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# CHILD SUPPORT ENFORCEMENT

## HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

MAY 19, 1998

**Serial No. 105–89**

Printed for the use of the Committee on Ways and Means

U.S. GOVERNMENT PRINTING OFFICE
60–898 WASHINGTON : 1999

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# CHILD SUPPORT ENFORCEMENT

**TUESDAY, MAY 19, 1998**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HUMAN RESOURCES,
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 3:06 p.m., in room B–318, Rayburn House Office Building, Hon. E. Clay Shaw, Jr., (Chairman of the Subcommittee) presiding.

[The advisory announcing the hearing follows:]

# *ADVISORY*

## FROM THE COMMITTEE ON WAYS AND MEANS

### SUBCOMMITTEE ON HUMAN RESOURCES

FOR IMMEDIATE RELEASE
May 12, 1998
No. HR-12

CONTACT: (202) 225-1025

## Shaw Announces Hearing on Child Support Enforcement

Congressman E. Clay Shaw, Jr., (R-FL), Chairman, Subcommittee on Human Resources of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing on the new hire reporting and paternity establishment requirements in the 1996 welfare reform law, non-Federal child support enforcement, and the impact of domestic violence on child support enforcement and State welfare programs. **The hearing will take place on Tuesday, May 19, 1998, in room B-318 of the Rayburn House Office Building, beginning at 3:00 p.m.**

In view of the limited time available to hear oral testimony at this hearing, the Subcommittee will hear from invited witnesses only. Witnesses will include administrators from State child support programs, officials of local child support programs that operate independently of the Federal-State program, and other private sector and academic witnesses. Any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

**FOCUS OF THE HEARING:**

The hearing will focus on: (1) State implementation of three central provisions of the 1996 child support and welfare reforms, (2) the current and potential role of child support enforcement outside the Federal-State program funded under Title IV-D of the Social Security Act, and (3) the impact of domestic violence on child support enforcement and State welfare programs.

For the 1996 reforms, the Subcommittee is interested in learning how the new system is working. For child support enforcement efforts outside the Federal-State program, the Subcommittee is interested in learning about how these programs operate, whether the services they provide are compatible with the Title IV-D child support program, and whether Federal statutes should be changed to help these organizations provide more efficient and effective services that better complement Title IV-D services. For the impact of domestic violence, the Subcommittee is seeking to determine whether the Federal provisions on domestic violence are helping States provide specialized services to victims of domestic violence.

**BACKGROUND:**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) established new hire reporting and paternity establishment requirements. These initiatives were two of the most important child support reforms established by the 1996 welfare reform legislation. Under the new hire provision, all employers must report to the State the name, address, and Social Security number of every newly-hired employee as well as the name, address, and tax identification number of the employer. States are required to establish a central registry of this information and to transmit the information to the Federal Directory of New Hires. Information from both the State and Federal directories of new hire information is now being used at both the State and national level to identify the employers of noncustodial parents who owe child support and to facilitate withholding child support payments from the paychecks of these parents.

(MORE)

The 1996 welfare reform legislation also contained several provisions designed to improve State performance in establishing paternity. These include a mandatory penalty against custodial parents receiving welfare who fail to provide information on noncustodial parents and a penalty against States that fail to establish paternity in 90 percent of nonmarital births or to make progress toward the 90 percent standard.

Child support enforcement is also conducted outside the Federal-State program established under Title IV-D of the Social Security Act by agencies established by local governments and by private companies who provide child support services to custodial parents.

Both the child support program and the Temporary Assistance for Needy Families program provide benefits to women who are victims of domestic violence. Thus, in both the 1996 welfare reform legislation as well as under prior law, Congress has taken steps to provide the flexibility necessary for States to offer effective services to women subjected to violence.

Finally, current Federal statutes on child support treat ordinary income differently as compared with income derived from certain programs that provide benefits to veterans.

In announcing the hearing, Chairman Shaw stated: "The Subcommittee intends to gather information on several important issues that influence the performance of the child support enforcement program. We are especially interested in how the major child support reforms enacted as part of the 1996 welfare reform law are being implemented and whether there is evidence that they are leading to improved child support collections."

**DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:**

Any person or organization wishing to submit a written statement for the printed record of the hearing should *submit six (6) single-spaced copies of their statement, along with an IBM compatible 3.5-inch diskette in WordPerfect 5.1 format, with their name, address, and hearing date noted on a label*, by the close of business, Tuesday, June 2, 1998, to A.L. Singleton, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements wish to have their statements distributed to the press and interested public at the hearing, they may deliver 200 additional copies for this purpose to the Subcommittee on Human Resources office, room B-317 Rayburn House Office Building, at least one hour before the hearing begins.

**FORMATTING REQUIREMENTS:**

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All statements and any accompanying exhibits for printing must be submitted on an IBM compatible 3.5-inch diskette WordPerfect 5.1 format, typed in single space and may not exceed a total of 10 pages including attachments. **Witnesses are advised that the Committee will rely on electronic submissions for printing the official hearing record.**

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. A witness appearing at a public hearing, or submitting a statement for the record of a public hearing, or submitting written comments in response to a published request for comments by the Committee, must include on his statement or submission a list of all clients, persons, or organizations on whose behalf the witness appears.

4. A supplemental sheet must accompany each statement listing the name, company, address, telephone and fax numbers where the witness or the designated representative may be reached. This supplemental sheet will not be included in the printed record.

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press, and the public during the course of a public hearing may be submitted in other forms.

Note: All Committee advisories and news releases are available on the World Wide Web at "http://www.house.gov/ways_means/".

(MORE)

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

*****

Chairman SHAW. If everybody could find a seat, we will commence with today's hearing.

Today we are continuing our series of oversight hearings on the 1996 Welfare Reform Law. Our hearing today spotlights the child support enforcement program. We're delighted to have three very strong panels of witnesses. The first panel will present testimony on two of the most important provisions of the 1996 child support reforms, the New Hire Directory, and the requirements on paternity establishment. It would appear at this early stage that the implementation of New Hires is going smoothly and that many States are having remarkable success in implementing the paternity establishment requirements.

I want to especially thank the Administration for allowing Donna Bonar from the Department of Health and Human Services to testify today. More than anyone else, Ms. Bonar knows what is happening with the New Hire program around the country; but especially, she can tell us about the very important role that HHS plays in advising the States and establishing and operating the national directory.

I'd like to caution our members that Ms. Bonar is here to tell us about the New Hire Directory, but is not expected to comment on any aspect of Administration policy on child support or any other. She is an expert witness on child support; not a political witness here to defend the Administration's policy.

The second panel will address what I believe will become an issue of increasing importance. Believe it or not, the Federal-State IV–D child support program is not the only game in town. There are a select number of counties and cities around the country that conduct their own child support programs outside of this system. In addition, many private attorneys provide assistance to parents owed child support, and there is an increasing number of privately owned companies that are providing child support services, either directly to custodial parents or under contract with local or State government.

We hope to find out how effective these programs are and how they are connected, if at all, with the IV–D program. We also hope to explore in subsequent hearings whether it is appropriate for the program to cooperate with these outside programs. And if so, whether we need legislation to promote this cooperation.

I'm also pleased that these panels include a witness from Georgia who will discuss a flaw that has long been obvious in the child support programs. Specifically, we treat certain veterans' benefits differently than we treat other forms of income, thereby making it possible for non-custodial parents who receive certain veterans' benefits to protect some of their income from child support payments. I want to recognize the fine work of Mac Collins on this issue. With Mac's assistance, we hope to work with the Veterans' Affairs Committee to address this problem.

Finally, during consideration of last year's Labor-HHS-Education appropriation bill, I promised our colleagues in the Senate that we would examine the issue of domestic violence and how it impacts women participating in the child support and TANF programs. We are very pleased to have Dr. Jessica Pearson here from Denver to provide us with research information on the number of women ap-

plying for child support who have been abused, and whether the abused mothers wanted to be exempt from the State child support programs because of the threat of abuse. We will also hear from Kathleen Krenek, who directs the Wisconsin Coalition Against Domestic Violence, about State programs designed to help victims of domestic violence, including victims who are enrolled in public programs.

So we have a full day ahead, and Sandy, do you have any opening remarks at this time?

Mr. LEVIN. Thank you, Mr. Chairman. The 1996 Welfare Reform Law, the Personal Responsibility and Work Opportunity Reconciliation Act, reinforced how important child support is to the economic well being of children. In the law, we instituted a number of innovations to improve the way the child support system works, enabling us to improve collections and get money to families struggling to become and remain economically self-sufficient.

We have recently revisited the child support program and enjoyed broad bipartisan support on a bill that seeks to enhance performance through meaningful incentives, and to further emphasize the importance of establishing statewide automated information systems in the program. These developments have fostered a series of continuous improvement in the child support system.

Today, in that same spirit, we'll hear about efforts to improve paternity establishment and the innovative national Directory of New Hires are impacting the program. We recognize that the system can be considered truly successful only if it works for those in the most difficult circumstance.

Senator Murray from Washington has been instrumental in making us aware of the plight of families that are victimized by domestic violence. We have invited experts from the field of domestic violence to tell us about the challenges faced by those in violent family situations and the way that the child support system can both assist and protect them.

Finally, we'll turn our attention to a relatively new topic, local child support collection efforts outside of the Federal and State, Title IV–D, child support program. We look forward to hearing about developments in this area, so that we can explore how the system is working as a whole. We have a strong interest in continuing to pursue innovations in the child support field, but we must proceed with some caution, to be sure that the best interests of children remain at the heart—at the very heart—of all of our efforts. Thank you, Mr. Chairman.

Chairman SHAW. Thank you.

Our first witnesses—if they would come to the table—Donna Bonar is the Director of the Program Operations Division, Office of Child Support Enforcement, of the U.S. Department of Health and Human Services; Jeffrey Cohen is the Director, Office of Child Support, in Waterbury, Vermont; Diane Fray, IV–D Administrator, the Department of Social Services, Child Support Program, Hartford, Connecticut; Alisha Griffin, who's the Acting Assistant Director from New Jersey Division of Family Development, in Trenton, New Jersey; and, Jacqueline M. Jennings, Manager, Office of Child Support Enforcement, Department of Human Resources, Columbus, Georgia.

Because of members being out, we are starting late today. I'm going to try to enforce the five minute rule. That means I'll bring the gavel down at the end of five minutes, and I will tell each of you that your full statements have been given to the committee and will appear in the record. I would invite you to summarize in any way you might be comfortable. Ms. Bonar.

**STATEMENT OF DONNA BONAR, DIRECTOR, PROGRAM OPERATIONS DIVISION, OFFICE OF CHILD SUPPORT ENFORCEMENT, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Ms. BONAR. Mr. Chairman, members of the committee, my name is Donna Bonar, and I'm the Director of the Division of Program Operations in the Office of Child Support Enforcement. Thank you for giving me the opportunity to testify today on the role of the National Directory of New Hires in strengthening the child support enforcement program.

I'm very pleased to report that we have met the October 1, 1997 statutory deadline for implementing the National Directory of New Hires, and that all 50 States are providing data to the directory. As of May 1998, the National Directory of New Hires has 23 million new hire records, 159 million quarterly wage records, and 9 million unemployment insurance claim records. In addition, over 100 Federal agencies have transmitted over 350,000 new hire records and roughly 5 million quarterly wage records. These reports represent 96 percent of all Federal employees.

The real benefit of the National Directory of New Hires is that our Nation's children are receiving increased child support collections. Case workers are receiving up-to-date employment information available on absent parents, in order to be able to locate parents, establish paternity, and to enforce child support orders.

Welfare reform expanded the Federal parent locator service by requiring the Secretary of Health and Human Services to develop the National Directory of New Hires. The directory is a database of information for all newly hired employees, quarterly wage reports, and unemployment insurance claims, to assist States in locating child support obligors who are working other States.

I'm glad to report that we are also on target to meet the implementation date for the Federal Case Registry, October 1, 1998. Federal law requires that the Secretary of Health and Human Services develop a national database of all child support orders. As we did in establishing the National Directory of New Hires, we are using a collaborative model to develop the Federal Case Registry and look forward to reporting on it's success later this year.

I would like to turn my attention to our early results of the National Directory of New Hires and to answer the question, "so what does this mean for children?" Beginning October 1, 1997, we started matching State locate requests against the National Directory of New Hires. Since then, we have matched 700,000 interstate locate requests against individuals in the National Directory. When States receive matched information from the National Directory of New Hires, they are able to quickly establish an interstate case or enforce an existing order.

It is very important to remember that this success represents only the first step in getting more support for children. Once the Federal Case Registry is operational on October 1, 1998, new data in the National Directory of New Hires will be matched proactively to child support cases and order information in the Federal Case Registry. States will no longer have to submit individual locate requests. Instead, States will automatically receive current employment information on child support obligors any time that individual takes a new job. States will also receive information on obligors quarterly wage and unemployment insurance claims. We believe that the simultaneous establishment of these two databases will revolutionize States' ability to process child support cases across State line.

Since the program's inception, the implementation strategy has been a cooperative model, rather than one of dictating systems requirements to the States. As a consequence, the entire development of the system evolved to better meet the users' needs.

The National Directory of New Hires is maintained by the Federal Office of Child Support Enforcement and is housed at the Social Security Administration's national computer center. Our collaboration with the Social Security Administration has been instrumental in the expeditious implementation of the National Directory of New Hires. Housing the database at Social Security's computer center provides that the database is maintained in a world class computer center with state-of-the-art security standards. Due to this partnership, we have been able to assemble the National Directory of New Hires in less time and at a lower cost than if we had reproduced the existing Social Security Administration infrastructure.

Finally, technical assistance played a critical role in implementation. The Office of Child Support Enforcement provided technical assistance to every State and territory through the design and implementation stages, covering issues from employee training to systems support. Technical assistance also included information on our web site, videos, guides to implementation and data submission, brochures and information packets, and a variety of printed material for States to use to train their own employees and to conduct outreach to employers and employer groups.

In conclusion, we are pleased to report that our efforts to implement the Congressional legislation, creating a National Directory of New Hires, has been a success. Mr. Chairman, and distinguished members of the subcommittee, thank you for your invitation to testify today.

[The prepared statement follows:]

DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

Statement By

Donna Bonar

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

Before the

Committee on Ways and Means
Subcommittee on Human Resources
U.S. House of Representatives

May 19, 1998

Mr. Chairman and members of the Committee: My name is Donna Bonar and I am Director of the Division of Program Operations in the Office of Child Support Enforcement. Thank you for giving me the opportunity to testify today on the role of the "National Directory of New Hires" in strengthening the child support enforcement program. The successful implementation of the National Directory of New Hires represents a key accomplishment in the Administration's efforts to increase child support collections.

President Clinton and the Administration have made implementation of the child support reforms a top priority. Under the leadership of the Office of Child Support Enforcement, this commitment has been clearly demonstrated by the implementation of the National Directory of New Hires on October 1, 1997, meeting the statutory deadline. I am very pleased to report that all fifty States are providing data to the National Directory of New Hires. Due to the tremendous teamwork among Federal and State agencies and the private sector, the National Directory of New Hires is operational and contains new hire, quarterly wage and unemployment insurance data.

As of May 4, 1998, the National Directory of New Hires has 23 million new hire records, 159 million quarterly wage records, and 9 million unemployment insurance claims records. In addition, over 100 Federal agencies have transmitted over 350,000 new hire records and roughly 5 million quarterly wage records. These reports represent 96 percent of all federal employees.

The real benefit of the National Directory of New Hires is that our nation's children are receiving increased child support collections. Case workers are receiving the most up-to-date, current employment information available to locate parents, establish paternity, and enforce support orders. Today, I will focus my testimony on the development and status of the National Directory of New Hires.

STATUTORY REQUIREMENTS

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 expanded the existing Federal Parent Locator Service by requiring the Secretary of Health and Human Services to develop the National Directory of New Hires. The Directory is a database of information on all newly hired employees, quarterly wage reports, and unemployment insurance claims, in the country. The President and Congress envisioned the National Directory of New Hires as a national resource to assist States in locating child support obligors who are working in other States.

Before this legislation became law, twenty-five States pioneered new hire reporting and reported wide-spread success tracking down delinquent child support obligors. Building on these results, welfare reform directed all States to operate State Directories of New Hires and to transmit State new hire data to the National Directory of New Hires by October 1, 1997. The law requires that all employers report new hire data to State agencies within 20 days. Multistate employers that transmit reports magnetically or electronically may designate one State where they have employees for reporting all new hire information. New hire data includes the six basic elements on the W-4 form: employee's name, address and social security number, as well as the employer's name, address and Federal employer identification number.

The national new hire reporting program retains a state-

based system for employers to report new hires. Once new hire information is entered into the State Directory of New Hires, States have two days to match this information to their child support caseloads and transmit an income withholding order to an employer. This turn-around ensures that children get the support they deserve quickly and efficiently. Federal and State agencies forward new hire and quarterly wage data to the National Directory of New Hires. In addition, States submit unemployment insurance payment data to the Directory. Within two days of receipt, the Federal Office of Child Support Enforcement enters this data in the National Directory of New Hires.

I am glad to report that we are also on target to meet the implementation date for the Federal Case Registry, October 1, 1998. Federal law requires that the Secretary of Health and Human Services develop a national database of all child support orders. We are using the same, collaborative model to develop the Federal Case Registry and look forward to reporting on its success later this year.

RESULTS

I would like to turn my attention now to the early results of the National Directory of New Hires and to answer the question, "So what does this mean for children?"

Historically, States have submitted individual requests to locate parents who owe child support to the Federal Parent Locator Service. These "locate requests" have been matched against various Federal databases. Often, these requests represent individuals who are the "hardest-to-find" for child support purposes. States have exhausted all other remedies and, in some cases, States have tried to locate these parents for years.

Beginning October 1, 1997, we started matching these State "locate requests" against the National Directory of New Hires. Since then we have matched 700,000 State interstate locate requests against individuals in the National Directory of New Hires. When States receive matched information from the National Directory of New Hires, they are able to quickly establish an interstate case or enforce an existing order.

It is very important to remember that this success represents only the first step in getting more support to children. Once the Federal Case Registry is operational on October 1, 1998, new data in the National Directory of New Hires will be matched proactively to child support case and order information in the Federal Case Registry. States will no longer have to submit individual locate requests. Instead, States will automatically receive current employment information on child support obligors any time that individual takes a new job. States will also receive information on obligors' quarterly wages and unemployment insurance claims. We believe that the simultaneous establishment of these two databases will revolutionize States' ability to process child support cases across State lines.

IMPLEMENTATION STRATEGY

Since the program's inception, the implementation strategy evolved in several ways. An expanded Federal Parent Locator Service Workgroup was assembled to assist with the development of the New Hire Reporting program. This Workgroup was comprised of representatives from the Federal Office of Child Support Enforcement, Social Security Administration, State Child Support Enforcement Agencies, Department of Labor, State Employment Security Agencies, employer associations, State courts, and the Internal

Revenue Service. As a result of input by the Workgroup, our implementation strategy was a cooperative model rather than one of dictating system requirements to the States. As a consequence, the entire development of the system evolved to better meet the users' needs.

The National Directory of New Hires is maintained by the Federal Office of Child Support Enforcement and is housed at the Social Security Administration's National Computer Center. Our collaboration with the Social Security Administration has been instrumental to the expeditious implementation of the National Directory of New Hires. Housing the database at SSA's National Computer Center provides that the database is maintained in a world-class computer facility with state-of-the-art security standards. In addition, the National Directory of New Hires uses the secure telecommunications network established by the Social Security Administration to transmit information between their mainframe in Baltimore, Maryland, and other State government sites.

Due to the partnership between the Office of Child Support Enforcement and the Social Security Administration, the two agencies are able to share resources and technical expertise, including a data center, network, and systems designers. As a result, we have been able to assemble the National Directory of New Hires in less time and at a lower cost than if we had reproduced the existing Social Security Administration's infrastructure. We are very proud of our partnership with the Social Security Administration and cannot emphasize enough the role that this collaboration played in ensuring the success of the National Directory of New Hires.

Finally, Federal technical assistance played a critical role in implementation. The Office of Child Support Enforcement provided technical assistance to every State and territory through the design and implementation stages, covering issues from employee training to systems support. Technical assistance also included information on our website, videos, guides to implementation and data submission, brochures and information packets, and a variety of printed materials for States to use to train their own employees and to conduct outreach to employers and employer groups.

CONCLUSION

In conclusion, we are pleased to report that our efforts to implement the Congressional legislation creating a National Directory of New Hires have been a success. By locating parents owing child support and expediting the transfer of an income assignment to a new employee, the National Directory of New Hires plays a pivotal role in promoting both parental responsibility for their children and family self-sufficiency.

Mr. Chairman and distinguished members of the Subcommittee, thank you for your invitation to testify before you today.

Chairman SHAW. Thank you.
Mr. Cohen.

**STATEMENT OF JEFFREY COHEN, DIRECTOR, OFFICE OF CHILD SUPPORT, WATERBURY, VT**

Mr. COHEN. Mr. Chairman, thank you for inviting me to testify today about Vermont's child support program, particularly about our efforts to establish parentage.

As the committee probably knows, establishing parentage is prerequisite to everything else we do. You can't have a child support obligation without having parentage established. You can't establish medical support without parentage. And, kids won't even know both parents without establishing parentage.

Like the rest of the country, Vermont has experienced rising out of wedlock birth rates. In our State, one out of four kids is born out of wedlock. In the rest of the country—some jurisdictions—have over 70 percent of their children born out of wedlock.

It probably is no surprise also that a disproportionate number of the children in the welfare program under TANF are also kids who are born out of wedlock. In our State, the portion of our TANF caseload born out of wedlock is more than double the general population. What this means for the child support agencies is that they have a disproportionate share of these difficult cases to work in the first place, compared to the rest of the population.

We've come a long way in our program. We started out with criminal actions in 1982—when kids were called bastards—and establishing parentage was a criminal action. We did very few cases back then. We've since bypassed the stage of paternity, which tends to characterize fathers as obligors, and we've moved to the concept of parentage, which focuses on all the rights of the kids, including child support, custody, and visitation.

We've had, I'm pleased to say, considerable success since the 1980's. In 1988, only 42 percent of our out of wedlock cases had parentage established. By 1996, we were up to 82 percent, and that's using the cases in our IV–D caseload, as opposed to the entire population.

While it's encouraging to know that we're only 6 percent away from Congress' goal of 90 percent, I must say that, even using the Statewide measure, that's doing fairly well. I believe the next 6 percent are going to be more and more difficult to address. The cases are harder and harder.

We've also had some other outcomes that coincide. We've had reductions in teen births during this period of 40 percent reduction to births to teens between the ages of 15 and 17, during the same period.

People may ask how we did it. I wish I could say there was a single magic bullet. The only single thing I can say is it takes a lot of hard work. It would be nice if parentage establishment were as simple as applying for a driver's license. But unfortunately, in our caseload, we have many cases where the only information we get is that it was a one-night stand, a first name, and maybe a tattoo. And from there, the child support agency has to figure out who the father is. So this takes a lot of time and effort and we've made

a lot of effort to do that. In fact, our case workers have prioritized those cases.

Also, we have relied on automated systems, which we've had in place in our State as an integrated system since 1981. It's been tied into our welfare agency. What that meant is we've been able to start cases within a matter of weeks of application for public assistance. In the old days, I used to bring cases where kids were 15 years old. Now, we're doing it when the kids are six months old. It makes a big, big difference. Of course, that only works if you have a sufficient number of case workers to respond to the automated system.

