noncompliance.

Many of the other delinquent fathers are addicts, alcoholics, disabled, mentally incapacitated, unemployed, or otherwise unable to pay pre-set child support amounts. But the largest number of all delinquents are those who simply don't exist.

Recently, the Florida Department of Revenue, the agency responsible for child support enforcement in that state, sent out 700,000 notices to allegedly delinquent fathers. The summonses demanded immediate payment or the recipient would be incarcerated. Subsequently, officials acknowledged that probably 500,000 of those notices were sent to individuals who actually did not owe child support. One of those recipients, Daniel Wells, died eight years ago in a traffic accident, but the state still wanted him to cough up $160,000 in past-due child support! (About the same amount of money Florida wasted on postage for the notices.)

Nor is this an isolated case. The General Accounting Office found in 1992 that as many as 14% of fathers who owe child support are dead. The report further stated that 66% of fathers who owe support "cannot afford to pay the amount ordered."

The easiest way, then, to increase the figures on child-support collections is simply for the government to make an accurate tally. Until this happens, it's impossible to discuss remedies for the child-support problem.

Once a serious discussion gets under way, one of the first items on the agenda should be the inherent unfairness in taking something away from people and then making them pay for it. Most fathers are deeply committed to their children, yet a 1991 Census Bureau study found that about half of fathers receive no court-ordered visitation. When fathers do receive visitation, almost 80% pay all of their child support on time and in full. When fathers receive joint custody, the child-support compliance rate jumps to more than 90%.

Joint custody is the cure to the child support problem and is the closest thing to a two-parent family that we can give a child. Unfortunately, more than 90% of litigated divorces result in an award of sole custody to the mother.

Even when fathers do receive court-ordered access to their children, their visitation attempts are often met with interference by the mothers. Joan Berlin Kelley and Judith Wallerstein, in "Surviving the Break-Up" (Basic Books, 1990), found that almost half of all mothers see no value in the father's continued contact with his children following separation or divorce. Sanford Braver, a University of Arizona psychologist, confirmed these figures and found that up to 40% of mothers interfere with the dad's relationship with his kids.

Given this documented connection between a father's access to his children and the payment of child support, why does Washington seem intent on punishing the father? What about the mother who creates a climate encouraging noncompliance?

One way around this problem may be to make child-support obligations more equitable. At the moment, child support is almost exclusively the burden of fathers. The federal Office of Income Security Policy found in 1991 that less than 30% of custodial fathers receive a child support award, whereas almost 80% of custodial mothers do. Yet about 47% of those mothers who are ordered to pay support totally default on their obligation. In the interest of fairness, if nothing else, policy makers should make an effort to collect child support from both delinquent fathers and mothers.

But of course the only real long-term answer is to support the two-parent family—preferably in marriage and, if that doesn't work, through joint custody arrangements. We need to re-engage fathers in their children's lives. Draconian transfer-of-wealth schemes will continue to be as ineffective in the future as they have proved to be in the past, no matter how aggressively they are enforced.

Mr. Miller is the senior legislative analyst for the American Fathers Coalition in Washington.

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NATIONAL CONGRESS FOR MEN AND CHILDREN
PRESERVING THE PROMISE OF FATHERHOOD

PREPARED STATEMENT OF MARGARET CAMPBELL HAYNES

Chairman, members of the Senate Finance Committee, thank you for the opportunity to testify on needed reform to the child support system.

My name is Margaret Campbell Haynes. I am testifying as former chair of the US Commission on Interstate Child Support. My testimony is also based on more than 10 years experience in the child support system—as a prosecutor, researcher, and trainer who has worked intimately with child support professionals in more than 35 states.

This Committee has an outstanding history of addressing the needs of children and their families. As you consider welfare reform, it is crucial that you also act on child support reform. Many custodial parents who are not on welfare nevertheless live in fragile financial circumstances. Seventy-five percent of custodial mothers entitled to child support either lack orders or do not receive full payment under such orders. In no other area of personal financial responsibility does this country tolerate such an abysmal record. Enforcement is especially problematic when the parents live in different states. Interstate cases represent about 30% of the child support caseload, but only 10% of the collections.

I. US COMMISSION ON INTERSTATE CHILD SUPPORT

Congress authorized the Interstate Commission in the Family Support Act of 1988. Its purpose was to recommend improvements to the interstate establishment and enforcement of support awards. The 15 member Commission included three Congressional members: Senator Bill Bradley, Congresswoman Barbara Kennelly, and Congresswoman Marge Roukema. Each played an important role on the Commission. After 2½ years of public hearings across the country, research, focused forums, briefings by experts on various subjects under consideration, and a national leadership conference on child support reform, the Commission presented its recommendations to Congress in 1992. Immediately thereafter, our Congressional members introduced legislation addressing our recommendations.

Since 1992, many of the Commission's recommendations regarding parentage and medical support have become federal law. However, much needed reform remains.

The Commission's report in 1992 galvanized a national debate on child support. It was a comprehensive report that was visionary, yet also practical. Many states have enacted parts of the Commission's recommendations, such as new hire reporting. Their experience allows us to fine tune the Commission's recommendations to ensure that process redesigns work. Massachusetts enacted almost all of the Commission's recommendations directed to states. In doing so, the Department of Revenue "went beyond" the Commission in some areas such as automated administrative liens. Its experience should be reflected in any federal legislation so that all states will begin enforcing "wholesale" rather than on a manual, individual case by case basis.

My written testimony will focus on those reforms that I believe are most crucial to making the interstate support system work. There are two points that need to made initially:

- to strengthen the child support system between states, by necessity one must correct the worst problems within a state.
- the artificial, inefficient enforcement barriers caused by state borders must be eliminated through greater uniformity in state laws, greater use of technology, and case processing that allows "transfer of a debt" without the transfer (i.e., creation) of a case.

The Commission's report provides the vision. State experience since the report provides much of the detail.

II. REDESIGNING THE CHILD SUPPORT PROGRAM

A. Registries of Support Orders

To facilitate enforcement and the review of cases, Congress should require every state to establish a Registry of Support Orders. This registry should include every support order issued in the state, regardless of IV-D status. Some may argue that non-IV-D orders should not be included since parties should not have government intervention forced upon them. However, it is impossible to determine all outstanding orders against an obligor unless the system includes both IV-D and non-IV-D cases. State registries are essential for child support agencies to conduct automated enforcement through data matches. Although I believe a centralized state registry is preferable, you may wish to provide states the option of maintaining a unified state registry of orders through computer linkages connecting local agency and court registries.

In addition to state registries of support orders which would contain detailed information, there should be a national registry of support orders. This national registry would not duplicate or replace state registries. Rather, it would serve a "pointer" function. The national registry of order abstracts would have the minimum information—names of parties, social security numbers, and states(s) that have issued an order—needed to then direct specific requests to the appropriate states. A state seeking information about outstanding support orders on a particular obligor could use the national network described below to query those identified states with outstanding support orders.

B. National Computer Network

"In a day of electronics where computers replace humans in every business, the child support system stands as a dinosaur fed by paper."[1] Congress should expand the Federal Parent Locate Service to create a national locate network based upon linkages among statewide automated child support systems and between state systems and federal parent locate resources. Through the network, child support agencies and attorneys could obtain address, income, and support order information for child support purposes.

The network would allow states to direct locate requests to a particular state or to broadcast the request nationwide. State data bases which should be accessible include publicly regulated utilities, employment records, vital statistics, motor vehicles, taxes, crime and corrections. When a targeted state is unable to locate the person, the expanded FPLS would also be able to automatically reroute the request to other states, based on Department of Labor studies of migration patterns.

Some have argued that the national computer network is unrealistic. However, the technology is already being successfully used in the criminal arena. For example, under NLETS (National Law Enforcement Telecommunications Network), each state's law enforcement agency is linked with local data bases. NLETS then serves as a conduit linking 50 state computers together. States can retrieve information from other states through the network in a matter of seconds. Surely we can do as much for our children as we do in the criminal arena.

In order for such a system to be effective, the Federal Office of Child Support Enforcement needs to identify common data elements. Additionally, the system can only work to the extent that state data bases, including professional and licensing bureaus, are automated and use social security numbers as identifiers.

C. Employer Reporting of New Hires

All states now enforce child support orders through income withholding. Studies show, however, that in interstate cases there is an average of 13 to 20 weeks between location of an obligor's source of income and service of the withholding order on the out-of-state employer. During the delay, the obligor may move to new employment.

To ensure the availability of the most current employment information on obligors, Congress should require every state to mandate employer reporting of new hires. This new hire information would be matched against the registries of support orders. Any time there is a match, the state child support agency should be required to automatically generate an income withholding order or notice to the employer. This is not a controversial recommendation. Almost half of the states now have a procedure for employer reporting of new hires. However, the laws and processes vary in each state. Multi-state employers are particularly burdened by the lack of uniformity. At a recent national conference on Reengineering Child Support Enforcement, there was consensus on the following elements of a new hire reporting system:

- It must be universal.
  All employers must be required to report the hiring of new employees.
- It must be simple.
  Employers should be required to report the employee's date of birth, social security number, and employer federal identification number and address. It is not recommended that employees self-report their support obligations. Obligors often do not know correct information about their support orders or to whom payments should be forwarded. Misinformation becomes especially problematic if employers begin withholding based on that information. Payments may be sent to the wrong location and the goal of prompt receipt of support by the obligee is frustrated.
- It must be flexible in terms of how the information is reported.

[1] US Commission on Interstate Child Support, *Supporting Our Children: A Blueprint for Reform* (US Govt. Printing Office 1992).

States should minimize the burden on employers by authorizing various formats and methods for transmitting the new hire information. Such methods should include automated or electronic transmission, transmission by regular mail, and transmission of a copy of the form required for purposes of compliance with section 3402 of the Internal Revenue Code of 1986.

- It must be uniform.

Multi-state employers and the child support community agree that the federal government must take the lead in standardizing certain definitions and forms in order for employer reporting of new hires and income withholding to work. Congress should establish a universal definition of income and disposable pay that is subject to withholding, a uniform ceiling on the amount of income that can be garnished for support, and uniform standards regarding the allocation of multiple orders when an obligor is subject to several state withholding orders and lacks sufficient income to meet all of them. The Secretary of HHS should also develop a standardized income withholding order or notice that must be recognized by all employers.

There is less consensus on two other important areas: the entity to whom the new hires should be reported and the reporting time period.

Many argue that employers should be required to report new hires to a state entity, such as the State Employment Security Commission or the state IV-D agency. State reporting would allow states to easily use the information for other purposes, such as detecting fraud in the collection of state unemployment. Proponents of state reporting also believe that state registries of new hires would provide quick access to information on the majority of cases, since 2/3 of the cases handled by the child support agency involve noncustodial parents who reside in-state. A third argument in favor of state registries is that the state child support agency would have a vested interest in ensuring that employers complied with the reporting law and would more effectively monitor compliance than a national agency. Others disagree, stating that employers should be required to report new hires to a national entity. They believe that one information point is more acceptable to employers. They also argue that linkages among state automated systems in order to share the state new hire information with all states is unrealistic; that interstate enforcement would be facilitated by a national data bank of new hires. The House recently approved a variant of state reporting: reporting is initially done at the state level yet multi-state employers may report in the state where they have the most employees, rather than in every state where they have hired employees. Whether Congress mandates state or national reporting of new hires, it is crucial that there be a tight turnaround time for information.

All agree that the reporting time period for employers should also be standardized nationwide, but there is no agreement on what that period should be. The Commission recommended that employers report new employees 10 working days from the point of hire. Current state laws range from 5 to 35 days. Some payroll groups support a time period that is tied into an employer's payroll reporting period. Since employer address information is crucial not only for enforcement but also for locate, it is essential that Congress set a time period that ensures quick access to the information, while accommodating as much as possible employers' reasonable concerns.

D. If the Genes Fit: Determination of Parentage

With the high rate of nonmarital births in this country, it is vital that states do a better job in addressing parentage determination. A determination of parentage establishes fundamental emotional, social, legal and economic ties between a parent and child. Recent federal law requires states to establish expedited paternity procedures that include in-hospital parentage establishment. States must also authorize a paternity acknowledgment that creates a presumption of parentage and upon which a support order can be based. The following additional legislation is needed:

- a requirement that the presumption of parentage created by a paternity acknowledgment becomes a conclusive adjudication of parentage, with res judicata effect, if there is no challenge within a limited time period;
- a prohibition of jury trials in paternity cases;
- a requirement that decisionmakers have the authority to issue temporary support orders based on clear and convincing evidence of paternity (e.g., genetic test results, insurance coverage listing the children as dependents);
- a requirement that putative fathers have standing and a reasonable opportunity to initiate a paternity action; and
- flexibility to states to experiment with providing incentives to parents for the establishment of paternity.

Since paternity establishment has received a great deal of attention in the context of welfare reform, it is important that Congressional members understand that paternity establishment is a legal proceeding. Any suggestion that the provision of

AFDC should be dependent on a determination of parentage demonstrates a lack of understanding on what is legally necessary to determine paternity. A mother and child should not be punished because the alleged father cannot be located for service of process, or the state agency has not made due diligence to establish paternity. On the other hand, it is important that mothers seeking AFDC be required to provide information to child support agencies about the alleged father. Congress should shift the burden to the mother to prove cooperation by providing a name and social security number or name and two verifiable pieces of information about the alleged father, or to prove good cause for noncooperation. Currently, state agencies shoulder the burden of proving noncooperation by the mother in order to deny benefits.

E. When More is Not Better: Elimination of Multiple, Conflicting Orders

Under current law, multiple orders can exist that set conflicting support amounts for the same children. There are two major reasons: First, until very recently, states were not required to give full faith and credit to ongoing child support orders. As a result, rather than enforce another state's support order, many states would enter their own conflicting order. Second, the Uniform Reciprocal Enforcement of Support Act (URESA) specifically provides that a URESA order exists independently from any other support order.

1. The Uniform Interstate Family Support Act (UIFSA)

The National Conference of Commissioners on Uniform State Laws (NCCUSL) last revised URESA in 1968. Although revolutionary when created, URESA is now drastically in need of an overhaul. In cooperation with the Interstate Commission, NCCUSL developed a new act called the Uniform Interstate Family Support Act. UIFSA was officially approved by NCCUSL in August 1992, and by the American Bar Association in February 1993.

UIFSA contains a number of key provisions. For example, UIFSA contains a broad long arm statute that, within the confines of Supreme Court decision, expands the opportunity for a case to be heard where the custodial parent and child reside. In addition, UIFSA contains provisions implementing direct income withholding, easing evidentiary rules in interstate cases so that documents "regular on their face" can be admitted, and allowing use of telephonic hearings and video conferencing.

One of the most major revisions to URESA is adoption of the "one order, one time" principle. To achieve one order, one time, UIFSA creates priorities to establish or modify a support order involving the same parties and children. Where there multiple orders, it also establishes which order should be recognized and enforced prospectively.

Currently 21 states have enacted UIFSA. Unfortunately, 3 states enacted UIFSA with major omissions.[2] In order to ensure that this crucial uniform law really is uniform, Congress should require each state to enact the officially approved version of UIFSA as a condition of receiving federal funding.

2. Full Faith and Credit

In order to achieve a "one order, one time" rule, Congress recently amended 28 USC §1738A to add a section that requires full faith and credit to child support orders, including ongoing and administrative orders, that are based on valid exercises of jurisdiction. In defining jurisdiction, the Act attempts to be consistent with the UIFSA. The Act will work well in a world where all states are UIFSA states and all orders were issued under UIFSA. However, UIFSA exists in a world where there are already multiple, conflicting orders. In order to reach one order, UIFSA establishes priorities for which of those orders must be recognized for prospective enforcement. Unfortunately, as currently enacted, 28 USC §1738B conflicts with UIFSA. It requires recognition of orders that would not be entitled to recognition under UIFSA. There are several other inconsistencies with UIFSA that also need correcting. I urge Congress to make these technical amendments as quickly as possible. States are currently in a great deal of confusion. The inconsistencies were unintentional, and can be easily corrected.

F. Elimination of Multiple Cases

If we want to truly reengineer child support enforcement, we must change traditional thinking about case processing. Current federal regulations governing interstate cases encourage State 1 to initiate a case in State 2 when really all that is sought is enforcement against particular property or income of the obligor in State

[2] Maine, Montana and South Dakota enacted UIFSA without its direct income withholding provisions. Many of the concerns these states had about direct income withholding would be eliminated if Congress standardized various issues related to income withholding.

2. Such processing creates unnecessary generation of petitions and forms, doubles manpower hours, and results in duplicated counting of cases for statistical purposes.

We need to start viewing cases from the perspective of a debt collector. Why should a second state begin an entire new case when enforcement in that state will be short-lived, lasting only as long as the property, lump sum payout, or stream of money exists? Especially when State 2 may only be the location of the obligor's property, not the obligor? Federal law and regulations should approach interstate enforcement from the perspective of transferring debts between states, not creating new cases. In order to achieve this goal, Congress should require states to recognize liens for child support enforcement, regardless of the issuing state or the presence of a case in the "property" state. Additionally, the funding formula should be examined to ensure that it does not unnecessarily encourage the duplication of a case in a second state.

G. Investment in Human Resources

Far too often, when budgets are tight, training of staff is the first casualty. Yet there is no greater investment that can be made. The best automated system and most comprehensive laws will never replace the need for an adequate number of trained personnel to process child support cases.

Training responsibility rests with both the Federal Office of Child Support Enforcement and the states. Congress should require OCSE to develop core curriculum that states can adapt for use in their own training. In addition, OCSE should develop training for state child support directors. Federal appropriations should support such a training initiative. States, as a requirement for receipt of federal funding, should include within their state plans a demonstrated commitment to formal training of staff. Agencies should be required to provide training not only for IV-D personnel, but for other individuals and entities under cooperative agreements with agency, such as prosecutors and quasi-judicial decision-makers. Training is not a luxury. It ensures that problems are better anticipated, customers are better served, resources are more widely used, and appropriate legal remedies are sought.

H. Administrative Enforcement Remedies

Congress should do all that it can to move states away from manual, time-intensive enforcement of individual cases to automated enforcement of thousands of cases at a time. Congress needs to take the so-called Bradley Amendment one step further. Since 1986 federal law has required states to provide that past due support installments are judgments, which cannot be retroactively modified. However, in many states a lien cannot be placed on property until there is a court hearing that results in a formal money judgment for those arrears. Congress should require states to have laws creating an administrative lien or attachment by operation of law. Such lien should arise as soon as the support debt accrues. No advance notice is constitutionally required. However, once the lien arises or property is attached, the child support agency should be required to provide the obligor a post-judgment notice and opportunity for a hearing, in compliance with state due process.

The combination of a state registry of support orders, data banks that include social security numbers as identifiers, administrative liens against any income and property of the obligor, and an automated system that can do batch matches has been tremendously successful in Massachusetts. It should serve as the model for legislation governing enforcement in all states.

I. IRS AND ENFORCEMENT

For many reasons, I do not support "turning over" enforcement responsibilities from the states to the IRS. Not only does federalizing enforcement fragment a case between federal and state judicial systems, it also fails to address the major problems in the child support system.

1. Location

Federalization will not improve locate capability. There already exists a Federal Parent Locate Service. Much of the information is dated since most federal agencies only require quarterly or annual reporting. State sources of information—such as the Department of Motor Vehicles, credit bureau reports, property listing, and employer reports of new hires—are much more current.

2. Accessibility to Custodial Parents

IRS and Social Security offices are not located in as many locales as local state trial courts and child support agencies. Additionally, child support workers are much better trained than IRS agents in customer service and dealing with the large volume of calls involving emotional family issues.

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3. Prompt Distribution of Money

Based on testimony from states such as Massachusetts, I strongly fear that a federal system would result in greater difficulty in tracking down the correct obligee for disbursement of payments when there is limited case information. Additionally, one should note that the Social Security Administration is accustomed to monthly payments of a set amount, and the IRS to annual reconciliations. There is no model for the federal collection and distribution of potentially 10 million weekly/biweekly/or monthly payments which may vary depending upon the parties' financial circumstances and visitation and custody schedules.

4. Enforcement

Since 1975 the IRS has had child support enforcement responsibilities. It has never been enthusiastic about such responsibilities since support collection is not its primary mission. In fact, under the full IRS collection program, one federal IRS region returned approximately 60 percent of its certified cases as "currently uncollectible" based on a subjective determination of undue hardship to the obligor—despite the IV-D agency's verification of assets available for enforcement.[3] Nor will the IRS necessarily increase enforcement against self-employed obligors. According to the IRS, an estimated 10 million individuals and businesses do not file returns. About 64% of these nonfilers are self-employed. State remedies such as contempt, revocation of occupational licenses, mandatory credit bureau reporting, liens on property, and attachment of lump sum payouts are more likely to increase enforcement from self-employed obligors.

In essence, federalizing enforcement would allow the IRS to "cream" the caseload by handling wage withholding cases, yet create an entirely new and expensive federal bureaucracy to do so.

However, there are four areas in which I believe the IRS' current role in child support enforcement should be strengthened:

- Strengthen the full IRS collection procedure by replacing subjective determinations by IRS agents regarding the appropriateness of enforcement with objective criteria, and by eliminating the necessity of demonstrating that further enforcement techniques would be ineffective;
- Eliminate disparities between AFDC and non-AFDC IV-D cases regarding the availability of federal income tax refund intercept. The triggering arrearage in both cases should be less than $200, and arrearage should be collected regardless of the child's age;
- Change the refund distribution rules so that support monies are intercepted from an obligor's federal income tax refund and distributed to the families owed support prior to interception for any other federal or state debt. Such a rule would greater enhance the financial stability of single parent families;
- Require the IRS to promptly provide state child support agencies with income information for child support purposes; and
- Require the IRS to authorize state child support agencies, and entities with whom they have contracted for enforcement services, to use income tax information, without the necessity for independent verification.

J. Enforcement Against the Self-Employed

According to the IRS, an estimated 10 million individuals and businesses do not file returns. About 64% of these nonfilers are self-employed. State remedies can increase enforcement from self-employed obligors. Based on proven best state practices, Congress should require all states to provide the following:

- suspension or revocation of professional and occupational licenses when there is a threshold amount of arrears, with provision for a temporary license pending resolution of the matter;
- suspension or revocation of drivers licenses when there is an outstanding warrant or capias for failure to appear at a child support hearing;
- mandatory reporting of arrears and ongoing support obligations to credit bureaus;
- attachments of bank accounts for purposes of support enforcement; and
- liens or attachments on lump sum payouts such as lottery winnings.