Also, we have a tight integration with our welfare agency. In cases where the custodial parent is unable to cooperate or refuses to, our welfare agency has been very good about applying sanctions to gain their cooperation.

Also, genetic testing has played a big role in our improvements over the years. The cost of the tests are about $300 for the mother, the father, and the child. But, it has enabled us to be sure who the parents are, has eliminated all doubts, and I believe in many cases, has avoided court cases because there's no question about who the parents are.

We have not relied yet on the voluntary acknowledgments of parentage that Congress required in PRWORA—not to the extent that other States have. That's because, in our State, the acknowledgments did not have a legal presumptive basis. But we anticipate that that will improve in time. Our acknowledgments do include information about visitation and custody as well. I understand from the Children's Rights Council that this is a unique feature.

There are still some barriers to establishing parentage and perhaps Congress can help in a few of these areas. First, helping to locate parents is very important and Congress should do whatever they can to support ways to prevent people from avoiding the system. I believe the National New Hire Reporting process will accomplish that and will have an impact far beyond just wage withholding, but will also help find people who need to have parentage established.

Also, Congress should continue to support the automated systems efforts, which are really critical to tracking down parents. And as laws change, we need to keep changing those systems.

Congress can also support the effort by enhanced funding for genetic testing. As I said, if a question is ever raised, simply doing the test, can avoid a court hearing.

And finally, I would hope that Congress would consider looking at ways to prevent out of wedlock births in the first place. Thank you.

[The prepared statement follows:]

Testimony of Jeffrey Cohen

Director, Vermont Office of Child Support

U.S. House of Representatives Committee on Ways and Means

Subcommittee on Human Resources, Child Support Oversight Hearing

May 19, 1998

**Introduction**

Thank you for inviting me to testify today about Vermont's efforts to establish parentage in cases involving out-of-wedlock births.

**Background**

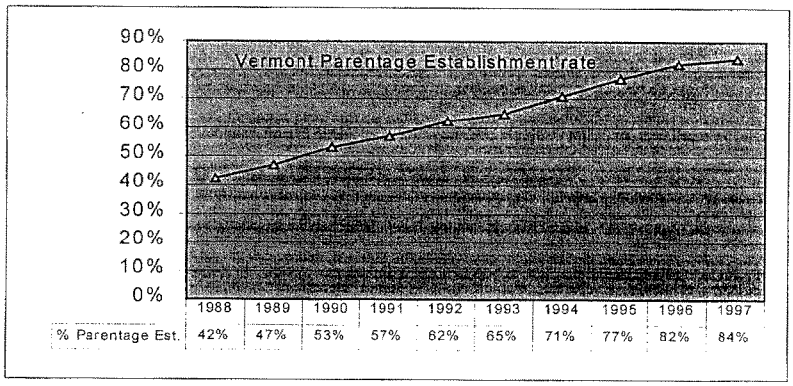
Like the rest of the country, Vermont has experienced a significant rise in out-of-wedlock births during the past twenty years. Nearly one out of four children born in Vermont is now born out of wedlock. In many other states the unwed birthrate is even higher.

It is probably no surprise that the number of children in the Title IV-D child support caseload includes a disproportionate number who were born out-of-wedlock. About 50% of the children in our public assistance caseload are born out-of-wedlock. This means that there is a disproportionate need for child support agencies to work on difficult parentage cases.

Our state has come along way since the early 1980's when only a handful of cases were prosecuted under the State's "Maintenance of Bastard Children" act. This was a quasi-criminal process that characterized fathers as criminals and children "illegitimates". We completely bypassed the "paternity" phase which tends to focus on the obligations of fathers. Instead we passed a "parentage" act in 1983 which properly focuses on the rights of children. This includes the right to know both parents, as well as receive their financial and emotional support.

**Outcomes**

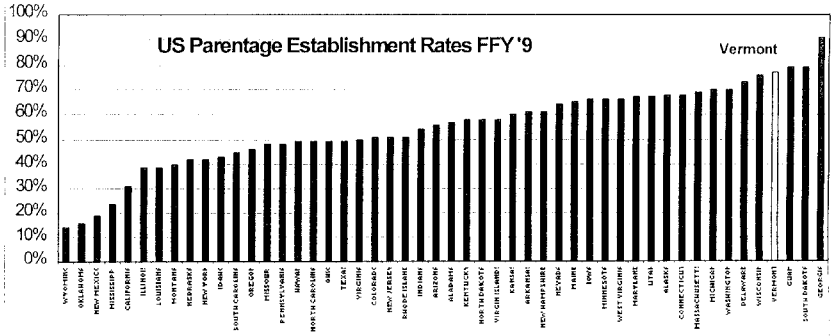
Since the 1980s we have made steady progress establishing parentage in our caseload. (see




| | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 |
|---|---|---|---|---|---|---|---|---|---|---|
| % Parentage Est. | 42% | 47% | 53% | 57% | 62% | 65% | 71% | 77% | 82% | 84% |

first graph).

In 1988 only 42% of our unwed caseload had parentage established. By 1996 that number had risen to 82%. This compares to the national average in 1995 of about 55%.




While it is encouraging to know we are only 6% away from the 90% goal, we know that the next 6% will be far more difficult to attain than the last 6%. These outcomes are not isolated. Between 1991 and 1997 Vermont experienced a 40% reduction in births to teens between the ages of 15 to 17. We also experienced a 30% reduction in all teen births.

**How did we do it?**

I wish I could point to a single factor leading to our past successes. Unfortunately, because establishing parentage involves so many potential hurdles, a wide variety of elements must be in place in order to progress:

- **First and foremost, establishing parentage requires a lot of hard work.** Although expedited procedures hold the promise of making parentage establishment as simple as applying for a driver's license, we are not there yet. The alleged parents must be identified requiring the assistance of the custodial parent. They must be located, which is not easy in many cases. Time consuming court procedures may be involved and invariably parents (or potential parents) need to come to terms with a life long financial and emotional relationship for which they are unprepared. Typically, custody and visitation determinations which are prerequisites to a child support order, are established at the same time. None of this can be accomplished with a single computer match; or form. It takes time and effort.

  In our State, we have made parentage establishment a priority, not only for our organization, but for our staff as well. In fact target numbers are included in caseworker evaluations.

- **Automated systems have played a large part in our success.** We have had a single statewide automated system that has been completely integrated with the TANF system since the late 1970's. This has allowed us to begin working on parentage cases within a matter of days of application for public assistance. When I first started with the program in 1981 we were often trying to establish parentage for fifteen-year-olds. Currently we are bringing actions when the children are less then six months old. Automated systems make this possible by not only generating the voluminous paperwork required by the court process, but by tightly monitoring case deadlines. Of course this only works if there are sufficient staff to take the actions identified by the automated system.

- **Our integration with the TANF agency has been extremely beneficial.** In Vermont the welfare department and the child support program are under the same umbrella agency and share an integrated automated system. Moreover the TANF agency has been very cooperative about sanctioning the custodial parents who are not.

- **Genetic testing has played a critical role in establishing parentage.** The fact that we have enhanced federal funding for genetic testing has enabled us to provide certainty in cases where there may be doubt or delay. Testing for the child, mother, and alleged father costs about $300. Ironically, I believe the fact that we are willing to conduct genetic testing whenever questions are raised has probably led to many parentage stipulations because we are willing and able to call a bluff.

It may come as a surprise that we have not relied upon voluntary acknowledgements of parentage. Before PRWORA they had little legal significance in our state. Since we had to go through the court process anyway, we invariably filed parentage actions in conjunction with a request for the establishment of a child support order. As a result the percentage of our total caseload with support orders is close to the percentage of our cases with child support obligations established.

Prior to the passage of PRWORA, the legal status of the signed acknowledgment of parentage varied from state to state. In some states, it created a rebuttable presumption of parentage that required court action to become a final determination of parentage. In other states, the voluntary acknowledgment created a conclusive presumption of parentage upon signing, or upon the passage of up to a year or more. This variation among states created confusion about the legal status of the father-child relationship in general, and in interstate cases in particular made it difficult to interpret the legal consequences of an acknowledgment when presented with one from another jurisdiction, without time-consuming legal research.

The Personal Responsibility and Work Opportunity Reconciliation Act requires States to have more uniform legal consequences arising from the signed acknowledgment. States now have procedures under which the name of the father is included on the birth record of the child of unmarried parents only if the father and the mother both sign a voluntary acknowledgment of parentage, or if a court or administrative agency has issued an adjudication of parentage. In addition to providing a legal determination of parentage, Vermont's voluntary acknowledgement form includes basic information about all the implications of establishing parentage including child support, custody, and visitation. We are told by the Children's Rights Council that this is a unique feature.

For states where the parentage acknowledgment merely created a presumption of parentage, it is too soon to assess the impact of the changes required by PRWORA, as the requirements were not effective until January 1, 1998. Because it was still necessary in many of these cases to go to court to get an adjudication and a support order, some states did not make in-hospital parentage a priority. However, states where the acknowledgment ripens into a conclusive presumption of parentage have put more emphasis on the in-hospital acknowledgment process, and are in a position to report their results.

I anticipate that that the new parentage acknowledgment process mandated by PRWORA will further improve the system and result in even higher parentage establishment rates in the next 2 to 3 years.

**What Barriers Remain?**

When I looked at the 14% of our caseload without parentage established, a number of patterns emerged in these cases. First, almost one third of the alleged fathers in these cases could not be located. Another barrier often cited by staff is the lack of cooperation on the part of the parents. Finally, the case processing timeframes, both internally and the even longer time frames involved in court processes, mean that many parentage cases are in the pipeline. Even if we do nothing else, shortening the processing time involved would improve parentage establishment rates.

**What Congress Can Do**

- **Congress should continue to support efforts to track down parents who are eluding the system.** The New Hire Reporting and matches with state records and private sources are critical to establishing parentage in the more difficult cases.

- **Congress should provide continued support for automated systems.** Unfortunately the work of building effective automated systems is never done. Laws change, technology changes, and demographics change. Child Support agencies should be encouraged to continually improve systems much like private industry constantly improves technology to maintain competitiveness.

- **Congress should provide continued support for enhanced funding for genetic testing, at least until the cost charged by labs comes down.**

- **Finally, Congress should consider ways to discourage out-of-wedlock births in the first place.** Aside from the costs of child support enforcement at the back end, the average cost of an out-of-wedlock birth is even higher in terms of TANF, food stamps, and Medicaid benefits. All costs would be much lower if the out-of-wedlock birth rates returned to those of 20 years ago.

Thank you again for giving me an opportunity to share my views.

Chairman SHAW. Thank you, Mr. Cohen.

Ms. Fray.

**STATEMENT OF DIANE FRAY, IV–D ADMINISTRATOR, DEPARTMENT OF SOCIAL SERVICES, CHILD SUPPORT PROGRAM, HARTFORD, CT**

Ms. FRAY. Mr. Chairman, Members of the Subcommittee, it is a pleasure to be here today to talk about new hire reporting. It has been too often the case that those with the moral and legal obligation to support their children, fail in this fundamental responsibility of parenthood. I view new hire reporting as an opportunity to get all children what they need—the financial support of their parents.

One of the main challenges in the child support arena is the ability to obtain timely data regarding employment of noncustodial parents. Prior to the implementation of new hire reporting, the only financial data available was obtained from the IRS when the noncustodial parent filed his Federal tax return or from the quarterly wage data obtained from the Department of Labor.

The usefulness of this data was limited, because it was anywhere from three months to one year old. By the time the data was received, and the child support worker sent out the appropriate forms to place an income withholding, the noncustodial parent had often already terminated employment. Child support professionals felt that they were always one step behind the noncustodial parent and could not obtain the necessary child support for the children of this Nation.

Effective January 1995, Connecticut established a new hire reporting system. All employers maintaining an office or transacting business in Connecticut, were subject to this law and were required to report new employees within 35 days.

Connecticut feels strongly that new hire reporting is a critical tool to the effective establishment and enforcement of child support. While we have mandated compliance by all employers, we provide the necessary vehicles to assist employers in meeting these requirements: toll-free fax lines, electronic reporting, use of Connecticut W–4 form, and a hot line for employer questions.

One of the keys to our success has been this close relationship with the employer community. Through a coordinated effort of the Connecticut State agencies, employers are informed of their legal responsibilities through yearly mailings and an employer guide. IV–D staff from the New England States attend a yearly conference of the American Payroll Association, to provide information regarding both income withholding and new hire reporting. Presentations are also given to various employer and payroll organizations. Due to this continued association, the usable data has increased to 97 percent in March 1998. Employers will cooperate because they want to do their part in ensuring all kids receive support.

I believe that I have a reason to be excited about this resource. During calendar year 1997, over 30,600 noncustodial parents were matched through the new hire process. 24,000 of these parents had an existing child support order. For these matches, our staff were able to place more than 3,300 new income withholdings and transfer an additional 5,000 to new employers. From 1995 to the

present, collections due to new hire reporting, have increased 13-fold, from $540,000 in 1995 to $7.3 million in 1997, and a projection of $9.6 million or more for 1998.

Additionally, under the new law, this data can now be used to establish child support orders. During 1997, over 10,200 noncustodial parents without child support orders were matched, and new support orders were established for more than 5,500 families.

Several States, including Iowa and Massachusetts, have expanded new hire reporting to include payments to independent contractors. This change was made because many noncustodial parents who were formally classified as employees are now becoming self-employed, and many employers are outsourcing tasks that used to be done in-house. Massachusetts has also expanded new hire reporting to include employees who retire and begin to collect a pension, and those who are injured and collect worker's compensation. These are some issues that we also need to look at in the near future.

In conclusion, I cannot stress strongly enough the value of new hire reporting to the task of establishing and collecting child support. I've been a child support professional for more than 21 years and I believe that the combination of new hire reporting and the issuance of wage withholding is one of the most significant improvements in the way we do business.

Mr. Chairman, this does conclude my prepared statement, and I would be pleased to answer any questions. Thank you.

[The prepared statement follows:]

**Testimony of Diane M. Fray**
**IV-D Administrator**
**Department of Social Services - Connecticut**
**House Ways and Means Committee**
**Subcommittee on Human Resources**
**May 19, 1998**

Mr. Chairman and Members of the Subcommittee

It is a pleasure to be here today to talk about new hire reporting. It has been too often the case that those with the moral and legal obligation to support their children fail in this fundamental responsibility of parenthood. I view the new hire reporting legislation and its implementation as an opportunity to get all children what they need – the financial support of their parents.

One of the main challenges in the child support arena is the ability to obtain timely data regarding employment of noncustodial parents. Prior to the implementation of new hire reporting, the only financial data available was obtained from the IRS when the noncustodial parent filed his federal tax return, or from the quarterly wage data obtained from the Department of Labor. The usefulness of this data was limited because the data was anywhere from 3 months to 1 year old. By the time the data was received and the child support worker sent out the appropriate forms to place an income withholding, the noncustodial parent had often already terminated employment. Child support professionals felt that they were always one step behind the noncustodial parent, and could not obtain the necessary child support for the children of this nation.

Effective January 1995 Connecticut established a new hire reporting system. All employers maintaining an office or transacting business were subject to this law and were required to report new employees within 35 days.

Connecticut feels strongly that new hire reporting is a critical tool to the effective establishment and enforcement of child support. While we have mandated compliance by all employers, we provide the necessary vehicles to assist employers in meeting the new requirements:

- Toll-free Fax lines
- Electronic Reporting
- Use of CT W-4 form
- Hot Line for Employer Questions

One of the keys to our success has been a close relationship with the employer community. Through a coordinated effort of the CT State agencies, employers have been informed of their responsibilities under the new law through yearly mailings and an employer guide. IV-D staff from the New England states attend a yearly conference of the American Payroll Association to provide information regarding both income withholding and new hire reporting. Presentations have also been given to various employer and payroll organizations. Due to this continued association, the useable data has increased from a low in January 1996 of 78% to 97% in March 1998. Employers will cooperate because they want to do their part in ensuring all kids receive support.

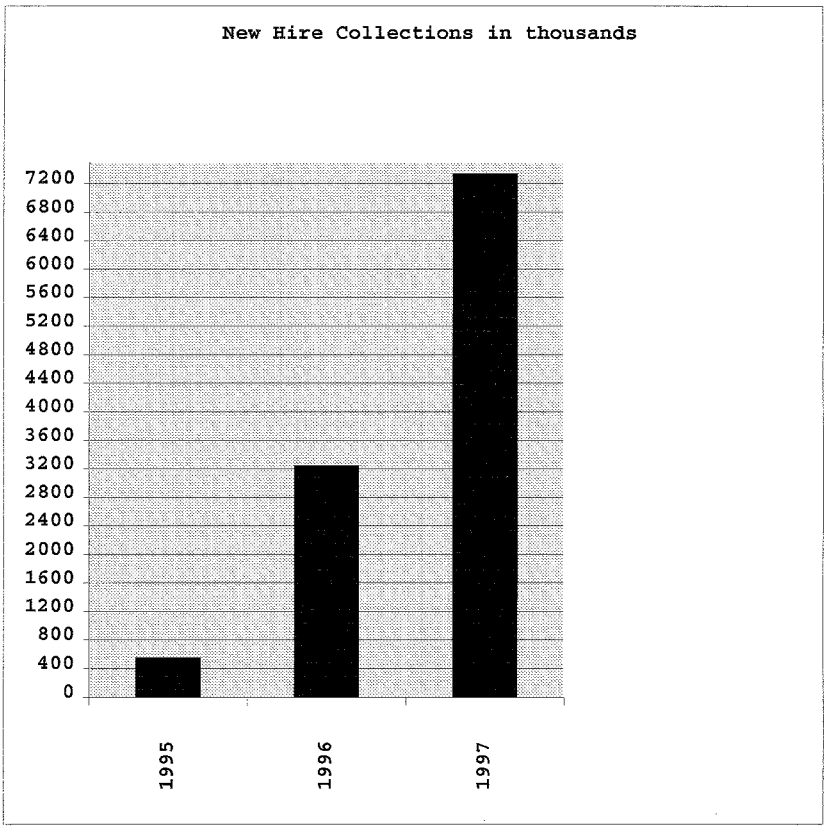
I believe that I have a reason to be excited about this resource. During calendar year 1997, over 30,600 noncustodial parents were matched through the new hire process. 24,000 of these parents had an existing child support order. For these matches, our staff was able to place more than 3300 new income withholdings, and transfer an additional 5000 existing income withholdings to new employers. For the six months from October 1997 through March 1998 $4.7 million was collected due to New Hire Reporting – 10.2% of the total collections by income withholding for that period. From 1995 to the present, collections due to New Hire Reporting have increased 13 fold, from $540,000 in 1995, to $7.3 million in 1997 and a projection of $9.6 million or more for 1998.

Additionally, under the new law, this data can now be used to establish child support orders. During 1997 – over 10,200 noncustodial parents without child support orders were matched and new support orders were established for more than 5500 families.

Several states including Iowa and Massachusetts have expanded the definition of employer to include independent contractors. This change was made because many noncustodial parents who were formerly classified as employees are now becoming "self-employed" and many employers are out-sourcing tasks that used to be done in-house. Iowa has estimated a match rate similar to regular new hires for this group and has also established an employer task force to determine how to identify these contractors earlier and more easily. Massachusetts has also expanded New Hire Reporting to include employees who retire, and begin to collect a pension, and those who are injured and collect worker's compensation. These are some issues that we will also need to look at in the near future.

In conclusion, I cannot stress strongly enough the value of new hire reporting to the task of establishing and collecting child support. I have been a child support professional for more than 21 years, and I believe that the combination of New Hire Reporting and the issuance of income withholding orders has been one of the most significant improvements in the way we do business.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions you or Members of the Subcommittee may have.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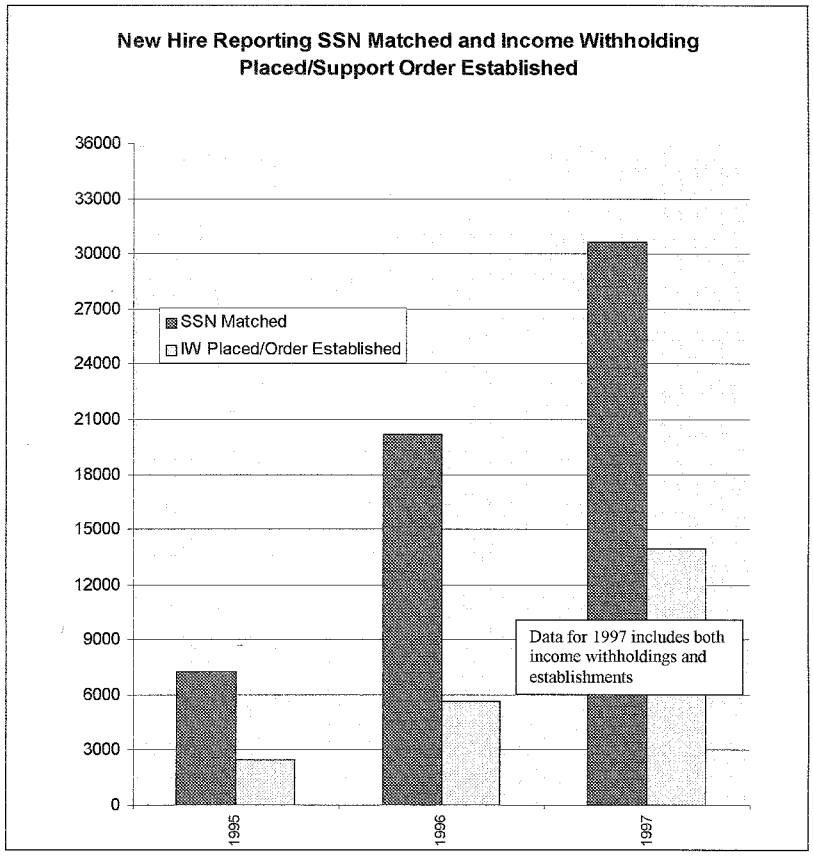
New Hire Reporting SSN Matched and Income Withholding Placed/Support Order Established
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33000
30000
27000
24000
21000
18000
15000
12000
9000
6000
3000
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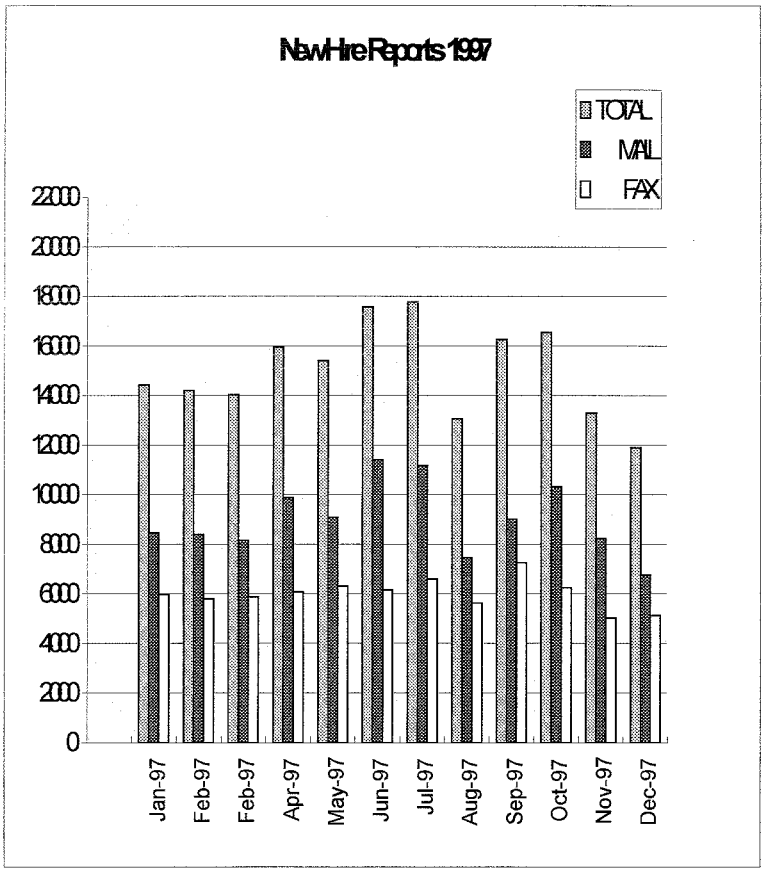
SSN Matched
IW Placed/Order Established
Data for 1997 includes both income withholdings and establishments
1995
1996
1997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18000
16000
14000
12000
10000
8000
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4000
2000
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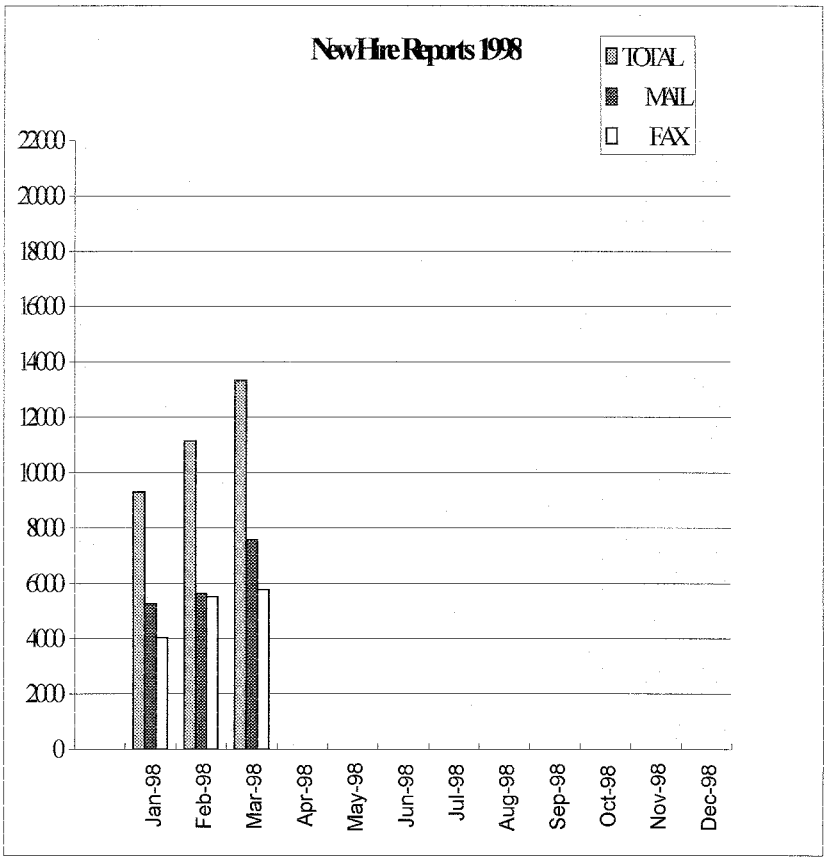
New Hire Reports 1998
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16000
14000
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Jan-98
Feb-98
Mar-98
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Jun-98
Jul-98
Aug-98
Sep-98
Oct-98
Nov-98
Dec-98

Chairman SHAW. Thank you very much.

Ms. Griffin.

**STATEMENT OF ALISHA GRIFFIN, ACTING ASSISTANT DIRECTOR, NEW JERSEY DIVISION OF FAMILY DEVELOPMENT, TRENTON, NJ**

Ms. GRIFFIN. Thank you. I want to begin by thanking Chairman Shaw and members of the committee for the opportunity to speak about New Jersey's Paternity Opportunity Program, called POP.

For New Jersey, the POP program has been a tremendous success. We believe that POP results can be duplicated by other States. The success depends upon the investment of time, money, resources, building partnerships, and implementing new technologies. The increased investment does, and can, pay off.

In New Jersey, POP approaches paternity establishment more broadly as a social issue, not just as a welfare issue. In our outreach to parents, health care workers, and the community, POP emphasizes the benefits for children when paternity is established, not just solely focusing on the financial enforcement of the obligations.

We provide through POP multiple opportunities for assigning of a certificate of acknowledgment of paternity. Paternity can be acknowledged at the hospital, at local registrars, and at county child care agencies.

We began our POP program in November of 1995. In calendar year 1996, there were 109,884 births in New Jersey. Of these births, 32,126 or 29.2 percent were out of wedlock births. In that same year, the first full year of POP's operation, 71 percent of those out of wedlock births in New Jersey had paternity established through the POP program. Although 1997 figures have not closed, our preliminary findings for the full second year are even better than the first year. The third quarter of 1997 closed at 73.8 percent, up almost 3 percentage points from the previous year.

Since the inception of POP, more than 45,000 acknowledgments have been obtained, and almost 4,000 children who came onto the IV–D caseload have come on with paternity already established. This makes POP one of the most successful voluntary acknowledgment programs in the country today.

The necessary elements for a successful voluntary acknowledgment program with broad appeal to the general public include strong partnerships, support for those partnerships, the monitoring of them, and the technology to enhance them. The keys players in those partnerships are vital statistics, local registrars, hospitals, health and social service providers serving pregnant women and young families.

Vital statistics maintains and updates all the birth records in the State. They supervise, direct, and are responsible for local registrars, who are critical links to a successful paternity program. They have established relationships with the hospitals and with birthing facilities. They're also an important source for outreach and marketing.

Hospital staff are the front line of communication with all unmarried parents, and are best able to convey to parents the importance of paternity establishment. Health and social service pro-

viders have an opportunity to educate respective parents regarding the paternity issues prior to the admission to the hospital. And informed parents are more likely to sign a certificate of parentage at the time of birth. They can also educate parents who have children for whom paternity has not yet been established. Health and social service providers are a critical component in increasing our postbirth paternity establishment rates.

One of the other key components to our POP program has been the provision of support and monitoring to all of those partners. We visit hospitals, marketing paternity establishment as a priority. We provide technical assistance to all the players and all the partners in the program, staff training and retraining, program brochures, videos, and other materials that help educate both providers of service and potential parents and parents in the program.

We refer legal and eligibility service questions that have traditionally gone unanswered directly to our IV–D attorneys and our social case workers. We provide 24-hour, 7-day a week customer service, and verify and follow-up on certificates that are problematic.

We provide program monitoring and immediate feedback to line staff and supervisors throughout the program, and we evaluate performance and create performance improvement plans.

In technology, we have utilized our technology at the hospital, where demographic information is collected on all parents, and the data is electronically transferred into the POP system, which then interfaces with the automated child support system on a weekly basis to match certificates of parentage with cases where paternity has not been established. We're also using document imaging to capture certificates when they are received. The certificates can be accessed and printed on line by county workers and used in courts, which saves an inordinate amount of time.

The benefits are to all players in the system; to the child, to the parent, to the State, and of course, to the taxpayer. It is a program that benefits all of us. Thank you.

[The prepared statement follows:]

TESTIMONY BEFORE THE WAYS AND MEANS COMMITTEE OF THE U.S.
HOUSE OF REPRESENTATIVES
ALISHA GRIFFIN
ACTING ASSISTANT DIRECTOR
NEW JERSEY DIVISION OF FAMILY DEVELOPMENT
MAY 19, 1998

**Background**

I want to begin by thanking the Chairman and the Members of this committee for the opportunity to speak about the New Jersey Paternity Opportunity Program (POP). We regard the POP program as a tremendous success. We further believe that POP's results can be duplicated by other states. In our experience in New Jersey, success depends on an investment of time, money and resources in building partnerships and implementing new technology. In our experience, this increased investment pays off.

The New Jersey POP differs from voluntary paternity programs in other states. POP approaches paternity establishment more broadly as a social issue, not just a welfare issue. When planning outreach to parents, healthcare workers and the community, POP emphasizes the benefits for children when paternity is established, rather than the financial aspects of the relationship. POP also allows multiple opportunities to sign a certificate acknowledging paternity. Paternity can be acknowledged at hospital, local registrars and county child support agencies.

POP began November 13, 1995. In CY 1996 there were 109,884 births in New Jersey. Of these births, 32,126 or 29.24% were to unmarried parents. In that same year, the first full year of operation, 22,249, or 71% of the out-of-wedlock births in New Jersey had paternity established through POP. Although 1997 has not yet been closed out, preliminary figures show that the second full year may be even better. The third quarter of 1997 closed at 73.8 per cent, up almost three percentage points from the previous year.

Since the inception of POP, more than 45,000 acknowledgments have been obtained and 3958 children were brought onto the IV-D rolls with paternity already established. This makes NJ POP one of the most successful voluntary acknowledgment programs in the country.

I will briefly explain the necessary elements for a successful voluntary acknowledgment program with broad appeal to the general public. These elements include strong partnerships, support for those partnerships, monitoring of the relationships and technology to enhance them.

**Partnerships**

To achieve success, you must form partnerships with Vital Statistics, Local Registrars, hospitals and health and social service providers serving pregnant women and young families.

Vital Statistics is an important player. It maintains and updates all the birth records in the State. Vital Statistics supervises, directs and is responsible for the Local Registrars who are a critical component to a successful paternity program. It has significant established relationships with the hospitals and birthing facilities in New Jersey.

Local Registrars are the birth certificate experts. They have already established relationships with hospitals and courts. They are also an information source for outreach and marketing.

Hospital staff are the front-line of communication with all unmarried parents and are best able to convey the importance of paternity establishment at a time when both parents are flushed with pride.

Staff from health and social services providers have an opportunity to educate prospective parents regarding paternity issues prior to admission to the hospital for delivery--saving time and effort for hospital registration staff. Informed parents are more likely to sign a Certificate of Parentage at the time of birth.

These Staff can also educate parents who have children for whom paternity has not yet been established. Health and Social Service Providers are a critical component for increasing post birth paternity establishment rates.

**Support**

It is critical that Vital Statistics, Local Registrars, hospitals and the public health community know that POP will provide all the support necessary to ensure success of the paternity program. This can be done in a variety of ways:

POP program staff must visit the hospitals and market the idea that paternity acknowledgment is a priority, meeting with the key individuals in each hospital.

Staff should assist birth certificate clerks by:

- Providing technical assistance with problem cases.
- Providing Staff training and retraining as needed.
- Providing program brochures, video, posters, and a translation service.
- Referring their legal questions to the IV-D agency or social worker .

The POP program should appoint a liaison to Vital Statistics with authority and access to ensure that decisions can be made quickly and efficiently.

The POP program should provide customer service for the public through a manned toll free number, staffed 24 hours a day and seven days a week.

Program staff must verify and follow up on Certificates, as necessary.

The POP Program must also provide technical assistance to POP providers.

**Program Monitoring**

Direct monitoring of hospital performance by POP staff is a critical component to the success of our program. We provide immediate feed-back to front-line staff and their supervisors. We learn from successful hospitals and implement their best practices in other hospitals

We identify and evaluate the hospitals that are not performing well. We try to identify the cause and decide what changes are necessary, in consultation with the interested parties, very often the birth certificate clerk, nurse manager and medical records staff. We decide what changes are necessary and create a performance improvement plan with target rates.

Typically, our staff help solve the problem. We assist the hospital in outreaching to internal hospital providers, prenatal feeder systems, public health providers and community agencies with targeted messages about their part in improving hospital performance.

**Technology**

Technology plays an increasingly important role in modern child support programs. I only have time to hit the high spots.

At the hospital, demographic information is collected on all parents both married and unmarried. This data is electronically transferred to the POP office. Information on married parents may be useful in locating an absent parent if the parents separate or divorce.

POP system interfaces with the NJ automated child support system are done on a weekly basis to match Certificates of Parentage with cases where paternity has not been established

A Quarterly interface is under development that will match against the POP database to obtain location information on absent parents in child support cases.

Finally, we are using document imaging to capture Certificates when they are received. These Certificates can then be accessed and printed by county child support workers on-line to be used in court. That saves a lot of time.

**Benefits**

The POP program has obvious social and economic benefits for the child, parents and the New Jersey Department of Human Services--and, of course, for the taxpayer. As well, each partner derives specific benefits from supporting the program.

The hospitals benefit because they have another resource to turn to for questions encountered by the birthing clerks.

The hospitals also benefit because they receive funds from the state for each approved Certificate that is signed by the parents in the hospital during the birthing process. These funds are not included in the hospitals budgets and are generally used for special projects.

Vital Statistics and Registrars benefit because they also have another resource to turn to if they have questions about the paternity process, birth certificates or child support questions.

Both Vital Statistics and the Registrars have benefited from POP because POP has helped identify problems with the birth certificate process and assisted in the resolution of these problems.

POP helps health and social service providers better serve their client base. Frequently, provider staff do not know who to turn to when a client asks a question about child support, paternity or the birth certificate process. POP training makes staff better able to direct their clients to the appropriate agency for assistance..

**Final Comments**

In the few moments remaining, I would like to underline some important lessons. The POP program in New Jersey is demonstrably a success. We think that it fully justifies the required investment of time and money. You will find a one-page handout attached to my testimony. It summarizes the outcomes.

We need to recognize that the target audience is not just the IV-D case load. Paternity and child support are much broader social issues. And we need to target our messages accordingly--to the general public.

I want to make a closing point about voluntary paternity acknowledgment programs. It seems obvious, put like this, but they have to be voluntary. We have to access the desire that most people have to care for their children. We have to send clear, positive messages about responsibility. We know that those messages will not reach everyone, but the more cynical among us may be surprised by how many people still believe in fairness, in responsibility, in right and wrong. Thank you.

Chairman SHAW. Thank you, Ms. Griffin.

Ms. Jennings, you have a fan on this committee who's not here. His plane has been delayed, and he has made a special request that I hold you to the second panel. If that doesn't inconvenience you, I'd like to do that. Mac Collins has been delayed, but we've gotten word that he's on the way in, so we would appreciate your waiting.

Mr. Camp.

Mr. CAMP. Thank you, Mr. Chairman. Ms. Bonar, I just want to congratulate you on the success that's been made in getting the New Hires Directory up and running. Because I think all of us believe that, if this is implemented successfully, we will increase child support collections. I noticed in your testimony you mention that all 50 States are providing data. I wondered, in addition to those 50 States that are in compliance, are all the territories and the District of Columbia providing the required information as well?

Ms. BONAR. Actually, Puerto Rico and the District of Columbia are providing new hire data, however, we're not receiving new hire data from Guam or the Virgin Islands. There were some technical problems there. In addition, Guam just passed their legislation. For quarterly wage—we are not receiving quarterly wage data from Guam or the Virgin Islands either.

Mr. CAMP. Obviously, the law requires the employers to report this new hire data within 20 days. Is there any idea or any comments you can make about compliance by employers?

Ms. BONAR. I think it's too early to tell about compliance. Also, not all States have passed the legislation so that every employer in the country needs to be reporting. We had anticipated that there would be about 60 million new hires a year, and we have 23 million now. So, we have a lot of reporting that needs to be done still.

Mr. CAMP. Any idea whether this is large firms, small firms, where there are greater difficulties maybe with compliance? Do you have any idea at this time?

Ms. BONAR. No, at this time, we don't.

Mr. CAMP. I've heard from my State legislators about the sensitive personal information that is on these files. I realize social security number is optional, but in reality, I think that's the number that's being used. Can you comment just on the privacy safeguards and confidentiality concerns that will help keep the information from being made public?

Ms. BONAR. Certainly. We take real seriously the confidentiality and the security of this data that we're entrusted with. The law's real explicit about who has access, who the authorized users are, for what purposes this database can be used, and we ensure that it's only used for the authorized purposes. I think also the fact that our database is housed at the Social Security Administration's computer center, it is that state-of-the-art in security standards, and we're subject to those standards. The data is transmitted to us over secured dedicated lines, so that there is no possibility for unauthorized access. With respect to social security numbers, the new hire data that comes into us—the social security numbers on new hire data—those are verified before they go on our National Directory.

Mr. CAMP. Okay. Thank you. Thank you, Mr. Chairman.

Chairman SHAW. Mr. Levin.

Mr. LEVIN. I'd like also to congratulate the Department. Timeliness has been a real problem in child support. Deadlines have been urgently enacted and often, I won't say flaunted, but have not been met. And so it's heartening the deadlines that have been set here have been met. So, congratulations.

I gather from your testimony that all of you are fairly veteran public servants, and proud of it. And I'd like to congratulate, if I might, all of you on your work in this field. It often isn't heralded, but it's critical to reform of our welfare system. And each of you have indicated that the kind of, not only diligent, but imaginative and committed, efforts that you have undertaken, and I hope you have a real sense of pride.

So, I just have one question that may, if I understand the data, may illustrate that we have a real challenge here.

Now, let me just ask you about the Connecticut data. On page two, and I think it ties in to the testimony from Mr. Cohen, that the journey ahead may not be easy and it means that we have to really be totally dedicated if we're going to meet the deadlines. In calendar 1997, on page 2, Ms. Fray, through this system that you're rightfully excited about, you matched over 30,000 through the new hire process—24,000 had an existing child support order—and you were able to place more than 3,300 new income withholdings and transfer an additional 5,000. So maybe this doesn't show how many of these 30,000, I guess—or 24,000—did not have an income withholding, right? That doesn't really appear here?

Ms. FRAY. No, that's correct.

Mr. LEVIN. But would that—in other words, after you've finished with the successful 3,300 and then the transfer of 5,000, there still was a considerable number where there wasn't a withholding—where there wasn't withholding information, right?

Ms. FRAY. Right, that is correct. Sometimes, with the new hire reporting, even though employers attempt to comply and give us the data on time, even now sometimes the noncustodial parent may either have left the job already or his wages may be so minimum that we can not in fact place the income withholding.

In Connecticut, up until October 1, 1998, we are still under the State law that allows our employers 35 days to report new employees. Because Connecticut was one of the States that had new hire reporting prior to the passage of PRWORA, we were allowed to wait until then to make our changes. Effective October 1, our employers in Connecticut will have to report within 20 days. And I believe that will also help narrow the gap that you see in my figures here—that we will be catching up with the non-custodial parents even more quickly than we are now.

Mr. LEVIN. Good. And the 20 day provision, do you think is feasible?

Ms. FRAY. Yes, I believe that there are many States——

Mr. LEVIN. It's modern technology.

Ms. FRAY. There are many States that are already doing it, and yes, with modern technology, I do believe that it is feasible.

Mr. LEVIN. And just one last question, you mention about the self-employed. How considerable a problem is that?

Ms. FRAY. When I talked to Iowa this week because they had passed their law quite awhile ago, and what they told me, was that they estimated a match rate similar to the regular new hire reporting. So I would have to say that it appears that it is now, and will in the future, increasingly be a larger problem.

Mr. LEVIN. Ms. Griffin, you were shaking your head. You agree?

Ms. GRIFFIN. We anticipate some of the same problems.

Mr. LEVIN. Mr. Cohen.

Mr. COHEN. Yes.

Mr. LEVIN. And we'll finish with you, Ms. Bonar. Should we do anything further in that regard?

Ms. BONAR. The definition now is the IRS definition for employer and employee and that does not include independent contractors, so I've heard from States that that is an issue.

Mr. LEVIN. And the independent contractors—there is a requirement to fill out a form. There is information that comes into the Federal Government, right?

Ms. BONAR. There would be for the W–2 reporting.

Mr. LEVIN. Or it's equivalent.

Ms. BONAR. Right.

Mr. LEVIN. Mr. Chairman, we may want to look at that as a further improvement on what this subcommittee has labored effectively to achieve. Thank you.

Chairman SHAW. Mr. Collins, do you want to hold your questions for the next panel? We've held your witness.

I'd like to thank this panel for some very fine testimony. It's truly quite rewarding to see some of the things that we have been cooperating on with the States and see them coming of age and actually working. And I think it shows the wisdom of the legislation. Thank you very much, all of you.

And Ms. Jennings, you can just stay right there, while I introduce the next panel.

We have Richard Casey Hoffman, the President of CSE, the Child Support Enforcement Company in Austin, Texas; Charles Bacarisse, who is the Harris County District Clerk from Houston, Texas, and from the great State of Florida, Judith Fink, who is the director of the Broward County Support Enforcement Division in that great city of Ft. Lauderdale, Florida.

Welcome. As with the previous panel, we have your full statement which will be made a part of the record, and we would invite you to summarize as you see fit.

Ms. Jennings, we will lead off with you, in that you are still with us from the previous panel.

Mac, would you like to make any special remarks before we proceed?

Mr. COLLINS. Yes, Mr. Chairman. Thank you. I appreciate you and Ms. Jennings working together to wait until I could arrive; my first flight was canceled.

I just want to take the opportunity to welcome Ms. Jacqueline Jennings from Columbus, Georgia. She's manager of the Child Support Enforcement Office in Columbus with the Georgia Department of Human Resources. She has 21 years of experience in this office. In the Columbus area, she has jurisdiction over five counties. Fort Benning, Georgia is located amongst them. She's been a real leader

in the area of child support recovery. In the Welfare Reform bill we had in the last Congress, Mr. Camp, Ms. Dunn and I worked very closely together trying to come up with some new provisions on enforcement. Ms. Jennings played a major role in advising me back in the District of some things that we needed to look at. In your opening remarks, Mr. Chairman, you mentioned another area that I think Ms. Jennings could be very helpful to us in. We look forward to her testimony and welcome Ms. Jacqueline Jennings.

**STATEMENT OF JACQUELINE JENNINGS, MANAGER, OFFICE OF CHILD SUPPORT ENFORCEMENT, DEPARTMENT OF HUMAN RESOURCES, COLUMBUS, GA**

Ms. JENNINGS. Thank you, Representative Collins. To Representative Shaw and the other members of the great body, it is indeed a pleasure for me to be allowed this opportunity to talk about the plight of some of America's children who are being denied support from their fathers. I currently serve as the office manager of the Child Support Enforcement Office in Columbus, Georgia. We have the unique distinction of being near one of the Army's many training centers—Fort Benning—and the home of some 30,000 military veterans and retirees. We're near the Tuskegee VA Hospital and Martin Army Hospital; therefore, we handle a large number of child support cases where the non-custodial parent is a veteran.

The Personal Responsibility and Work Opportunity Act of 1996 provided the Office of Child Support Enforcement additional laws and techniques to obtain support payments from more delinquent parents to ensure that their children receive the financial support and security that they're entitled to have. Yet, children of thousands of veterans are being denied support that has been established through court orders because we're unable to send the Veterans' Administration Income Withholding Orders. The policy regarding veterans' benefits needs to be reviewed to assure that no child fails to receive support from their parents, even if their parent is a veteran.