K. Simplified Distribution

Title IV-D of the Social Security Act initially applied only to welfare cases. However, with the Child Support Enforcement Amendments of 1984, Congress made a commitment to all children. In order to ensure financial stability for all single par-

[3] See Diane Dodson, "Full IRS Collection and Use of Federal Courts, in Margaret Haynes with Diane Dodson, eds., *Interstate Child Support Remedies* (1990).

ent households, Congress mandated that the child support program handle cases, without regard to income. Therefore, in addition to welfare cases, child support agencies handle cases on behalf of children whose custodial parents have applied for IV-D services. IV-D cases also include what are referred to as "continuation cases"—cases where the custodial parent is currently not on AFDC yet there are "old" arrears that have been assigned to the State due to previous receipt of AFDC.

Michael Hammer wrote an article entitled, *Reengineering Work: Don't Automate, Obliterate.* It is the perfect maxim for current federal distribution rules. They are a nightmare. Their complexity makes it very difficult to program state child support automated systems. Rather than tinker around the edges, Congress needs to completely review and overhaul the distribution rules. Distribution policies should be simple, ensure financial stability during the transition from AFDC to self-sufficiency, and promote welfare avoidance.

L. Funding and Audits

Currently states receive 66% of their funding for administrative costs from the federal government. Certain items such as automated systems and genetic testing are reimbursed at 90 percent. States also receive federal incentives of 6 to 10% (based on collection efficiency) of the amount collected for both AFDC and nonAFDC IV-D cases. However, federal incentives are capped in nonAFDC cases at 115 percent of the amount collected in AFDC cases.

Although everyone agrees that funding should be changed, there is not consensus on the elements of that change. I support the Commission's recommendation that Congress authorize a study to examine funding alternatives. Any funding scheme should reinforce Congressional commitment that agencies serve all children who need financial support, not just our country's poorest. It should also reward performance, not just reimburse expenditures. In the interim, I recommend three immediate changes:

- revise the federal incentive formula to reflect a balanced program that serves both AFDC and nonAFDC families;
- revise the federal funding formula to provide incentives for health care support; and
- require states to reinvest incentives into the child support program.

Audits of state IV-D programs should also focus more on performance criteria than allowed under current regulations. The goal should be to measure results, not process.

M. Uniform State Laws

In public hearings held throughout the country by the Interstate Commission, parents and attorneys alike especially criticized the lack of uniformity among state laws in two areas: statute of limitations and duration of support.

The statute of limitations is the length of time that someone has to bring a legal action. There are states with statutes of limitations in child support cases, precluding the collection of child support arrears that are more than 5 years old—even if the lack of enforcement was due to the inability to locate or serve the delinquent parent. I concur with the Commission's recommendation that Congress should require states to have laws authorizing the collection of child support arrears at least until the child's thirtieth birthday. Such a statute ensures the custodial parent has adequate time after the duration of support ends in which to collect past-due support.

Duration of support refers to the length of time that parents are legally obligated to support their children. Many states require support until age 18 or graduation from high school or vocational school, whichever comes later. Some states authorize support until age 21 or older if the child is enrolled in an accredited post-secondary educational or vocational school. In testimony before the Commission, varying laws regarding duration of support were cited as bigger problems in interstate support cases than even varying child support guidelines. Congress should require states to have laws that at a minimum require support until age 18 or graduation from a secondary or vocational school, whichever event comes later. Additionally, Congress should require states to provide decisionmakers with the discretion to award support until age 22 if the child is enrolled in an accredited post secondary school or vocational school. By mandating a mandatory minimum, which is the law in the majority of states now, Congress ensures that all states cover the support of children at least through graduation from high school. The suggested law would then give decisionmakers the discretion to award support beyond that period. It would not be a mandate. Such a provision recognizes that children in separated households are much less likely to receive higher education than children in intact households. In fact, one study indicates that the educational gap between children of single-parent

households and dual-parent households is reduced by two-thirds if child support is received during the schooling period.[4] The suggested law gives states the flexibility to decide how such discretion should be exercised.

Finally, I recommend the creation of a National Child Support Guidelines Commission. Currently every state uses a presumptive support guideline, but there is no federal model. Studies indicate that these different state guidelines can result in families with similar financial circumstances with the same number of children facing different support obligations.[5] The purpose of the Commission should be to determine whether a national guideline is needed or whether improvements to existing guideline models are needed. If so, the Commission should develop such national guideline or improvements. Among the issues the Commission should examine are the following: awards at various income levels, the appropriate consideration of a parent's new spousal income or other dependents, treatment of child care expenses, treatment of medical expenses, the effect if any of various visitation and custody arrangements on the amount of the support award, and whether certain factors are treated more appropriately as an adjustment to income or a credit against the guideline amount.

III. CONCLUSION

Welfare reform elicits a myriad of ideas, often untested, about how to "fix it." Fortunately, there are few mysteries about what is needed to reform the child support system. There is overwhelming consensus on the most important elements. We ask you to address child support another time, not in piecemeal fashion, but comprehensively. It is true that we are seeking more federal mandates at a time when the mood appears to be to the contrary. A national problem, however, where varying state laws and procedures are among the major hindrances to effective enforcement, demands a national solution.

PREPARED STATEMENT OF MICHAEL R. HENRY

Mr. Chairman, distinguished members of the Committee: thank you for the opportunity to testify about child support enforcement—a central issue in your efforts to assist single-parent households to obtain self-sufficiency and reform the welfare system.

My name is Michael R. Henry. I am currently the Director of the Virginia Division of Child Support Enforcement. Prior to coming to Virginia in 1993, I served in an identical capacity in the State of Missouri for seven years. I am Immediate Past President of the National Council of State Child Support Enforcement Administrators and a Past President of the National Child Support Enforcement Association.

Virginia's child support program has a caseload of 358,000 cases. The caseload contains more than 400,000 Virginia children—over 25 percent of the children in the Commonwealth. Each month the caseload grows by over 2,000 cases. Working the cases are about 1100 state and vendor staff. During the current state fiscal year, we expect to collect $220,000,000 in support payments, establish paternity for over 30,000 children, establish over 31,000 child support orders, issue over 76,000 income withholding orders and establish 9,000 liens against real and personal property owned by delinquent parents. While we are proud of the progress we have made during the recent past, we are ever-mindful of the work yet to be done. We welcome your renewed interest in improving the program.

In response to your request, I offer the following discussion of significant issues facing the child support enforcement program in the Commonwealth of Virginia. Topics include: paternity establishment; cooperation by AFDC recipients; privatization; new-hire reporting; license suspension; interstate case processing; access to information; and paternal involvement. After each section of the narrative, I offer recommendations to assist you in your subsequent deliberations.

PATERNITY ESTABLISHMENT

Virginia has become a leader in implementing simplified and expedited paternity establishment procedures. In 1990, Virginia became the second state in the nation to join forces with hospitals to offer parents of children born out of wedlock an op-

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[4] Graham, Beller, and Hernandez, *The Relationship Between Child Support Payments and Offspring Educational Attainment*, p.37 (1991).

[5] See, e.g., Maureen A. Pirog-Good, *Child Support Guidelines and the Economical Well-Being of Our Nations's Children*, Discussion Paper No. 997-93 (Institute for Research on Poverty, Feb. 1993).

portunity to acknowledge paternity at the hospital shortly after the birth of the child. Parents may also establish paternity after they leave the hospital by signing simple civil acknowledgement forms at any child support enforcement office. In addition, Virginia law provides that positive results from genetic paternity testing establish a conclusive presumption of paternity. As a result, the paternity establishment process in Virginia is often more a medical procedure than a legal one. Lastly, the child support enforcement agency in Virginia has the authority to issue administrative summonses, ordering parents and alleged parents to appear at local offices to provide information and voluntarily provide blood samples for genetic testing.

These procedures, which closely parallel the mandates in the federal Omnibus Budget Reconciliation Act of 1993, have greatly improved our performance in paternity establishment. In state fiscal year 1990, before these procedures were implemented, we established paternity for 11,666 children. During the current year, our agency and Virginia's hospitals will combine to establish paternity for over 30,000 children. Significantly, this number exceeds the number of children who will be born out of wedlock in the Commonwealth during the same period. As other states fully implement the provisions of OBRA '93, similar performance improvements should occur nationally.

Recommendation. Congress should encourage states to amend their laws to provide that an acknowledgement of paternity becomes legally binding unless it is challenged within a reasonable period of time, such as six months. Also, states should require that all acknowledgments and paternity adjudications contain the social security numbers of both parents and be filed in the state's registry of vital statistics, to make this information readily available to the child support enforcement agency should it be subsequently needed. Federal funding should be available at the normal IV-D match rate to provide child support enforcement agencies access to this data. Finally, the federal government should lead an aggressive, national public relations effort to encourage voluntary acknowledgment of paternity as a matter of public health.

COOPERATION BY AFDC RECIPIENTS

A study conducted by Rutgers University found a majority of welfare recipients had given false or incomplete information to child support officials in order to protect the identity or whereabouts of their children's fathers. In Virginia, we estimate that this problem prevents us from successfully pursuing 20 percent of the cases in our caseload.

Last week Virginia Governor George Allen signed a sweeping welfare reform bill into law. Among many other things, the law requires paternity to be established within six months of initial receipt of Aid to Families with Dependent Children (AFDC) benefits. With limited exceptions, children for whom paternity is not established within six months will no longer be eligible for assistance. This provision of the bill will provide strong incentives for welfare mothers to cooperate in establishing paternity for their children.

Recommendation. States should have more freedom to experiment with ways to address recipient non-cooperation, without needing to seek federal waivers. For instance, states should be allowed to authorize child support officials to make the determination as to whether a recipient is cooperating instead of the current federal mandate, which vests this authority in the welfare caseworker. States should also be encouraged to try various penalties for non-cooperation. The current sanction—removal of the recipient from the AFDC grant calculation—does not work.

PRIVATIZATION

In February, 1994, Virginia awarded a contract to a private firm to operate two full-service child support enforcement offices in the Tidewater area, serving the cities of Hampton and Chesapeake and five surrounding localities. The offices opened May 1, and are now serving over 25,000 families. The firm is paid a percentage of the collections it generates. The cost to the state is about 25 percent less than what it would cost to operate the offices with its own staff. Within the next few weeks, we will be awarding a second contract to privatize services to 13,000 additional families in Alexandria and Arlington.

Child support enforcement lends itself to privatization. Program output is objective and easy to measure in the form of dollars collected. Paying vendors a percentage of what they collect is effective performance-based compensation. Such contracts allow a vendor to expand its operations as its revenue grows—similar to the way in which other private companies expand to meet rising customer demand. Private companies are not burdened by government personnel and procurement practices, and can thus respond to change much more quickly than can state-run operations.

Private firms exhibit a stronger customer-service orientation. Finally, because the current funding structure of the child support enforcement program allows states to more than cover their costs of operation, a state can privatize with the realistic expectation that any long-term additional costs will be offset through increased revenues.

As I noted above, Virginia's child support caseload is growing at a rate of over 2,000 new cases per month. Privatization is a way to respond to this growth without increasing the size of state government.

Recommendation. Over the next few months, you will be asked to consider changing the funding structure of the child support enforcement program. We ask you to be sensitive to the impact of such changes on privatization of child support enforcement activities. We support the positions of the National Governors' Association, the American Public Welfare Association and the National Child Support Enforcement Association. The strength of the current system, in which states earn incentive payments from the federal government based on their collections, would be retained under their proposals. New outcome-based performance measures would determine the rate at which states earn incentives. The incentive rate would continue to be applied against each state's collection totals to determine each state's total incentive payment amount. Such a system promotes privatization by allowing states to earn additional revenue as collections increase. Additional revenue can be immediately used by the states to pay vendors. Other proposals, which provide for increases in a state's federal matching rate in year 2 based on the state's productivity in year 1, make it more difficult for states to expand through privatization because the new revenue generated by the private vendor's activities is delayed.

Another serious issue confronting states in their efforts to privatize child support functions is vendor access to information already provided to the states by the Internal Revenue Service. States obtain information about delinquent parents that is reported to the IRS by employers and financial institutions. States also collect millions of dollars each year through the interception of federal income tax refunds. It is unclear whether vendors operating full-service child support offices, or processing payments, can be allowed access to this information. A "no" answer to this question would end the privatization movement in child support enforcement. It is critical that Congress resolve this issue by allowing vendor access, with appropriate safeguards against inappropriate use or disclosure.

NEW-HIRE REPORTING

Legislation requiring employers to report new hires to the Virginia state employment security agency within 35 days of employment went into effect on July 1, 1993. Since that date, a total of 1.8 million reports of new hires have been submitted by Virginia businesses. The reports are entered into a database and then matched against the state's child support caseload.

Since the law went into effect 125,339 active child support cases have been matched against the new hire reports. The resulting locate and income information has allowed us to collect $43.6 million, by establishing and enforcing support obligations owed by these individuals.

Recommendation. New-hire reporting is a powerful and effective method of ensuring that parents continue to make their child support payments as they change jobs. Congress should mandate all states to adopt uniform new-hire reporting laws and require states to upload data to a national new-hire registry to be operated by the federal government. Child support cases submitted to the federal government by the states should be matched against this registry at least weekly, and the resulting matches must be returned to the state so that orders can be established and enforced across state lines. We do not support a national new-hire reporting system at the federal level. We have little confidence that such a massive system could be effectively managed. More important, a national system could not be used by the states to limit welfare payments, unemployment compensation benefits and workers' compensation benefits to individuals who have returned to work.

License Suspension

License revocation is the "Denver boot" of child support enforcement—designed not to deny work opportunities or to restrict freedom of travel, but to compel delinquent parents to make and keep agreements to pay their child support debts. The threat of license revocation alone has already raised nearly $35 million in nine states (over $23 million in Maine). The U.S. Department of Health and Human Services estimates that if all states used license revocation as a standard enforcement tool, child support collections could increase by as much as $2.5 billion over ten years. The Congressional Budget Office estimates welfare savings of $146 million over five years.

Virginia recently implemented professional license suspension as a remedy against self-employed delinquent parents. We have issued initial notices in over 150 cases, and suspended one license. While it is too early to project a dollar impact on collections, staff report the threat is very effective in compelling a conversation with delinquent parents about their debt and their current financial situations.

During the 1995 legislative session, the Virginia General Assembly passed a drivers' license suspension bill offered by Governor Allen. Governor Allen signed the bill into law on March 24. It is effective July 1, 1995. If Maine's experience is repeated in Virginia, child support collections will increase by over $45 million annually.

Recommendation. License suspension is a good example of an idea that was conceived by states and proven by them to be effective. A federal mandate would assist states in moving toward national implementation. We do not, however, support a prescriptive mandate. States should retain maximum flexibility to design license suspension procedures that are tailored to state and local conditions.

INTERSTATE CASE PROCESSING

Interstate cases represent more than one-quarter of Virginia's child support caseload. Collections from these cases last year contributed less than 10 percent of our total. Both of these statistics are typical of the experience of all states. Interstate cases are difficult for several reasons. The statutory framework for processing interstate cases (the Uniform Reciprocal Enforcement of Support Act, or URESA) was designed during a period in our history when the population was less mobile, divorce rates were low and out-of-wedlock births were rare. Its arcane procedures were simply not designed for the high-volume demands of today's child support enforcement caseload. In 1992, the National Conference of Commissioners on Uniform State Laws issued a revised interstate act, the Uniform Interstate Family Support Act (UIFSA). Although UIFSA's transition rules are complex, it greatly simplifies routine processing of new cases by ending the inefficient and confusing process of establishing a new support order every time a non-custodial parent moves, and by allowing income withholding orders to have nationwide effect.

Virginia implemented UIFSA on July 1, 1994. Front-line staff report its impact has been dramatic and positive, despite the fact that less than 20 other states have enacted it. The full impact will not be felt until all states have done so.

Recommendation. Congress has a valid and important role in facilitating interstate establishment and enforcement of child support obligations. We in Virginia are rarely enthusiastic about federal mandates. This is an area, however, where a mandate is absolutely necessary. All states should be required to adopt UIFSA verbatim as expeditiously as state legislative calendars will allow. Congress should not, however, adopt language requiring states to use UIFSA's procedures on every case. States must be free to work together to identify and test better ways working these cases. For instance, Massachusetts and New Hampshire have recently been experimenting to establish liens and bank levies across state lines en masse, by exchanging computer tapes of their entire caseloads, rather than working their shared interstate cases one at a time (as UIFSA anticipates). A prescriptive mandate, particularly one with a waiver prohibition as some have called for, would foolishly prevent state-based experiments such as this one.

ACCESS TO INFORMATION

Front-line worker caseloads in child support enforcement programs typically hover around 1000 per worker. Caseload sizes in Virginia are somewhat lower at 875, partly as a result of our recent privatization efforts. Caseload pressures prevent cases from getting much individual attention—there is simply not enough time for workers to conduct intensive research to identify the whereabouts or financial condition of delinquent parents. We could respond to this problem by hiring hundreds of additional child support workers. This approach, however, is at odds with Virginia's goal to reduce the size of state government. In such an environment, it becomes necessary to re-engineer our approach to working the caseload by making maximum use of automated data matches and automated initiation of case actions. Access to information contained in other public and private databases is vital to this re-engineering effort.

Recommendation. Both the U.S. Commission on Interstate Child Support and several bills pending in Congress call for the creation of state and national central registries that would contain simple abstracted information about child support cases. These registries would be frequently matched against other data bases and the resulting "hits" transmitted back to the computer systems of the involved states, where actions would be initiated without the participation of the front-line worker. Massachusetts has proven that this approach can work within a single state. Con-

gress needs to establish the federal government as the focus for these re-engineering efforts at the national level by authorizing the creation of the appropriate national registries and by granting the federal Office of Child Support Enforcement the resources and clout to match these registries against appropriate federal and national data bases. Congress should also require or encourage states to grant similar expanded authority to state child support enforcement agencies.

Specifically, states need automated access to: national criminal history information; state vital statistics registries; records of occupational and professional license boards; federal, state and local tax information, records concerning real and personal property; and public utility records. In addition, federal law needs to be clarified to allow states to use credit bureau reports for use in establishing support obligations—current law only authorizes usage for enforcing obligations.

PATERNAL INVOLVEMENT

Fatherlessness is at the heart of many of the most virulent problems threatening America. Children in single-parent families are far more likely to be poor. In Virginia, 46 percent of the children of single-parent families live in poverty, compared with 5 percent of their two-parent counterparts. Nationally, most violent criminals are males who grew up without fathers, including 60 percent of rapists, 72 percent of adolescent murderers and 70 percent of the long-term prison population. Daughters of single parents are much more likely to have babies out of wedlock and to experience divorce than are women who grow up in two-parent families. Children who grow up apart from their biological fathers also experience academic problems at much higher rates than do children of in-tact families.

Recommendation. Public policy should uphold the ideal of involved, caring fathers as something that is both respected and expected. If we can restore a positive connotation to the idea of fatherhood we will see an increase in the number of men who play an active role in loving and caring for their children. Positive fatherhood programs like those pioneered by Wade Horn and Charles Ballard are important steps in this direction. States should be encouraged to test the impact of these programs as an integral part of their overall response to assisting single-parent households.

We do not support a direct linkage of visitation rights to the payment of child support. We do not believe that one parent's obligation to make child support payments should be suspended due to non-compliance by the other parent with the court's visitation order. Such a policy inflicts a double penalty on the child. We do recognize, however, that fathers who are fully engaged in the raising of their children are much more likely to provide financial support without government intrusion. States should be provided maximum flexibility to test positive approaches to promoting paternal involvement. Federal demonstration grant funding should be available to support these efforts.

PREPARED STATEMENT OF GERALDINE JENSEN

ACES is the largest child support advocacy organization in the U.S. We have over 300 chapters in 47 states with over 25,000 members. ACES members are typical of the 10 million single parent families entitled to child support payments in the U.S. We have joined together to seek improved child support enforcement so that our children are protected from the crime of non-support, a crime which causes poverty.

Childhood's End," a study of 325 families the year after the father left the home, revealed that 75% of the families did not receive child support payments, 58% experienced a housing crisis (to avoid homelessness, 10% went to shelters; 48% moved in with friends or relatives), 36% of the children did not get medical care when ill, 32% of the children experienced hunger, 57% of the children lost regular day care, 26% of the children were left unsupervised while their mothers worked, and 49% of the children could not afford to participate in school activities due to lack of funds. The survey also showed that 91% of the families applied for government assistance within the first year after the father left; 52% received Food Stamps; 41% received Medicaid; and 40% received AFDC (Aid to Families of Dependent Children).

The suffering of millions of children living in poverty could be alleviated if the $34 billion owed to them in support payments were collected. The laws that were enacted to protect children from this disaster are not being efficiently enforced. Non-support affects over 23 million children in our nation.

Hunger, poverty, and poor health go together hand-in-hand. Undernourished children become more susceptible to illness or disease, yet proper medical care may be minimal or non-existent. Resulting from parents' non-compliance with medical support orders, over eight million children lack adequate medical and dental care.

Federal laws require child support agencies to obtain medical support orders for the children when the non-custodial parent has health insurance available through their employer, and to enforce these laws. Nevertheless, out of the 78% of the non-custodial parents who had health coverage available through their employers, only 23% had them covered voluntarily (U. S. Census, 1990). The legal right to health care was denied to children by absentee parents even though they had the option to include them in their medical insurance plan. The need for stronger enforcement policies exists.

The financial responsibility of raising children is placed in the hands of the government, while irresponsible parents have the ability to support their children financially. The Office of the Inspector General (OIG) reports that non-payers earning $10,000 or more, owe the government an estimated $765-$850 million, representing AFDC arrearages. Regular support payments are not received by 87% of families receiving AFDC. The monetary cost of neglect affects every member of society, a price our nation must pay—a bigger price the children must pay—is poverty.

Children are the innocent victims of family break up and they should be protected from poverty. We need a national child support enforcement program that makes child support a regular, reliable source of income for children growing up with an absent parent. Having the IRS collect child just like they do taxes would provide this, the 1995 Uniform Child Support Enforcement Act sponsored by Mr. Hyde and Mrs. Woolsey sets up such a system.

Children need to be put before all other debts and support payments due to them need to be due until collected. Federal law should prohibit statute of limitations on child support cases.

Studies show that the best way to end the cycle of poverty is through education. Children growing up in single parent households entitled to support have fewer opportunities for higher education. A federal statute making duration of support to age 23 if the child is attending school, is needed.

STATE ENFORCEMENT SYSTEM OVERLOAD AND FAILURE

Some advocates, members of Congress, and state officials, will ask you to give states one more chance to collect child support. Millions of children have already lost their chance. In 1975, the year my youngest son was born, the state-based system was created. When he was nine, the Child Support Amendments were enacted to solve non-support problems, the collection rate was about 20% and half of the children needed support orders. When my son was 13, the collection rate was stagnant, the 1988 Family Support act was passed to improve collections. In 1993, my son was 18, the collection rate was about 18%, and 50% of the children still didn't have orders.