I have two different cases handled by my office that I believe will illustrate the need for additional changes in this policy. These cases are only a fraction of the cases of parents who are veterans who are not living up to their obligations in our caseloads in Georgia and throughout the Nation.

The first case involves the Office of Child Support Enforcement and the Office of Child Support Enforcement in Washington working together to obtain support for a parent. The custodial parent sought congressional assistance in this case, contacting the Washington courts and providing updated information regarding the non-custodial parent's income. Her efforts resulted in her being awarded $41.00 a month from Veterans' Administration. The non-custodial parent's obligation is $300.00 per month, resulting in a $259.00 deficit each month. Since the VA payments are the NCP's only income, the Washington courts acknowledged that they were unable to secure support payments from the non-custodial parent until he was employed. Washington Child Support Unit offered to refer the non-custodial parent for employment services, but he refused. To date, he is behind in his support payments well over $12,000.

The second case involves a non-custodial parent who had several proceedings regarding his support payments. The non-custodial parent continued to receive his VA benefits while in jail, but he failed or refused to pay his child support for his child. This non-custodial parent has placed his child at risk by not being willing to help provide for the child's basic needs. Although we were able to get payments on the arrears after the child turned age 18, the tragedy of this situation was that the veteran's son never benefitted from a parent who supported him. The support due on these cases totaled over $20,000 and that's just two cases in my office.

If you multiply this number throughout the United States, these figures are staggering. All of these cases highlight the need for changes to be made to allow veterans' benefits to be shared with their children. Child support workers throughout the country are able to secure support payments from parents who receive disability income from Social Security. This does not include supplemental income but RSDI based on the non-custodial parent's employment history. If the law allows for children of those parents to receive—who receive Social Security disability to pay support, then the children of veterans should have the same rights.

The right to receive child support should be afforded to all children. The need for these changes are increasing as many veterans are obtaining benefits at an early age and are remarrying and becoming parents of additional children. We are aware that each claim must be viewed on an individual basis—keeping in mind the needs and conditions of the veteran who will be affected. The non-custodial veteran can request a review and adjustment of their court orders to reflect a change of circumstances, but yet be still allowed to pay support based on current income.

The VA has worked with numerous custodial parents to allow some apportionment to be sent to families, but in most cases, it is far less than the amount that is court-ordered and the children are still suffering. Many of these children have working mothers who need this money to improve their lives. Our staff in Georgia is committed to providing the highest level of service to all clients. We're utilizing all the techniques passed in the Personal Responsibility Work Act of 1996 to provide assistance for our children. But we really need and feel that this is important that the veterans' children are looked at. Allowing access to VA benefits will provide millions of dollars of support to the children of the country who may otherwise be unable to receive support through wages. While we are proud of our veterans and their many sacrifices for our country, we must also focus on their children who are our future.

A change in the Federal statute to allow VA benefits to be paid for support will help ensure that veterans' children have a better chance of life. We must all remember that the children are who we are working for in child support. Thank you for allowing me this opportunity to bring this important issue to your attention.

[The prepared statement follows:]

*TESTIMONY*

*BY*

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Tommy C. Olmstead, Commissioner
Peggy Peters, Division Director

May 19, 1998

To Representative Shaw, Chairman of the House Ways and Means Subcommittee on Human Resources, Representative Mac Collins and to other members of this great body. It is indeed a pleasure for me to be allowed this opportunity to talk about the plight of some of America's children, who are being denied support from their fathers.

I currently serve as the Office Manager of the Child Support Enforcement Office in Columbus, Georgia. We have the unique distinction of being near one of the Army's many training centers, Fort Benning, and the home of some 30,000 military Veterans and retirees. We are near the Tuskegee VA Hospital and Martin Army Hospital; therefore, we handle a large number of child support cases where the non-custodial parent is a Veteran. The Personal Responsibility and Work Opportunity Act of 1996 provided the Office of Child Support Enforcement additional laws and techniques to obtain support payments from more delinquent parents, to ensure that their children receive the financial support and security they are entitled to have. Yet, the children of thousands of Veterans are being denied support that has been established through court orders, because we are unable to send the Veteran Administration Income Deduction Orders. The policy regarding Veterans benefits needs to be reviewed to assure that no child fails to receive support from their parents, even if the parent is a Veteran.

I have two different cases handled by our office that I believe will illustrate the need for additional changes in this policy. These cases are only a fraction of the cases with Veteran parents who are not living up to their obligations in our caseloads in Georgia and throughout the nation.

The first case involves the Georgia Child Support Office, and the Child Support Office in the State of Washington working together to obtain support payments for the custodial parent. The custodial parent sought congressional assistance in this case, contacting the Washington courts and providing updated information regarding the non-custodial parent's income. Her efforts resulted in being awarded $41.00 monthly from the Veterans Administration. The non-custodial parent's obligation is $300.00 per month, resulting in a deficit of $259.00 each month. Since VA payments are the NCP's only income, the Washington courts acknowledged that they were unable to secure support from the non-custodial parent until he was employed. Washington Support Unit offered to refer the non-custodial parent for employment services, he refused assistance. To date, he is behind in support payments well over $12,000.00.

The second case involves a non-custodial parent who had several proceedings held regarding his support payments. The non-custodial parent continued to receive his VA benefits while in jail, but failed/or refused to pay any monies for this child. This non-custodial parent placed his child at risk by not helping to provide for the child's

basic needs. Although we were able to get payments on the arrears after the child turned 18. The tragedy of this situation was the fact that the Veteran's son never benefited from a parent who supported him. The support due on these cases total over $20,000.00, and that's just 2 cases in my office. If you multiply this number throughout the United States, these figures are staggering. All of these cases highlight the need for changes to be made to allow Veterans' benefits to be shared with their children. Child Support workers throughout the country are able to secure support income from parents who receive disability payments from Social Security. This does not include Supplemental Income, but RSDI based on the non-custodial parent's employment history. If the law allows the children of persons who receive Social Security Disability to pay support, then the children of Veterans have the same rights. The right to receive child support should be afforded to all children! The need for these changes are increasing as many Veterans are obtaining benefits at an earlier age and are re-marrying or becoming parents of additional children. We are aware that each claim must be reviewed on an individual basis, keeping in mind the needs and conditions of the Veteran who will be affected. The non-custodial Veteran can request a review and adjustment of their court orders to reflect their change of circumstance to still allow for support to be based on their current income.

The VA has worked with numerous non-custodial parents to allow some apportionments to be sent to the families but, in most cases, it is far less than the amount that is court ordered and the children are still suffering. May of these children have working mothers, who need this money to help improve their lives. The Georgia Child Support Enforcement staff members are committed to providing the highest level of services to all of our clients. We are utilizing the techniques passed in the Personal Responsibility and Work Opportunity Act of 1996 to provide assistance to more families and children. Throughout our State, we are working with fathers, helping them find jobs, become better parents and completing their education. We are in partnership in Georgia with various educational, community and faith based organizations stressing the needs of the non-custodial parents and working with them to help these parents and their children become self-sufficient. Allowing access to VA benefits will provide millions of dollars of support to the children of our country who may otherwise be unable to receive any support through wages. While we are proud of our veterans for their many sacrifices for our country, we must also focus on the children who are our future.

A change in the Federal Statue to allow VA benefits to be paid for support will help ensure that Veterans children have a chance for a better life. We must all remember the children are who we are working for in Child Support.

Thank you for allowing me this opportunity to bring such an important issue to your attention.

Respectfully submitted

by

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Chairman SHAW. Thank you, Ms. Jennings.

Mr. Hoffman.

**STATEMENT OF RICHARD "CASEY" HOFFMAN, PRESIDENT, CSE, CHILD SUPPORT ENFORCEMENT COMPANY, AUSTIN, TX**

Mr. HOFFMAN. Thank you, Mr. Chairman and members of the committee. My name is Casey Hoffman. I'm the president of the oldest and largest attorney-led enforcement firm in the country that's headquartered in Austin, Texas. We have 85 people at CSE. Seven of whom are attorneys. We have focused strictly on enforcing court-ordered child support for private clients. It is important to note that we do not receive Federal funds of any kind and are not part of the Title IV–D program.

My training and experience give me a unique perspective in working with child support professionals to solve this crisis. I have been an Assistant District Attorney. I practiced family law for 18 years. I've co-authored a book and numerous articles on child support enforcement and I've served as a State Bar president. But most importantly for five years, I ran the largest Title IV–D program in the country as a special Assistant Attorney General in Austin, Texas.

Taking testimony from this panel is a historic occasion in your dedicated efforts to solve the child support problem. This particular panel is comprised of representatives who are not part of the Title IV–D effort. As such, they do not get any Federal funds, but each day help families across the country collect child support and distribute the child support check promptly. It is a most appropriate time to focus on what non-Title IV–D agencies like these can do for the families who do not and cannot get help from the federally-funded Title IV–D program. Given the millions of families that go without child support, there can be no competitive reason for supporting a Title IV–D solution over a non-Title IV–D solution.

From the taxpayer perspective and a Title IV–D perspective, each case where we provide services is one less case for the overburdened Title IV–D worker. I believe it is clear to most—every experienced professional that we can no longer design a Title IV–D program that assumes each and every case will be successfully worked by the Title IV–D agencies in this country. We must, instead be inclusive and do what is needed to attract other armies onto the battlefield to work—the caseload—that overwhelms our IV–D agencies. Just as importantly, we must work the cases for the millions of children who are not even in the Title IV–D program. We must remember that there's a huge caseload of families that are not part of the Title IV–D agency and do not receive child support.

The latest Federal statistics for 1996 demonstrate the above presumptions clearly and unequivocally. The Title IV–D program while improving dramatically in collecting an impressive $12 billion was able to collect on 52 percent of the current support owed for that year and on 8 percent of the total arrearages. What this means in total dollars not collected—not collected for 1996—in just the Title IV–D caseloads, is $8 billion in current support went uncollected, while $36 billion in arrearages went uncollected. Said another way, the Title IV–D program fell behind another $4 billion

in collections. Therefore, our message today is focused on proposal that supports putting more armies on the battlefield. That proposed is to provide non-Title IV–D agencies with the same tools that you have given to the IV–D program and the information you have given to the IV–D program so that they can help more families.

Title IV–D families cannot claim an exclusive right to providing child support services, nor should they be given an exclusive right to the tools and information you legislated for all children. If there's one thing that the Congress can claim all the credit for and deserves to be praised for, it is giving the Title IV–D program some of the best tools and information to serve their clients.

For example, where would we be without wage withholding—a tool that has been widely used by the non-Title IV–D programs. The issue becomes how can we give the non-Title IV–D programs who are using attorneys the very tools that the Title IV–D program has. A little over 90 percent of our clients who have come to us for help are owed over four years worth of child support and have already been to the IV–D agency; they had not received child support collected; and are now benefiting from our services. Families also go to Judy Fink's agency in Broward County and get help. She's a non-Title IV–D agency. They get services from Charles Bacarisse in Houston, Texas and he's a non-Title IV–D agency.

I feel very strongly about this proposal and describe it in detail in my written testimony. I've set forth the tools that we need to be giving to the non-Title IV–D programs that will help millions of children in this country and help us win the child support war. Thank you very much.

[The prepared statement follows:]

**UNITED STATES HOUSE OF REPRESENTATIVES**
**COMMITTEE ON WAYS AND MEANS**
**SUBCOMMITTEE ON HUMAN RESOURCES**

**HEARING ON CHILD SUPPORT ENFORCEMENT**

**Statement of**
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**May 19, 1998**

Mr. Chairman, distinguished members of the Subcommittee: thank you for the opportunity to testify on more effective use of public and private resources for the purpose of fighting to secure for our nation's children the child support morally and legally owed them by their parents.

My name is Richard ("Casey") Hoffman. I am President of CSE* Child Support Enforcement, a private company that collects child support for custodial parents. While I am also the president-elect of a national nonprofit organization of public and private child support enforcement professionals in the country, I am not representing that organization here today nor presenting its viewpoint on any issue.

Before founding CSE in 1991, I served for five years as Special Assistant Attorney General and Director of the Child Support Enforcement Division of the Office of the Texas Attorney General, the state's designated agency for the administration of the child support enforcement program under Title IV-D of the Social Security Act. During my tenure as Director of the nation's largest Title IV-D program, the Texas program was recognized by this subcommittee and by the National Child Support Enforcement Association of Washington, D.C. as the "Most Improved" in the nation. Prior to my heading the Texas Title IV-D program, I was an assistant district attorney, practiced family law in Massachusetts for eighteen years, and, in 1984, served as President of the Massachusetts State Bar Association, as well as a member of the Governor's Child Support Commission.

My professional experiences as an assistant district attorney, state bar president, private attorney, state Title IV-D agency director, and CEO of a private enforcement agency have provided me with a unique perspective on the challenges and problems of child support enforcement in the United States. ***What I see from this perspective is the urgent need for a greater collaboration and closer partnership of the public and private child support enforcement armies in the war on nonsupport.***

Images of war and battle seem particularly appropriate in speaking of the challenges and problems of child support enforcement. I can assure you that there is nothing genteel about the effort to secure for children the financial support their parents owe them. It is an ongoing battle, marked by the passionate commitment of the energies and resources of those fighting the battle - women and men throughout this country who fervently believe in the rightness of their cause, and that cause is the welfare of children who are the innocent victims of parental irresponsibility.

While many parents do meet their child support responsibilities, tragically most do not. This fact is exhibited in the statistics of the government child support program. According to data available from the federal Office of Child Support Enforcement, in FY 1996, only about 20.5 percent (3.95 million cases) of the program's 19.3 million cases had any support collections.[1] Moreover, only 59 percent (11.4 million cases) of the total caseload have orders for current and/or prior year support, and collections were made in only 34.6 percent of those cases with orders.[2] But even in those cases with support payments, it cannot be assumed that the noncustodial parent made ***regular*** payments of the ***full amount*** of support owed. The reality is that a significant number of the paying cases had only one payment resulting from the interception of a Federal personal income tax refund ("IRS intercept"), rather than a number of payments from enforcement proceedings. Of course, the nearly 8 million cases in the IV-D caseload now lacking a support order have no prospect of support collections until a legally binding obligation is established.

My point in citing these IV-D program statistics is not to suggest that the IV-D program is doing a poor job of establishing and enforcing support obligations. On the contrary, I believe that the program is doing excellent work, given the resources it has and the overwhelming caseload for which it has responsibility.

What troubles me from my perspective on the child support enforcement battlefield is that, although we as a country have done much to strengthen enforcement, ***there is more we can do without using taxpayer dollars. The IV-D program does not - and should not - constitute the only child support enforcement enterprise in the country.*** There is a great wealth of enforcement resources outside the IV-D program in the form of public, locally funded enforcement agencies and private enforcement entities that use attorneys. But regrettably ***we have not yet brought those non-IV-D resources fully into the battle, and, as a result, we run the risk of losing the battle.*** I urge the Congress and the federal Office of Child Support Enforcement to take immediate action to support the enforcement efforts of the public and private entities outside the IV-D program. Working together, we can form a unified and formidable force in the war on nonsupport. Today I am proposing steps that I believe need to be taken ***immediately*** to create that force.

First, we must ensure that the armies outside the government Title IV-D program have ***all*** of the weapons they need in order to contribute ***fully*** to the war on nonsupport. At the present time, it is as if some of the available troops are armed with modern weapons,

while others have only muskets. The magnitude and the urgency of this battle is such that we need to equip and employ all available forces, including locally funded public enforcement agencies (such as county child support services, domestic relations offices, and guardian ad litem programs) as well as the tens of thousands of private attorneys in this country who could be enlisted to enforce support obligations.

Second, in addition to having effective weapons, the armies of non-IV-D public and private child support enforcers need financial resources in order to carry on the battle. Currently, private attorneys and public non-IV-D agencies pursuing child support enforcement must rely on payment of fees to sustain their efforts. Often these fees for child support services are in the form of a percentage of support arrears collected on behalf of a custodial parent. But why should the costs of enforcement services have to be borne at all by the custodial parent? Usually the reason a custodial parent has to turn to a public or private enforcement entity is because the noncustodial parent has failed to provide support on a regular basis and in the full amounts. The financial burden for enforcing child support delinquency clearly ought to fall directly upon the individual who caused the problem, not the custodial parent or the taxpayer. There are, I believe, two measures Congress can take to shift that burden.

Six years ago, in a *New York Times* opinion piece, I urged that "voluntary compliance" in the payment of child support be promoted by the imposition of stiff financial penalties for delinquency. I proposed that:

> [i]n every court order, judges should be required to issue a child support order that sets a monthly payment plus a specific penalty for each month the parent fails to pay on time. For example, a parent who has not paid by the 10th day of the month becomes liable for an automatic increase of $50 in his, or in rare instances, her payment. An increase is assessed each month he or she fails to pay in full and on time.[3]

This mechanism of "pay now or pay more later" would, I believe, greatly increase collection rates, as well as provide needed financial support for enforcement activities. Of course, if a parent showed, to the satisfaction of the court, that serious hardship prevented the full amount of ordered support being paid in a timely manner, the court might decide not to impose the penalty. But such leniency is not commonly found in the discharge of other kinds of obligations. Bank loans, credit card debts, and even utility bills are subject to penalties for late payment, and these penalties usually ensure that payments are made on time. Yet, in our society, parents are penalized less frequently for missing payment of child support than they are for being late in paying their electric bills.

In addition to a court-ordered delinquency fee, all state courts would be required to order that a noncustodial parent, having financial resources and found to be delinquent in the payment of support, pay court and legal counsel costs. The imposition of these fees and costs may sound harsh, but the reality of nonsupport is itself harsh. I agree with those

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advocates for the rights of families owed child support ***that it is a moral outrage that any child in this country go hungry for lack of financial support owed by a parent who has the financial ability to pay that support.*** The failure to provide financial support to dependent children is as much an outrage to society as is other criminal conduct that endangers the lives and property of our nation's children.

I think, also, that we need to stress - in every way possible - that the financial burden of enforcing child support should be borne by those who have the responsibility to pay the support; it should not be borne by the government or by the custodial parent. We must get the message out to absent parents - particularly those who willfully fail to pay child support - that the enforcement of support obligations is a costly matter, but they must bear the costs, not their former spouses and children or the American taxpayer.

The imposition of stiff penalties and legal costs is, I believe, how enforcement efforts against delinquent parents ***should be*** funded. Until we have such mechanisms implemented, however, we must continue to depend upon taxpayer dollars and fees for services.

**The Need To Have All the Tools Available for those on the Battlefield.** It is commonly acknowledged that the IV-D program is strapped for the human and financial resources to serve families in its caseload, not to mention the millions more outside that caseload. With rapidly declining welfare rolls, there will be an accompanying decline in recovered public assistance dollars upon which State IV-D agencies greatly rely for funding their operations. To the extent state governments are unable to pick up the shortfall in revenues for the state IV-D agency, the services offered by the agency suffer - and so do the children served by the agency

I believe that a successful, full-scale attack upon the growing problem of nonsupport requires the enlistment of all available resources. Those resources include locally funded, non-Title IV-D government enforcement entities and members of the private bar who offer child support enforcement services directly or who create private agencies to deliver support services. Working in concert with state IV-D agencies, locally funded public enforcement entities and private attorneys can relieve the IV-D agencies of enforcement activities in many of their non-welfare cases. Thus, they could help ***reduce the government program's administrative costs and the taxpayer's burden.*** This strategy would enable state IV-D agencies to focus their limited resources to establishing paternity and support orders, modifying orders, and to recovering from non-custodial parents the welfare dollars the government paid the families of these parents during the time the parents should have been paying support. It would also provide custodial parents with ***a choice of enforcement services***, allowing them to elect the services of a locally funded enforcement agency, a private attorney, or a private enforcement entity.

Many custodial parents know that, because of its caseload size, the state IV-D agency cannot always offer personalized attention in a case. These parents should have a

***choice*** of child support enforcement services outside the IV-D program. A family needing support services should not be ***forced*** to turn to the already overburdened IV-D program simply because the program has the use of enforcement tools not available elsewhere. ***To provide families with a true choice of enforcement services, tools now limited to use in the IV-D program need to be extended to other public enforcement agencies and the private sector.*** The IV-D program, public non-IV-D enforcement agencies, and the private sector enforcing support are, after all, committed to a common purpose and goal - getting support to the families owed and needing that support. Everything should be done to facilitate the implementation of that purpose and the attainment of that goal.

The collaboration of the state IV-D agency with local government programs and the private sector could clearly have a major impact upon the child support problem. This impact can occur ***only if the locally funded government entities and the private sector have both the tools they need to be as productive as possible and the cooperation of state IV-D agencies in the enforcement effort.*** What is needed is the ***effective collaboration*** of the Title IV-D program with public and private enforcement entities in a concerted attack upon the problem of nonsupport - an enforcement partnership.

It is important to stress that, in urging the involvement of the private sector in the enforcement partnership, I am ***not*** talking in this particular context about the ***privatization*** of the IV-D program or about contracts between private sector entities and the state IV-D agency. Those are issues completely apart from my proposal today. Instead, what I have in mind a true ***partnership*** of the IV-D program with public and private child support enforcement entities - ***sharing the work and sharing the tools*** - without, however, having to enter into contracts. ***This is a partnership to supplement, not supplant the Title IV-D program.***

**The Beginning of the Child Support Enforcement War - A Historical Perspective.** Before Congress enacted the legislation in 1974 creating a state-federal child support enforcement program under a new Part D of Title IV of the Social Security Act, child support enforcement was the neglected waif of American law. Most states had only rudimentary legal mechanisms for enforcement of child support and little or no statutory or case law relating to the establishment of paternity. Even the duty of support was not addressed directly or in any great detail in state laws. Back then, most members of the private bar had little interest in pursuing child support enforcement. They were faced with inadequate enforcement remedies, and, consequently, any enforcement action was costly in time and money. Most clients were unable to pay retainers or hourly rates for drawn-out enforcement actions with uncertain results. Contingency fee arrangements were considered fair, given the poor results, especially in interstate cases.

Even the courts regarded child support enforcement not as a high priority activity, but as an added burden upon already crowded dockets. Indeed, child support obligations were treated with a considerable degree of indifference by judges who viewed the failure of absent parents to provide support as a matter of far less importance than other matters

demanding judicial attention. Clearly, there was a need for action - for a national mobilization of forces to deal with parental irresponsibility. Congress took that action in establishing the Title IV-D child support enforcement program.

The creation of the Title IV-D program began a process of transformation of state domestic relations law. With the stimulus of federal IV-D mandates over the past two decades, states have developed well-articulated and, to a great extent, uniform legal procedures for establishing paternity and enforcing support obligations. Today, state codes embody establishment procedures and enforcement remedies scarcely imaginable a quarter of a century ago.

Through a succession of legislative acts over the past 23 years - most recently through the enactment of welfare reform in 1996 - Congress has taken bold action in providing state Title IV-D agencies with important enforcement tools. I enthusiastically agree with an esteemed colleague in the federal Office of Child Support Enforcement who recently said that these are "wonderful new tools and we need to use them."[4] But several of these tools are currently not available for use in the millions of child support cases being enforced ***outside*** the Title IV-D program. ***To the extent that enforcement tools available to the Title IV-D program are not also available to other public and private enforcement entities, they are being underutilized, and these other non-IV-D entities are limited in their ability to contribute fully to the battle against parental irresponsibility.***

There are tens of thousands of private attorneys throughout the nation who practice family law. These private attorneys constitute a formidable legal force. This force, together with non-IV-D public enforcement agencies, would - ***if given the needed tools*** - provide the Title IV-D program with invaluable allies in the fight on child support delinquency. Furthermore, these currently underutilized resources outside the Title IV-D program can be brought into the battle against nonsupport ***without any financial cost to the federal taxpayer***.

**The Illusion of a "Free-of-Cost" and Universal Government Child Support Enforcement Program.** In establishing the Title IV-D program, Congress intended that it primarily serve families receiving public assistance and other families precariously close to needing public assistance. From the beginning, the Title IV-D program has been oriented to the welfare system, the twin goals of the program being "cost-recovery" - i.e., recovering public assistance spent in support of dependent children - and "cost-avoidance" - i.e., avoiding further public assistance expenditure through the timely collection of ordered child support. Therefore, families receiving public assistance have been ***required*** to accept government child support enforcement services. In the course of its historical development, however, the Title IV-D program has moved far from its founding purpose for containing or reducing welfare expenditures. Today it attempts to function as a universal entitlement, offering virtually free child support enforcement services, including the modification of support orders, to anyone requesting them.

There are those who say that this is the way the Title IV-D program should operate - that it should provide "free" services to everyone needing them. Why, after all, should a custodial parent pay a public or private agency a collection fee or any other kind of fee for enforcement services when nearly all state IV-D agencies provide these services for, at most, a $25 application fee? At the same time, many of these individuals believe that the current state-federal partnership in the Title IV-D program has failed as a result of an overwhelming caseload and offer solutions that would be no less expensive and no more effective than the current program.

Those who believe that the government can - or should - provide free child support enforcement services to anyone needing them do not confront the fact that any government enterprise costing the taxpayer money is not "free." According to the most recent available data, the Title IV-D program costs more than $3.0 billion annually in taxpayer dollars - $2 billion of that in federal revenues - to operate. By contrast, locally funded, non-IV-D public agencies, private attorneys, and private enforcement entities can offer services ***at zero cost*** to the federal taxpayer.

**The Limitations of the Government Program.** Perhaps ideally the IV-D program should serve all those who request and require its services; realistically, it cannot. Indeed, given its current resources, the IV-D program cannot even provide the cases presently in its caseload with the timely and effective actions each case requires. Even if Congress were to dramatically increase federal spending for the IV-D program - and states were able to match such increased federal funds at the current, statutorily prescribed rate of 34 percent - the IV-D program still would not be able to serve all families needing enforcement services. It would, however, have a better chance of improving its collection rates for families currently on - or precariously close to - the public assistance rolls, thereby achieving the financial self-sufficiency we all envision under welfare reform.

In FY 1996 there were 52,459 FTE staff in the Title IV-D program who collected nearly $12 billion in current and past-due child support - an impressive amount and an 11 percent increase over FY 1995. But this $12 billion represented only about ***52 percent*** of the total amount of ***current support*** due that year in the Title IV-D program's caseload and only about ***8 percent*** of the total ***past-due support*** amounts owed that year in the IV-D caseload. Some ***48 percent*** - or about ***$8 billion*** - in current support was ***not*** collected, and ***92.5 percent*** - or ***$36.6 billion*** - in past-due support was ***not*** collected. This means that going into FY 1997, the amount of uncollected support owed custodial parents ***in just Title IV-D cases*** rose to ***$44.6 billion***.

The reason for this is simple, and those of us who are, or have been, involved in the Title IV-D program have stated it repeatedly over the past decade and a half: the ***Title IV-D program has more to do than it can reasonably handle in serving both welfare and non-welfare populations***. The work of state IV-D agencies is not simply to collect support in the cases which have orders; they must also establish orders in all the cases currently without orders - which usually entails first locating the absent parent and then establishing

paternity. In addition, they must modify existing support orders. This is a reality often overlooked by critics of the state IV-D agencies. In FY 1996, of the more than 19 million cases then in the nationwide IV-D caseload, nearly 8 million - 41 percent of the total caseload - lack support orders. As I pointed out earlier, in those 11.4 million cases with orders (59 percent of the total caseload), collections were made in only 3.95 million cases - that is, about 20.5 percent of the total IV-D caseload. This alarming statistic, I believe, points to the difficulties inherent in enforcement. As state IV-D agencies struggle to increase the number of support orders and the amount of collections, their caseloads continue to grow by the hundreds of thousands, and backlogs in enforcement actions mount.

As a former state IV-D director, it disturbs me to hear the facile and superficial criticisms heaped upon state IV-D programs. These criticisms often come down to the rather absurd judgment that the state IV-D workers are indifferent, incompetent, and inefficient. The truth is that, given the limited resources available to them and an overwhelming caseload, they are impressively productive. Indeed, in my experience both as a IV-D director and the CEO of a private enforcement agency, those who devote themselves to child support enforcement possess an almost messianic passion and dedication. With very few exceptions, they take their work seriously and perform it very well.

The problem with our child support enforcement efforts is certainly not a lack of fervor and dedication among IV-D workers. Neither is the problem a logistical one that will be remedied when all automated systems mandated under federal law are up and running smoothly. Even a perfectly operating computer system - if there is such -requires human presence to complete actions. This is particularly true when a parent wants to deal directly with a child support caseworker. With each IV-D caseworker responsible for possibly several hundreds of cases, such personal attention is infrequent. As a leading advocate for children recently observed:

> It makes an enormous difference how [IV-D] people talk to clients and how many clients a worker has. Harried case workers can't sit down and explain the importance of child support and the process to either parent. Being able to do that is the key.[5]

I agree that IV-D caseworkers are overworked and can't always provide personal attention to either the custodial or noncustodial parent in a case. Also, I readily understand the frustration and anger custodial parents experience when they do not receive the personal attention they seek, especially when - or so it appears to them - the IV-D agency is doing nothing to locate the absent parent or to enforce the support obligation. The result is that such frustration and anger generate attacks upon the government program for its actual or supposed failures and lead some parents to become the "squeaky wheel" in order to get the IV-D agency's attention - but at the cost of pushing aside the needs of others who may be on welfare and are not as experienced in dealing with government agencies

The fundamental limitation of the IV-D program is that it cannot handle all current and future child support enforcement cases. Indeed, a great number of child support cases - perhaps as many as 50 percent again of the number of current IV-D cases - lie outside the IV-D caseload. We need to ensure that these non-IV-D families are also given the resources they need for effective child support enforcement. We can do this without further burdening the IV-D program. I believe that the needed resources can be provided by extending to public and private enforcement entities outside the Title IV-D program some of the tools now restricted for use only by state IV-D programs. ***In other words, the need - the imperative need - is to bring other, well-equipped armies onto the child support enforcement battlefield - in particular, locally funded non-IV-D public enforcement agencies and private attorneys.***

**The Ever Growing Problem of Nonsupport.** Even though implementation of the child support enforcement provisions of the 1996 Welfare Reform Act should result in greater efficiencies and productivity by the IV-D program, it appears that the number of American families needing support enforcement will continue to grow at a pace far outstripping the program's ability to meet the need. According to the U.S. Census Bureau, between 1970 and 1996 the number of divorced persons in this country more than quadrupled to well over 18 million, the number of unmarried-couple households grew from just over a half-million to 4 million, and the proportion of children under the age of 18 living with a single parent went from 12 to 28 percent.

Moreover, in all these statistics, the trend is towards further increases that will have a telling effect upon the child support enforcement effort. Based on data now 8 years old, the Urban Institute has estimated that - with respect to ***all*** child support cases, including those in the IV-D caseload - $34 billion more in current support could be paid each year by non-custodial fathers in this country - but only if all of these parents were subject to support orders, with support amounts set at appropriate levels, and all orders fully paid.[6] By the end of this decade and century, the magnitude of unpaid and underpaid child support will have further increased and the difficulties of enforcement become more intractable.

***When one considers these demographic data, the estimates of the Urban Institute about unpaid current, and the billions of dollars in current and past-due support uncollected each year in IV-D cases, one is looking at nothing less than a national crisis which demands immediate action.***

**The Action Needed Now.** In 1991, while I was still the Texas Title IV-D director, I co-authored a paper, entitled "The IV-D Program Under Siege." The main point of that paper was that - given its finite resources and the magnitude of the problem of nonsupport - the IV-D program by itself cannot - and will not - win the child support enforcement war. In that paper we urged that there be "innovative legislation" whereby enforcement tools now available only to the IV-D program be extended to the private sector. I would add to that recommendation the inclusion of non-IV-D public enforcement entities. In that paper, we wrote that such legislation would enable the IV-D program to:

> better handle non-AFDC child support cases in a cost-effective way, thereby shifting responsibility for many of these cases from the overworked and underfunded state agencies. Firstly, then, the extension of these IV-D tools to [non-IV-D enforcement entities] ought really to be a matter of imperative concern if the support needs of dependent children are to be taken seriously.[7]

What I proposed eight years ago - as I am doing again today - is that Congress bring other armies into the battle by making available to non-IV-D public and private enforcement entities many of those enforcement tools now restricted to use by the IV-D program. State IV-D agencies clearly need all the enforcement tools they have been given - but they also need all the help they can possibly receive from public and private enforcement entities if there is to be any lasting victory in the war on nonsupport. Put quite simply, the IV-D program does not constitute the only army in this battle. To ignore the existence of other forces or to deny those other forces weapons they need in order to be effective would be to continue the current situation in which the child support needs of millions of families are inadequately addressed.

**Creating Controlled Access to IV-D Enforcement Tools.** Members of Congress and of the general public are understandably concerned about appropriate safeguards on access to, and use of, confidential information maintained in government databases, as well as the protection of privacy rights. How can we ensure that any enforcement information, resources, and remedies extended beyond the IV-D agency to other public and private enforcement entities would be responsibly used?

First of all, I propose that any non-IV-D public enforcement agency or private attorney seeking to use certain IV-D enforcement tools and information would need to register with the Secretary of the U.S. Department of Health and Human Services. The registration process would provide the Secretary with information needed to ensure that an agency or attorney would use the remedies and resources ***solely for child support enforcement purposes***. Public and private entities which choose not to register would, of course, be able to continue to enforce child support obligations as they do now. ***However, only registered entities or persons would be allowed access - through a state IV-D agency - to information for a specific case and to use of specific IV-D enforcement mechanisms.***

In addition to registration, there would have to be ***significant sanctions*** for any misuse of the government information, resources, and remedies made available to any public non-IV-D agency or private attorney. These sanctions would include the imposition of administrative fines and the cancellation of the registration, thereby prohibiting any further access to, or use of, the information and enforcement tools. For private attorneys, there would be the further penalty of being reported to appropriate bodies in the state in which an attorney is licensed to practice law for disciplinary action, including disbarment proceedings. Each request for information would require an affidavit signed by an attorney, under the pain and penalty of perjury, that such information or procedure would be used for

the sole purpose of enforcing a child support obligation on that specific case and that any misuse would be subject to sanctions, including disbarment proceedings.

Finally, the Secretary should charge appropriate fees for providing access to the IV-D remedies and resources. Such fees, to cover actual administrative costs, would ensure that no further burden was placed on the Federal taxpayer. On the contrary, the availability of these resources and remedies to non-IV-D support enforcers should result in some relief to the taxpayer by virtue of facilitating the enforcement of some of the non-public assistance cases in the IV-D caseload and by saving other non-public assistance cases from ever having to become part of the IV-D caseload.

**The Tools Local Government Agencies and the Private Bar Need In Order to Serve Families Owed Child Support.**

***- equal use of income withholding for Unemployment Insurance Benefits (UIB).*** Current law [42 U.S.C. 503(e)] permits the withholding of child support from UIB only in cases enforced by the state's Title IV-D agency. This significantly restricts the enforcement of support in any case being handled by a local government agency or by a private attorney and ***forces*** the custodial parent to use the Title IV-D agency's services at federal expense. Federal law needs to be amended to permit state employment security agencies to honor an income withholding order sent by ***any*** entity - not just the IV-D agency - enforcing the collection on behalf of the custodial parent in the same manner that currently all employers (including federal agencies) and other payors of income honor such an order, whether IV-D or non-IV-D.

***- equal use of federal and state tax refund intercepts for collection of child support.*** Current law [42 U.S.C. 664; 666(a)(3)] requires the interception of a state or federal income tax refund of a person owing child support. The use of this enforcement remedy, however, is restricted to cases being enforced by the state Title IV-D agency. Federal law needs to be amended to enable a **registered** non-Title IV-D public agency or a private attorney to submit case information to the state IV-D agency in order to secure collection of past-due support from a state or federal income tax refund, without the requirement that such a case become a IV-D case

***- access to the use of passport sanctions.*** In the 1996 Welfare Reform Act, Congress required state Title IV-D agencies to implement procedures for reporting to the Secretary of Health and Human Services the names of non-custodial parents who owed past-due support amounting to $5,000 or more for the purpose of denying issuance of a passport or revoking or otherwise limiting the use of a passport already issued. As written, however, the law [42 U.S.C. 652(k); 654(31)] appears to restrict access to this highly valuable tool to the state Title IV-D agency alone, with no opportunity for its use in a non-Title IV-D case. Federal law should be amended so that, with appropriate due process and other safeguards, a **registered** private attorney or local government enforcement agency may request a state IV-D agency to certify to the Secretary that a non-custodial parent in a

non-Title IV-D case owes past-due support in the amount of $5,000 or more.

***- extension of data matches with financial institutions to non-Title IV-D cases.*** The 1996 law [42 U.S.C. 666(17)] requires state Title IV-D agencies to implement quarterly data matches with financial institutions in order to identify assets of non-custodial parents who are delinquent in payment of ordered child support. In turn, financial institutions are required to encumber or surrender funds upon receiving notice of lien or levy from a state agency as a result of a match. While a potentially valuable enforcement tool, such an exchange of data between the state Title IV-D agency and financial institutions is currently limited to cases being enforced by the state agency. Federal law should be amended: (1) to enable a **registered** private attorney or local government enforcement agency, upon payment of a suitable fee for the service, to request the state Title IV-D agency to include a non-Title IV-D case in the matches; and (2) to require financial institutions to provide information and to respond to notice of lien or levy in a non-Title IV-D case in the same manner and with the same exemptions from liability as in a Title IV-D case.

***- the ability to report child support delinquencies to consumer credit reporting bureaus.*** In the 1996 Welfare Reform Act, Congress underscored the value of reporting past-due child support to credit reporting bureaus. States are required [42 U.S.C. 666(7)] to have procedures for periodically reporting, subject to certain due process safeguards, the name of any non-custodial parent owing past-due support and the amount of the delinquency. Unfortunately, the federal Fair Credit Reporting Act currently restricts such reporting to state or local enforcement agencies or to amounts verified by any local, state, or federal government agency. This effectively denies a private attorney direct use of this valuable enforcement tool. Federal law should be amended to allow a **registered** private attorney, on behalf of a custodial parent, to request a state IV-D agency to report to a credit bureau the name of a non-custodial parent owing past-due support and the amount of past-due support. This change should be subject to appropriate due process safeguards, including prior notice to the non-custodial parent and the opportunity by that parent to challenge the amount of arrearages to be reported.

***- co-operation of public agencies in payment processing.*** The availability of child support enforcement services by entities outside the Title IV-D program both saves the taxpayer on the federal costs of funding the Title IV-D program and provides custodial parents with a choice of alternatives for recovering the child support owed them. Just as some state Title IV-D agencies take fees from support collections as a way to help finance their operations, so non-IV-D public enforcement agencies and private enforcers rely on fees from support collections to sustain their services. In a few states and in some jurisdictions within states the public entity responsible for receiving support payments has refused to forward payments to the address requested by a custodial parent, even though the parent has properly designated an entity or person as the place for transmittal of support payments and has delegated a power of attorney for that purpose. Federal law should ensure the ***expeditious processing*** of support collections by requiring that support payments be transmitted to the address, and in care of a person or entity, designated by a custodial parent

***- access to information for locating absent parents who owe child support.*** Under the 1996 Welfare Reform Act, Congress greatly expanded the Federal Parent Locator Service (FPLS) to include a national registry of child support orders and a national directory of new hires and to provide for important data matches for child support enforcement purposes to be made among the components of the expanded FPLS. Federal law should be amended [42 U.S.C. 653(c)(1)] to ensure that non-IV-D public enforcement agencies and private enforcers share top priority with state IV-D agencies in gaining access to FPLS information already authorized by current statute - without requiring an application for IV-D services. In addition to this information, **registered** non-IV-D public enforcement agencies and private attorneys should be allowed to submit requests through a state IV-D agency for any information on a child support case resulting from data matches within the components of the FPLS.

**Winning the Child Support Enforcement War.** In 1991, I wrote that:

> The child support war is very far from being over, and the IV-D program has a critical role to play in fighting the deprivation and neglect millions of children in our society experience daily. What are required, however, as the program moves into the last decade of this century, are new strategies and a new vision of possibilities which fully embraces the realities of limited resources and the scope of the battle to be engaged. The child support war can be won. For the sake of the children it must be won.[8]

I respectfully urge Congress to enact legislation implementing the strategy I have laid out today. Without additional cost to the taxpayer, the implementation of this strategy can, I believe, make a significant difference in our efforts to win the child support war and to secure the well being of millions of our children.

Thank you.

[1] All IV-D program data cited in this testimony are taken from the Preliminary Child Support Enforcement FY 1996 Report, Office of Child Support Enforcement, Washington D.C., August 29, 1997.
[2] Ibid., Tables 4 and 9. The percentage - 34.6 - of all cases with orders in which collections were made in FY 1996 represents 60.8 percent of cases having orders for current support and 37.6 percent of cases having orders for prior year support. But the overlap of these two categories - viz., cases with orders for both current and prior year support - results in an overall collection rate of 34.6 percent for all cases in which there is an enforceable order.
[3] Richard Casey Hoffman, "Crack Down on Deadbeat Dads," *The New York Times*, "OP-ED" (December 5, 1992).
[4] Judge David Gray Ross, *NCSEA News*, National Child Support Enforcement Association, Washington D.C. (Spring, 1998), p. 11.

[5] Nancy Ebb, *NCSEA News*, National Child Support Enforcement Association, Washington D.C. (Spring, 1998), p. 20.
[6] Elaine Sorensen, "The Benefits of Increased Child Support Enforcement," *Welfare Reform Briefs*, No. 2, Urban Institute (April, 1995).
[7] Richard Casey Hoffman and H. Patrick Sullivan, "The IV-D Program Under Siege," *NCS EA News*, National Child Support Enforcement Association, Washington D.C. (February, 1991), p. 15. See, also, Richard Casey Hoffman, Darryll W. Grubbs, Jr., and H. Patrick Sullivan, *Reinventing Child Support Enforcement*, The Child Support Council, Austin, Texas (1994), which lays out a new model for managing the growing IV-D caseload, including appropriate use of private sector resources.
[8] Ibid., p. 16.

Chairman SHAW. Thank you, Mr. Hoffman.

Mr. Bacarisse.

**STATEMENT OF CHARLES BACARISSE, HARRIS COUNTY DISTRICT CLERK, HOUSTON, TX**

Mr. BACARISSE. Mr. Chairman and distinguished members of the committee, I come before you today to ask your support for legislation that would give non-Title IV–D enforcement agencies additional tools to be even more effective players in the field of child support enforcement. My name is Charles Bacarisse and as the District Clerk of Harris County, Texas, I oversee a child support registry that moved more than $220 million in payments last year. There's simply no doubt in my mind that child support enforcement has grown at such a rate that outside assistance is desperately needed.

From my office in Houston, my staff processes over 5,000 transactions totalling more than $1 million a day. In fact, if Harris County were a State, it would rank 26th nationally in terms of the volume of child support payments processed. You may not be aware of the more than 19 million cases currently in the nationwide IV–D caseload, nearly 40 percent lack support orders. In those cases having orders, collections could be made in only one of five because of the difficulty inherent in that enforcement. At the same time, the State IV–D agencies struggle to increase establishments in collections, their caseloads continue to grow by the hundreds of thousands and the backlogs in establishments and enforcement actions continue to mount. While the problem is monstrous by any standard, the solution in my judgment is not. A successful full-scale attack on this worrisome problem requires the enlistment of all available resources including locally funded, non-Title IV–D government enforcement entities and members of the private bar and responsible private firms specializing in support collection.

This attack also makes sense from a taxpayer's standpoint. Title IV–D support enforcement services cost the taxpayer more than $3 billion annually. By contrast, locally funded support enforcement agencies and private attorneys can offer services at zero cost to the Federal Government. In this regard, Harris County custodial parents in need of support enforcement assistance are more fortunate than those in some other areas, because Harris County operates its own child support enforcement agency—the Harris County Domestic Relations Office.

The Harris County DRO is funded by fees paid by those who use its support and visitation enforcement services. The user fees are based on income and ability to pay. Unfortunately, Texas' domestic relations offices in similar non-IV–D public child support enforcement agencies in other States are presently unable to use some of the enforcement tools available to the IV–D agencies. The result is the custodial parents may be forced to go to the IV–D agency for certain types of service adding to the number of cases to be handled by the IV–D agency.

As one who deals with this matter on a daily basis, my suggestion for involving capable non-Title IV–D enforcement entities must come with Federal legislation to allow the following four enforcement tools: the equal use of income withholding for unemployment

benefits; the equal use of Federal and State tax refunds; the extension of data matches with non-Title IV–D entities; and the ability to report child support delinquencies to credit bureaus. All of the measures would, of course, come with the appropriate safeguards on access to and the use of this confidential and sensitive information. The legislation should require that any non-IV–D entity or private attorney seeking to use these specified tools and information register with the Secretary of Health and Human Services. The use of the specified tools and resources would be solely for child support enforcement purposes.

My view is that the more resources that can be applied to improving the collection of support, the better for the children owed that support. I believe Federal legislation and policy should encourage participation in support enforcement by responsible public and private agencies and attorneys. This subcommittee can begin that process today by considering the recommendations I've just presented, as well as those of my co-panelists joining me here today. Mr. Chairman and members of the committee, I hope I've clearly defined the gravity of this situation and left you with at least part of the solution. Thank you for allowing me to testify before your committee.

[The prepared statement follows:]

**UNITED STATES HOUSE OF REPRESENTATIVES**
**COMMITTEE ON WAYS AND MEANS**
**SUBCOMMITTEE ON HUMAN RESOURCES**

**HEARING ON CHILD SUPPORT ENFORCEMENT**
**May, 19, 1998**

**Statement of**
**CHARLES BACARISSE**
**DISTRICT CLERK, HARRIS COUNTY, TEXAS**
**301 Fannin, Room 400**
**Houston, Texas 77002**
**(713) 755-5749**

Mr. Chairman and distinguished members of the committee, I come before you today to lend my total and unequivocal support for legislation that would give non-Title IV-D enforcement agencies additional tools to be even more effective players in the field of child support enforcement.

My name is Charles Bacarisse, and as the District Clerk of Harris County, Texas, and one who oversees a child support registry that moved more than $220 million in child support payments last year, there is simply no doubt in my mind that child support enforcement has grown – and continues to grow – at such a rate that outside assistance is desperately needed. Assuring that deserving recipients receive their monthly checks is not just a duty, but a moral obligation.

From my office in Houston, my staff processes over 5,000 transactions – totaling more than $1 million – each working day. In fact, if Harris County were a state, it would rank 26th nationally in terms of child support payments processed.