You will hear, "let the states do their own programs." Even if every state had state income tax so that they could set up a system like Massachusetts, it would still not solve 36% of the cases that are interstate and whose problems are caused by each state being different. Massachusetts' success teaches us that collection via the tax system works, it is a model for the IRS.

Massachusetts' success is based on using tax collection strategy. The system is designed to handle huge numbers of cases quickly, just like the IRS processes taxes. Most of the work is done automatically via computers based on group type and decisions rules governing actions to be taken and data bases to be searched. This has been effective. Eighty percent of the collections are now made without human intervention, new hire W-4 reporting, liens on worker's compensation and unemployment compensation, via this automated central registry approach prove that child support collections increase when the tax collection strategies are applied.

However, since Massachusetts can only apply these techniques to cases where the mother and father and child live in Massachusetts and because only half of their cases have orders and are not part of the automated locate system the collection rate has only reached 20% . Out of 214,000 cases in Massachusetts, about 44,000 received a payment in 1994. Last year, over 18,000 children needed paternity established, but only about 6000 children received services from the Department of Revenue. Massachusetts success through tax system collection, but failure to act on paternity cases, teaches us that the IRS could and should be responsible to collect support. But this effort keeps the states too busy with enforcement to effectively handle the paternity and establishment cases.

STATES NEED TO ESTABLISH PATERNITY AND ORDERS ADMINISTRATIVELY

We have lost a whole generation because of a broken system, not because of lack of laws or money, we spend 1.9 billion a year. The problems is that the system is state-based and different everywhere. Judges review cases one at a time in an anti-

quated process designed for the 19th century—when divorce and having children outside of marriage was unusual.

We need an administrative process to establish paternity and orders. We need jurisdiction to be in the state where the child lives.

Jurisdiction being based in the state where the non-payor lives rather than in the state where the child lives gives home court advantage to the parent who has abandoned the child, the law breaker. The jurisdiction scheme outlined in UIFSA, Uniform Family Interstate Support Act, long arm statues, would encourage people to go to court in the state where they had sexual intercourse rather than in the state where the child lives. For example, if a couple went to Florida on Spring Break and conceived a child, and the mother went home to Virginia and gave birth and the father returned to his home state of Michigan, the jurisdiction plan of the commission would allow the case to go to court in Florida, where the child was conceived or Michigan where the father lives. The case could not be taken to court in Virginia where the child lives. Some say this gives families more choices. ACES believes this give attorneys more places to argue jurisdiction, and non-payors more places to run and hide. It certainly does not give the child anyone to count on to help them establish an order, nor does it provide taxpayers any accountability to ensure that efficient case management occurs.

We need a federal law that places jurisdiction of child support actions to establish and/or modify orders in the place where the child resides. A National Jurisdiction Act should have the following provisions: (1) interstate child support case to be cause of action (2) the venue for the action to be where the child resides (3) trial court of any state should have power to serve the defendant. The Parental Kidnapping Prevention Act is a model for child state jurisdiction.

IRS SHOULD COLLECT CHILD SUPPORT JUST LIKE IT COLLECTS TAXES

The enforcement system is like an old car. We have spent a lot of money on repairs, it is time for a new car! ACES supports the new system outlined in the Hyde-Woolsey Bill, it places enforcement in the IRS, making children as important as taxes.

ACES asks for dramatic changes. Remove enforcement from the state and local courts and place it in the IRS as outlined in the 1995 Uniform Child Support Enforcement Act. This bill sets up a national registry that will match W-4 forms with child support orders and issue a withholding order directly to employers. It allows employers to withhold support just like taxes and makes self- employed parents pay monthly. This will increase collections from 18% to 80%.

Use the current records sent to the federal government to attach the income tax refunds of those who fail to pay child support as a national registry of child support orders. Have employers send employees' W-4 forms to this national registry to be matched so that payors can be identified. The employer will be notified to withhold child support payments just like they withhold taxes. this could increase collections from 18.2% to 59% since this is the percentage of Americans who work at jobs where they receive regular paychecks from an employer. Have self-employed Americans pay their support in the same manner as they pay taxes; i.e. quarterly, ahead, or monthly. This will increase the collection rate another 20% from a total of 79%.

The Hyde-Woolsey Bill puts children first in society by placing them before taxes. It is cost neutral. It reduces child poverty by 40% and it saves billions.

PRIVATIZATION OF CHILD SUPPORT ENFORCEMENT'S POOR TRACK RECORD

From others you will here, "let private companies collect support." Privatization has failed. Tennessee, the state that has used private collectors for five years in four counties, reports collections under 18%. Department of Health and Human Services, Administration For Children and Families, provided ACES with the following information about privatization projects in Tennessee.

IV–D CASELOAD

Judicial District	Date Contracted	FY '90	FY '91	FY '92	FY '93	FY '94
7th	7/1/92	2996	2565	2733	2992	3669
10th	7/1/91	8535	6894	7705	8464	10426
20th	7/1/93	50141	59239	67361	44613	39370
29th	2/1/92	2637	4283	4483	4700	5347

IV–D CASELOAD—Continued

Judicial District	Date Contracted	FY '90	FY '91	FY '92	FY '93	FY '94
	Cases with Collection					
7th	7/1/92	——	378	480	610	709
10th	7/1/91	102	672	1069	1670	1957
20th	7/1/93	610	2014	783	964	875
29th	2/1/92	54	685	757	831	1003

Tennessee's fiscal year begins on July 1, of the previous calendar year. For example, fiscal year 1994 began on July 1, 1993. The State provided the following comments regarding the figures for the 20th Judicial District (Davison County). The decrease in caseload figures for FY '93 an '94 is based on more accurate counting of cases and removal of closed cases from the caseload count. Collection case figures for FY '92, FY '93, and FY '94 are for AFDC cases only. The contractor has been able to provide figures on Non-AFDC cases with collections. This problem will be resolved with the implementation of the statewide computer system.

NATIONAL LOCATE SYSTEM NEEDED

We need a modern, efficient, national computer system to locate absent parents. This cannot be the statewide computer systems tied together. The federal government has given the states $863 million dollars to set up systems. Only 15 state have systems in place, few more will be on line by the October 1995 deadline. Please do not spend any more money on statewide computer systems until you investigate to determine why so much money has been spent with such poor results.

The national locate system needs to be set up from NLETS (State DMV records), NCIC (National Crime Institute Computer), Department of Labor (reports from all state Bureau of Employment Services), Treasury Department (bank records), Social Security records, and the IRS's own records. The reason that the locate system should be national and run by the IRS is to protect confidentiality. It is not possible to protect confidential records if the system is used by local county child support offices. Too many people will have access to too much confidential data. A national central locate system could provide information to state child support agencies systems so that they can locate absent parents, they do not need direct access to the data bank to do this.

Also, enact laws to make federal workers and contractors pay support, and prohibit non-payors from receiving government benefits, as in the STOP Act, sponsored by Mr. Bilirakis. ACES appreciates the efforts of Mr. Bilirakis to improve child support enforcement in the U.S. We support, HR 104, Subsidy Termination for Overdue Payments Act (STOP). It is time we stop rewarding those who fail to support their children.

ACES believes that HR 104 will encourage payment of child support, which precludes the use of federal taxpayers' dollars to assist individuals who neglect their children.

Provisions that require a 60-day delinquency and allow a "good cause" exception make sure that he bill is fair to those who are truly attempting to meet child support obligations.

PARTIAL SOLUTIONS WILL NOT HELP

You will hear, "enact UIFSA, more laws, hire more attorneys, judges, and suspend licenses." State's don't enforce the laws we have now, or use URESA which is simpler than UIFSA.

The Uniform Interstate Family Support Act was written to solve problems that occur on interstate cases such as one state not giving full faith and credit. It is no longer needed because Congress passed the 1994 FULL FAITH AND CREDIT ACT. This new federal law requires states to give full faith and credit to child support orders, allows modification of orders only at the request of both parents or in a new state only if no one lives in the state where the order originated.

The other provisions of UIFSA, long arm jurisdiction will not be needed if a federal law is passed placing jurisdiction where the child lives.

More state laws such a suspending professional and drivers licenses, will not work in many states because they are state-supervised, county run programs. For example, the professional licensing law has not been successful in California because if the Licensing Board checks the child support records in the county where the licensee lives, they will not find records for those whose child support order originates in another California county. So, if someone moves from Los Angeles to San Fran-

cisco and owes child support in Los Angeles, it will not be found. The new statewide computer system is supposed to solve this problem, however, it is not functioning in the northern part of the state. They have had repeated problems with the new system. California officials told ACES it will probably not meet the October 1995 deadline for having a system on-line.

VISITATION, CUSTODY, MONITORING WHERE CHILD SUPPORT IS SPENT ARE LOCAL JURISDICTION ISSUES

You will hear, "educate parents, monitor where the money's spent, enforce visitation with support, and change custody." State can't meet their responsibilities now.

Child support and visitation are separate issues. A parent who is unemployed and without income cannot pay support, this parent's rights to visitation should be protected and enforced. ACES believes that it is wrong to deny visitation when support is not paid and we believe it is wrong to withhold support when visitation is denied. These actions harm the child. We know from our experience, and from studies, that 13% of the parents who fail to pay child support, state that they are withholding payments because the visitation is being denied. To prevent this from happening, we need an effective Custody Visitation Dispute Resolution Program in every local court jurisdiction. Since this system needs to be run by social workers and counselors, it should be separate from the court system, and funded by local taxes on marriage licenses or divorce filing fees.

Presumption of Joint Custody laws in California did not increase financial or emotional parental responsibility. Child support orders were 20% lower in joint custody cases based on shared care time. The Center For Families in Transition's study of the families with joint custody, found children were more impoverished because of the lower support amounts ordered by the court and that fathers did not meet their 50% shared parenting time. They averaged only 30% of the children's care, which is the average amount of time on most standard visitation orders. California repealed Presumption of Joint Custody because of the negative affects on children.

Some argue that custodial parents should provide receipts or financial reports of where the child support payment are spent. This presents several problems. Who would be responsible to audit the receipts and/or financial reports. Would non-custodial parents be allowed to use the fact that the custodial parent bought jeans at a discount store, rather than a department store, as a basis for court action stating that the support money was not well spent? What if the jeans were bought at a department store, rather than the discount store, could the non-custodial parent use this as a basis to say the custodial parent wasted the support money because the child would outgrow the expensive clothes before they wore them out?

NATIONAL REGISTRIES THAT REPORT TO STATE REGISTRIES COMPLICATE AN OVERBURDENED SYSTEM

You will hear others who recommend a national child support registry that sends notices of those who match the W-4 form, to state agencies. Please don't set up state registries and then require employers to follow 50 different withholding laws.

The National to state registry scheme is unpractical and unworkable. Millions of cases will not get sent onto employers before casual and part time laborers leave their employment. Schemes that only include up IV-D cases as part of the registries, will benefit attorneys and harm business. Attorneys will advise clients not to sign up with the IV-D agency. They will tell clients that it is better to have a private attorney handle the match. In reality, the only thing that private attorneys will do better than the state government, is collect a fee from families owed support.

Schemes that call for employers to issue income withholding checks directly to individual payees will harm businesses. If enacted, it would mean that the 3,000 weekly income withholdings being done by the GMC Factory in my hometown, would be by individual checks to different people rather than the one transaction to the child support agency . Instead of the government agency distributing payments to the families, GMC will have to take over this duty. Some of these checks will be for AFDC families, so Jeep will have to be told which checks to send to families and which to send to the state. Since the average length of time a family is on AFDC is 17 months, and many families are on AFDC more than once, GMC will certainly be kept busy sorting out who gets which check when. This distribution system being promoted by some is to ensure that private attorneys can act as reception sites for payments collected via income withholding. Then they can take their fee out of the child support before passing it onto the family.

FUNDING THE CHILD SUPPORT PROGRAM

You will hear, "more funding, more incentives, charge fees." More money will not solve the problem. Ohio increased funding by 100% in the past five years, but collections increased only 3%. Ohio spent $20 million in 1989 and $43 million in 1993, collection increased from 19% to 22% in this time period. The dollar amount of support increased from $460 million in 1989, to $780 million in 1993, but this increase was due to new support orders being based on the child support guidelines. This increased the average payment from $40 a week to $65 a week.

Idaho charges families $425 to establish paternity, this drives families onto welfare. Over 176,000 children are on welfare in Idaho. The Idaho Bureau of Child Support makes a profit every year, but the profit is not spent on child support. It becomes part of the welfare budget. In 1993, the Bureau received $353,344 in fees from families in need of child support. This, in addition to the funds they receive from the federal government, yielded Idaho a profit of $538,340.

NATIONAL CHILD SUPPORT GUIDELINES SHOULD BE PUT IN PLACE.

National guidelines are needed to guarantee children a fair level of support. Children's support orders should be determined by their needs and their parent's ability to pay, not by where they live and which state guideline applies. There must be a national process, as well, for periodically reviewing and updating child support orders to ensure that orders keep pace with children's needs and parents' income.

Adequate information is available, and sufficient experience can be found from state governments to develop fair national child support guidelines. A system which allows a non-custodial parent who lives in Alabama and earns $40,000 a year to pay only $60 a week, while a parent in New Jersey who earns $40,000 a year pays $120 a week, needs to end. This lack of fairness leads to non-support.

Please for the sake of the children, no more half way measures, no more money for inefficient state systems. Please no more children going to bed hungry because there is not a national system to enforce child support.

PREPARED STATEMENT OF MARILYN RAY SMITH

Mr. Chairman, distinguished members of the Committee: thank you for the opportunity to testify on the next frontier of child support legislation.

My name is Marilyn Ray Smith. I am President of the National Child Support Enforcement Association (NCSEA). I am also Chief Legal Counsel and Associate Deputy Commissioner for the Child Support Enforcement Division of the Massachusetts Department of Revenue. I speak today for both of these organizations—for NCSEA to provide a national perspective, and for the Department of Revenue to give the "view from the trenches" in the actual operation of a successful child support program.

Founded in 1952, NCSEA's mission is to promote the well-being of children and their families through the effective enforcement of child support obligations. NCSEA is the "big tent" that brings together child support professionals from all aspects of the child support community, including state and local agencies, program administrators, case workers, prosecutors, judges, court clerks, private sector vendors, advocates, and parents, all joined together to ensure children receive the child support they are due on time and in full.

Since 1987, the child support program in Massachusetts has been housed in the Department of Revenue, where it has been a priority for the Weld Administration. We have reengineered the child support program to make maximum use of automation and administrative enforcement remedies to handle an ever expanding caseload. We have enacted into law virtually all of the recommendations of the U.S. Interstate Commission on Child Support that can be done at the State level. We have consolidated cases onto a central case registry. All payments are processed through a central payment processing unit. We have a highly successful paternity acknowledgment program. All employers are required to report new hires within 14 days of hire, and we have authority to revoke or deny professional, occupational, recreational, and driver's licenses of child support delinquents who fail to honor payment agreements. We use tax and bank information to locate assets. Finally, we just became the 21st State to adopt the Uniform Interstate Family Support Act.

In three years, we have increased collections by 23% percent, to more than $218 million per year. Our compliance rate has gone from 51% to 67%, and 15,200 more families now receive child support regularly. In the last two years we have used automation to transfer more than 75,000 wage assignments as obligors hopped from job to job, and we have levied more than 10,500 bank accounts to collect $7.3 million

from child support delinquents who accumulated assets rather than support their children. In less than a year, our voluntary paternity acknowledgment program has assisted the parents of 64% of children born out of wedlock to establish paternity within a few weeks of birth. And we are in the process of implementing tough cooperation requirements for applicants for welfare benefits that require the applicant to provide not only the name but also identifying information about the noncustodial parent.

In short, we are doing virtually every significant requirement of the major legislative proposals before Congress, and we are here to tell you that it works. We come before you to seek Congressional action to require similar changes for all States. Since almost a third of the child support cases are interstate, a State's program is only as good as its neighbors.' For example, in Massachusetts, we have reached a compliance rate for in-state cases of 80%, but less than 40% for interstate cases.

Four strategies unite our recommendations to Congress to increase collections and improve the nation's child support program:

- Give child support agencies the information they need to do the job—information from licensing and tax agencies, employers, banks, credit bureaus, and law enforcement agencies;
- Reengineer processes to use technology to the fullest extent for high volume, computerized data matches and notices to collect support and modify orders;
- Reduce welfare dependency by making it easy for parents to establish paternity, by allowing States to require strict cooperation with child support enforcement efforts, and by giving former welfare families priority in collecting past due support; and
- Remove unnecessary barriers in interstate cases by requiring uniform laws and procedures, and by setting up computer networks for States to exchange information through electronic transmissions.

I will describe each of these strategies, providing details of how these initiatives work, and where Congressional action is needed. The goal is to establish the proper balance between federal mandates that set standards to push States to improve their programs, while maintaining flexibility for continued innovation at the State level to respond to local needs and to chart new directions.

Finally, I will address the connection between child support and visitation and suggest areas where we can strengthen the connections between children and noncustodial parents, without linking visitation and child support.

GIVE CHILD SUPPORT AGENCIES THE INFORMATION TO DO THE JOB

If you can't find the noncustodial parent, you can't make him support his family. A child support enforcement program is only as good as the information available to locate the noncustodial parent, and income and assets. State child support agencies are looking for approximately 3.2 million obligors nationwide to establish an order in the first instance, and for another 1.5 million obligors to modify or enforce an existing order. The key financial information about obligors is in the hands of employers, the Internal Revenue Service, banks, and credit reporting agencies.

Require New Hire Reporting to Keep Up With Interstate Job Hoppers:

Wage withholding, responsible for more than half of annual collections, is the best way to collect child support. Yet every year 59 percent of child support obligors hop from job to job, resulting in months of delay before the wage assignment catches up. Some 21 States have demonstrated the power of new hire reporting. Employers simply send to a State agency by fax, mail or electronic tape information from the employee's W-4 form that the employer already has. After a data match, the child support agency's computer can automatically issue a wage assignment and get the money flowing to the family once again.

In Massachusetts, for example, in the first year of operation, the new hire program resulted in 5,500 more paying cases and increased child support collections by $14.5 million. Computer enhancements to automatically issue new wage assignments from existing wage reporting information resulted in another $18.7 million in collections and another 3,500 paying cases. These two innovations allowed 1,872 families to leave public assistance, saving the Commonwealth $21.6 million. Another $15.9 million were saved by detection of fraud and abuse in other government benefit programs, from people who got a job but did not report income. (Massachusetts employers particularly appreciate the latter result, as it helps them cut business costs while helping the Commonwealth's children.) The average time for a wage assignment to be transferred to a new employer went from 15 weeks to 3 weeks. Finally, staff to enforce wage assignments was reduced from 200 to 20 employees, allowing deployment of 180 staff—whose payroll costs totaled $8.4 million—to other essential functions, such as establishing paternity.

The next step is to connect this information to a national new hire and quarterly wage reporting directory. Wage assignments should be electronically transferred from State to State through computer matches of child support obligations against new hire and wage reporting information. Congress should therefore require States to have laws that:

- Require all employers in the State—including the Federal government and unions—to report all new hires to a State directory of new hires.
- Require States to report new hire and quarterly wage reporting information to a naticnal directory of new hires within the Federal Parent Locator Service for data matches to locate parents in interstate cases, and to other State and Federal agencies to prevent fraud and abuse in benefit programs.

The Clinton Administration's proposal calls for employers to report new hires to a National Directory of New Hires, with data matches then fed down to the States. We strongly prefer new hire reporting to take place at the State level. Reporting at the State level is easier for employers, as they have ongoing relationships with State child support and wage reporting agencies. Other data matches with new hire information, such as unemployment and worker's compensation, are easier to do at the State level. Concerns of multistate employers that there be uniform reporting requirements and timeframes can be met through Federal standards, as well as a procedure that permits multistate employers to report to the State where the employer has the most employees. Most importantly, States are in a better position than the Federal government to do any necessary follow-up to ensure compliance by employers, and to ensure accurate data entry. In this era of strengthening States' control and flexibility for innovation, it makes sense to keep this program near the customer.

Give Child Support Agencies the Tax Facts:

Only the Internal Revenue Service has the full income and asset picture for child support delinquents, showing pension accounts, income from real estate, partnerships, stocks and bonds and other trails to where the money is. Yet this vital information is often beyond the reach of child support agencies.

Even though the IRS currently provides Health and Human Services and State child support agencies with some tax data, existing law restricts access to, and the most effective use of, tax data. Information must be independently verified, a time-consuming process and a burden on employers and other income sources. Information available does not include income derived from self-employment, employer identification numbers, or information on mortgage payments—all keys to identifying the obligor's assets. States' efforts to privatize portions of the child support program are hampered as they are not permitted to disclose any tax information, including the amount of tax offset, to private contractors, undermining the benefits of privatization.

Rather than transferring some or all of the child support program to the IRS, as some have proposed, it is, as the old proverb tells us, "better to take Mohammed to the mountain than the mountain to Mohammed." Congress should:

- Make IRS tax information directly available to child support enforcement agencies and their contractors for use in locating obligors and in establishing, modifying and enforcing child support orders, without the need for independent verification of the information.
- Include income from self-employment, mortgage interest payments, and Federal Employer Identification numbers of employers paying wages to child support obligors in the information that the IRS makes available to HHS.
- Provide child support enforcement agencies with the same access to IRS information as is currently provided to State tax administration authorities.

Massachusetts tax data indicates that 20 percent of noncustodial parents whose children are on AFDC could be paying enough child support to enable their families to become independent of public assistance. Use of Massachusetts tax information for child support purposes—contrary to naysayers who predicted otherwise—has not increased tax evasion.

There is no better way that Congress can signal the importance of child support enforcement as a national priority than by making tax information available to child support collectors.

"Go Where the Money Is" to Collect Past Due Support:

State child support agencies do not have ready access to information about obligors' bank accounts, yet that is often where the money is. Although the IRS currently provides the Federal Office of Child Support Enforcement with 1099 information on bank interest income, by the time it reaches a State child support agency,

the information is 10 to 20 months old, and the obligor has frequently depleted the bank account. To give States a big boost in collections, Congress should:

- Require banks and State child support agencies to exchange quarterly information on the names and Social Security numbers of account holders and those who owe past due support. This information will allow child support agencies to seize the account to satisfy the child support debt.