So, I appear before you as someone who comes with first-hand knowledge and, I hope, the credibility necessary to stress how highly critical I feel this matter is.

How serious is the problem being faced by the Title IV-D program nationwide? Consider that in FY 1996, $12 billion in child support was collected. However, this $12 billion represented, at best, only **52 percent** of **current support** due that year, and only about **8 percent** of **past due support owed.**

That means some **48 percent** – or about **$8 billion** – in current support was not collected. Moreover, **92 percent** – or **$36.6 billion** – in past due support was not collected.

Even more staggering, based on the FY 1996 figures, our great nation began FY 1997 with **$44.6 billion** in uncollected, past due child support payments.

The reason for this unconscionable dilemma is simple. The government Title IV-D program has more to do than it can reasonably handle in serving both welfare and non-welfare populations.

You may not be aware that of the more than 19 million cases currently in the nationwide IV-D caseload, nearly 40 percent lack support orders, and in those cases having orders, collections could be made in only one of five because of the difficulties inherent in enforcement.

At the same time, while state IV-D agencies struggle to increase establishments and collections, their caseloads continue to grow by the hundreds of thousands – and backlogs in establishments and enforcement actions continue to mount.

While the problem is monstrous by any standard, the solution, in my judgment, is not. A successful, full-scale attack on this worrisome problem requires the enlistment of all available resources, including locally-funded, non-Title IV-D government enforcement entities, members of the private bar that offer child support services and responsible private firms specializing in support collection.

This attack also makes sense from the taxpayers' standpoint. Title IV-D support enforcement services cost the taxpayer more than $3 billion annually, and at a cost-effectiveness ratio of less than $4 in collected support for every $1 of administrative expenditures.

By contrast, locally funded child support enforcement agencies and private attorneys can offer services at zero costs to the federal government.

In this regard, Harris County custodial parents in need of child support enforcement assistance are more fortunate than those in some other areas. This is because Harris County operates its own child support enforcement agency – the Harris County Domestic Relations Office. About a dozen DROs exist in Texas' largest counties.

The Harris County DRO is funded by fees paid by those who use its child support and visitation enforcement services. The user fees are based on income and ability to pay.

Unfortunately, Texas' domestic relations offices, and similar non-IV-D public child support enforcement agencies in other states, are presently unable to use some of the enforcement tools available to the IV-D agencies. The result is that custodial parents may be forced to go to the IV-D agency for certain types of service, such as income tax intercept, adding to the number of cases to be handled by the IV-D agency.

Please be aware that in my state, tools not available to non-IV-D agencies include: A) New hire databases – information on any recent change in employment; B) Texas Workforce Commission – employment information; C) Department of Public Safety records; D) National Crime Center records; E) Texas Crime Information records; and F) Locator information.

It goes without saying that all of these would be helpful in closing the collections gap if they could be used by non-IV-D entities.

As one who deals with this matter on a daily basis, my suggestion for involving capable non-Title IV-D enforcement entities must come with federal legislation to allow the following four enforcement tools:

***The Equal Use of Income Withholding for Unemployment Benefits:*** Current law -- 42 U.S.C. 503(e) – permits the withholding of child support from UIB only in cases enforced by a state Title IV-D agency. Because this law restricts the enforcement of support in cases being handled by a local government agency or private attorney, it forces the custodial parent to use the Title IV-D agency. This must be changed.

***Equal Use of Federal and State Tax Refunds:*** Again, current law – 42 U.S.C. 664; 666(a)(3) – allows only the state Title IV-D agency to intercept state and federal income tax refunds for the purpose of past due child support payments. This ability should be given to non-IV-D entities.

***Extension of Data Matches with Non-Title IV-D Entities:*** Any new law should enable an approved private attorney or local government enforcement agency – upon payment of a service fee – to request that state IV-D agencies include a non-IV-D case in the data matches, and to require financial institutions to provide information and respond to notice of lien or levy in non-IV-D cases as they would in a Title IV-D situation.

***The Ability to Report Child Support Delinquencies to Credit Bureaus:*** Currently, the federal Fair Credit Reporting Act restricts such reporting to state or local enforcement agency, or to amounts that can be verified by any local, state or federal government agencies. Any new legislation should amend the law to allow a registered private attorney, on behalf of a custodial parent, to request a state IV-D agency to report to a credit bureau the name of a non-custodial parent owing past due support and the amount of the past due support.

All of these measures would, of course, come with appropriate safeguards on access to, and the use of, confidential information maintained in government databases. The legislation should require any non-IV-D entity or private attorney seeking to use specified tools and information to register with the Secretary of Health and Human Services. The use of the specified tools and resources would be solely for child support enforcement purposes.

My office, which processes both IV-D and non-IV-D child support payments has, on many occasions, worked with both public and private child support organizations. My view is that the more resources that can be applied to improving the collection of child support, the better for the children owed the support.

I believe federal legislation and policies should encourage participation in child support enforcement by responsible public and private agencies and attorneys. This subcommittee can begin that process today by considering the recommendations I have just presented, as well as those of my co-panelists joining me here today.

Mr. Chairman and members of the committee, I hope I have clearly defined the gravity of this situation and left you with at least part of the solution. The need for legislation is great. It would be my wish that new laws be enacted as soon as possible to combat and curtail this growing problem. Millions of children across America are depending on you.

Thank you for allowing me to testify before your committee.

Chairman SHAW. Thank you. Not to be outdone by Mac Collins, it's now my pleasure to ask Judy Fink to testify before the committee—of Ft. Lauderdale, Florida.

**STATEMENT OF JUDITH FINK, DIRECTOR, BROWARD COUNTY SUPPORT ENFORCEMENT DIVISION, FT. LAUDERDALE, FL**

Ms. FINK. Mr. Chairman and distinguished members of the subcommittee. Good afternoon and thank you for the invitation to testify on the issue of child support enforcement in the non-IV–D arena. My name is Judith Fink and I'm the director of the Broward County Support Enforcement Division, an agency of county government in Broward County, Florida.

We are funded completely through the county's property tax dollars. Through the local funding of a separate child support program in Broward County, we are able to assist our IV–D counterparts, thus reducing the need for additional Federal dollars. Due to the diligence of Congress, and in particular the work of this subcommittee, very effective child support enforcement tools have been created. A very notable example is wage withholding—also known as income deduction. This process is one of the primary methods by which child support is now collected. What is very significant is that wage withholding was first enacted by Congress as an enforcement tool available only to IV–D agencies. States were then given the option of whether to extend use of this tool to non-IV–D cases. Eventually Congress required immediate wage withholding for child support in all cases.

Congress should take this approach now and extend the use of other child support enforcement tools initially given only IV–D agencies to non-IV–D enforcement organizations. Our newest enforcement tool is the ability to revoke drivers' licenses. Through this program, we have been able to convince people to meet their child support obligations that previously ignored all other enforcement attempts. In some States, non-IV–D enforcement agencies are not able to utilize this enforcement tool. Congress should enact legislation making it clear that license revocation as an enforcement—as an enforcement tool should also be available in non-IV–D cases. These two examples illustrate the importance of Congressional action to create a level playing field by which the non-IV–D child support enforcement agencies are able to access important tools.

I'm here today to ask for your help in leveling the playing field—that is child support enforcement. Our clients give up opportunities for access to effective enforcement tools because they would rather work with the local agencies that reports to the county government and is more responsive to community needs. This choice should not be necessary. In order to afford the non-IV–D client the same enforcement opportunities as those made available to IV–D residential parents, we are requesting that non-IV–D agencies be given access to the following enforcement tools.

Income withholding from unemployment insurance benefits: Non-IV–D clients already benefit from the use of income withholding through use of income deduction orders to the employers. A logical extension of this very effective tool would be grant non-IV–D agencies the right to issue income deduction orders against unemployment insurance benefits. Without this right, child support pay-

ments come to a grinding halt when non-residential parents lose a job. Conceivably six months to a year can go by without any child support payments being sent to the residential parent.

The New Hire Directory: As stated earlier, the singular most effective enforcement tool is the income deduction order. New hire directory is a service that our clients frequently request and believe that we are obligated to provide. If this service were to become an automatic function of the non-IV–D agency, we could help some of our neediest clients to collect their child support.

The Federal Case Registry: Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, all non-IV–D cases established or modified on or after October 1, 1998 must be maintained on a State and Federal case registry. Even though non-IV–D case information will be maintained, the non-IV–D client will receive no tangible benefit. Information matched through the registry will be extremely valuable and helpful in our ongoing enforcement efforts.

Passport Revocation: The Welfare Reform Act of 1996 allows for passport sanctions when child support debt of more than $5,000 is owed. We believe that much like the driver's license revocation, this would be an extraordinarily valuable tool. We would like to ensure that child support obligations are placed ahead of international travel on a delinquent parent's list of priorities.

In addition to access to the previously-mentioned enforcement tools already made available to and used by the IV–D agencies, we would like to propose an amendment to current law.

Under existing law, when a residential parent files for bankruptcy there's an automatic stay for child support enforcement. While the child support enforcement obligations cannot be discharged as a result of bankruptcy until the bankruptcy issue is resolved, our hands were tied with regard to enforcement. We propose that child support enforcement be exempt from the automatic stay.

As part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, each State is required to establish a central disbursement unit through which all income deduction order payments shall be processed. While this may be more efficient for the employers, we have some serious concerns regarding customer service to our clients. As a local depository, we also make arrangements for the parent to come to our office to pick up the check when they are in critical financial need. Once the central disbursement unit is established, this vital customer service will be eliminated.

Together we have made great strides in improving child support enforcement services. Collections are on the rise, however, we can do more. We see ourselves as the unofficial partners to the IV–D agencies in the war on child support. The truth is that the IV–D agencies cannot do it all. We're not asking for funding. We're not even asking for recognition for the wonderful work that we do each day to help improve the lives of the children whose parents come to us for help. All that we ask is to help us by leveling the playing field that our clients may be the recipient of many of the remarkable enforcement methods that you've made available to those parents who choose to apply for these services.

Mr. Chairman, thank you for the invitation and the opportunity to testify before this distinguished committee. The lives of the single parents of America are improved through the diligent efforts and caring of this committee. Thank you.

[The prepared statement follows:]

COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON HUMAN RESOURCES

MAY 19, 1998

TESTIMONY OF JUDITH FINK
Director, Broward County Support Enforcement Division
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Mr. Chairman and distinguished members of the Subcommittee: Good afternoon and thank you for the invitation to testify on the issue of child support enforcement in the non-IV-D arena. I am grateful for the opportunity to discuss the valuable contributions made by non-IV-D enforcement agencies in the partnership of helping our nation's children collect the child support they so desperately need and deserve.

My name is Judith Fink and I am the Director of the Broward County Support Enforcement Division. The Support Enforcement Division is an agency of County Government in Broward County, Florida. We are funded completely through the County's property tax dollars. Our County Commission believes that they must do their part to keep people off the welfare roles. Through the local funding of a separate child support program in Broward County, we are able to assist our IV-D counterparts, thus reducing the need for additional Federal dollars.

The responsibilities of the Broward County Support Enforcement Division are simple: (1) we enforce current orders of support for Broward County residents and (2) we serve as the central depository for all child support and alimony payments in Broward County, regardless of whom serves as the enforcing agent. Although we are a non-IV-D agency with an active caseload of more than 5,500 residential parents, and over 20 years of enforcement experience, we work very closely with the local IV-D agency. As the local depository, we maintain the financial records for all child support and alimony cases in our County. We collect and disburse the payments, certify arrears and payment records and provide the IV-D agency with a variety of reports that are helpful to them in their enforcement efforts. The majority of our clients qualify for IV-D services; however, they choose to place their cases in our hands because we are accessible, effective and responsive.

Due to the diligence of Congress, and in particular the work of this subcommittee, some very effective child support enforcement tools have been created and are in use throughout the United States. One very notable example is wage withholding, sometimes also known as income

deduction. This process is one of the primary methods by which child support is now collected. Through this process, residential parents can count on receiving child support on a regular basis. Much of the financial stress is relieved because they know "the check is in the mail". They can plan for back to school expenditures and holidays. Nonresidential parents are freed from the regular worry of financial support and can spend their energies on the emotional support of their children. In other words, parenting becomes the priority because the financial obligations are automatically deducted from earnings and forwarded, through the depositories, to the residential parents and the children. What is very significant, is that wage withholding was first enacted by Congress as an enforcement tool available only to IV-D agencies. States were then given the option of whether to extend use of this tool to non-IV-D cases. Eventually, Congress required immediate wage withholding for child support in all cases.

Congress should take this approach now and extend the use of other child support enforcement tools, initially given only to IV-D agencies, to non-IV-D enforcement organizations. Our newest enforcement tool is the ability to revoke drivers' licenses. We have found the threat of drivers' license revocation to be even more effective than the threat of incarceration. It is common for a delinquent parent to rush to the depository to pay thousands of dollars to avoid the suspension of a driver's license. Apparently this privilege is even more dear to some people than personal freedom. Through this program, we have been able to convince people to meet their child support obligations who had previously ignored all other enforcement attempts.

In some states, however, non-IV-D enforcement agencies are not able to utilize this enforcement tool. It has been limited for use only by IV-D agencies. Congress should enact legislation making it clear that license revocation as an enforcement tool should also be available in non-IV-D cases.

These two examples illustrate the importance of Congressional action to create a level playing field by which non-IV-D child support enforcement agencies are able to access important enforcement tools. I am here today to ask for your help in leveling the playing field that is child support enforcement. While the IV-D child support agencies have rightfully been given access to a well-balanced variety of enforcement tools, the non-IV-D agencies continue to operate in their shadow. This has meant that our clients give up opportunities for access to some effective enforcement tools because they would rather work with a local agency that reports to county government and is more responsive to community needs. This choice should not be necessary. Residential parents who choose to work with the non-IV-D agencies should have access to the same variety of enforcement tools as the IV-D clients. After all, every child support case is different. Each case requires a different mix of enforcement techniques in order to attain the ultimate goal of successful collection of child support dollars.

In order to afford the non-IV-D client the same enforcement opportunities as those made available to the IV-D residential parents, we are requesting that non-IV-D agencies be given access to the following enforcement tools:

**Income Withholding for Unemployment Insurance Benefits:** Non-IV-D clients already benefit from the use of Income Withholding through the use of Income Deduction Orders submitted to employers. This is the singular most consistent method of assuring that regular child support payments are made to the residential parent. A logical extension of this very effective tool would be to grant non-IV-D agencies the right to issue Income Deduction Orders against Unemployment Insurance Benefits. Without this right, child support payments previously made through employer income deduction comes to a grinding halt when the non-residential parent's job is lost. If the residential parent wants to benefit from unemployment insurance benefits, application must first be made to the local IV-D agency for services. It could literally take months before the Income Deduction Order is issued against the unemployment insurance benefits. By this time, the non-residential parent may already have found another job and is no longer receiving unemployment benefits. Months of child support have gone uncollected and the search for the new employer begins. It could be several more months before the new employer is found and the deduction from the payroll begins. Conceivably, six months to a year could go by without any child support payments being sent to the residential parent.

**New Hire Directory:** As stated earlier, the singular most effective enforcement tool is the Income Deduction Order. Many non-IV-D agencies rely solely on information provided by the residential parent. If the residential parent cannot supply employment information, we are unable to move forward with an Income Deduction Order. This is because we lack the funding to hire staff who are skilled investigators. With access to the New Hire Directory, we would be better positioned to help our clients collect the court ordered child support. This is a service that our clients frequently request. They read about this service in the newspapers and believe that we are obligated to make use of the Directory. They truly do not understand the difference between a IV-D and a non-IV-D agency. They believe that we are required by law to provide access to this service to help them find the employer of the non-residential parent. If this service were to become an automatic function of the non-IV-D agency, we could help some of our neediest clients to collect their child support. The original Income Deduction Order would more expediently follow the non-residential parent from employer to employer. It would be more difficult to avoid paying child support.

**Federal Case Registry:** Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, all non-IV-D cases established or modified on or after October 1, 1998 must be maintained on a state and federal case registry. Federal matches will be run on all cases included in the registry; however, the non-IV-D enforcement agencies will not be given access to any matches that occur. Even though non-IV-D case information will be maintained, the non-IV-D client will receive no tangible benefit. The information matched through the Registry would be extremely valuable and helpful in our ongoing enforcement efforts. Access to the matched information would be especially useful in our attempts to collect support from the

most difficult delinquent parents. More specifically, the self-employed who are paid under the table or maintain businesses or assets in the new spouse's name.

**Federal Parent Locator Services:** We presently rely solely on the residential parent to provide us with the location of the non-residential parent. Without an address, we cannot proceed with enforcement efforts. If the residential parent cannot provide this critical piece of information, we often have to direct that the client apply to the local IV-D agency for services. By sending these clients to the IV-D agency, an additional burden is placed on an already overwhelmed program. If we had direct access to the Federal Parent Locator Service, we could immediately help those clients who have no idea where to find the non-residential parent. These parents would not have to get in line to apply for IV-D services.

**Passport Revocation:** The Welfare Reform Act of 1996 allows for passport sanctions when a child support debt of more than $5,000 is owed. The passport application may be denied, or if the non-residential parent already possesses a passport, it may be revoked or it's use limited. We believe that, much like the driver's license revocation, this would be an extraordinarily valuable tool. We live in a global society where it's just as easy to travel abroad as it is to cross the state line. Additionally, many conduct their businesses in the international arena. While this enforcement tool is currently limited to the IV-D agencies, we believe that our clients would also benefit from this enforcement tool. On a regular basis, we are informed of delinquent parents who are temporarily out of the country on business and vacation, while their children go without due to the lack of child support received. We would like to assure that child support obligations are placed ahead of international travel in the delinquent parent's list of priorities.

In addition to access to the previously mentioned enforcement tools already made available to and used by the IV-D agencies, we would like to propose some amendments to current law.

**Bankruptcy:** Under existing law, when a residential parent files for bankruptcy, there is an automatic stay for child support enforcement. While a child support obligation cannot be discharged as a result of bankruptcy, until the bankruptcy issue is resolve, our hands are tied with regard to enforcement. The children suffer from lack of support and the arrearage continues to grow. We propose that child support enforcement be exempt from the automatic stay. This would result in all child support agencies having the opportunity to continue their efforts on behalf of the children.

**Enforcement of Alimony Only Cases:** The non-IV-D agencies are the only agencies available to help the alimony only clients. While a IV-D agency may enforce alimony when there

is also a child support obligation, the alimony only client is faced with very limited options. Additionally, not all enforcement tools are available to the alimony only client. These clients are often the neediest of them all. We find that many of them are illiterate or suffer from mental health problems. It is because of these extreme needs that they have been awarded alimony. While we are able to help them by using such tools as the Income Deduction Order, we believe we could do even more if all tools that are available for child support enforcement could also be used for enforcement of alimony obligations.

As part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, each state is required to establish a ***Central Depository*** through which all Income Deduction Order payments shall be processed. This will give employers one address for the remittance of child support payments. While this may be more efficient for the employers, we have some concerns regarding customer service for our clients.

As the local depository, we are responsible for processing payments and maintaining the financial records for each child support case. The child support payments that we handle are often critical to the immediate survival needs of the family. On a daily basis we receive phone calls from residential parents who are about to be evicted, have their utilities shut off, or have no money to purchase food for their children. Many times we find that we have just received the child support payment. When this happens, we make arrangements for the parent to come to our office to pick up the check. Once the central depository is established, this vital customer service will be eliminated. Not only will we not be able to arrange for the parent to pick up the check, we won't even be able to tell if it's been received by the central depository. The best that we will be able to do will be to try to find another social service agency that can help with the immediate problem.

**CONCLUSION**

Together we have made great strides in improving child support enforcement services. Today, residential parents have more tools available to them for enforcement of court ordered child support than ever before. Collections are on the rise; however, we can do more. All single parents deserve the same range of enforcement options, regardless of who they choose to go to for help. They should not have to sacrifice their right to a variety of enforcement methods simply because they believe their needs could be better served outside of the IV-D arena.

We see ourselves as the unofficial partners to the IV-D agencies in this war on child support. There are so many parents who need help that, without our willingness to jump in and aid in the battle, the IV-D agencies would be even further overburdened. We are not asking for funding. We are not even asking for recognition for the wonderful work we do each day to help improve the lives of the children whose parents come to us for help. All that we ask is to help us by leveling the playing field so that our clients may be the recipients of many of the remarkable

enforcement methods that you have made available to those parents who choose to apply for IV-D services.

Mr. Chairman, thank you for the invitation and opportunity to testify before this distinguished Committee. The leadership exhibited by you and the members of this Committee has truly made a difference in the lives of the children of this nation who rely on child support. You have been instrumental in assuring that the needs of these families remain a priority of our government. The lives of the single parents of America are improved due to the diligent efforts and caring of this Committee. Thank you.

Chairman SHAW. Thank you, Ms. Fink. Mr. Collins.

Mr. COLLINS. Thank you, Mr. Chairman. Mr. Chairman, I want to refer to Ms. Jennings and a couple of questions pertaining to veterans' benefits. Ms. Jennings, you mentioned two particular cases. But would you please walk the committee through the process when a custodial parent comes to you seeking child support from a non-custodial parent that is currently receiving veterans' benefits?

Ms. JENNINGS. A lot of times, the custodial parent may not know that the parent is receiving benefits. What we do is we try to go through all of the possible things that the non-custodial parent may be receiving. One of the first questions we ask in Columbus is, is the person a veteran? Did they serve in the military in any way? For how long? So that we can start the process. Usually, we'll send the custodial parent to the VA ourselves to let her apply and find—and get the information from them. A lot of times they will bring us back the paperwork and we'll help the client fill out the paperwork, answering the questions and providing the information. Sometimes she may or may not know it all—the information. So we're kind of the go-between between the client and the VA administration trying to get the information so the client can find out. They'll write back to us and to the client and notify us if the veteran is receiving benefits or is the parent able to get a apportionment out of the benefits at that time.

Mr. COLLINS. Is it a lengthy process?

Ms. JENNINGS. It is a lengthy process. They—a lot of times, VA, they tended to be a little slow when they respond back to you. So a lot of times we'll have to go back in and ask them over and over again. It's a lot of paperwork. A lot of our clients don't understand what they're asking about—about the service member injuries. They ask a lot of times questions that the mother may not know. So it is a lengthy process and it does take awhile for VA to answer back to us.

Mr. COLLINS. Do you have an idea of your caseload? I believe today you have about 13,000 cases. What percentage of your caseload is actually veterans?

Ms. JENNINGS. Probably about 45 percent in some ways.

Mr. COLLINS. Do you know of any other Federal paycheck or benefit check that cannot be processed for child support other than the veteran?

Ms. JENNINGS. No. That's the only one that we—and because we at Ft. Benning deal with attachments to most military or Federal pay—from civil service to retired pay—and that veteran's check is the only one that we know about that we have not been able to actually access.

Mr. COLLINS. You mentioned an apportionment benefit. Would you explain in more detail what this actual apportionment benefit is. Is it limited or not limited? Give us some kind of idea of just exactly what you mean.