Two years ago, Massachusetts instituted a "bank match" program, using 1099 information on interest bearing accounts reported by financial institutions to the State Department of Revenue. Recently enacted legislation requires all banks and credit unions to exchange information quarterly with the Department of Revenue, providing names and Social Security numbers of their account holders. This information is matched against the list of those owing past-due support, and the computer automatically issues a levy to the bank to seize funds in the account up the amount of past-due support. We have levied more than 10,500 bank accounts, seizing more than $7.3 million from obligors who accumulated money in the bank rather than support their children.

Put the Brakes on Licensees Who Don't Pay Support:

A license—whether it be professional, trade, recreational or driver's—is a privilege, not a right. Yet obligors who are self-employed and not subject to wage withholding can get away with "working under the table," and avoiding child support. It is time to stop extending State and Federal licensing privileges to drive, to work, or to play to people who don't support their children, while making the rest of us foot the bill.

License revocation is the "Denver boot" of child support enforcement—designed not to deny work opportunities but to compel a conversation with the child support agency about a payment agreement. But this remedy can be truly effective only if Social Security numbers are collected through the licensing process, so that thousands of license revocation notices can be issued via data matches. Congress should:

- Require States—and the Federal government—to have authority to deny or revoke professional, trade, recreational and drivers' licenses of obligors owing past-due support who refuse to honor a payment agreement.
- Require State and Federal licensing agencies to collect Social Security numbers and to disclose those numbers to the child support agency to help identity delinquent licensees.

Some 19 States, including California, Maine, Massachusetts, Vermont, Minnesota, Arizona, and Oregon, have moved to deny or restrict licensing privileges to delinquent child support obligors—and the results demonstrate the effectiveness of this enforcement remedy. An initial notice to delinquent licensees in Massachusetts yielded more than $600,000 in lump-sum payments, including one plumber who retired his entire $21,000 AFDC debt. In Maine, 22,000 notices to delinquent licensees produced more than $23 million over the course of a year. California had similar results, collecting an additional $10 million from the mere threat of revocation. The Department of Health and Human Services estimates that license revocation, if adopted by every State, could increase child support collections by $2.5 billion over five years.

Give Credit Where Credit is Due:

Under current law, information relating to an obligor's credit history is available to child support agencies only to enforce an existing child support order, but not to establish or modify an order. Yet a credit history reveals much about an individual's full financial picture, as it shows both assets and liabilities and the available line of credit. And many State guidelines call for information about the custodial parent's income. Congress should:

- Expand information available to the Federal Parent Locator Service from consumer reporting agencies to include information about assets and liabilities of obligors and obligees for the purpose of location, and establishing and modifying a support order.

REENGINEER PROCESSES TO USE TECHNOLOGY TO THE FULLEST

The key to reengineering child support is to shift from "retail to wholesale," to use high volume strategies to enforce a high volume caseload. Since 1984, Congress has recognized that the traditional method of taking each case back to court one by one was inefficient and ineffective, and has passed a series of laws requiring States to have mandatory wage withholding, to intercept Federal and State tax returns, to make past-due child support a judgment by operation of law, and other significant procedures to streamline processes. The automated systems scheduled to

go into operation later this year will allow operations to catch up with these changes in the law. A few more additions are necessary to complete the transition.

Consolidate the Caseload and Connect State and Federal Central Registries:

The first step in reengineering is to consolidate the caseload onto central registries of child support orders at the State and Federal level, so that the basic case information is available for data matches to locate obligors and take appropriate action. Congress should:

- Require States to set up registries containing all cases for which services are being provided by the State, as well as support orders established or modified in all other cases after a date certain, with basic case information to include the names and Social Security numbers of the parties and children, and the amount of the order.
- Require States to report the information on the State case registry to the Federal Parent Locator Service, for inclusion in a Federal registry of support orders, and available for data matches in interstate cases.

There is no accurate case count of the child support caseload in America. Just like any business, we will never be able to manage until we have control over our inventory. Although we recommend including all cases in this State case registry, we oppose "universal services" for all cases without the need for application. There is no need to change the current application process. Non-IV-D cases in the central registry should not be included for collection, disbursement, and enforcement services.

Centralize Payment Processing to Make Maximum Use of Automation:

In many States, payment processing is a fragmented, manual process at the local level. Without up-to-date account histories on a single database with designated staff having authority to "hit the button" for data matches, administrative enforcement remedies cannot achieve their full potential. Congress should:

- Require States to reengineer the collection process into a standardized, computerized, high volume database that has up-to-date account histories, uses the latest in payment processing technology, regularly searches all other available databases for obligors' income and assets, and automatically sends out wage assignments, liens, and levies, and initiates other administrative location and enforcement remedies.

Since Massachusetts began its automated enforcement program three years ago, the number of paying cases has increased by 40%, from 37,000 to 52,000. We need fewer staff to enforce those cases and have been able to re-deploy staff to other functions, such as paternity establishment. Every week more than 50,000 checks come to a centralized payment processing center. Within 24 hours, new checks are issued to custodial parents. Our customer service center receives more than 20,000 calls per week. With on-line access to up-to-date information, customer service representatives handle more than 85 percent of the calls without referring to the case file or the local office.

Cut the Child Support Deficit Through Automatic Liens:

Centralized payment records do more than speed the distribution of money; they set the stage for the next step in the reengineering process—to issue an administrative lien in every case with a child support debt. A tried and true remedy for the tax man, the administrative lien is the sleeping giant for child support collectors, and the vehicle for moving from "retail to wholesale" in collection strategies. Yet liens (attachments) against real and personal property have not been used by States to their full potential. Upon locating property, caseworkers in most States must prepare individual liens and seek judicial approval for each case—a slow, ineffective process. As a result, some child support delinquents enjoy real estate, boats, fancy cars, bank accounts, and stocks and bonds, but do not support their children.

All cases now have wage assignments that can be sent across State lines without going to court in the responding State. Past-due support in all cases now becomes a judgment by operation of law. Now we need child support liens that arise by operation of law, and that are entitled to full faith and credit and treated the same as a lien that arose in the responding State, without the need for judicial registration of the underlying order, unless contested. Properly issued, the lien can become the basis for enforcement of all past-due support—tax refund offsets, credit reporting, license revocation, and levies and seizures of bank accounts, workers' compensation benefits, insurance and legal settlements, lottery winnings, or any other asset—all with one process for notice and opportunity for hearing.

To make maximum use of this powerful tool, Congress should:

- Require States to have laws providing that child support liens arise by operation of law in cases with past-due support.

- Mandate that other States honor these liens in appropriate cases without judicial registration of the underlying order—unless the lien is contested on grounds of mistake of fact or invalid child support order—by filing them in the appropriate registry or serving them on any third party holder of property.
- Permit transmission and recognition of liens across State lines by electronic means and data matches.

Since 1992, Massachusetts has issued administrative liens in every case where an obligor owed more than $500—liens to more than 90,000 child support delinquents with property as varied as worker's compensation claims, wages, bank accounts, and real estate. All were handled by computer on a "wholesale, rather than retail" basis, bringing in more than $14.5 million in the last two years alone. Massachusetts tax data suggest that about one-third of delinquent obligors own property eligible for a lien. With 3.5 million delinquent child support cases nationwide, that equals a million or more liens, easy to issue and file by computer, impossible to write by hand or to take to court one by one. Over time, this process will result in billions of additional collections of past-due child support for the nation's children.

Adjust Orders to Keep Pace With Parent's Ability to Pay:

As children grow, so does the cost of raising them. But most orders are not easily adjusted to keep pace with the child's needs or the parent's ability to pay. The average child support award is less than half what a typical guideline calls for. However, the current Federal law is cumbersome, expensive, and time-consuming, requiring every case to be brought back for a court or administrative hearing, if modification is sought.

Congress can make it easy and inexpensive to adjust orders in millions of cases by giving States flexibility to use computers to generate notices of adjustment to both parents, based on cost of living adjustments (COLA), or based on computer analysis of tax and employment information. The current process requiring individual case reviews costs an estimated $730 per case, often more than the annual increase in the support order. Congress should therefore:

- Eliminate all currently federally mandated notice requirements except the one time notice to both parents informing them of the right to request a review and adjustment in accordance with child support guidelines, leaving other notices to State due process requirements.
- Give States the option to use wage or income tax data through automated matches to determine which cases are eligible for review and adjustment upon application of child support guidelines (rather than the existing system requiring full individual review of each case every three years).
- Allow States to meet the requirement for periodic review and adjustment through computerized notices which apply a cost of living adjustment to support orders at least every three years, without the need to show any other change in circumstances.
- Permit either parent to challenge the amount of the adjustment under either scenario within 30 days of receipt of the notice of adjustment, by requesting a full administrative or judicial review at State option, with the guidelines applied as a rebuttable presumption.

Minnesota has successfully used cost of living adjustments to keep child support orders up to date, in a streamlined, nonjudicial process, while preserving the ability of either party to request a hearing if appropriate. Massachusetts income tax data suggest that 35% of obligors who have children on welfare could afford to pay more child support, yet the existing process for adjusting orders is time-consuming and expensive.

Treat Medical Support Orders More Like Wage Assignments:

Because Medicaid costs often exceed cash assistance benefits, obtaining medical support is one of the most important functions of the child support program. Under current law, when an obligor changes jobs and health care provider, in most States, the child support agency must take the case back to court to get a new medical support order, a time-consuming and costly process, even through current law already requires a medical support order in every case where health insurance is reasonably available to the absent parent through his or her employer. Congress should:

- Require States to have procedures which authorize the child support agency to implement or transfer existing judicial or administrative orders for health care coverage when the absent parent changes jobs by sending the notice of the order to the absent parent's employer or to the provider of health care coverage, and by notifying the absent parent of the action and providing an opportunity for judicial or administrative review.

This simple administrative procedure will ensure health insurance coverage for thousands of children, savings millions of taxpayer dollars in costs savings from Medicaid cost savings, while providing the absent parent with an opportunity for judicial or administrative review in the event health insurance is unreasonably costly or requires other adjustment in the child support order.

In Massachusetts, a health insurance order is obtained in most cases, even when coverage is not currently available. The order instructs the noncustodial parent to include the child on the policy "if, as, and when" health insurance becomes available at a reasonable cost. The health insurance order is included on the wage assignment order, and is transferred along with the wage assignment when the obligor changes jobs. This process eliminates the necessity for a court hearing in each case, yet the courthouse is still available for either parent.

REDUCE WELFARE DEPENDENCY THROUGH CHILD SUPPORT

When paid on time and in full, and coupled with the custodial parent's earnings, child support can enable millions of families to attain or maintain economic self-sufficiency. But when just one parent provides for a family, the burden of support is too often borne by taxpayers and children suffer a childhood of poverty.

Make It Easy for Parents to Establish Paternity:

In 1992, 1.2 million American children were born out of wedlock; the number rises every year. Without a father to help support the family, most end up on welfare. States established paternity in only a half a million cases in 1992. Recent changes in paternity law have not gone far enough. We need to make it still easier for parents to acknowledge paternity in uncontested cases. By building on existing law, Congress should:

- Require that the voluntary acknowledgment of paternity have the force and effect of a judgment of paternity, unless challenged within 60 days, and serve as the basis for a child support order without further proceedings.
- Require that all acknowledgments and adjudications contain the Social Security numbers of both parents and be filed in one place in the State—preferably the registry of vital statistics—to make this information readily available through data matches if a child support order is ever needed.
- Give States incentives to establish paternity for children born out of wedlock, so that States will be motivated to develop aggressive outreach programs and to provide parents with multiple opportunities to acknowledge paternity—not just at the hospital, but at offices of city and town clerks, health centers, law offices, welfare offices, and other State and community agencies.

In less than a year, 64% of parents of Massachusetts children born out of wedlock are establishing paternity through the voluntary acknowledgment program, and we have not yet even begun a coordinated outreach program. Under Massachusetts law, hospitals are required to provide information to parents as part of the birth certificate process. The father cannot put his name on the birth certificate unless both parents sign the acknowledgment, a strong inducement. The voluntary acknowledgment program is carried out primarily through personnel at hospitals, the registry of vital statistics, and city and town clerks. Paternity acknowledgment thus takes place largely apart from child support enforcement, in a nonadversarial setting where parents can do the right thing while their due process rights are protected.

Require Strict Cooperation by Applicants for Welfare Benefits:

The best source of information about the noncustodial parent is the custodial parent. In non-welfare cases, parents cooperate because the child support check means money in the pocket and food on the table. In welfare cases, however, all too often the custodial parent withholds critical identifying information that will enable the child support agency to tap into the databases that are now available to find income and assets.

The current system requires only nominal cooperation from the custodial parent, and the existing sanction—removing the mother from the grant—is ineffective. Massachusetts' experience bears this out: Of the cases referred to the child support agency needing paternity establishment, a quarter are "dead on arrival"—not enough information to begin looking for more. Another 20% fall out before an order is established because the custodial parent fails to cooperate—the information provided is still not enough to locate the noncustodial parent, or she fails to appear for hearings or blood test appointments.

The Massachusetts experience is not unique, as confirmed by recent studies from Rutgers University, the Center for Law and Social Policy, and the General Accounting Office. Custodial parents withhold information, don't report cash payments, don't show up for appointments and hearings. They undoubtedly have many rea-

sons, some of which may be valid, but it is time for us to start asking more questions and insisting on more answers.

To ensure States get the information they need to establish paternity and collect support, we recommend the following:

- Strengthen the standards of cooperation by making receipt of cash assistance conditional upon providing sufficient verifiable information to locate the noncustodial parent for service of process and require appearance at necessary interviews, hearings, and genetic appointments.

  Necessary information must include the noncustodial parent's name, and other identifying information such as Social Security number; telephone number; present and past addresses, places of employment, and schools attended; make, model, and vehicle registration number of any motor vehicle; driver's or professional license number; and names, addresses, and telephone numbers of parents, friends, or relatives able to provide location information.
- Give the child support agency the responsibility for determining cooperation, and flexibility to determine the standards.
- Require an effective sanction for failure to cooperate—such as termination of cash assistance—something more than the current sanction of merely removing the recipient from the grant.
- Place the burden of demonstrating cooperation on the recipient in any fair hearing, while allowing exceptions for good cause or for cases where the verified facts of the case indicate that the probability of establishing paternity or a support order is unlikely, or will jeopardize the safety of the mother or child.

Just last month, the Massachusetts legislature strengthened the requirements for cooperation. Before the law has even gone into effect, we are seeing fewer applications for welfare and better cooperation as the word gets out that the rules have gotten tougher.

Give Former Welfare Families Priority in Collecting Past-due Support:

The Federal rules governing distribution of collections are complex and outdated, and discourage families from becoming self-sufficient. Caseworkers must spend their energy untangling scrambled accounts, and custodial and noncustodial parents alike suffer from a system that appears arbitrary, unintelligible and hostile. The rules are difficult for States to follow, for staff to explain, for parents to understand. They create accounting nightmares for customers, litigation from advocacy groups, headaches for computer programmers, and audit deficiencies for States.

The child support program for the last twenty years has had a contradictory mission: Is it to pay back welfare, or is it to keep families off welfare? If it is indeed the latter, as we believe it is, then we must re-examine the rules for distributing collections. Having dynamic enforcement remedies won't truly help families if we don't get the money to where it is needed most.

Any proper analysis for changing the distribution rules must look not only at possible decreased reimbursement for State and Federal AFDC costs, but also at the dysfunctions of the current system that waste valuable staff time and consume expensive computer resources. And we must recognize that the real benefit from distribution rules that are designed to encourage families to become or remain self-sufficient may be in money saved, not money collected. The best child support system will never collect all the AFDC paid out. We will do better by keeping families off welfare, rather than chasing dollars already paid out.

We therefore recommend that Congress give States the flexibility to:

- Eliminate the assignment to the State of past-due support that accrued before going on public assistance, so that families are not punished for trying to make it on their own when child support payments stop.
- Distribute payments of child support collections, first to current support and then towards arrears according to the status of the current support order: If the custodial parent receives AFDC, credit payments in excess of current support first to any AFDC arrears. If the custodial no longer receives AFDC, credit payments in excess of current support to any arrears owed to the family.
- Pass all child support collections through to the AFDC family, counting the child support payments as income.
- Eliminate the $50 pass through or, in the alternative, hold it in escrow to be distributed to the AFDC recipient upon leaving public assistance, to provide a lump sum payment as incentive to assist in the transition to self-sufficiency.

Under a waiver from the Federal government, the State of Georgia distributes child support collections on behalf of AFDC recipients directly to the family up to the amount of the current monthly obligation. The money is counted as income and in many cases reduces the welfare check, making it a supplement to child support. Georgia has found this program simple to administer, freeing staff to concentrate

on the real business of child support: locating absent parents, establishing paternity, and collecting money. The father has the satisfaction of knowing that all his payments go to the children, and the family benefits from seeing that it is not totally dependent upon welfare for survival.

Three years ago, Massachusetts began giving priority to families in collecting past-due support, improving customer satisfaction, reducing account errors and increasing AFDC case closings. Even more important, we sent the message to Massachusetts families that their government was willing to put the families' financial needs first, giving them the incentive to attain self-sufficiency—and the money they need to stay that way. Any decrease in AFDC reimbursement has been offset by cost avoidance and savings from a more efficient program.

Use Incentives to Invest in Families:

Incentives are a powerful motivator to produce desired results. If the mission of the child support program is to take and keep families off welfare, then Congress should structure the incentive program to reward the behavior it seeks. The current incentive structure is derived from AFDC collections. Rather than measuring a program's success in getting families off welfare, Congress rewards States for keeping families on welfare. Cost avoidance—money saved because child support kept families off welfare—is ignored.

We do not suggest that States deliberately keep families with paying child support cases on welfare in order to maximize incentives. However, it does seem perverse for Congress to reward the very behavior it is trying to avoid. States who focus on closing AFDC cases actually reduce potential income for the program. In Massachusetts, for example, in 1994, approximately $25.7 million were collected from 11,000 former AFDC cases, with an estimated savings of $38.5 million in cost avoidance for AFDC, Medicaid and Food Stamps. Had those collections been counted as AFDC collections for calculating the incentive payments, the State would have received an additional $4.5 million, or 42% more in incentive payments.

We recommend instead that Congress reward cost avoidance by redefining the incentives to include collections on former AFDC, foster care, and Medicaid only cases, along with AFDC collections, in the formula for calculating incentives. These families are a priority, as they are at the greatest risk of going on, or returning to, public assistance. In addition, these incentives should all be reinvested in the child support program, not used to build roads or bridges, no matter how great the need in those areas.

Provide Training for Better Service to Families:

Congress should adopt the Interstate Commission's recommendations on training, particularly those requiring minimum standards for initial and ongoing training and for sufficient funds to support quality programs. These programs should not be limited to employees of the child support agency, but should be available for all participants in the process, including district attorneys, judges, hearing officers, and the private bar.

Training may appear to be an expensive luxury, and in fact is often the first budget item to be cut in times of fiscal crisis. But as American business has learned the hard way from the competitive international marketplace, training of employees is the critical ingredient in delivering quality products and quality service. The axiom of Total Quality Service to "do it right the first time, every time, on time" is founded on training, training, and more training. Only then will staff have the necessary skills and vision to provide outstanding customer service.

BREAK DOWN THE BARRIERS IN INTERSTATE CASES

Interstate cases, one-third of the caseload but responsible for only one-tenth of collections, are the most difficult, involving multiple jurisdictions with conflicting laws. Copies of documents must be assembled, copied, certified, sent to the appropriate jurisdiction, reviewed and acted upon on a case by case basis. The current system is an unmanageable morass of scarce information and conflicting orders that confuse and frustrate both parents. No matter how good a particular State is in collecting child support, if remedies cannot easily cross State lines, the collection record will always be inadequate. For example, using automated enforcement remedies, Massachusetts has achieved a compliance rate of 80% on current support for in-state cases, but only 40% in interstate cases.

Mandate Uniform Laws and Easy Information Exchange:

Many of our recommendations affect interstate cases—central registries, new hire reporting, child support liens, even uniform distribution rules. There are at least

three more areas where Congress can make important improvements to tighten up interstate enforcement:

- Mandate that all States adopt verbatim the Uniform Interstate Family Support Act (UIFSA), to replace the time honored but time worn Uniform Reciprocal Enforcement of Support Act (URESA), by creating a system of "one order, one place, one time," and an orderly process for modifications across State lines.
- Require State laws that permit the electronic, paperless transmission of orders, forms, and standard information across State lines and that allow enforcement to go forward without further judicial or administrative action unless the enforcement action is contested by the obligor on grounds of mistake of fact or invalid order.
- Require the Secretary of Health and Human Services to issue regulations defining a "child support case," in such a way to avoid double counting of cases, so that the only "child support case" is in the State of residence of the child on whose behalf support is sought, with distinctive terminology for circumstances where the obligor lives in a different State, or where only arrears are owed.

These changes will put in motion the next logical step for a paradigm shift that will have States transferring "debts for collection," instead of " child support cases" as traditionally defined. Child support payments are already a judgment by operation of law as they become due and unpaid, and entitled to full faith and credit. It is no longer necessary to take each case back to court before initiating collection, even in the interstate context, unless the obligor raises a specific defense.

ADDRESS VISITATION WITHOUT LINKING IT TO CHILD SUPPORT

The evidence that children suffer when their fathers have no real involvement in their lives is too overwhelming to be ignored any longer. Although most single parents struggle valiantly against staggering odds with insufficient money to raise children alone—and are not to be blamed—children in single parent homes are at greater risk of substance abuse, juvenile delinquency, teen pregnancy, school dropout, depression, and a host of other dysfunctions. A caring, involved, responsible father is a powerful and necessary role model for both boys and girls in their journey to reach responsible adulthood.

However, we do not support efforts to link child support and visitation—to say to a father that he can't visit his child unless he pays child support, or to say that he does not have to pay child support unless he can visit his child. Children have an independent right both to child support and to a relationship with both parents. This is the law in virtually every State, with deep roots in the common law of family jurisprudence.

The issues here are complex and are not readily responsive to simple formulas. We must invest more resources in a variety of programs to help parents work cooperatively in the best interests of their children. Parenting education programs as part of the divorce and paternity establishment process are a must. Even better would be parenting education programs before people became parents—perhaps some would think twice about undertaking this awesome, lifelong responsibility. Tough cooperation requirements ensure that mothers cannot unilaterally deny the child's right to paternity establishment and still receive public assistance. Supervised visitation may be appropriate in some cases to address concerns of child abuse. On the other hand, changing the amount of the child support order based on the amount of visitation should be viewed with caution to prevent manipulation of visitation by either parent for financial gain.

We must do something significant to improve the situation for children who don't live with both parents, but we need to know more about what to do. We urge Congress to include sufficient funds for projects and research in this complex area. The well-being of our children depends upon it.