Ms. JENNINGS. Well, first, it's going to be based upon the veteran's disability and how much that veteran is allowed to receive. Then the apportionment—in some cases, we've had where the VA will tell us that the client, the mother and children are not able to receive any amount of apportionment because the veteran needs

that money to support himself. The thing that strikes us about these cases, that these are veterans who are walking around, who are able to do odd jobs and have a second income that we may or may not can find—but yet they're saying that the money is needed totally to take care of this veteran. Usually the apportionment is a smaller amount of money and is far less than what is already obligated or already ordered by the courts. So there are some cases where the mother will get an apportionment, but it'll be a smaller amount of money—like the $401 that this lady is currently receiving now.

Mr. COLLINS. Do you have any problem with VA obtaining the actual information as to how much a veteran is drawing in benefits?

Ms. JENNINGS. That's a challenge. Usually that's why we usually send the client there because it is very difficult to get any information from the Veterans' Administration directly ourselves. So we usually send the client there to get the information.

Mr. COLLINS. Okay. In the welfare reform measures that we included in the child support provision—including the Welfare Reform bill—it seems to have been a lot of things that have been very helpful to you in order to help you recover payments more easily. Can you give some ideas of——

Ms. JENNINGS. Well, the license suspension is very, very helpful. That's one of the things that we utilize quite a bit in my area. I'm on the border State and so I border Alabama. I have a large, tremendously large, interstate caseload. The passage of the URISA Act so that we can send court orders across the county/State line makes it much more simpler and of course they can do it to the employers there in Georgia. So those are just two things. We're just now starting to get into—going into bank accounts and some other things that the law will allow for. But we think that this will help increase our caseload all the way around.

Mr. COLLINS. Very good. Mr. Chairman, I have a letter from a constituent—I won't read her name—that I would like to share with the committee and have it entered into the record, please sir.

It says "Dear Mr. Collins, I have written in an attempt to gain child support for my son since 1987. I've requested aid, written letters, sent in outlined budgets and constantly asked for medical, educational and general support benefits to no avail from VA. I've been denied access to my spouse's records as to what percentage of disability and total amount of his entitlement are from the VA. My sons are now 16 and 14 and have been denied the opportunity and right to benefit from the allotted monetary gain set by VA standards no matter what the amount. I have not objected to inquiry into my type and mode of employment nor salary and lifestyle. Are we to live below the poverty level; be denied clothing, shelter and whatever joys in my life that my salary cannot provide? I work two jobs and attend graduate classes in order to provide. My children have needs as well as any other. Does my salary and the fact that I do work prevent their father from participating in their welfare? I pray that the concerns of these children that are being abandoned by the government—the VA—be voiced. That the VA rethink the position that allows these deadbeat fathers to flagrantly flourish under the protection now set in the VA guidelines.

I await you reply with interest. Signed." I'd like to enter that into the record, please.

Chairman SHAW. I thank you for bringing this question to our attention. Mr. Hoffman, how do you answer the question as to the rights of privacy that the IV–D for the agencies by law can overcome? I mean, there's a certain amount of information that they can receive that you cannot. I assume that you're advocating that you should be able to receive this information. How would you answer those people that are concerned about that?

Mr. HOFFMAN. Well first off, I think that's one of the paramount issues. The way we propose to resolve it in the written testimony is very clear. The first point is that only a private attorney can make the request to the agency. In an affidavit, that private attorney is going to have to swear that he is seeking that information for one purpose only and on just that one particular case, and it has to be for the purpose of child support enforcement. When the IV–D agency gets that request—just as they do now with a FPLS—request—we would get all of the information from FPLS. The information that we would be asking for under the State case registry and under FPLS would be secure as that attorney would be very concerned that he or she would lose their license to practice law if the provision was violated. We would have them sign it under oath and it would indicate that the penalty would be disbarment if used for any purpose other than child support enforcement.

The second provision we put in the written testimony is that there would be a registration process with the Federal agency whereby you would be entitled to get this information only if you were properly registered. If you violated the rule, then you would of course be taken off the list and would not get this information from the IV–D agency. We think that way, privacy will be protected in a way that's no different from every child support worker that handles that information right now. We have no guarantee that every Title IV–D worker is going to handle that information responsibly. We believe they do—we believe they do a good job, but they're also subject to losing their employment I would assume if they violated the security promised the title IV–D agency.

We've put very specific provisions in our request for this committee to consider that kind of legislation. We think, quite frankly, it's necessary. We would not extend this to any agency beyond a private attorney. Right now, I would like to see how that works. I think that if a client is allowed to go in and ask for this information—get it from the Federal IV–D agency, why would you not let an attorney who represents that client get the very same information. If the client is going to get it then the person who has a lawyer ought to get it.

Chairman SHAW. Ms. Fink, is that information available to you?

Ms. FINK. No, not currently. We do have access to the driver's license bureau record—on-line inquiry access. So that's one area where we've already opened the door a little so to speak. So we see this as just an extension beyond some of the very confidential information that we're already receiving. We found that the driver's license has been very beneficial to us for some child support. We actually have an agreement with the driver's license bureau that if we—if anyone on my staff uses that information for anything other

than child support enforcement, then that access will be denied to our entire agency.

Chairman SHAW. You brought something to my attention—even though I practiced law for many, many years. I wasn't aware that child support was subject to an automatic hold during bankruptcy proceeding. That I feel is outrageous.

Ms. FINK. We think so——

Chairman SHAW. We need desperately to address a bankruptcy bill that's beating around the House here. I don't know whether it's going to get to the floor this week or not but there's some things in there I think that we may want to address. But this is something that we ought to take a look at and see if we can straighten it out.

I want to thank you all very much for your very fine testimony. Thanks for being with us, we appreciate it.

The next panel is made up of two people—Jessica Pearson, Ph.D. and director of the Center for Policy Research, Denver, Colorado; and Kathleen Krenek, the policy development coordinator, Wisconsin Coalition Against Domestic Violence, Madison, Wisconsin.

As with the other panels, we have your full testimony, which will be made a part of the record.

I have to apologize to this panel. I've got a meeting with the leadership that I have to attend at 4:30. Mr. Collins will chair the hearing and I will try to get back in time for the questioning. We appreciate this panel being here.

Mr. COLLINS [presiding]. Well, we'll go ahead. Ms. Pearson?

Ms. PEARSON. Yes.

Mr. COLLINS. Welcome and we'll receive your testimony. It will be entered into the record and included in its entirety.

## STATEMENT OF JESSICA PEARSON, DIRECTOR, CENTER FOR POLICY RESEARCH, DENVER, CO

Ms. PEARSON. Thank you. I'm Jessica Pearson. I'm the Director of the Center for Policy Research which is an independent, nonprofit organization in Denver, Colorado engaged in research on issues that pertain to children and families.

During the past 18 months, my colleagues and I have conducted a study of applicants for public assistance in four social service agencies in Colorado in both urban and rural settings. As part of our study—intake workers in four public assistance and child support agencies in Colorado—asked 1,082 female applicants for public assistance explicit questions about whether they had ever experienced domestic abuse. Those who disclosed domestic abuse were asked more detailed questions about the perpetrator, the frequency and the severity of the violence. They were also asked about whether they were interested in applying for the so-called Good Cause Exemption which accords victims the right to apply for an exemption to the child support requirement for reasons of domestic abuse. We analyzed the responses to these questions. We also reviewed files maintained by these social service agencies to gauge the number and status of any good cause applications that they had filed. This is what we found.

Finding 1: Many applicants for public assistance have experienced domestic violence. Like many other studies of women on wel-

fare, our screening efforts revealed that domestic violence is extremely common. Across the four office sites in our study, 40 percent of applicants disclosed current or past abuse. This is presented in the first pie chart on your handout. Most of the abuse reported by the women involved former partners, although a quarter are currently involved in an abusive relationship. Three-quarters of those reporting abuse said the abuser was the father of one or more of their children making cooperation with the child support agency and the pursuit of child support at least a potential danger. Eighty-one percent of the women reported being hit or beat up; half characterized the abuse as frequent; about one-third reported that the abuse had occurred within the past two years.

Finding 2: Very few victims are interested in applying for good cause. In our study, child support technicians explained that all victims of domestic violence have the option of applying for a good cause exemption. They asked each interviewed victim whether she was interested in making such an application. Across the four offices we studied, only 6.7 percent of the women reporting violence said that they would be interested in applying for the exemption; while 93.3 percent declined. Looked at somewhat differently, only 2.7 percent of the 1,082 applicants for public assistance studied in this project expressed an interest in applying for good cause. Those figures are shown in the second and third pie charts on your handout.

Nearly all of those who declined to apply for good cause—93 percent—said that they wanted child support. The desire to obtain child support was the main reason most victims gave for not pursuing the good cause option. Other common reasons given by many victims of domestic violence for not applying were: the absent parent knows where I live; the abuse happened long ago; there's no current danger; and I already have a child support order for him.

Finding 3: Some women do fear that they will experience harm if child support is pursued. Of the 1,082 women we interviewed, 2.7 percent—or 29 victims of domestic violence—said they were interested in applying for good cause. These women believe that the abusive parent wanted to take or harm the children and/or harm them. They worried that the pursuit of child support would stimulate the abuser to visit; learn her whereabouts; and/or take retaliatory actions. To avoid an abusive partner, 72 percent of these victims said they had changed residences; 55 percent had moved out-of-state; and 34 percent had stayed at a shelter for battered women.

Finding 4: Victims who applied for good cause may have trouble producing official records needed to document a threat of harm. One-third of those who applied for good cause were successful; two-thirds had their applications denied—typically because they provided no documentary evidence or because the evidence provided was deemed to be insufficient. Successful applicants provided at least two types of documents such as police reports and restraining orders. However, there was a fair amount of subjectivity in what an agency considers to be accurate documentation.

What does this all mean? Our research shows that domestic violence is a common problem. At the same time, the vast majority of these women do not request good cause from child support require-

ments. Like their non-abused counterparts, these women want child support—they ask for no accommodation. Congress should continue to encourage child support agencies to pursue child support for these women. A small proportion feel otherwise. In these instances, Congress should encourage States to explore ways to provide child support interventions that offer victims more confidentiality. Washington State's Address Confidentiality Program is one example of a State-funded program that offers the use of substitute addresses to victims.

Some women will only be safe if child support interventions are suspended all together. In these instances, Congress should encourage States to review their procedures in public assistance and child support agencies to ensure that those who need protection are being identified or offered the opportunity to apply for exemption in an understandable manner and are accorded reasonable and sensitive treatment. The small number of victims who believe they face a serious threat of harm and want good cause should not be burdened by requirements to produce an array of official documents. Their sworn statements and those of their family and friends should also be taken into account.

Finally, before considering changes to current requirements, Congress should await the results of research currently underway in the States of Massachusetts, Minnesota, New York and Missouri on the topic of domestic violence, cooperation and child support policies. Thank you for your attention.

[The prepared statement follows:]

**UNITED STATES HOUSE OF REPRESENTATIVES**

**COMMITTEE ON WAYS AND MEANS**

**SUBCOMMITTEE ON HUMAN RESOURCES**

**HEARING ON CHILD SUPPORT ENFORCEMENT**

**Testimony of**

**JESSICA PEARSON, Ph.D**

**CENTER FOR POLICY RESEARCH**

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**303/837-1555**

**May 19, 1998**

Members of the Subcommittee. I am Jessica Pearson, Ph.D., Director of the Center for Policy Research. The Center for Policy Research is an independent, non-profit organization in Denver, Colorado engaged in research, analysis, writing and technical assistance on issues that pertain to children and families. During our 18 years of operation, we have conducted empirical studies dealing with divorce, child abuse and neglect, domestic violence, access and visitation, child support, school improvement and welfare reform. We receive funding from a variety of federal funding agencies, foundations, and state and local government agencies. Our current federal funders include the National Institute of Justice, the Centers for Disease Control, the State Justice Institute and the federal Office of Child Support Enforcement. We have published our research in many practitioner and academic journals including: *Law and Society Review, Judges Journal, Family and Conciliation Courts Review, Public Welfare, Mediation Quarterly, Journal of Social Issues, Family Law Quarterly, Family Advocate, Justice System Journal, Journal of Divorce, Law and Policy, and International Journal of Abuse and Neglect.*

During the past 18 months, my colleagues and I at the Center for Policy Research have conducted studies dealing with the impact of domestic violence on child support enforcement programs. I appreciate the opportunity to testify on this matter and wish to note that our research on this topic is available in greater detail in journal articles that appear (or will soon appear) in the Winter 1997 issue of *Public Welfare* and the February 1999 issue of *Violence Against Women.*

In my testimony, I will present empirical evidence showing that many applicants for public assistance disclose that they have experienced domestic violence, typically by the father of at least one of their children. I will also present evidence showing that the vast majority of these victims say that they are not interested in pursing a waiver from the child support requirements and that they are interested in obtaining child support. I will present evidence showing that the small fraction of victims interested in pursuing a good cause exemption due to domestic violence is frequently unable to provide the documents needed to support an application. The research demonstrates that states should be sensitive to these victims and their difficulties in procuring official records to substantial a claim of abuse. Based on my research, I conclude that the 1996 welfare reform legislation gives the States the flexibility to address the needs of victims of domestic violence and that Congress should continue to urge States to pursue the objectives of self-sufficiency and safety for all low income families, including those that have experienced domestic violence. I also recommend that Congress withhold taking any additional action in this area until several empirical studies on domestic violence and child support currently being conducted in the States of Massachusetts, Minnesota, New York, Illinois and Missouri are concluded.

**The Debate About Domestic Violence and Welfare Reform**

One of the most controversial aspects of PRWORA is its impact on victims of domestic violence. While architects of the new law contend that its aggressive approach to self sufficiency (including child support establishment and enforcement) will better enable victims to leave abusive relationships, advocates for victims of domestic violence fear that the new policies will increase the threat of harm that these women and their children experience. The debate extends to the time limits and work requirements of PRWORA, as well as the child support requirements. Some advocates feel that paternity and child support actions have the potential to renew violence because they alert the abuser to the victim's location, precipitate physical contact between the abuser and the victim in the courtroom, stimulate desires for custody and visitation that could lead to regular and dangerous contact, and/or arouse the ire of abusers who may well be subject to automatic wage withholding, driver's license suspension, asset liens and many other enforcement remedies.

Recognizing the possibility that some women may be harmed by the requirements of PRWORA, Congress gave the states the option of screening women for domestic violence and providing temporary waivers and modifications of the state plan such as time limits and work requirements. Currently, 28 states have adopted the Wellstone/Murray Family Violence Amendment to PRWORA which gives the state the right to waive any federal or state requirements that make it more difficult for women to escape situations of domestic violence or that unfairly penalize a parent or child who has been a victim of domestic violence. An additional 18 states have included violence programs and services in their state welfare plan.

PRWORA makes several changes to the process of gaining "good cause" exemptions to the child support requirements for reasons of domestic violence: it allows the child support agency to determine what constitutes cooperation, and allows each state to determine which agency defines what constitutes "good cause" for not having to cooperate with child support enforcement. The stakes are high for both individuals and states. Individuals who do not cooperate with paternity establishment and child support enforcement and do not have "good cause" for failing to cooperate face the loss of 25-100 percent of their public assistance grant. States that fail to deduct the amount of the penalty for noncooperation face a 5 percent reduction in their block grant from the federal government.

**The Incidence of Domestic Violence and Good Cause Requests Among Public Assistance Applicants**

There is little doubt that many low-income women suffer from domestic violence. According to a 1996 Bureau of Justice Statistics report, women living in households with annual incomes below $10,000 are four times more likely to be violently attacked, usually by intimates. Some writers place the frequency of domestic violence at between 50 and 80 percent of women receiving AFDC.

Despite these high rates of domestic violence, only a tiny fraction of public assistance applicants have historically applied for exemptions to child support cooperation requirements for reasons of domestic violence. In 1993, there were five million AFDC eligibility determinations in the United States reported to the Department of Health and Human Services. Only 6,585 custodial parents claimed good cause for refusing to cooperate in establishing paternity and child support. In 4,230 cases, these claims were determined to be valid. This translates into a request rate of 0.13 percent and an award rate of 0.085 percent.

The discrepancy between the incidence of domestic violence and the incidence of good cause requests and waivers has provoked a good deal of debate between domestic violence professionals and administrators of public welfare and child support programs. Many welfare and child support agency administrators contend that domestic violence is not a common reason for noncooperation. Although they acknowledge that domestic violence is a factor for many women, they feel that pursuing child support poses little risk to victims of violence, and contend that few victims want or need a waiver from cooperation with paternity establishment and/or child support enforcement.

Domestic violence and welfare advocates, on the other hand, tend to view child support enforcement as posing a serious risk to victims of domestic violence. They argue that the low rate of good cause requests and waivers is due to the lack of information about the option and the documentation required to obtain it.

The first empirical study on the topic of domestic violence and child support policies was a qualitative investigation we conducted in Denver, Colorado in the fall of 1996. Based on in-depth interviews with 20 victims of domestic violence and a review of 69 applications for good cause filed with the Denver Department of Social Services, we found support for the views expressed by both the administrators of child support agencies and the advocates for victims of domestic violence. Some of the victims we interviewed said that they had been apprised of the good cause option but wanted child support and did not believe that the pursuit of child support would expose them and their children to further harm. Other victims were fearful that the pursuit of child support would trigger new violence or kidnaping. Still other victims we interviewed had no recollection of being told about good cause and little understanding of the option and/or the application process. The experience of victims with the good cause process also varied, with some reporting having received little or no information about it, and others reporting problems meeting corroboration and documentation requirements.

Based on that study, we recommended several ways for social service agencies to pursue both safety and self-sufficiency. The recommendations included: identifying domestic violence problems among applicants for public assistance; training public assistance and child support workers about the problem of domestic violence; creating a climate conducive to disclosure in child support and public assistance agencies; referring clients to specially trained staff who can discuss child support and safety; preparing and distributing simple written materials on good cause exemptions; making sure that child support activity stops while a good cause application is pending or approved;

controlling the release of address information for cooperating victims on agency and court documents; helping good cause applicants obtain documentation; accepting individual and/or witness statements if official records are unavailable; and collaborating with local domestic violence professionals for staff training, client referral and assistance with documentation. For more information, see "Child Support Policies and Domestic Violence" by Jessica Pearson and Esther Ann Griswold in *Public Welfare*, Winter 1997.

While this research provided some useful insights for advocates and child support professionals, it failed to answer a number of important questions: How many applicants for public assistance are victims of domestic violence? How many want a so-called "good cause" exemption to the child support requirements? Why? Why not? What happens when they apply? We addressed these questions in a second investigation.

**The Method We Used to Generate Reliable Information on Rates of Domestic Violence and Requests for Good Cause.**

We conducted our second investigation in four Department of Social Services agencies (DSS) located in three Colorado counties: Denver, Mesa, and Archuleta. These are large, medium, and small counties in urban and rural settings.

During April-December 1997, intake workers in the public assistance and child support divisions of these DSS offices questioned all applicants for public assistance about their current or past domestic violence experiences. Applicants were told that responding to the questions was voluntary, but that they might be granted an exemption from some of the requirements for getting public assistance if the Department determined that pursuing child support might put the applicant or her family at risk of harm. Abuse was defined behaviorally and six examples were given. Those who disclosed that they had experienced abuse were asked whether the abuser was the father of any of their children. And those who disclosed abuse by a past partner who was the father of at least some of their children were referred to a child support technician for information about the good cause option and more data collection about their abuse experiences.

The interview conducted by the child support worker elicited more information on the severity and scope of the abuse the applicant had experienced, whether or not she was interested in applying for good cause, the reasons for her interest or lack of interest in good cause, and her ability to produce various types of documents and records to support her claim of domestic violence.

All self-sufficiency intake and child support workers in the participating counties attended a half-day training program on domestic violence conducted by local domestic violence professionals. Every training program involved an introduction to the dynamics of domestic violence, its prevalence and the forms it takes. A survivor of domestic violence talked about her experiences and answered questions. Local service providers made brief presentations on the assistance available to victims including safety planning, housing and shelter, obtaining restraining orders, and other legal interventions and counseling. Finally, self-sufficiency and child support workers were given a stack of printed business cards listing a few key resources for victims in each community in the study and were instructed to distribute the cards to all applicants who disclosed.

Copies of all completed screening forms and good cause questionnaires were sent to the Center for Policy Research for data entry and analysis. In this analysis, we focus on the 1,082 female applicants for public assistance for whom a screening form was completed.

**Many Applicants for Public Assistance Experience Domestic Violence**

As in previous studies of women on welfare, our screening effort reveals that domestic violence is extremely common. Across the four office sites, 40 percent of applicants disclosed current or past abuse. Most of the abuse reported by the women only involved former partners (74%). About 24 percent said they had been abused by both a current and former partner. Two percent disclosed abuse by only a current partner (see Figure 1). Nearly three-quarters (73%) reported that their abusers were the fathers of one or more of their children. Nearly half (48%) of victims reported that they were afraid of the father of their children (see Figure 2).

Child support technicians explained the good cause process and completed a good cause questionnaire with 305 women who disclosed domestic violence by a former partner who was the father of at least one of her children. Victims were asked more detailed questions about the level and severity of the abuse they had experienced. Nearly all the women (81%) reported being hit or beat up, with half characterizing the frequency as "more than a few times," (24%) or "often" (35%). Half also placed the last beating within the past two years with 21 percent saying it had happened less than 6 months ago, 14 percent between 6-12 months and 17 percent between 1-2 years ago (see Figure 3). Substantial proportions of women reported experiencing many other types of serious abuse: threats to harm or kill her (69%), threats to take (38%) or harm (16%) the children; following her when she tried to leave (57%); and threatening her with a weapon (34%). Although we did not focus on the impact of domestic violence on the work requirements in the new welfare reform law, it is relevant that 44 percent of the victims reported that their abusive ex-partner had prevented her from working and 58 percent reported that he had isolated her or the children. While most victims reported that they had called the police in response to the abuse they experienced, a far smaller proportion (45%) obtained a restraining order and only 27 percent said that the batterer had violated a restraining order.

After explaining that domestic violence victims had the option of applying for a temporary exemption to the child support requirements if there was a threat of harm, child support technicians asked each interviewed victim whether she was interested in applying for it. Across the four DSS offices, 6.7 percent of interviewed victims said they would be interested in applying while 93.3 percent declined. Looked at somewhat differently, 2.7 percent of all applicants for public assistance studied in this project expressed an interest in applying for good cause (see Figure 4). Asked why they were uninterested, nearly all of [illegible] who declined to apply for good cause (93%) strongly agreed with the statement: "I want chi[illegible]." Other common reasons given by about half of the women who rejected the good cause option were: "The absent parent knows where I live," "The abuse happened long ago, there's no current danger," and "I already have a child support order for him." A quarter of the victims strongly agreed that they faced a dangerous situation but felt that it would not be exacerbated by the pursuit of child support. A quarter said that while they preferred not to deal with their abusive ex-partner, it was not a dangerous situation (see Figure 5).

**Some Women do Fear That They Will Experience Harm if Child Support is Pursued**

Of the 1,082 women we interviewed, 2.7 percent, or 29 victims of domestic violence said they were interested in applying for good cause. These women believed that the abusive parent wanted to harm them (62%), and/or take (55%) or harm (34%) the children. Although about half of these women (52%) said that they wanted child support, higher proportions maintained that the abusive parent would visit if she pursued child support (65%) and/or that the batterer was dangerous and that child support would make their situation worse (76%). More than a third (38%) of victims interested in good cause said that the abusive parent did not know where she lived. Most (76%) said that he did not visit the children. A small proportion (10-14%) had applied for good cause elsewhere or been given it. To avoid an abusive partner, many of the victims interested in good cause reported that they had changed residences (72%), moved out-of-state (55%), and/or stayed at a shelter for battered women (34%).