CONCLUSION

At every step of the way, we need to reengineer the child support program. From locating noncustodial parents and establishing paternity, to obtaining and modifying a support order, to processing payments, and initiating tough enforcement actions, child support agencies need critical information and the cooperation of the private sector and other government agencies. Our recommendations will encourage families to achieve—and maintain—independence from public assistance. And they strike the proper balance between Federal and State governments, providing a national framework for an effective interstate child support system, while permitting States to exercise control over the administration of the program.

Mr. Chairman, thank you for your gracious invitation to testify before this distinguished Committee. The vision and commitment of members of Congress, particularly this Committee, continue to be a powerful motivating force to thousands of child support professionals around the country who have dedicated their lives to making this program work for all children of America who need support. The Na-

tional Child Support Enforcement Association and the Massachusetts Child Support Enforcement Division commend and thank you for your leadership, and we look forward to continuing to work with you, both in the passage of this historic legislation and in its effective implementation.

COMMUNICATIONS

STATEMENT OF THE AMERICAN BAR ASSOCIATION

(SUBMITTED BY LYNNE Z. GOLD-BIKIN, ON BEHALF OF THE ORGANIZATION)

Mr. Chairman and Members of the Committee: The American Bar Association appreciates the opportunity to submit its views to you on child support enforcement and welfare reform. The ABA is a national organization composed of 370,000 attorneys. I am Lynne Z. Gold-Bikin, a practicing lawyer from Norristown, Pennsylvania, and the current Chair of the ABA Section of Family Law. I submit this statement at the request of our President, George Bushnell, Jr.

The ABA strongly supports the provisions passed by the House of Representatives on March 24, 1995, as. Title VII of the Personal Responsibility Act. We believe the House-passed child support provisions are an historic step forward for children in the United States.

The ABA recognizes that parents' obligation to provide support to their children is a critical element of a responsible society. The fact of our failure to adequately enforce this obligation are well know to the Committee and to the Congress.

The ABA supports in large measure the enactment into law of the recommendations of the U.S. Commission on Interstate Child Support, which was created by Congress under the Family Support Act of 1988. The Association has worked closely with the former Commission and with leaders in Congress on these recommendations. Margaret Campbell Haynes of the ABA Center on Children and the Law served as the chair of that Commission, and leaders of the Association's Section of Family Law have made a major contribution as well. Many of the Commission recommended reforms are contained in the House-passed measure and are also contained in S. 456, the Interstate Child Support Responsibility Act of 1995, introduced February 16, 1995 by Senator Bill Bradley of New Jersey.

The ABA urges Congress to pass legislation giving priority to the following recommendations of the Interstate Commission:

(1) Ensure uniform laws and procedures in interstate cases by mandating that states and territories enact verbatim the Uniform Interstate Family Support Act (UIFSA), effective on a specific date. One of the most crucial changes within UIFSA is the elimination of multiple, valid support orders that currently exist under the Uniform Reciprocal Enforcement of Support Act. Multiple orders lead to terrible confusion regarding the calculation of support arrears. Under UIFSA, there will only be one valid support order governing the parties at any point in time;

(2) Amend the IRS W-4 form for reporting exemption claims to require new employees to report child support obligations and payment through withholding, in order to expedite the location of obligors and enforcement through income withholding;

(3) Require employers to honor income withholding orders/notices issued by any state or territory;

(4) Establish a national computer network for the exchange of information related to the establishment, enforcement and modification of support orders, and for the enforcement of visitation and custody orders;

(5) Establish minimum staffing standards for child support agencies (IV-D agencies);

(6) Provide training to child support caseworkers, court administrators, private and public attorneys, and judges involved in support cases;

(7) Require states and territories to have laws and procedures for civil voluntary parentage acknowledgment. (The largest barrier for obtaining support orders for nonmarital children is that paternity. must first be established. Further steps must be taken to encourage fathers to take responsibility for their children.);

(8) Ensure that children receive adequate health care coverage by mandating that the insurance industry cooperate to provide coverage for all eligible children, regardless of their residence or the marital status of their parents;

(9) Extend the availability of establishment and enforcement remedies currently only available to IV-D cases (handled by state and territory child support agencies) to cases brought by private attorneys on behalf of custodial parents and to pro se parties;

(10) Conduct a study to determine the reasons for nonpayment of support; and

(11) Strengthen enforcement remedies against the self-employed.

The ABA strongly supports requiring states to have procedures that provide for denial and suspension of driver's, occupational and professional licenses for non-support. We do not support mandating automatic suspension or denial, but we strongly believe that states should have such powers available by law in order to assure child support obligations are met. States which have enacted such provisions are finding them to be vitally effective in enforcing child support orders, usually through the fact of having such authority without having to suspend licenses in the large majority of cases. In view of the national cost of unpaid child support, it is time our laws provide sanctions which work. An amendment to the House bill offered by Representative Marge Roukema of New Jersey adding this requirement was overwhelmingly approved last week, prior to final passage.

The ABA is concerned, however, that the House-passed child support enforcement provisions do not address the question of training. We urge the Committee to require the federal Office of Child Support to assist states with training.

We would note that the Personal Responsibility Act, contains a provision to clarify that UIFSA criteria for determining full faith and credit for child support orders should be followed in states having adopted UIFSA. Under an amendment to 28 USC §1738A enacted last year, a conflict was unintentionally created with UIFSA provisions on full faith and credit. A technical amendment provision on this issue should be part of any legislation that moves forward this year.

As noted above, the ABA strongly supports requirements that states do a better job in addressing parentage determination. These steps should include a requirement that the presumption of parentage created by a paternity acknowledgment becomes a conclusive adjudication of parentage, with res judicata effect, if there is no challenge within a limited time frame. However, while it is important and appropriate that mothers seeking AFDC be required to provide information to child support agencies about the alleged father, the provision of AFDC should not be dependent on a determination of parentage. A mother and child should not be punished because the alleged father cannot be located for service of process, or because the state agency has not made due diligence to establish paternity.

Through these steps, we believe that greater uniformity within the child support system and improved parent accessibility can and should occur through reforms at the state level. The ABA opposes the federalization of child support establishment, modification or enforcement, and supports strengthening establishment, modification and enforcement remedies through reform of the present state-based system.

There has been some support in the House for simply "federalizing" the system, i.e., removing establishment, modification and enforcement responsibilities from state courts and administrative agencies and placing such activities within the responsibilities of the Social Security Administration and the Internal Revenue Service.

We strongly oppose the shifting of child support enforcement to the Internal Revenue Service. We do not believe that such an approach would effectively address the critical problems of locating parents and enforcing orders against non-regular wage earners; rather, it would merely duplicate a state-based system that has been strengthened over the past several years and in which millions of dollars have already been invested. Adding a federal level of enforcement for agency cases would unduly complicate a system that currently handles both agency and private cases.

Additionally, the assignment of this enforcement role to the IRS has strong potential for federal intrusiveness and for undermining the tax administration and collection role of the agency.

In addition, the ABA has concerns that a federal child support enforcement system would result in:

(1) Decreased accessibility to custodial parents regarding location of child support services since IRS and SSA offices are not in as many locales as child support agencies and state trial courts;

(2) Decreased client service;

(3) Greater difficulty in tracking down the correct obligee for disbursement of payments with limited identifying information (particularly in light of the fact that

there are potentially at least 11 million child support orders with payments due weekly, bimonthly or monthly);

(4) Potentially greater emphasis placed on AFDC cases and recoupment of public expenditures rather than on parentage establishment and non-AFDC cases;

(5) Dividing family law litigation between state and federal forums, with spousal support, property distribution, and custody being litigated at the state level, creating a significant increase in cost and multiplying the possibility of error;

(6) The loss of innovation at the state level; and

(7) Tremendous added costs. For example, when the Massachusetts Department of Revenue consolidated support collection and disbursement functions, it cost the state an additional $111 per case and it took more than four years to complete the process. The cost of transferring cases from states to the federal government, plus the cost of federal salaries, could run into billions of dollars.

Rather than pay the massive cost for a federal system that would mostly duplicate the current system, the ABA recommends that Congress require greater uniformity of the best state laws and practices within the child support system.

STATEMENT OF PAMELA CAVE

Dear Members of the Committee: My name is Pamela Cave, and I am writing to request the opportunity to meet with any member or legislative assistant to discuss the issue of welfare reform. I do not represent any special interest group, nor do I follow a party line regarding this issue. I have struggled to attempt to have a voice in this issue, but as a "regular" person, my" impact has been limited.

I am presently a single-parent to five young children. I am still married to my husband. When he left our family, I was pregnant with no vehicle, resources, employment, or food. I was shortly thereafter forced to leave our apartment due to failure to pay rent, and I became involved in various social programs to be able to have my children's most basic needs be met.

All the while, I was pursuing child support from my husband through the Fairfax County Juvenile and Domestic Relations Court. Without benefit of legal counsel, this entire process was a nightmare. Although I filed petitions, show cause rules, and even convinced the local magistrate to arrest my husband on a state statute regarding failure to support, I was obligated, by law, to allow the state child support agency to manage the case, disregarding any efforts I had made on my own.

Even though the agency did not have to locate my husband, even though the agency did not have to establish the paternity of my children, a period of over two and one-half years passed before child support was effectively collected to move my family from receiving a "welfare" payment each month, to receiving a child support payment in its place.

In this situation lies both the cause for large welfare caseloads and the solution for the reduction of those loads. The cumbersome civil procedures presently now employed in the pursuit of child support are ineffective. Therefore, a child support order can literally exist for years without being effectively enforced. Also, the solution to the problem involving the reduction of welfare caseloads is simple. IT IS TO SIMPLY REPLACE EXISTING WELFARE PAYMENTS WITH CHILD SUPPORT PAYMENTS. Demand that an applicant for welfare benefits do his or her part by establishing parentage of the child or children involved; require that the custodial parent does his or her part to provide care for the child or children involved, and, effectively, firmly, and without excuse, establish, enforce, and collect an appropriate child support order from the non-custodial parent, thus eliminating the need for a welfare payment. I can provide you with "real-life" examples of families involved in the welfare system. They are involved not because they are lazy, not because they want a "free ride," not because they believe that the government "owes" them, not because being on welfare is a sweepstakes, but because the non-custodial parent has completely abandoned his or her responsibility to provide for the child or children involved. ITS THAT SIMPLE.

Again, I would like to request the opportunity to meet with any member or legislative assistant who will listen to what I have to say. I would like to leave you with one thought:

IN THESE UNITED STATES TODAY, THE FEDERAL GOVERNMENT WILL FIRMLY AND CRIMINALLY PURSUE SOMEONE WHO FAILS TO PAY THEIR INCOME TAXES, YET, IN THESE SAME UNITED STATES, THE SAME FEDERAL GOVERNMENT HESITATES TO BE AS FIRM IN DEMANDING THE PAYMENT OF CHILD SUPPORT.

I WOULD GUESS THAT THE UNITED STATES GOVERNMENT WILL GO ON IF SOMEONE DOES NOT PAY THEIR INCOME TAXES, BUT, I COULD NOT

GUESS THE SAME FOR A CHILD WHO MUST SURVIVE WITHOUT THE SUPPORT OF HIS OR HER PARENTS.

Your consideration of my request would be appreciated.

STATEMENT OF THE CENTER FOR LAW AND SOCIAL POLICY

EDITORIAL SECRETARY,
U.S. Senate,
Committee on Finance,
Washington, DC.

Subject: Child Support Testimony for March 28, 1995 Committee on Finance Hearing

Dear Chairman Packwood and Committee Members: Recent legislative proposals and oral testimony before your committee recommend harsh sanctions against AFDC families who fail to cooperate with state child support agencies in establishing paternity and obtaining child support. Proponents of tougher noncooperation sanctions blame uncooperative mothers for low state paternity establishment and collection rates.

However, most studies, including the enclosed survey of state IV-D directors called *Paternity: Establishing Paternity for Children Receiving AFDC: What's Wrong and What's Right with the Current System* (CLASP, 1994), find that poor quality information about the father is primarily attributable to poor agency management practices, not the failure of AFDC mothers to cooperate. This letter outlines key reasons why this Committee should not attribute low state performance rates to the noncooperation of AFDC mothers. CLASP also opposes any requirement to reduce assistance to families with a child lacking established paternity and supports transferring child support collection responsibility to the Internal Revenue Service.

State IV-D directors say that they often do not have enough information to proceed. Under the current system, it is the AFDC worker, rather than the child support worker, who conducts the initial interviews of AFDC applicants about paternity and support. In a recent CLASP survey, about 40% of state IV-D directors said that the child support office gets incomplete information from the AFDC agency in more than half of their cases.[1] [Editor's Note: This document was made a part of the official files of the Committee.]

But IV-D directors say that AFDC mothers are usually cooperative. Yet over two-thirds of surveyed IV-D directors agreed that mothers applying for AFDC are usually willing to cooperate with the IV-D agency in establishing paternity and will provide complete and correct information to the best of their ability. Most directors said that the mother's lack of cooperation is usually not the main reason for incomplete information.[2]

Instead, IV-D directors identified administrative problems as the main cause of poor information. IV-D directors identified such problems as poorly informed mothers, inadequate interviews of mothers, lack of agency follow-through, and poor interface between IV-A and IV-D agencies. Half the directors reported that their states have no written procedure on what steps to take if the initial information from the AFDC agency is insufficient, a third agreed that child support workers are not as persistent as they might be in obtaining more information, and two-fifths reported that child support workers do not always inform mothers of the sanctions that can be imposed for non-cooperation. These findings are consistent with other studies.[3]

In fact, most AFDC mothers provide good information about the father when asked. Separate studies in Arizona and Nebraska found that more than 90% of custodial mothers named the fathers, almost 50% provided his address, and about 30% provided other identifying information, including a Social Security number, telephone number, or employer's name. Similarly, a Wisconsin study found that 90%

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[1] P. Roberts and J. Finkel, *Paternity: Establishing Paternity for Children Receiving AFDC: What's Wrong and What's Right with the Current System,* Center for Law and Social Policy, Washington, D.C., 1994. Forty-six states and the District of Columbia responded to the survey.

[2] *Id.*

[3] Roberts and Finkel, 1994; A. Nichols-Casebolt, *Paternity Establishment in Arizona: A Case Study of the Process and Its Outcomes,* 1992; S. McLanahan, R. Monson, and P. Brown, *Paternity Establishment for AFDC Mothers: Three Wisconsin Counties,* 1992.

of AFDC mothers interviewed provided the father's name, birth date, and state of residence.[4]

Even though AFDC mothers usually provide detailed information, IV-D agencies often fail to act. In the Arizona study, one county had the putative father's name and address in 159 cases. The agency also had the Social Security numbers of 109 of the men. Over two years, the agency located the father in 140 cases—but it attempted to contact only 18 fathers, reached 14 fathers, and established paternity in 10 cases. The study concluded that the "inability of the child support program to respond to cases that enter the system may, in fact, be a critical factor in the AFDC intake workers' lack of interest in emphasizing the importance of the child support program." Similarly, the Nebraska study found that counties did not significantly improve their paternity establishment rate despite improved information quality.[5]

The GAO concluded that agency efforts to establish paternity and support orders for AFDC children were inadequate nearly half of the time. In a 1987 study, the GAO found that 4 out of every 10 AFDC children who needed paternity determined or support ordered did not receive services because their cases were never referred from the IV-A agency, were never opened by the IV-D agency, were closed improperly, or were opened but not worked. In 1994, the GAO found that "very little has changed" since its earlier study: inadequate communication between IV-A and IV-D offices results in poor quality information and performance.[6]

States that use better management practices do not have the same problem with information. In particular, states that use better interviewing methods, have written policies for handling incomplete information, and inform mothers about their responsibility to cooperate have better quality information.[7]

Rommendations for improving information quality should focus on administrative problems, not point the finger at mothers. If states are serious about improving the quality of their child support information, there are a number of procedures they should use, including: (1) better interviewing techniques; (2) better interface between AFDC and child support workers through automation, co-location, and clear assignment of responsibility; (3) protocols for timely follow-up if information is missing from the initial interview; and (4) better case-opening and tracking procedures.

Thank you for the opportunity to submit written testimony.

Sincerely,

VICKI TURESKY, *Senior Staff Attorney.*

STATEMENT OF THE EASTERN REGIONAL INTERSTATE CHILD SUPPORT ASSOCIATION

(SUBMITTED BY CATHY BAYSE, PRESIDENT)

In my capacity as President of the Eastern Regional Interstate Child Support Association (ERICSA), I submit this statement on behalf of the Board of Directors and 4000 members of ERICSA in which we make recommendations for reform in several major areas of the child support system.

ERICSA is a not-for-profit corporation representing child support professionals nationwide, including caseworkers, child support administrators, attorneys, judges and other judicial officials, and administrative decision-makers. Since 1968, ERICSA has conducted an annual training conference which has served as a forum to improve communication and cooperation among states and jurisdictions, to propose reforms in the courts and child support enforcement systems, and to advance training and

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[4] Nichols-Casebolt, 1992; D. Price and V. Williams, *Nebraska Paternity Project: Final Report,* Policy Studies, Inc., Denver, CO, 1990; McLanahan, et al. 1992. Consistent with the findings these studies, a four-county (Suffolk County, NY, Trumbull County, OH, Fulton County, GA, and Portland, OR) study including both AFDC and non-AFDC custodial mothers found that 100% of the mothers interviewed provided the father's name, 87% his home address, 74% his Social Security number, and 66% his work address to the IV-D agency. In addition, 75% of the mothers had made inquiry about the status of their case since it was opened, and many had called monthly. However, 39% were told not to contact the agency. See National Child Support Assurance Consortium, *Childhood's End: What Happens to Children When Child Support Obligations Are Not Enforced,* Uniondale, NY, 1993. CLASP is a consortium member and helped conduct the study. However, an unpublished study by Kathryn Edin of Rutgers University makes inconsistent findings.

[5] Nichols-Casebolt, 1992; Price and Williams, 1990.

[6] General Accounting Office, *Child Support: Need to Improve Efforts to Identify Fathers and Obtain Support Orders,* GAO-HRD-87-37, Washington, D.C., 1987; *Child Support Enforcement: Families Could Benefit From Stronger Enforcement,* GAO/HEHS-95-24, 1994.

[7] Roberts and Finkel, 1994; Price and Williams, 1990.

professional knowledge for all persons actively participating in the child support program. The statement I am submitting has been approved and recommended by the Executive Committee of ERICSA's Board of Directors.

ERICSA commends this Committee for the outstanding job it has done thus far in the area of child support legislation. With your vision and leadership you can enact much-needed reforms of the current child support system that will provide uniformity among the states' programs as well as flexibility to adjust to individual states' concerns. There is already much consensus in the Senate on what is needed to improve the child support system. There are presently two bills, S. 442 and S. 456, pending before the Senate that go far in providing essential reforms of the current child support system. We laud your commitment to child support enforcement as you deliberate on the changes that are needed. We ask that you consider our recommendations as follows.

I. STATE AND NATIONAL REGISTRIES OF SUPPORT ORDERS

ERICSA recommends that every state be required to establish a registry of support orders in order to aid in enforcement and review of support orders. At a minimum, the registry should include orders being enforced by the state IV-D program, and all non-IV-D orders where at least one of the parties has requested placement of the order on the registry. The registry should contain abstracted information from the support order, such as names and addresses of the parties, names and dates of birth of the children, and current support and arrearage payment terms. In addition, ERICSA recommends the creation of a national registry of support orders. This registry should not duplicate the information on file with a state registry. We recommend that the national registry contain abstracted information limited to the names and social security numbers of the parties, and the state that issued the support order. Such a registry would facilitate interstate enforcement by quickly identifying all states with a support order involving the obligor.

II. NATIONAL COMPUTER NETWORK

ERICSA strongly supports a national computer network that is built upon linkages between state automated child support systems and the Federal Parent Locate Service. Such a network would provide a national data base which would greatly assist a child support agencies' efforts to locate obligors, their income, and support order information.

III. REPORTING OF NEW HIRES BY EMPLOYERS

ERICSA strongly recommends that Congress require the states to legislate that all employers report new hires. We recommend that employers report to their state child support agencies, rather than to a national data base, which ensures that an agency with a "vested" interest in child support enforcement is in a position to monitor employer compliance. Through the national computer network, the W-4 information can be matched against support orders maintained on any state registry of support orders. The same outcome is achieved without the additional cost of creating a national system of reporting. ERICSA is also concerned that if the employee data is maintained at the national level there will be delays in matching the W-4 information against support orders. Since the majority of child support cases are intrastate where the obligor lives in the same state as the obligee, a state-maintained W-4 data base matched against a state registry of support orders will result in prompter enforcement for most of the cases than a federally maintained system. The national registry of support orders would facilitate the W-4 matching in interstate cases and reduce costs.

It is recommended that the employer be required to report the date of birth, social security number and address of the employee but that the employee not report the amount of his or her child support obligation as such information could be transmitted inaccurately. In addition, it is recommended that the employer be required to report new hires to the child support agency within 10 working days—not a longer period that is calculated according to how often the employee is paid. The latter method of calculating is too lengthy and would delay income withholding but also it would minimize the importance of reporting for locate information.

IV. THE UNIFORM INTERSTATE FAMILY SUPPORT ACT (UIFSA)

The most frequently used remedy for establishing and enforcing child support in interstate child support cases is the Uniform Reciprocal Enforcement of Support Act (URESA). The name is actually a misnomer as the Act is not uniform; each state uses a different version of URESA. Furthermore, the Act predates the establishment

of the IV-D program in 1975 and thus has not addressed the needs of the IV-D program since that time. The National Conference of Commissioners on Uniform State Laws (NCCUSL) with the US Commission on Interstate Child Support developed a new act, the Uniform Interstate Family Support Act (UIFSA). This Act contains a number of significant changes which ERICSA has long advocated:

- UIFSA allows only one support order to be in effect at any one time. It provides for modification only in the state that issued the support order, unless all parties have left that state or agreed in writing for another state to exercise jurisdiction.
- UIFSA provides for one-state proceedings, such as a support or paternity action pursuant to a long-arm statute, and enforcement by direct income withholding. UIFSA also retains, with modification, the traditional two-state URESA proceeding.
- UIFSA authorizes transmission of evidence by electronic means and provides for telephone hearings.
- Information transmitted in the interstate forms is made prima facie evidence.

ERICSA urges Congress to require states to pass UIFSA in the form identical to that approved by the NCCUSL by a date certain. The only way to ensure a truly uniform act is to require states to enact the act verbatim.

V. PATERNITY

Federal law requires that states have laws that create a presumption of paternity based on a paternity acknowledgment. Since a presumption is rebuttable, these acknowledgments are not final judgments and are subject to challenge. ERICSA recommends that Congress require that paternity acknowledgments that create presumptions be made final judgments having a res judicata effect if not challenged within a specific period of time.

VI. STAFFING

Child support workers currently operate under staggering caseloads. The average caseload for a full-time employee is over 1000 cases. It is crucial that Congress and state legislatures address that situation in order to ensure that children receive effective, timely child support services. ERICSA strongly supports the recommendation of the Interstate Commission that the Secretary of Health and Human Services conduct state-specific staffing studies. States should then be required to comply with the recommended ratios in order to continue receiving federal funds.

VII. TRAINING

Employees of the child support agency, as well as those persons who are part of the child support process, including government attorneys, judges, and hearing officers are in great need of training, especially in the area of interstate child support enforcement. Child support professionals cannot meet the challenges of the child support program with sporadic and inadequate training. ERICSA recommends that the federal Office of Child Support Enforcement be required to develop training programs adaptable for a state's use. States should be required to provide ongoing training to its child support staff and should be provided the resources to do so. Quality ongoing training programs are essential if real change is to be made in the child support program.

VIII. INCENTIVES AND FUNDING

Under the current incentive program Congress rewards states based on AFDC collections. There exists a limit on the incentives awarded for collection on nonAFDC cases. Congress should revise the incentive program to treat AFDC and nonAFDC cases equally to show that Congress is interested in the welfare of all families. The calculation for incentive payments should be modified so that performance is rewarded and not just reimbursement of expenditures. Congress should also require that states reinvest incentives into the child support program.

ERICSA strongly opposes block grant funding of the child support program. Block grant funding will not meet the needs of a program.

IX. AFDC APPLICANTS

States need a better means of handling noncooperative AFDC applicants. Congress needs to provide clearer standards that will have an effect on the noncooperative behavior, including effective and immediate sanctions other than removal from the grant which is ineffective. Currently, noncooperation is determined by the welfare agency and results of determinations are often delayed. Congress

should place the responsibility of determining cooperation with the child support agency.

X. STATE-BASED REFORM

There has been an ongoing debate centered on whether some or all of the child support services provided by state child support agencies (IV-D agencies) should be federalized. ERICSA is strongly opposed to federalization of any of the services and supports the Interstate Commission's conclusion that reforms to the child support system should occur within the context of greater uniformity in the current state-based system, not the creation of a new federal administrative system.

The IRS could strengthen its current role in the child support system by providing child support agencies with income information and by making intercept services equally available to AFDC and nonAFDC cases.

XI. ENFORCEMENT THROUGH LICENSE REVOCATION

ERICSA recommends that Congress require states to have procedures for revocation or suspension of an obligor's occupational license when there is an arrearage of a threshold amount. States should also be required to establish procedures for not issuing or renewing drivers licenses where there is a failure to appear for a child support proceeding and a warrant exists.

XII. ENFORCEMENT THROUGH AUTOMATIC LIENS

Most states have utilized liens or attachments as an enforcement mechanism on a case-by-case basis which is not cost effective or efficient. ERICSA recommends that Congress require that states create laws authorizing a lien to arise by operation of law when a child support debt accrues. These administrative liens could then be enforced against obligors' assets which have been discovered through automated processes.

XIII. CONCLUSION

We commend this committee for its longstanding commitment to improved child support enforcement. The Child Support Enforcement Amendments of 1984 and the Family Support Act of 1988 were greatly needed legislation. However, the current child support system continues to be in need of reform in order to keep pace with the growing need for child support services. This reform requires federal and state legislation, as well as an infusion of resources. More uniformity is needed in how the states operate their child support programs, thus, ERICSA'S recommendations call for further legislative mandates to the states. However, each state still has the flexibility to respond to the individual needs of its families.

Thank you for the opportunity to provide this testimony on behalf of ERICSA. We look forward to working with you to ensure that children have the financial stability they so desperately need.

STATEMENT OF THE ELECTRONIC PARENT LOCATOR NETWORK (EPLN)

(PREPARED BY RUTH E. (BETTY) MURPHY, MARKETING CONSULTANT)

The Senate Finance Committee is to be commended for conducting research and soliciting recommendations on child support enforcement. The following testimony will be confined to the most difficult problem that the child support enforcement agencies face in their quest to establish paternity and/or collection of child support LOCATING THE ABSENT PARENT. This is the first step that a caseworker must take before progressing to the next step in either process. As any front-line worker will tell you, failure to locate absent parents, especially in interstate cases, can bring a case to a dead stop.

Several states have found a solution to this problem—The Electronic Parent Locator Network (EPLN). The fact that EPLN is a totally state owned and state operated locate system should appeal to the direction that our current Congress is leaning. Empowerment and Re-inventing government are key elements of EPLN. Currently located in the Southeastern states, EPLN has the capability of expanding nationwide and could be considered the prototype for a national locate system. Why re-invent the wheel tomorrow, when states can have a proven and tested system today?

The network encourages cooperation and communication among agencies within the participating states and between the states, themselves. States execute agreements with database owners, (Employment, Unemployment, Department of Motor

Vehicles, Corrections and Food Stamps) for data extracts to be stored on EPLN. Immediate on-line access to this data has led to more efficient locates resulting in faster processing of child support act ions, court orders and collections. This often offsets or, in some cases, eliminates Aid to Families with Dependent Children (AFDC).

More than one out of every four births requires establishment of paternity. This cannot be accomplished without first locating the alleged parent. The act of establishing paternity does not automatically create an order for child support. So quite often, custodial parents are without child support orders. According to 1990 Census Bureau statistics, only 58 percent of the custodial mothers entitled to child support had a child support order. Although most wanted an order, many were unable to get one because the location of the absent parent was unknown.

Recent federal legislation has called attention to the difficulties experienced by state child support enforcement agencies in tracking absent parents who frequently change addresses or employment. The inability to locate these absent parents has severely impacted the effectiveness of state child support enforcement programs. Without the location of the absent parent, the process to establish paternity or a child support order cannot begin. Whether intrastate or interstate, if the location or employer of the delinquent absent parent is unknown, states are unable to take the first step to enforce these orders and collect support. In either case, it is the children who will suffer the consequences. The final outcome translates into a Welfare Program bursting the financial seams of the taxpayer's pocketbook.

Another point of frustration for custodial parents and caseworkers alike are the interstate cases. It is estimated that interstate cases make up one-third of the states' child support enforcement program total caseload. Yet, interstate collections amount to only one out every 10 dollars collected. Even with national adoption of the Uniform Interstate Family Support Act (UIFSA), unless the absent parent can be found, states cannot enforce and collect.

Traditionally, the locate process has been manual, labor intensive, time consuming and paper-oriented. Before the inception of the Electronic Parent Locator Network (EPLN), it took an average of three to six months for a state to send and receive information on a "hard copy" locate request to another state's State Parent Locator Service.

It was the need to improve the locate process that was the driving force behind the development of the Electronic Parent Locator Network. Originally designed, developed and implemented under a research and demonstration grant awarded to South Carolina, the states formed a consortium of Region IV states to create an on-line locator system that could be used by state parent locator staff in real time in lieu of writing letters between participating states. The project worked so well that the consortium continued to operate the system after the grant had expired.

With new automation techniques and the increased availability of terminals for child support workers, the system has been expanded to front-line field staff, and in some cases, locate offices for controlled on-line use. This expansion has greatly reduced locate time for searches within the participating states and has increased the effectiveness of the system. Immediate is the key word in this process, since other locate systems define "quick locates" as taking, at the very least, 48 hours.

How EPLN accomplishes this is very simple. Participating states have on-line access to all other participating states' locate information through a single integrated data base containing selected information from various state agencies within those states. EPLN automates the location process with the use of state data bases such as Employment, Unemployment, Department of Motor Vehicles, Food Stamps and Corrections.

The EPLN system provides the State Parent Locate Service's caseworker the ability to search an integrated data base to obtain an absent parent's current residential or employment address. The caseworker has total flexibility to optimize each search by using a social security number or name only search, soundex search, metropolitan area search or a queued request search. Using either procedure, state or regional location information is available within minutes.

The speed with which one can obtain locate data can sometimes make or break a case. Currently the participating states are receiving a 65 to 70 percent successful hit rate in locating absent parents with EPLN. EPLN's on-line capability saves an average of 75 days on location time, greatly reducing the letter writing and responding process associated with manual searches. The convenience of being able to access EPLN through the state computer and not bouncing back and forth between separate computers and different data base sources reduces time and frustration.

Time means money. And state child support enforcement agencies are in an excellent position to understand the value of shortening the process and getting support into the hands of custodial parents. As Connie Putman, Program Specialist in Tennessee Child Support Services can attest to, this also "translates into savings to the

State and Federal governments and society as a whole with an improvement in service to our client population. EPLN saves staff time, administrative time and expense and increases the number of successful non-custodial parent locates."

EPLN has proven its worth in other ways. Using EPLN to find missing social security numbers, states have increased submissions to the IRS for interception of Tax Refunds. Being able to access locate data without a Social Security Number (SSN) gives EPLN a distinct advantage over other locate systems. Storage of locate data assists in developing a work history and lifestyle profile of absent parents. The faster non-paying parents are located, the faster AFDC payments and other entitlement payments are reduced.

As new states join EPLN, one of the first ways they utilize EPLN is to apply the locate techniques to their "unworkable" cases or to clear up their cases that lack Social Security Numbers (SSN). "Using the search flexibility of EPLN, cases that would have fit the tax offset criteria if an SSN was available, were selected for a "Special Project." The result was a 67% hit rate on securing valid SSNs from EPLN searches, increasing collection potential of these cases," said Wayland Clark of Virginia Child Support Enforcement.

Prolonged delays caused by a time-consuming manual process prevent states from meeting federal timeframes. Failed audits result in Federal penalties that are counter-productive. EPLN has proven to be a valuable time-saving locate tool for it's member states.

At a time when few states were fully automated, the Region IV states took a very bold step in committing themselves to address the locate problem. Since the demonstration grant expired in December, 1988, the EPLN participating states have paid the operational costs to continue the network. Even in troubled budgetary times the states have set an example of how working closely together, what appeared to be unsolvable, can be changed for the betterment of all.

Over the years EPLN has received many accolades and awards. For example, the Georgia Office of Support Recovery presented EPLN with an award for "Outstanding Program Achievement" for saving the state nearly $33,000. EPLN was used to find and validate SSNs for tax offset cases. The award was presented at the 1988 Child Support Seminar in Savannah, Georgia.

In December, 1994, the Council of State Governments (CSG) presented EPLN with the 1994 Innovations Technology Award. Each year the CSG identifies eight state program or policy initiatives to receive this award.

As our Congressional leaders are searching for ways to increase locates of nonpaying parents, which in turn increases the amount of child support that is paid, the answer is close at hand. Look no further than the Electronic Parent Locator Network. Proven technology for a national locate system has already been developed, is in place and working. This information highway is ready for action across the nation.

STATEMENT OF KAREN KING

I am compelled to provide written testimony to the Senate Finance Committee. Please provide answers to the following questions:

- Welfare to Work assumes there are work opportunities. From my experience with Native communities for over 20 years in Wyoming, the least populated state and Alaska, the largest state) I am reminding you that there are NO work opportunities for people who want to work. I have experienced review of 95 applications for 2 blue-collar positions in rural early childhood programs. There is a strong desire to work yet no available jobs. What will happen to families who have no employment or schooling opportunities available to them?
- If the many social services are closed to families in need, the opportunities for employment are lessened even more. Communities will then have more people struggling to gain meaningful employment than the ones already on the welfare rolls. Many social service programs are required to employ local community members and program participants (i.e. Head Start). If many of the programs are closed, these participants will no longer be the role models in their communities; rather they too will be seeking welfare assistance.
- If Welfare Mothers are required to work, although there are no jobs available to them, who will take care of the children? Aren't Latch Key children and Home Alone kids in the headlines enough? How is child care for workers in this country, whether welfare recipients or not, going to be addressed?
- How is the planned Contract with America going to eliminate crime? When people are hungry, violence will overcome all safe gaps. Much of the violence we see in today's cities and rural communities seems to stem from poverty. What

will happen when more people are hungry, desperate and violent? Won't the costs of public safety sky-rocket?

- Homeless initiatives have been designed over the last decade. Are these plans ready to support the probable massive increase of children and families without the basic support of shelter? How will people find housing, if unemployed and ineligible for social assistance?
- I truly do not understand how any even-mannered individual can think that welfare reform as currently proposed, is going to positively impact the budget. Realistically projected crime increases, court/legal/penal expense increases, health care increases due to the increased crime and homelessness, and the unemployment increases will cost this country more than current welfare expenses. Have these figures been factored into the Welfare to work plan?
- Would other options be more feasible? For example, have each person of fame including TV/film/music/sport stars, the corporate elite and the RICH in this country who have unassigned assets totaling more than $2 million donate a percentage of their wealth to eliminate the deficit and balance the budget? Surely this approach is more humane and truer to the value of the American Dream than taking food from the mouths of the nation's poor children and families. Let's have those who can afford some massive changes take the bull by the horn as opposed to those who are in crisis already giving up the final hold on their feeble reality.
- What will become of us all?

STATEMENT OF GERALDINE F. MOTTLEY

Dear Legislator: First, let me begin by thanking you for taking the time to ready my letter. I would love to fly to Washington to meet with you personally to tell my complete story, however, I have been instructed to keep this short and to the point . . . so here goes!

I was divorced in August of 1986, after 16 years of marriage, leaving me to raise two sons, then aged 8 and 12. My primary function during my marriage was that of wife, mother and homemaker. I never worked outside the home. My husband chose to leave us. My ex-husband was instructed by the courts to pay me certain amounts (all detailed in records), but basically it was $750 per month per child equalling $1,500 monthly, plus $25 per month spousal support. Nothing was paid. On January 6, 1987, a judgment was brought against him in the amount of $10,060 for child support. Nothing was done by the law. My ex responded by giving me some money sporadically for two years. However, he paid what he felt, when he felt, in the way that he felt, refusing to ever abide by the law and send it through the court system. In 1989 he stopped his limited payments to me. He disappeared for periods of time, on and off. Several attempts to garnish his wages failed when he would quit and move on. I had a civil warrant for his arrest for a couple of years, but whenever I called the police they were too busy to enforce the law and go pick him up. Once I was even told that the lady who processed the "M's" (M as in Mottley) was on vacation, and my warrant could not be acted upon until she returned in ten days.

Fortunately, I found a decent job and was able to support my sons. I kept fighting for justice, but the system kept failing me. I was repeatedly told that my name was on a waiting list.

Four years after my divorce, I was notified by the IRS that my ex owed a lot of back taxes. I had never been informed. I had no idea. By law I was responsible for 100% of that debt. (It is a very long story and one I won't go into at this time, however, it ruined by life.) I lost my job shortly after that (my employers moved) and the circumstances prevented me from getting decent employment again, due to the huge liens against me. With no income, no savings, no child support, no public assistance, and no unemployment to help me start over again . . . I was homeless, living from place to place.

For one year my life was a living hell. We all have opinions—morally and politically—about the homeless in this country, but few of us ever get the opportunity to experience it first hand. How does a well educated, intelligent, capable, upper class white woman sink so low? Well, you tell me . . . do I blame the system who failed to collect my child support, or the brutal reality of being sought after by the IRS for a debt I had no knowledge of, while my country denied me medical assistance, food stamps and welfare because of my situation? What was my crime? All I wanted was to work and continue to raise and support my sons. In America when you hit bottom and you have no phone number and no address, you cannot get a job. Your children cannot even go to public school without an established address. Oh, the things I could tell you about being homeless. You have two choices. One

is to kill yourself and the other is to do whatever it takes to survive and take care of your kids. I chose the later, although I seriously contemplated the other. I apologize for nothing I had to do to survive during my time in hell.

Fortunately, I had a wonderful friend, who later became my current boyfriend . . . He came to my rescue. This "saint" of a man had the financial resources to pick me up, dust me off, nurse me back to mental health and hire the needed attorneys to straighten out the mess. He gave me a new start, a new life and future for me and my sons. All financed by this wonderful man who cared enough to believe in all of us.

Still, I fought for my sons and their right to receive support. In April of 1992 I was finally able to get my day in court. You see my name finally came up on the list after five years of waiting. One week later, my case worker called to inform me that my case had been thrown out of the Arizona court system. Why??? Because they never pick up dead beat dads who owe the IRS. So there would be no justice after all.

(To this day I have never been told why the IRS never went after my ex.)

At this point in time, my older son is sharing his own apartment with some friends, after graduating from high school. My younger son is temporarily living with his father, as I had no other financial alternative. I figured it was better than nothing, even though I was still supporting him financially in many ways. I gave up on the law and the system. I concentrated on ridding myself of the pent-up rage that was affecting my health.

Two years later, December 1994 . . .

Out of the blue, I receive a call from Dan Bowman in Child Support Collections (602-263-4000). He says the state has now decided to go after my ex. He asks if I would like to pursue this, and would I like him to go to jail? I told him yes, I want to pursue this, but no, I see no good in throwing him in jail at this time. I wanted to give him one last chance to do the right thing. Let's try to get him to finally abide by the law and pay "something" through the courts. I simply wanted my sons to see that everyone must respect and obey the law.

So, I hire an attorney. He hires an attorney. We dance around for awhile, going back and forth. In our last correspondence, we requested a financial statement and an offer of a dollar figure for monthly payments. Any amount he could afford, be it $100, $75, $50, whatever . . . .remember I am no longer looking for the kind of justice where I actually get what is owed. Ha! Ha! I am much more realistic these days. I just want some kind of "token justice." He completely ignores our request. The last time my ex called, he told me he would leave the state if I had him subpoenaed. He also told me to never speak to him again. He told each of my sons the same thing, adding that if they never saw their father again, it would be all my fault. My older son was unconcerned. My younger son was clearly devastated.

So now the case goes to Tammy Francis at Child Support Enforcement Unit 48 (602-252-4045). I fill out forms to bring my amounts current. He still owes $10,060 from the first judgment. The current debt is $90,625. I agree to giving him credit for any monies he gave me personally and for the two years he had our youngest son. This brings the total to $54,950, plus the $10,060, which comes to a grand total of $65,010. This final amount was calculated by Leslie Cox at the Assistant Attorney General's office. (602-491-1339)

I was then told, to my surprise, that they would not be arresting him. He would be subpoenaed to appear in court. I explained that he would most probably run and we were simply giving him the opportunity to do just that, especially since he has told us he will leave the state. Everyone I speak to in different branches of government calmly explains to me that this is how the law reads and it must be followed. My ex has his rights and that is how the law is. Everyone then gives me lots of sympathy and says it is just awful. Over and over it is explained to me that these kinds of dads are never brought to justice and it is "just a darn shame." They say that the only dads they really can get are those who work, pay taxes, own something and stay in one place. Over and over I am told that my story is so sad. Everyone agrees that in these kinds of cases, these men have given up their rights and deserve to be arrested on the spot. But . . . . oops! the law is the law and we all know that it is not perfect and there are sooooo many dead beats dads. I was told not to give up hope because maybe this time he would appear in court. All I could do was wait and see.

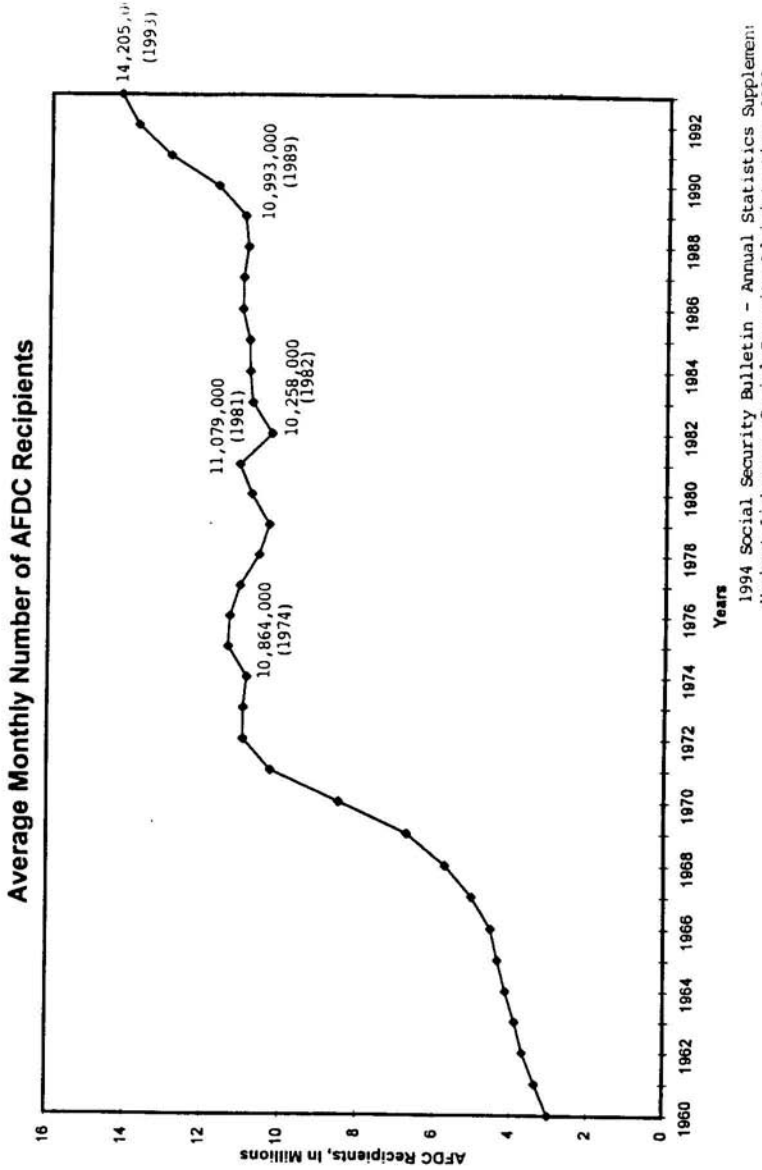
Then the real killer is of all the politicians, legislators, case workers, programs, and people I have petitioned for help, not a single person suggested I contact our President. I guess I am the only one that felt he would want to hear and would listen. The majority of people I contacted, and I do mean majority, suggested that I call Oprah. Isn't that amazing!!! Seems the American answer to everything is to talk to Oprah on national TV. Frankly, if that is reality, then I guess I need to ad-

just my thinking, and give her a call too. But I would rather talk to the lawmakers of this land. We need stricter laws. I believe that you are on the right track, but the "powers at be" in this land need to be informed by "the people that be," someone like myself, who has lived the nightmare. I have something valuable to say and contribute here.

Please take the time to meet with me and hear some of the suggestions I have about strengthening the laws. I was instructed to include my suggestions separately and only to tell my story at this time. Can you help me?

Thank you for listening.

P.S. My sons, against great odds, have grown and developed into two fine young men; U.S. citizens that you would be proud of. Joshua is a talented singer/songwriter musician and Jed is an 18 year old college student and football player (kicker) at the University of Arizona. The only problem is their lack of belief in the American Justice System and its laws. Please restore their belief!



STATEMENT OF THE NATIONAL CHILD SUPPORT ADVOCACY COALITION

(PREPARED BY RUTH E. (BETTY) MURPHY, DIRECTOR OF GOVERNMENT RELATIONS)

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 collect ions 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-existant. 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
- Tax payer'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 it's 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.

For further discussion and explanation, please contact Irene von Seydewitz, NCSAC President (908) 745-9197 or Betty Murphy, Director of Government Relations (703) 799-5659.

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SUPPLEMENTAL STATEMENT OF THE NATIONAL CHILD SUPPORT ADVOCACY COALITION

TO ALL PARTIES INTERESTED IN CHILD SUPPORT ENFORCEMENT

JUST SAY NO to Federalization of Child Support Enforcement Under IRS

Federalization of Child Support Enforcement under the IRS is not the solution. A much simpler and less costly approach is to allow state child support enforcement agencies access to tax and employment data. IRS is a tax program that recoups money for the federal government. The IRS was not created or designed to collect money for individuals. No one can deny the unwillingness and heavy-handedness that the IRS demonstrates when dealing with a tax evader. But the IRS has also earned a similar unmoving and unemotional manner in dealing with the general public. The IRS is not conditioned to deal with emotional parents, whether custodial or non-custodial, involved in such a sensitive issue as child support.

Currently, even when a dispute occurs over which arent should be held responsible for paying tax debts, the IRS has historically been known to go after the parent who is the easiest to find. In cases of divorced parents involving past joint return errors, it is usually the custodial parent (who is probably not receiving cash support) that the IRS pursues and garnishes. It is too much trouble to find the tax (and child support) delinquent absent parent.

With that said, I call your attention to problems and flaws of the IRS as reported in numerous General Accounting Office Reports (1993-95).

WHAT TO EXPECT IN CUSTOMER SERVICE:

1. GAO reported that it was not uncommon for only 24 percent of incoming taxpayer calls to be answered at any one time.
2. Timely final responses are not the focus of the IRS. IRS staff estimated the time between when IRS receives a taxpayer's letter and when it initiates a response may take up to a month before the letter is actually mailed.
3. Over half of interim letters did not respond to the taxpayer's inquiry.
4. Quality assurance reviews are not performed on responses. GAO/GGD 94-118 More Improvement Needed in IRS Correspondence

ACCOUNTS RECEIVABLE:

1. GAO reported that IRS gross receivables balance for June, 1991, was overstated by $39.4 Billion and about 2/3 of what was owed was not likely to be collected.
2. Inaccurate and incomplete data on IRS receivables hinders its ability to develop best collection strategies, put resources to best use, and measure its performance
3. High error rates and inefficient systems create additional work for both IRS and taxpayers.
4. Methodology for estimating collectibility is not reliable.
5. Automated systems are outdated, inefficient, unintegrated, and error prone, which hampers IRS' ability to analyze and properly report receivables balance.

GAO conclusion: Because IRS cannot determine what percentage of its valid receivables are collected, it cannot effectively evaluate its collection performance.

GAO/AFMD 93-42 Financial Audit—IRS Significantly Overstated Its Accounts Receivable Balance

STAFFING PROBLEMS IN ABUNDANCE AT IRS:

1. IRS has not been able to rectify staffing imbalances due to informal policies and lack of planning.
2. Prioritization scheme determines rank of delinquent cases. Cases are scored based primarily on dollar amount and probability of collection. Cases with higher scores are worked before cases with lower scores and cases with scores below the cutoff score are held in a queue until staff are available. (GAO/GGD 92-6 TAX Administration: IRS' System used in Prioritizing Taxpayer Delinquencies Can Be Improved)

3. Preliminary results of a Case Tracking System indicate that large staffing adjustments are needed.

GAO/GGD 93-97 Improved Staffing of IRS' Collection Function Would Increase Productivity

WILL CURRENT IRS 3-STEP COLLECTION METHOD IMPROVE CHILD SUPPORT COLLECTION?

1. First Stage: Taxpayers are sent a series of written bills that can take up to 6 months. If unresolved during billing cycle and meets the predetermined dollar threshold, IRS suspends active collection efforts and the account is "Deferred."

2. Second Stage: Deferred cases are sent to automated call sites. In addition to phone calls, liquid assets held by third parties can be seized. Remaining delinquent accounts are sent to IRS District Offices for further action.

3. Third State: Revenue Officers attempt to collect higher priority accounts through persona visits and other enforcement actions. If staff are unavailable to work all cases, lower priority cases receive virtually NO additional action, but remain in inventory status until the 10 year statutory collection period expires.

GAO/GGD 93-67 New Delinquent Tax Collection Methods for IRS

WEAKNESSES IN IRS COMPUTER INFORMATION SYSTEMS:

1. Inadequate controls over access to data and programs
2. Access authority was not adequately restricted
3. Access activity not adequately monitored
4. Software security features not optimized at West Virginia computer center
5. Physical security not effective at Philadelphia Center.
6. Disaster recovery plans incomplete

GAO/AIMD 93-34 Weaknesses Increase Risk of Fraud and Impair Reliability of Management Information

WILL IRS APPLY SAME WRITE-OFF EXCUSES TO CHILD SUPPORT DEBTS?

1. At any of the three stage process, IRS can classify an account as "currently not collectible" (CNC) if

- Taxpayer cannot be located
- Taxpayer cannot be contacted
- Payment would create significant financial hardship on taxpayer
- Taxpayer is bankrupt
- A business taxpayer no longer exists
- Taxpayer is deceased

Supervisory approval is required and a "sample" of cases are subject to IRS quality reviews.

2. Some CNC determinations allowed taxpayers with incomes over $70,000 to pay nothing towards their tax debts.

3. IRS has a 65 week hold period before reevaluating a case placed in CNC status.

4. Even when financial conditions had improved, CNC cases remained in suspense, due to lack of monitoring.

5. Some accounts were ignored because IRS' reactivation criteria did not consider all indicators of collection potential.

6. GAO reported in 13 percent of "unable to pay" CNC cases, IRS did not check records to identify assets or did not adequately determine amount of available equity.

7. GAO reported an estimated 22 percent of "unable to pay" CNC cases did not have liens filed or otherwise appropriately provided for future collection potential.

8. In Aug-Sept, 1991, the GAO found an estimated 55 percent of 1,233 accounts were classified as CNC cases and contained over $30.7 million in delinquent taxes.

9. Even when CNC cases are reactivated and determined to have collection potential, these accounts are not given higher priority than unworked accounts.

10. In 12 percent of the CNC cases, IRS allowed as necessary living expenses unverified and questionable expenses, such as unreasonably large mortgage payments, expenses for three cars, payments for costly vehicles leases, and payments on substantial amounts of unsecured debt.

11. CNC accounts have increased faster than the collection of delinquent taxes. CNC cases for individuals has grown faster than CNC cases for businesses.

GAO/GGD 94-2 IRS Can Do More to Collect Taxes Labelled "Currently Not Collectible" (CNC)

The National Child Support Advocacy Coalition (NCSAC) hopes that this compilation of facts supported by General Accounting Office GAO) Reports is sufficient in deterring the federalization of child support enforcement under the IRS. NCSAC be-

lieves that taking this step at this time is not in the best interest of the welfare of our children or for the child support enforcement program nationwide.

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STATEMENT OF THE NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

The National Society of Professional Engineers (NSPE) is opposed to provisions contained in child support enforcement legislation that adversely affect professional licensure. We are opposed to Section 202 of the Teen Pregnancy Prevention and Parental Responsibility Act (S. 8, Daschle, D-SD), Section 167 of the Child Support Responsibility Act of 1995 (S. 442, Snowe, R-ME), and Section 167 of the Interstate Child Support Responsibility Act (S. 456, Bradley, D-NJ). These sections require states to adopt procedures to withhold or suspend professional and other licenses of individuals who are delinquent in their child support obligations.

While NSPE strongly supports federal and state government efforts to use enforcement procedures to execute court judgments, we feel that the proposed professional license sanctions are an inappropriate use of this authority. The proposed sanctions impede the ability of state licensing authorities to fulfill their primary responsibility of protecting the public from unscrupulous or incompetent practitioners, infringe on the traditional prerogative of state governments to regulate professions and occupations, impose an unfunded mandate upon the states, and potentially infringe on the constitutional rights of licensees. We urge the Finance Committee to exclude license sanction provisions from its version of welfare reform legislation.

The National Society of Professional Engineers was founded in 1934 and represents 70,000 engineers in over 500 local chapters and 52 state and territorial societies. NSPE is a broad-based interdisciplinary society representing all technical disciplines and all areas of engineering practice, including government, industry, education, private practice, and construction.

PREEMPTION OF STATE AUTHORITY AND UNFUNDED MANDATE

By mandating that the states adopt license sanction procedures (as a condition for receiving federal Financial assistance), the license sanction provisions of S. 8, S. 442, and S. 456 infringe on the traditional prerogative of state governments to regulate professions and occupations. We are not alone in this sentiment. In fact, several members of the U.S. Commission on Interstate Child Support expressed similar objections to license sanction recommendations that were included in its Final report to Congress. Those Commissioners appropriately recognized that licensure matters were within the province of state government. Because the states, not the federal government, enact and administer professional licensing laws, they are in a better position than is the federal government to determine whether license sanctions are an appropriate enforcement tool.

License sanction provisions appear to be premised on the flawed assumption that state legislatures will fall to adopt license sanction procedures unless compelled to do so by the federal government. This assumption ignores the fact that the legislatures of Arizona, Arkansas, California, Iowa, Maine, Montana, New Mexico, North Dakota, South Dakota, Vermont, Virginia, and others have already adopted such laws and that other states are also considering similar legislation, without any mandate from the federal government. The license sanction mandates of S. 8, S. 442, and S. 456 smack of inappropriate federal paternalism particularly because the

states clearly expressed their interest in considering license sanctions long before the federal government.

Furthermore, enactment of license sanction provisions could impose an unfunded mandate upon the states, as the legislation does not propose to reimburse the states for the cost of implementing the federal mandate. Funds for implementing the federal mandate will have to come directly out of the budgets of state licensing authorities. This will result in the diversion of personnel and Financial resources away from the agencies' primary duty of investigating violations of and enforcing the state licensing statutes. Adoption of license sanction provisions would, therefore, impede the licensing authorities' ability to fulfill their primary responsibility of protecting the public from unscrupulous or incompetent practitioners.

CONSTITUTIONAL CONCERNS

We also believe that efforts to revoke, limit, or disqualify licensees from lawful practice based upon non-practice related criteria, as proposed by S. 8, S. 442, and S. 456, are troublesome on constitutional grounds and will set an alarming precedent by placing the discretion and authority to determine the practice qualifications of licensed professionals outside of the authority of the appropriate state licensing board. Among our concerns in this regard are the following:

- Non-practice related criteria restrain the right of citizens to practice a profession by creating a wholly unrelated. and arbitrary standard by which one's fitness to practice a profession is judged;
- Non-practice related criteria are typically vague and overly broad and grant too much discretion and authority to enforcement officials;
- Non-practice related criteria are applied selectively only to those individuals required to hold a license to practice a profession, thus discriminating against those individuals; and
- Non-practice related criteria frequently require, under penalty of law, that all seeking licensure or renewal make self-incriminating statements or face Fines or other penalties.

In its eagerness to adopt "get-tough" child support enforcement approaches that grab headlines, such as license sanctions, Congress may end up trampling on the rights of states and individuals in the process. We recommend that Congress evaluate the numerous other enforcement provisions under discussion which are likely to be more effective at collecting child support obligations than mandating the states to adopt license sanctions. We are confident that upon closer evaluation, license sanctions will prove to be a tool that can easily be left to the states' discretion compared to other more far-reaching proposals in which a federal role is more appropriate.

We appreciate the opportunity to submit comments on child support enforcement issues and look forward to continuing to provide assistance to Congress as it develops comprehensive welfare reform legislation. Thank you for considering our views.

Further information on this position can be obtained by contacting Bob Reeg in the NSPE Government Relations Department at 703/684-2873.

STATEMENT OF THE NATIONAL WOMEN'S LAW CENTER

(PREPARED BY NANCY DUFF CAMPBELL AND ELISABETH HIRSCHHORN DONAHUE

The National Women's Law Center is pleased to submit this statement on child support enforcement. The Center is a non-profit organization that has been working since 1972 to advance and protect women's legal rights. The Center focuses on major policy areas of importance to women and their families, including child support, employment, education, reproductive rights and health, child and adult dependent care, public assistance, tax reform and Social Security—with special attention given to the concerns of low-income women.

The Center commends the Finance Committee for its leadership on child support issues. We are heartened by the many improvements that have been made in the law, especially in the last decade. At the same time, we are deeply disturbed by the continuing failure of the child support system to deliver on its promise: that child support should provide a regular, reliable source of support for children in single-parent households.

THE NEED FOR A STRONG FEDERAL-STATE CHILD SUPPORT ENFORCEMENT PROGRAM

There is a continued, critical need for a strong Child Support Enforcement Program.

The Child Support Enforcement Program was established in 1975 to respond to the widespread problem of nonsupport of children. Although the Social Security Act has included provisions aimed at improving child support collection since 1950, until 1975 both the establishment and enforcement of child support obligations had been left almost entirely to the states. The establishment of the Child Support Enforcement Program created a significant new federal-state partnership, aimed at improving the efforts of both the states and the federal government to enforce child support.

The impetus for this new partnership was two-fold. First, it was designed to respond to the significant growth in the Aid to Families With Dependent Children (AFDC) caseload in the 1960s, a growth that was attributable in part to a concomitant increase in the divorce rate and in the number of out-of-wedlock births. Second, it was intended to address the states' inability to comply with a 1967 mandate of the Social Security Act to establish paternity and collect child support and to work cooperatively with each other in achieving these goals. This inability, which was seen to have a direct effect on the number of families receiving AFDC benefits, prompted legislation that would explicitly define the functions and obligations of the states in establishing paternity and securing support, strengthen the federal regulatory and oversight role, and establish funding standards and procedures.

The result was the addition of the Child Support Enforcement Program as a new part D to Title IV of the Social Security Act. Basic responsibility for administering the new IV-D program was left to the states, subject to specific statutory requirements, with the federal government providing monitoring, technical assistance, and help in locating noncustodial parents and collecting support. Because the intent was not only to move families off the AFDC rolls but also keep them from having to resort to AFDC in the first instance, states were required to provide child support services to both AFDC and non-AFDC families. Federal funding was made available to match state expenditures, under a formula that has been increased several times since 1975. Under the current formula, the federal government provides, on average, 83 percent of the funding states need to run their IV-D programs.

The Child Support Enforcement Program, which has been strengthened by federal legislation several times since 1975, has resulted in cost-effective improvements in child support enforcement that have helped significant numbers of families and reduced welfare costs. In 1993 alone, $2.3 billion was spent to collect $9 billion—nearly $4 collected for every $1 of administrative cost. In 1993, support was collected in 3.1 million cases, over one million of which were AFDC cases. Nearly 242,000 families left the AFDC rolls because of child support collections, and 12 percent of AFDC payments were recaptured because of child support collected. An untold number of families avoided resort to AFDC benefits because of child support collected. It is vitally important, therefore, that the Child Support Enforcement Program continue as a strong federal-state program that serves both AFDC and non-AFDC families and provides matching funds to states based on state expenditures for such services.

THE NEED FOR SIGNIFICANT CHILD SUPPORT REFORM

Although the Child Support Enforcement Program has helped many families achieve a greater measure of economic security, it has not yet achieved the desired results. In part, its failures are due to a continued, dramatic increase in the need for child support services since the program's inception in the mid-1970s.

Current projections are that more than half of all children born today will spend some time in a single-parent family before reaching age 18. In 1992, 27 percent of all children in the United States lived in a one-parent family, compared to 12 percent in 1970. Most of these children—66 percent—lived with a parent who was divorced, separated or widowed; 34 percent lived with a parent who had never been married. Eighty-eight percent of these children lived with their mothers.

The poverty rate of children in single-parent, female-headed families is also dramatic—over 50 percent. Millions of additional families live close to the poverty line. The dire economic strait of single-parent families is attributable, at least in part, to a lack of child support, and has swelled the caseloads of state IV-D programs. In 1993, there were over 17 million IV-D cases, compared to 7 million in 1983—a 143% increase over just ten years.

Despite a quadrupling of the amount of child support collected by state IV-D programs since 1978, the continuing increase in the number of families in need of support has resulted in little overall improvement in our nation's child support statistics. In 1989, the most recent year for which data are available, only 50 percent of

all custodial-mother families had a child support order to receive payments, and half of these families received no support at all or less than the full amount due. For those families who received some child support, the average amount was under $3,000.

The states' failure to make needed reforms in their IV-D programs contributes to the continuing crisis in child support as well. A recent analysis by the Urban Institute estimates that the potential for child support collections exceeds $47 billion a year. With awards of only $20 billion currently in place, and only $13 billion actually paid, the potential collection gap is over $34 billion. Clearly our nation's child support system is failing many of America's families.

To remedy this failure, there must be significant reform of the overburdened, understaffed Child Support Enforcement Program. We are glad that the Finance Committee has recognized this need and will include child support provisions in its welfare reform bill. The best and most comprehensive bills introduced in the Senate thus far are S. 442 and S. 456, whose chief sponsors are Senators Olympia Snowe and Bill Bradley. These bills, both of which are based on the recommendations of the U.S. Commission on Interstate Child Support Reform and the best practices of states that have been most effective in improving child support enforcement, would build on and significantly improve the current Child Support Enforcement Program. We urge the Finance Committee to use these bills as its vehicle for reform.

Comprehensive child support reform must assure that 1) paternity is established promptly in all but the few cases where harm to the family could result; 2) awards are set at a reasonable level and adjusted to keep pace with inflation and changes in circumstances; 3) awards are collected routinely and promptly; and 4) a guarantee of child support in the form of child support assurance is implemented on a phased-in basis, or tested to evaluate its effectiveness. Our testimony addresses the provisions necessary to ensure these results.

ENFORCEMENT: COLLECTING AWARDS THAT ARE OWED

The costs to children of the failure to collect child support are immeasurable. As stated above, 50 percent of custodial mothers still do not have a child support award and, of those with an award, only half actually collect the full amount owed. Sadly, these numbers have not changed since 1978. The picture for those using the state IV-D system is even more bleak. Of particular concern are interstate cases, which are approximately 30 percent of all child support cases but accounted for less than eight percent of IV-D collections in 1993. In 1993, a collection of support was made in only 18.2 percent of IV-D cases.

This sorry record has many causes. Chief among them are insufficient staff and resources at the state and local levels; a multiplicity of actors (e.g., judges, court clerks, district attorneys, process servers, sheriffs) who are outside the control of the IV-D agency but who must act efficiently if the agency is to do its job; diverse, and frequently inconsistent state laws that make processing interstate cases particularly difficult; and a lack of automation. Although the Family Support Act requires states to automate their systems, a recent GAO report reveals that many states will not meet the October, 1995 deadline as required by the law. More importantly, even if all 54 jurisdictions become automated, they will not necessarily be able to interface with each other's automated systems.

The Center believes the most effective solution to these problems would be to move the enforcement of child support obligations to the federal level. This would have several salutary effects: 1) free up state staff and resources to perform other functions such as establishing paternity, setting and modifying awards, and reaching out to additional families eligible for services; 2) provide a uniform national collection system that could reach obligated parents wherever they live or work; 3) greatly ease the burden on employers involved in income withholding, who would only have to deal with one entity and one set of policies and procedures; and 4) simplify significantly the tracking, monitoring and distribution of child support payments across the country.

If complete federalization of enforcement is not feasible in the short term, immediate improvements in the federal-state system must nonetheless be made. Several goals must be met. States must be able to share information with each other, easily enforce each other's orders, and act as a connected network rather than 54 independent actors. The federal government must help facilitate this exchange of information by the states and otherwise improve locate and enforcement, especially in interstate cases. Staffing and funding for state systems must be improved, and state procedures must be streamlined and made more uniform.

A. Central State Registry and Collection Unit

In order to improve enforcement, states must streamline their collection process by centralizing collection and disbursement. We strongly support, therefore, the provisions in S. 442 and S. 456 that mandate that each state establish a central state registry and collection and distribution unit. The registry would maintain current records of support orders as well as payment records and other information relevant to the enforcement of awards. The single centralized unit would collect and disburse support payments, whether by wage withholding or otherwise, and would monitor payments to ensure that support is paid. The state agency would have the authority to impose certain enforcement remedies administratively. A centralized state system to oversee and monitor payments would improve the ability of states to nip nonpayment in the bud and prevent the accrual of years of arrearages. This would not only ensure that families receive child support in a prompt and reliable manner, it would also be cost-efficient; catching delinquent parents early in the process and imposing quick, inexpensive administrative remedies should save the states considerable amounts of money as they increase collections. In fact, a centralized registry and collection unit, with its ability to impose administrative remedies, has made Massachusetts one of the most effective child support enforcement systems in the nation.

B. Expanded Federal Parent Locator Service

In order to improve child support enforcement, particularly interstate enforcement, the functions of the Federal Parent Locator Service (FPLS) should be expanded. The FPLS should include a registry of basic information provided by each state on each child support order issued or modified in the state, which would be matched against nationwide employer records. The FPLS would receive from employers W-4 reports on all newly hired employees, and match the reports against the registry information provided by the states to confirm that support is owed, to whom it is owed, and in what amount. This information would then be promptly forwarded to the appropriate state registry, to aid in its collection and disbursement of child support payments. New-hire reporting would be easy for employers, as they would simply forward to one entity, the FPLS, information they are already required by the IRS to collect. The expansion of the FPLS would significantly enhance each state registry's ability to collect and enforce interstate orders in particular as it would allow individual states to access a universal data base that would quickly identify obligors' current employers as well as flag the existence of orders issued in other states and/or multiple orders.

Several states have instituted a similar system of new-hire reporting, with the state of Washington's efforts perhaps the best known. In the initial 18 months of operation, Washington State collected $22 in support for every $1 spent on the new-hire program. In large part due to this system, the state improved its ability to locate noncustodial parents dramatically, rising from twentieth nationally in 1983 to second in 1993, according to data of the Office of Child Support Enforcement.

Both S. 442 and S. 456 expand the Federal Parent Locator Service to provide for a new-hire reporting system as recommended above. The bills also expand locate services by enabling states to use the FPLS in a greater range of circumstances, and by increasing the data sources the FPLS can access in order to obtain more information about the assets of individuals who owe child support. These important extensions of the FPLS are important to ensuring an effective child support system.

C. Staffing

A recent report by the General Accounting Office (GAO) highlights the staffing problems faced by those working in the trenches of the child support system. According to the report, the median caseload for IV-D workers is 1,000, and in most states caseloads per worker are rising. As a IV-D worker from Virginia recently testified before Congress, with her 1,000 cases she is only able to give 98 minutes a year—eight minutes a month—to each case, hardly enough time to retrieve the case file. Although the Secretary of Health and Human Services has statutory authority to establish minimum staffing requirements for IV-D programs, no Secretary has ever acted on this authority, and IV-D offices are notoriously understaffed and overworked. If there is going to be a serious attempt to improve child support enforcement, staffing standards must be established for state IV-D offices.

S. 442 and S. 456 address the staffing problem by requiring the Secretary to conduct studies of the staffing of each state IV-D program and report her findings to Congress. This is an important first step, but more should be done to assure that states act in response to the Secretary's findings. The Secretary should provide the conclusions of the staffing study to the states, and thereafter each state should be subject to a two percent reduction in its match rate if it has not met its performance

standards and not implemented the proper staffing levels. In other words, if a state can meet its performance standards with a high caseload-to-worker ratio, it would not be penalized for not meeting its staffing standards.

In addition to recognizing the need to contain the quantity of a worker's caseload, efforts should be made to ensure the quality of a worker's performance. The federal government should be required to develop a core curriculum of training, and the states required to use this curriculum to provide staff training on an annual basis.

D. Funding

Improved enforcement is, of course, integrally tied to funding. We are pleased, therefore, that S. 442 and S. 456 increase the basic federal match rate for state IV-D programs from the current 66 percent to 75 percent by 1999; have a maintenance of effort provision to ensure that states continue to contribute the non-federal share at FY 1995 levels despite the higher match; and shift the measure of success for incentive payments to states from a narrow measure of cost-effectiveness (the amount collected compared to the amount invested in the program) to a broad array of performance standards that measure actual success in paternity establishment and overall performance with child support enforcement.

We are also pleased that the bill corrects the funding scheme of current law under which the AFDC system essentially pays the price for the wrongs of the IV-D system, and the IV-D system does not benefit from incentive payments earned because of the IV-D program's success. In order to hold the IV-D agency directly responsible for its own failures, S. 442 and S. 456 reduce IV-D rather than IV-A payments when IV-D fails to achieve specific performance standards for establishing paternity and securing support. In addition, the bills require that incentive payments earned by state child support systems—which currently total over a quarter billion dollars annually—are reinvested in child support services rather than used for other human services or returned to the general treasury. This provision will encourage states to invest more in enforcement because it will ensure that state investments leverage significant program resources.

Streamlining and Uniformity of Procedures

Several provisions of S. 442 and S. 456 require states to improve their procedures for enforcing support. One that is particularly important is the requirement that states adopt the Uniform Interstate Family Support Act (UIFSA), as approved by the National Conference of Commissioners on Uniform State Laws with some specified modifications. One of the reasons interstate orders are so hard to enforce is that there is often confusion about which state has jurisdiction to enforce or modify an order. UIFSA corrects this by establishing a scheme in which only one order is controlling at any one time, with one state maintaining continuing, exclusive jurisdiction. It is particularly important that federal law mandate that all states not only adopt the same version of UIFSA, but that they do so at the same time. Currently, 21 states have adopted UIFSA and, of these, a few have added individualized amendments. Thus, some of the states' versions of UIFSA vary slightly from the others, causing confusion among the states and an inability to achieve the uniformity needed to make UIFSA work.

Enhanced Locate and Enforcement Tools

States should be given enhanced locate and enforcement tools to improve collection. Building on the successful models that have been tested in several states, all states should be required to 1) automatically issue a lien when an asset is located and there is an arrearage (as now done in Massachusetts); 2) intercept lottery winnings and other awards or prizes; 3) extend state statute of limitations laws so that child support arrears can be collected after the child reaches the age of majority or the age at which support is otherwise scheduled to cease under the order; and 4) deny or revoke driver's, recreational, professional, and occupational licenses of noncustodial parents with outstanding child support arrearages (as now done in various forms in 19 states). S. 442 and S. 456 contain all these provisions.

PATERNITY ESTABLISHMENT

In 1993, over 550,000 children had paternity established for them by the IV-D program—a 63 percent increase from 1989. While this is a notable improvement, it represents only a fraction of the many children who need paternity established. Only about one-third of the nearly 1.2 million children born each year to unmarried women have paternity established, and there are nearly 3.1 million children in the IV-D system in need of paternity establishment. Yet paternity establishment is crucial to the economic well-being of children born outside of marriage; if paternity is not established, they not only lose the right to receive child support, but also the

right to inherit from their father, or receive Social Security survivor's benefits, veterans' benefits, and the like.

Although we are strongly committed to improving the establishment of paternity, we cannot support the approach taken by the Personal Responsibility Act (PRA), H.R.4, which recently passed the House. The PRA penalizes women and children for actions beyond their ability to control and will not result in an increase in the number of cases in which paternity is established. Under the PRA, the current cooperation requirement for mothers receiving aid would be made more stringent and the sanction for noncooperation drastically increased. In addition, families with a child whose paternity is not established would have their benefits reduced—even when the mother is fully cooperating with state efforts to establishment paternity of that child.

A. The Cooperation Requirement

The changes proposed by the PRA in the cooperation requirement could require even mothers who are the victims of rape or incest to cooperate in establishing paternity of their child, and would deny aid to the entire family of a mother who fails to cooperate. Under current law, in order to receive AFDC benefits mothers must cooperate with the state in identifying and locating fathers, establishing paternity, and obtaining support. To meet this requirement, unless the mother has "good cause" not to cooperate, she must provide information the state requests on the identity and location of the putative father, submit to genetic tests, appear at hearings, and otherwise assist the state in establishing paternity and securing support. "Good cause" for not cooperating has been defined by the Secretary to include situations in which the child is the result of rape or incest or it is reasonable to believe that the mother's cooperation would result in harm to her child or her ability to care for her child. If the mother is not cooperating, and is found not to have good cause for her noncooperation, aid to her but not the child may be denied. Under the PRA, however, the state is the sole judge of the mother's cooperation, and need not excuse her noncooperation for any reason, including when the child is the result of rape or incest. Because the failure to meet the state's cooperation requirement results in a denial of aid not only to the mother but to the entire family, the family faces not just a reduction in aid, but complete denial of benefits.

In addition, the PRA's emphasis on cooperation is misplaced. The problems of state IV-D agencies in establishing paternity are not attributable to the failure of mothers to cooperate. The vast majority of AFDC mothers cooperate with the state in establishing paternity; in 1993, of the more than 3 million AFDC cases opened, only 2,355—.077 percent—were determined to have failed to meet the AFDC cooperation requirement. In fact, states established a higher percentage of paternities for AFDC cases in 1993 than for non-AFDC cases. The real problems of state agencies in establishing paternity are attributable to IV-D's inability to collect complete and accurate information that will enable it to identify and locate the putative father.

A recent survey of state IV-D directors identifies several factors that impede the collection of accurate and complete information. First, because under current law the AFDC (IV-A) agency rather than the child support (IV-D) agency conducts the intake interview with the mother, IV-A workers do not understand or are not sufficiently concerned about the need to obtain information that will enable the IV-D agency to identify and locate the putative father. Second, information the IV-A workers obtain is not computerized and easily accessible to IV-D workers. Third, over half the states have no written protocols to guide IV-D workers in gathering missing information.

To remedy these problems, the IV-D agency should develop, and the IV-A agency use, a standardized form on which all the relevant information is gathered. In addition, states need to be sure that their new computer systems (which are required to be in place by October, 1995) are capable of instantaneous transmission of information from the AFDC worker to the child support worker. Finally, states should develop and use written protocols for follow-up when they receive incomplete information. All of these steps can and should be taken under current law or could be required by Congress.

B. The Reduction in Benefits to Families With Children Whose Paternity is Not Established

Even when the state is doing its job, the establishment of paternity can be a lengthy process. Therefore we are very concerned about the PRA's requirement that aid to families in which the mother is fully cooperating with the state have their benefits reduced in an amount equal to $50 or 15 percent of the amount that would be provided (absent this provision) to the family with respect to a child whose pater-

nity is not established. Drafting legal papers and locating and serving the putative father cannot be accomplished overnight. Time required to obtain lab results and substantial court delays also works to slow down the process. In recognition of this, Department of Health and Human Services regulations currently allow state child support agencies a minimum of 18 months to establish paternity. Studies from Arizona, Wisconsin, Colorado and Nebraska confirm that paternity establishment is typically a slow process, with average lengths of time to establish paternity ranging from seven months to two years, and in some states approaching three years. The PRA's reduction of aid to children until their paternity is established punishes children for delays over which they have no control.

C. Procedures to Improve the Establishment of Paternity

Rather than focus on provisions that penalize mothers and children for failures to establish paternity that are beyond their control, states should be required to improve their procedures for establishing paternity in several important respects.

States should do more to encourage voluntary establishment of paternity as quickly as possible. Fathers are more likely to acknowledge paternity at or soon after a child's birth rather than in later years. Since research indicates that 65 to 80 percent of fathers of out-of-wedlock children are present at the hospital at the time of birth or visit the child shortly after birth, it makes sense to encourage voluntary acknowledgement of paternity as soon after birth as possible. Congress recognized this when it passed the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993), which incorporated many important reforms in the area of paternity establishment, including the requirement that states establish hospital-based procedures to voluntarily establish paternity.

Since these requirements have been in place for only a year, few data are available to measure their success. We know, however, that in states that had established procedures for hospital-based paternity prior to OBRA 1993, the results have been promising. For example, hospital-based paternity programs have been successful in achieving voluntary acknowledgements of paternity for approximately 40 percent of births outside of marriage in Washington State and West Virginia, and for 20-30 percent of such births in Virginia.

S. 442 and S. 456 build on the improvements to paternity establishment made in OBRA 1993. Recognizing that outreach is vital to inform unmarried parents of the benefits of and the procedures involved in voluntarily establishing paternity, these bills require states to publicize the availability and encourage the use of voluntary establishment procedures, and increase the federal match rate for state outreach efforts to 90 percent. We support these reforms.

The bills also address problems that arise in converting a voluntary acknowledgement to a legal determination of paternity. Under OBRA 1993, a state has the option of treating a voluntary acknowledgement of paternity as either a conclusive or rebuttable presumption of paternity. In states that have chosen to treat the acknowledgement as a rebuttable presumption, however, some treat the acknowledgement as nothing more than a piece of evidence to be used in a later legal proceeding. This creates more problems than it resolves, as many parents walk away from the hospital thinking they have established paternity. At the same time, to avoid an attack on due process grounds, it is important to afford parents, particularly minor parents, with certain protections when a legal determination of paternity is created outside the oversight of a legal body. Both S. 442 and S. 456 include specific provisions to assure that a voluntary acknowledgement of paternity results in a quick, conclusive and fair determination of paternity.

In addition to these provisions to encourage the voluntary establishment of paternity, a combination of performance standards and performance-based incentives, coupled with required state procedures to improve establishment processes, would encourage states to improve their records of establishing paternity. For example, to ensure that paternity is established for as many children born out of wedlock as possible, regardless of the welfare or income status of their parents, S. 442 and S. 456 measure each state's performance in establishing paternity based on the number of out-of-wedlock births in the state, not just the number of cases within the state's IV-D system. In addition, to supplement the requirement in OBRA 1993 that states use expedited processes to establish paternity, the bills mandate the use by states of a number of procedures that would streamline the paternity establishment process; for example the bills give the IV-D agency the authority to order parents to submit to genetic tests.

DISTRIBUTION OF CHILD SUPPORT PAYMENTS FOR FAMILIES WHO ARE ON OR HAVE BEEN ON AFDC

Under current law, families who are receiving or have previously received AFDC benefits often see very little of the child support collected on their behalf, with a good part of these collections going to the state. Changes must be made to ensure that more child support collected goes to these most-vulnerable families, so that noncustodial parents are encouraged to pay support and children directly benefit from the support collected.

A. Families Currently Receiving AFDC

Under current law, a family receiving AFDC must assign its rights to child support to the state, though the state is required to pass-through to the AFDC family the first $50 of monthly support collected if paid when due. Additional child support collected may be retained by the state to reimburse itself for AFDC paid to the family. The effect is that an AFDC family is better off by only $50 a month by collecting child support.

Required since 1984, the $50 pass-through has never been indexed for inflation; if it had, it would have increased 43 percent and be worth $71.36 today. Recognizing that the value of the $50 pass-through has substantially eroded over the past 11 years, S. 442 and S. 456 index the pass-through for inflation. In addition, the bills give states the option of increasing the pass-through further, thereby allowing families to keep more of their child support collected without having it count against their AFDC grant. A number of states have expressed interest in increasing the pass-through and have secured or are seeking waivers to do so. Just in the past year, for example, Connecticut received a waiver to raise the $50 pass-through to $100, and Ohio has a pending waiver to raise it to $75.

Increasing the pass-through would not only improve the economic security of AFDC children, but also make clear to mothers and fathers alike the benefits of child support. Indeed, many noncustodial fathers of AFDC children report that they are frustrated paying child support because their children see very little of that money. Knowing that their children are being increasingly helped by the child support they pay, noncustodial fathers will have more incentive to meet their child support obligations, and collection rates for this population should rise.

Although the House-passed Personal Responsibility Act gives states the option of increasing the pass-through to families receiving aid, it also allows states to lower or eliminate the pass-through entirely. In addition, even in states that retain or increase the pass-through, the extent to which families receiving aid may benefit from the pass-through appears to be limited as compared to current law. At a minimum, states should be required to pass through to families receiving aid at least $50 a month of child support collected on their behalf without having that support reduce the amount of aid they receive, as under current law.

B. Families Formerly Receiving AFDC

Under current law, once a family leaves AFDC, the assignment for support ceases, but the state is entitled to keep any support collected that does not represent current support (i.e., represents arrears) until the state reimburses itself for the AFDC paid to the family. States have the option of paying child support arrearages first to the family and then to the state to recover unreimbursed AFDC, but only 19 states have chosen to exercise this option.

S. 442 and S. 456 seek to remedy the inequities of the current system, and we strongly support their efforts. Under these bills, former AFDC families would receive not only current child support payments, but also any child support arrearages that accrued when they were not receiving AFDC. This change is especially important for families who have just left the AFDC system; such families are particularly vulnerable since they are often in low-wage jobs and lacking job security. Receiving all child support owed them—current payments as well as arrearages—would help these families for whom child support truly means the difference between staying off AFDC and returning to the rolls.

SETTING REASONABLE AWARDS AND ADJUSTING THEM ROUTINELY

Child support reform should assure that awards are set at reasonable levels and adjusted to respond to rising costs and changing circumstances.

A. Setting Awards

Child support awards are often inadequate, providing insufficient income to adequately support children. In 1989, the average support amount awarded and due, $3,292, had to provide for an average of 1.6 children—making the average annual

award due $5.64 a day per child.[1] Yet according to U.S. Department of Agriculture estimates, it cost $3,930 to $5,860 a year to raise a child in 1991 in a lower-income, single-parent family. Although there is much to learn about the income of noncustodial fathers, it is clear that as a group they can afford to pay more child support than they do; an Urban Institute study shows that the average personal income of noncustodial fathers in 1990 was $23,006, with custodial mothers three times more likely to be poor than noncustodial fathers.

Under current law, states must have numeric guidelines for setting child support awards, and the guidelines must be treated by the decision-maker setting the award as a rebuttable presumption of the amount owed. Because guidelines vary significantly from state to state, however, award levels vary dramatically as well. According to a recent study by scholar Maureen Pirog-Good, in 1991 monthly support awards for low-income obligors ranged from $25 to $327, while for the highest-income obligors they ranged from $616 to $1,607, and the variation in awards was not due to differences in cost of living across the states. Not only are children not being awarded the child support they deserve, but the state in which their award is established arbitrarily determines the amount of their award.

The requirement that each state develop its own guidelines, established by federal law in 1984, has led to a useful period of experimentation among the states and increased understanding of alternative approaches to child support guidelines. Now is the time, however, to correct the inadequacies and inequities that have resulted from state efforts to date.

Accordingly, we support the creation of a national commission on child support guidelines to develop a uniform guideline that provides for adequate awards and takes into consideration changing income and family structure. S. 442 and S. 456 establish such a commission, and require it to make recommendations to Congress based on its study of various guideline models, their benefits and deficiencies, and any needed improvements. Given the extreme variation in child support awards set under different state guidelines, and their inadequacy, this is an important reform.

B. Review and Adjustment of Awards

Establishing adequate child support orders is vitally important for children. But it is only part of the solution. It is also crucial that an appropriate mechanism for updating and modifying child support orders be in place so that as families change, children grow, and the value of money diminishes over time, orders can be adjusted to reflect current circumstances.

Current law establishes a complex system for the review and adjustment of child support orders. States are required to review all AFDC orders being enforced by the IV-D agency, unless neither parent has requested a review and the agency has determined that a review is not in the best interests of the child. States must also, upon the request of either parent, review every non-AFDC order being enforced by the IV-D agency at least once every three years.

There are three significant problems with the current scheme. First, parents are often reluctant to request a review; without financial information from the other parent, they cannot know if the effort to seek a modification will yield positive results, and getting such financial information is time-consuming and often costly. Second, even if parents come forward, the high percentage changes in award amounts required by some states before modifications will be made—in some states as high as 25 percent—often keep parents from actually obtaining adjustments in their orders.[2] Third, the current system is burdensome for child support agencies. The review and adjustment requirements are resource-intensive, resulting in a process that is either not done well, or is done at the expense of diverting resources from other important child support tasks. A simpler, more streamlined process would result in more families being helped, without taking time and money away from other child support agency functions.

We recommend a modification system that attempts to decrease rather than increase the bureaucracy and paperwork for the IV-D agency, while also assuring that needed adjustments in orders are made. Such a system would contain three essential elements.

First, states would be required to assure that every order when it is established include provision for automatic, annual inflation adjustments, based on a recognized governmental source such as the Consumer Price Index. Under such a provision,

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[1] This is the amount awarded by courts and administrative bodies; even less is actually collected. In 1989, the average award actually collected, $2,995, amounted to $5.13 a day per child.

[2] For example, a parent entitled to an adjustment that would increase her current award by 15 percent would not be permitted to obtain the adjustment in a state that required changes of 25 percent or more.

which is a common component of orders secured by individuals outside the IV-D system, orders would not lose value over time and parents would share the costs of inflation rather than have its burden imposed solely on the custodial parent. With orders that keep pace with inflation, fewer parents would need or want to petition for further review and adjustment, and states would be spared needless expenditures of precious time and resources on the review process.

Second, states would be required to implement a simplified process for review and adjustment of orders. Under such a process, every three years both parents would be notified of and have the right to request a review and, if the adjusted amount under the state guidelines differs from the current order by more than the inflation adjustment(s), receive an additional adjustment. In addition, states would be required to review and adjust orders at any time, at the request of either parent, based on a substantial change in circumstances of either parent. This scheme would spare the state the effort of conducting reviews or making adjustments in orders when only small changes would result, or for parents who do not want their orders modified. At the same time, it would assure that adjustments are made when appropriate.

Third, for this scheme to work effectively, parents need to be able to make an informed decision about seeking a review, and to evaluate whether they are likely to be able to obtain an adjustment. To accomplish this, parents would be required to exchange financial information on a yearly basis, on a standardized "information exchange form" established by the Secretary of HHS and provided by the state. With this information, each parent could decide whether and when to seek a review and adjustment.

We believe that this scheme would be less costly than the current modification system because more orders would be adjusted automatically, and fewer orders would be subject to the full review and adjustment process. Although we are pleased that S. 442 and S. 456 contain the second two elements of this scheme, to be fully effective we believe a provision requiring the automatic adjustment of orders for inflation, absent from the bills, must also be a part of the scheme.

CHILD SUPPORT ASSURANCE

Child support assurance is a bold, new strategy for addressing the problems of the current child support system. It reinforces parental responsibility by insisting that parents pay and children receive child support. At the same time, it protects children when parents are unable or fail to pay support. Under a child support assurance program, the government provides an assured child support benefit on behalf of any child who has been awarded support but whose noncustodial parent cannot or will not pay, in whole or in part, the amount owed. The assured benefit is equal to a fixed benefit amount that varies according to family size, less the amount of child support collected.

Child support assurance is a new concept, but it builds on a concept already deeply embedded in American social policy—the Social Security system. Just as Social Security insurance protects against the inability of parents to support their families due to disability, death or retirement, child support assurance protects against the inability or failure of parents to support their families due to divorce or separation.

Child support assurance provides families with the economic security that is lacking in the current child support system. The assured benefit would be universal, available to AFDC families and non-AFDC families alike. For those families eligible for public assistance, it would provide a benefit not subject to work disincentives or the stigma that is unfortunately attached to the receipt of means-tested benefits. As such, it would afford AFDC mothers a realistic chance of moving off welfare to support their families through a combination of child support, earnings from employment, and (if needed) the assured child support benefit.

At the same time, child support assurance focuses attention on the responsibility of the noncustodial parent for children's economic insecurity. Too often only the custodial parent is blamed for generating insufficient income to adequately support the children. Child support assurance, however, is premised on much stronger child support enforcement, sending a message that both parents are responsible for a child's support. Moreover, the noncustodial parent would be encouraged to pay by the knowledge that child support payments made would benefit the children and be supplemented by the assured benefit in cases where, because of the parent's low income, the award was less than the assured benefit amount.

We believe that a universal, phased-in child support assurance system should be put into place. At a minimum, Congress should authorize a significant number of broad-based demonstration projects that establish the viability of the approach, that expand rapidly to serve a greater population as program success is documented, and

that test strategies for replicating the program and expanding it to national scale. A bill to authorize such comprehensive demonstration projects, S. 642, has been introduced by Senators Chris Dodd and Jay Rockefeller. In addition, several states have received or are applying for federal waivers to initiate child support assurance demonstration projects—including Connecticut, Virginia, Wisconsin, Minnesota, and Mississippi—and other states are interested in testing the concept should it be more broadly authorized. We urge Congress to include the child support assurance provisions of S. 642 in its child support reform package and test this worthwhile concept now, so that another generation of children does not have to wait for national policy to catch up with changed needs and changed demographics.