Eight factors help predict whether an abused applicant for public assistance expresses interest in applying for good cause. The best predictor is whether the abusive parent threatened to harm the children. This is followed by whether he threatened to harm her, tried to isolate her, hit or beat her up, monitored her telephone calls, prevented her from working, abused her within the past six months, and whether she called the police. Taken together, these seven factors correctly classify 72 percent of the all the cases in our sample (66% of those who want good cause and 73% of those who do not).

**Victims Who Apply for Good Cause May Have Trouble Producing Official Records Needed to Document a Threat of Harm**

One third of those who applied for good cause were successful in obtaining it. Two thirds had their applications denied. Of the eight women granted a good cause exemption, four provided police reports to verify their claims, two relied solely on letters from friends and family (as well as their

own affidavits), one woman provided a copy of her restraining order, and one relied on her own statement with a supporting letter from her JOBS case manager (see Figure 6).

The 16 women with unsuccessful good cause applications either were denied or withdrew when they failed to provide any supporting documentation or failed to show up for further appointments. During the initial interview and screening, only three of these women indicated that they would not be able to provide supporting documents (other than her own affidavit).

These patterns confirm our earlier findings based on a review of 129 applications for good cause filed in the Denver DSS during March 1996-October 1997. Only 33 percent were approved. The rest were either denied because no documentary evidence was provided (28%), because the evidence was deemed to be insufficient (31%), or because the applicant withdrew her request (8%). The best predictor of a good cause award was the number of documents provided with those most apt to be approved including at least two types of documents. However, there is a fair amount of subjectivity in what an agency considers to be adequate documentation.

**Conclusion**

This project is the first to generate systematic empirical information on the experiences of domestic violence victims who apply for public assistance and their interest in obtaining a waiver from the child support and paternity requirements for reasons of safety. As in past studies of welfare populations, our research reveals that the incidence of domestic violence is high.

The fact that a quarter of the victims identified in our screening effort report current and past involvement in abusive relationships suggest that public assistance and child support agencies may be logical places to house domestic violence services and/or make referrals to community resources. It is relevant to note that as a result of the screening effort in Denver, DSS has agreed to contract with local agencies to provide support services for domestic violence victims at the agency. Other types of collaborations between domestic violence professionals and public assistance agencies also make sense, particularly those dealing with training and staff development. One example is a joint training project in Massachusetts where advocates receive training on welfare reform while TANF and child support workers are trained on the dynamics of domestic violence. Research is currently underway to gauge the effectiveness of these types of collaborations and to determine the extent to which victims use services that are offered at the welfare agency.

Our research confirms that the overwhelming majority of victims of domestic violence want child support. They do not perceive child support as presenting a threat of harm; they ask for no accommodation to child support practice and procedure. In these cases, the objective should be to make child support agencies even more aggressive and effective. Victims are resilient and share many of the qualities, needs and aspirations of their non-abused counterparts, including the desire for school, work, and child support.

A small proportion of victims, however, feel otherwise. In our study, 2.7 percent of public assistance applicants said they were interested in applying for good cause; among domestic violence victims, 6.7 percent expressed interest. These are low levels that should be comforting to child support administrators who fear that attention to domestic violence might erode their agency's collection levels. Of course, these rates are considerably higher than the national request rate of 0.13 percent for all public assistance applicants reported in 1993. It remains to be seen whether our incidence levels are replicated in research on domestic violence and interest in good cause that is currently being conducted in several states with the support of the federal Office of Child Support Enforcement.

Based on our preliminary analysis, the best predictor of interest in good cause is whether the abuser threatened to harm the children. The other significant predictors include threats to harm her, hitting and beating, monitoring her telephone calls, preventing her from working, abuse within the past six months and whether she had called the police. This information should help workers in child support and public assistance agencies better determine which clients are suitable candidates for good cause awards and be more supportive of their efforts to protect themselves and their children.

For these reasons, it disturbing that only a third of the victims who express an interest in applying for good cause receive it. Most either fail to complete the application process or are denied good cause because they lack documentation deemed to be adequate to support their claim. Those who are awarded good cause generally support their claim of abuse with several types of official records.

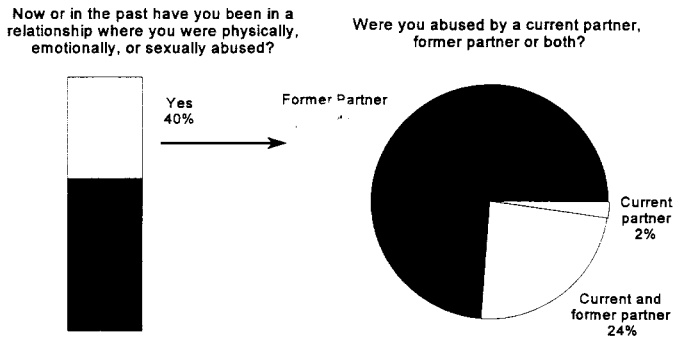
Agencies should examine their application procedures and documentation requirements and determine whether they are reasonable and safe. How realistic is it for low-income and poorly educated women to obtain two or three medical, police, or court records to support a successful application? Another problem is that relatively few victims report having temporary restraining orders and only a slim minority report violations of restraining orders. If these are agency standards for corroborating claims of serious abuse, they will clearly be unattainable for many victims interested in good cause. Finally, many states do not accept sworn statements by victims as suitable documentation. Hopefully, if other researchers reach similar conclusions about the low level of interest in good cause and the difficulties applicants experience when they try to obtain it, agencies may be persuaded to relax some of their documentation requirements and permit consideration of sworn statements by victims, relatives, neighbors and friends. Agencies should also explore the feasibility of having local domestic violence professionals conduct assessments of dangerousness for applicants who lack official documents and prepare letters to support exemption requests.

For those victims interested in pursuing child support, but concerned about safety issues, agencies should be encouraged to explore ways to provide child support interventions that offer victims of domestic violence heightened confidentiality. One example of a state-funded program that offers victims of domestic violence heightened confidentiality through the use of a substitute address is Washington State's Address Confidentiality Program (see Appendix A for a description of this program).

Finally, before making any changes to current requirements, Congress, public assistance, child support, and domestic violence agencies should await the results of research currently underway in the states of Massachusetts, Minnesota, New York, and Missouri on the topic of domestic violence, cooperation, and child support policies.

Thank you very much for inviting me to testify.

# Figure 1




# Figure 2

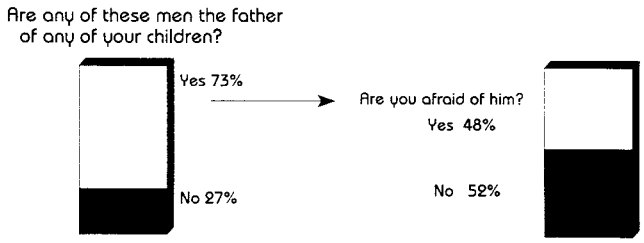


Figure 3

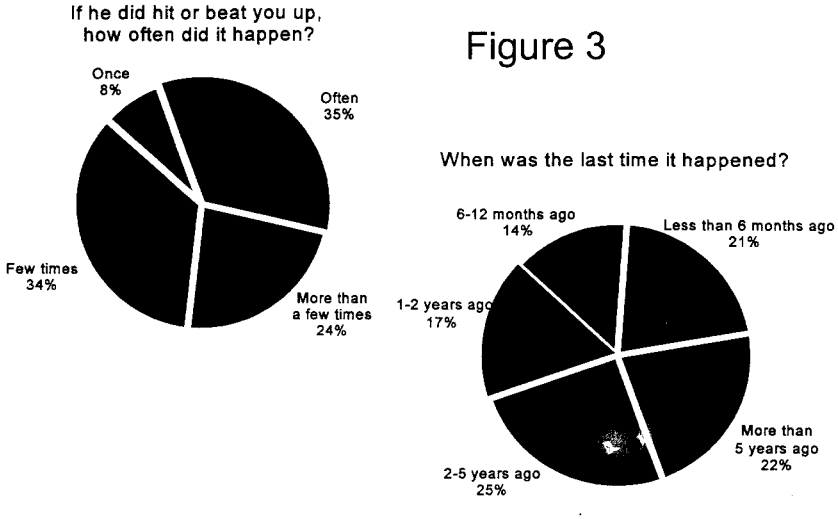
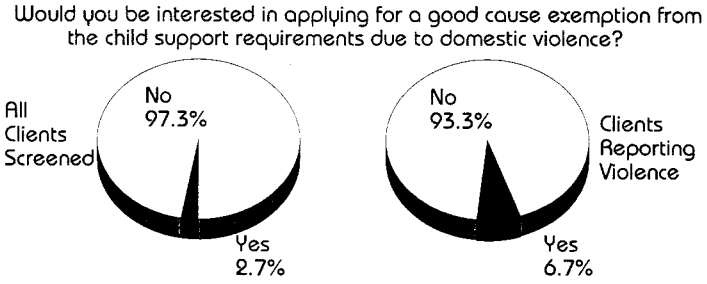



Figure 4



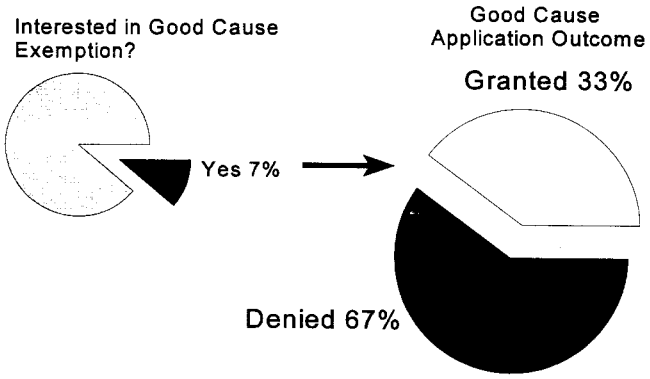
# Figure 5

**Among those not interested in a good cause exemption, percent who say:**

| | Very True | Somewhat True | Not True |
|---|---|---|---|
| I am afraid of the absent parent | 22% | 31% | 47% |
| I want child support | 93% | 4% | 3% |
| I already have a child support order for him | 44% | 6% | 50% |
| He already knows where I live | 48% | 18% | 35% |
| I can't document the abuse | 30% | 14% | 56% |
| There is danger, but child support won't make it worse | 26% | 31% | 43% |
| I don't want to deal with him, but there is no danger now | 29% | 22% | 50% |
| It happened a long time ago, there's no danger now | 39% | 25% | 37% |
| No one would believe me | 2% | 10% | 88% |

# Figure 6

## What Happens to Those Who Apply for a Good Cause Exemption to Child Support Requirements?



State of Washington
*Address Confidentiality Program*
P.O. Box 69
Olympia, WA 98507-0069
360/753-2972

## ACP SUMMARY

The Address Confidentiality Program (ACP) provides services to residents of Washington State. It began in 1991 and is administered by the Office of the Secretary of State. Laws governing the ACP are found in Chapter 40.24 RCW. Rules for the program's operation are in Chapter 434-840 WAC.

The ACP goal is to help domestic violence victims keep their relocation secret. Victims who have permanently left an abusive situation may apply. The former victim's new location must be unknown to the offender.

The ACP offers two service components. Each helps keep the victim's new location secret in a different way. One part allows use of a substitute mailing address. Through use of this address, participants receive cost-free security mail forwarding. The Secretary of State serves as each client's legal agent for receipt of mail and service of process. Another part of the program prevents public access to information about ACP clients in certain government records.

### THE ACP SUBSTITUTE ADDRESS

Each ACP participant is assigned a substitute address. The ACP substitute address has no relation to a participant's actual location. Many program clients may be assigned the same substitute address. The ACP address includes a street address, an ACP identification code, a post office box, city (in Washington) and zip code. ACP participant mail must be addressed and delivered to the post office box. Mail cannot be received at the ACP street address.

Clients who use the substitute address have first-class mail forwarded to their actual location. The ACP does not handle packages regardless of size or type of mailing. Though there may be some time loss in transit of mail, participants have increased security by keeping their actual location confidential from mail senders.

The fact that an individual is participating in the ACP, as well as the substitute address assigned to them, are not confidential information. However, a program participant's actual location is confidential. Using the substitute address helps to keep a participant's real location secret.

Program participants are given ACP identification cards. The cards are plastic laminated and similar to a drivers' license. An ACP identification card includes a participant's name, signature, birth date, ACP code umber, and ACP substitute address. Program participants may use the ACP address when creating records with state and local agencies. For example, the substitute address may be used by an ACP client in applying for a drivers' license instead of revealing the client's actual residential location.

Program participants choose when to use the substitute address. They decide when and to whom they will reveal their actual address, keep their location secret, and make use of their ACP substitute address. When an ACP participant chooses to reveal actual address information to an agency, the agency is not legally obligated to keep that information confidential. There is one exception and that exception comprises the second service component of the ACP: ACP Protected Records. ACP Protected records involve marriage and voting documents and are discussed later in this summary.

State and local agencies must accept the ACP substitute address as though it is a citizen's actual residential address when an ACP client presents his/her identification card. In unusual situations, an agency may get a substitute address use exemption. This exemption determination must be made by the Secretary of State. If an agency is granted an ACP exemption, ACP participants who are involved with that agency may be required to reveal their actual location. As of 1995, exemptions

had been granted to criminal justice system agencies involved with the community supervision of released offenders and the registration of sexual predators.

Courts of law may demand actual address information from ACP participants. Federal agencies and private business may help ACP clients by allowing them to use their substitute address. They may do this, although there is no legal obligation for them to do so. Many agencies and businesses use the CAP substitute address and adjust their records on ACP participants without difficulty.

Address information in state and local government records is the only data affected by the implementation of Chapter 40.24 RCW. Telephone numbers, account codes, property legal descriptions, and the location of site-specific services are examples of the kinds of personal information that can be found in government and business records. These kinds of information can be used to locate people.

Some government services or benefits depend on where a person lives. The ACP attempts to help its clients meet the requirements for these services and benefits. The ACP will confirm a participant's regional location without disclosing an actual address. The ACP works with state and local agencies to develop ways to meet client needs without releasing actual address information.

## ACP PROTECTED RECORDS

A second component of ACP participant services involves voting an marriage records. The ACP Protected Records program provides complete confidentiality for these two kinds of government records. An ACP participant must specifically request ACP Protected Records services from county government officials.

ACP participants who request this service receive security record handling from their county auditor's office, the Department of Health and the Office of the Secretary of State. In each of these agencies, only officially-authorized personnel are allowed access to the participant's records. The identity of ACP participants with ACP protected Records is maintained in secret.

## APPLYING FOR ACP PARTICIPATION

The ACP serves residents of Washington State. An applicant must be a victim of domestic violence who has permanently and confidentially moved away from his/her abuser. Adults and children can participate in the program. There is no application or participation fee.

Applications are completed in person at a community-based victims assistance program. ACP staff will make a referral to a local program that provides ACP application assistance. There are programs accessible throughout the state. The application process involves meeting with a victims' assistance counselor and receiving orientation information about the program. Completed application documents are forwarded to the ACP office in Olympia.

The ACP office reviews applications and certifies participants. Each participant is assigned an ACP substitute address and issued an ACP identification card.

If you have questions about the ACP, please call our toll-free number: 1-800-822-1065. You may directed written questions or requests for more information to: Address Confidentiality Program, P.O. Box 56, Olympia, WA 98507-0069.

For information about other services available for victims of domestic violence, please call the statewide domestic violence hotline: 1-800-562-6025.

Mr. COLLINS. Thank you. Ms.——

Ms. KRENEK. Krenek.

Mr. COLLINS. Thank you.

**STATEMENT OF KATHLEEN KRENEK, POLICY DEVELOPMENT COORDINATOR, WISCONSIN COALITION AGAINST DOMESTIC VIOLENCE, MADISON, WI**

Ms. KRENEK. Good afternoon, Mr. Chairman and members of the House Ways and Means Committee. Thank you for providing this opportunity to testify before the committee on behalf of the National Resource Center on Domestic Violence.

The NRC is one of four centers funded by the Department of Health and Human Services to provide comprehensive information and technical assistance to those involved in domestic violence, intervention and prevention efforts. My name is Kathleen Krenek and I'm the incoming director of the NRC. For the past nine years, I've been the Policy Development Coordinator for the Wisconsin Coalition Against Domestic Violence.

I think we share a common goal for low-income battered women and their families. We want them to be both self-sufficient and safe. Many battered women need some combination of temporary financial assistance, access to job training, and educational activities, domestic abuse services and support, and child support. We commend the committee for including the panel on domestic violence within the TANF child support oversight hearing.

In the area of child support, it is important to break out of the enforced child support—don't enforce child support paradigm—and expand it with the concept of safely enforcing child support. Adding this third strategy starts with a careful assessment of each family's risks and results in the individualized enforcement plan. The circumstances faced by battered women and their families are complex and diverse. A significant majority of battered women want and need child support orders enforced as Jessica Pearson has just noted. Some women, however, will be endangered or their children will be endangered by child support efforts. The clearest example is the woman whose abusive partner threatens to hurt her and her children if she cooperates with child support, including paternity establishment. These families may require alternative strategies that address safety risk and the suspension of child support enforcement altogether, if needed.

Determining what child support enforcement strategies families need requires close collaboration between advocates, TANF and child support enforcement agencies and the families themselves. A number of promising approaches already exist that balance safety and self-sufficiency interests. As Congress intended these specialized responses are being created and implemented at a State level. Some examples include: child support agencies informing custodial parents every time an enforcement step is taken—such as service of papers, seizures of bank accounts or other assets, withholdings, suspension or revoking licenses, or attachment of wages—so that the custodial parents are able to take precautionary steps to deal with the potential backlash. Only requiring battered custodial parents to attend court orders when absolutely necessary and in those cases providing them protection.

Establishing address confidentiality programs as you've heard like Washington State protects the location of a battered woman's residence while giving her some sort of address that she can receive legal documents. As you may know, Wisconsin received a Federal waiver to allow most custodial parents receiving cash assistance, to keep all child support that is collected. This new system allows many victims receiving their child support to maintain a level of independence once only hoped for.

Importantly, the PRWOR Act also has strong language addressing the restriction of disclosure and use of the information—in the Federal Parent Locator Service and other databases. However, there are implementation issues to resolve, including the design of computer information systems. This again will benefit from a collaborative process on both the Federal and State levels. Regarding TANF and its impact on domestic violence victims, here again not all battered women have the same needs. Only some battered women—and we don't yet know how many—will need exemptions from time limits, work requirements or other program provisions. The available research shows us that not all abused women coming into contact with TANF and child support agencies will have problems with their ability to participate in job training, work or education programs and meet other program requirements.

However, some of abused women will have lingering safety concerns or trauma that will interfere with job training or employment. There are promising practices in this regard, as well. By adopting a family violence option with similar provisions many States have recognized that some battered women need temporary exemption from work, child support cooperation or other requirements. Many States have developed an instituted training program designed to increase TANF workers' sensitivity and responsive to domestic abuse issues. In some communities, partnerships that combine the best local domestic violence advocate expertise where agency researchers have the potential to provide the meaningful, practical help battered women need.

Building a broader culture change initiative and the State flexibility provided by Congress, some TANF and child support enforcement offices have explored ways to coordinate their efforts and create an environment in which battered women can safely get the information and resources they need to comply with program requirements and work towards a greater economic independence.

We thank you again for placing domestic violence on today's hearing agenda. It's somewhat of a historical feat for us. Without the means of supporting themselves and their children, battered women cannot be free from the violence and control of their abusive partners. The National Research Center and others will continue to advocate for victims in domestic violence as State implementation of TANF and child support enforcement programs proceed. We urge you to continue to support States and their efforts to balance safety and self-sufficiency. Thank you for allowing us to testify.

[The prepared statement follows:]

**Testimony of Kathleen Krenek, Director (incoming)**
**National Resource Center on Domestic Violence**

**Before the United States House of Representatives**
**Committee on Ways and Means, Subcommittee on Human Resources**

**May 19, 1998**

Good afternoon Mr. Chairman and members of the House Ways and Means Committee. Thank you for providing the opportunity to testify before this committee on behalf of the National Resource Center on Domestic Violence (NRC). The NRC is one of four centers funded by the Dept. of Health and Human Services to provide comprehensive information and technical assistance to those involved in intervention and prevention efforts.

My name is Kathleen Krenek and I am the incoming director of the NRC. For the last nine years I have been the policy development coordinator of the Wisconsin Coalition Against Domestic Violence.

I think we share a common goal for low income battered women and their families – we want them to be both self-sufficient AND safe. We know from experience that to achieve this goal, many battered women need some combination of temporary financial assistance, access to job training and educational activities, domestic violence services and supports, and child support.

6400 Flank Drive Suite 1300 Harrisburg, PA 17112-2778
1-800-537-2238 Fax 717-545-9456 TTY 800-553-2508
*A project of the Pennsylvania Coalition Against Domestic Violence*

We commend the Committee for including a panel on domestic violence within this TANF/child support oversight hearing and urge your continued attention to federal and state efforts to end domestic violence.

I will speak briefly on both child support enforcement and TANF issues affecting victims of domestic violence.

In the area of child support, many of us think it is important to break out of the "enforce child support" – "don't enforce child support" paradigm and expand it with the concept of SAFELY enforcing child support. That is, to add a third strategy that starts with a careful assessment of each families' risks and results in an individualized enforcement plan. This allows collection to proceed safely in cases where it would otherwise be abandoned.

The circumstances faced by battered women and their families are complex and diverse. Studies by Jessica Pearson and others and the experiences of domestic violence advocates over the last twenty years suggest that a significant majority of battered women want and need child support orders enforced. Some of these women, however, will be endangered, or their children will be endangered, by child support efforts. The clearest example is a woman whose abusive partner threatens to hurt her and the children if she cooperates with child support enforcement, including paternity establishment. These families may require either more individualized collection strategies that address the safety risks or the suspension of child support enforcement altogether.

Determining what child support enforcement strategies families need requires close collaboration among advocates, TANF and Child Support Enforcement agencies, and the families themselves. Such collaborative efforts have already produced a number of promising approaches that balance safety and self-sufficiency interests. As Congress intended, these specialized responses are being created and implemented at a state level. Let me give you some examples:

- Child support agencies informing custodial parents every time an enforcement step is taken (such as service of papers, seizure of bank accounts or other assets, withholding, suspending or revoking licenses, or attachment of wages) so the custodial parents are able to take precautionary steps to deal with the potential backlash.
- Only requiring battered custodial parents to attend court hearings when absolutely necessary and, in those cases, providing them protection.
- Establishing address confidentiality programs, like that of Washington State, which protects the location of a battered woman's residential address while providing a legal address for her to receive court papers and notice of other official proceedings.

As you may know, Wisconsin received a federal waiver to allow most custodial parents receiving cash assistance to keep all child support that is collected. This new system allows many victims currently receiving their child support to maintain a level of independence once only hoped for.

Importantly, the Personal Responsibility and Work Opportunity Reconciliation Act also contains strong language restricting disclosure and use of the information in the Federal Parent Locator Service and other databases indicating that Congressional leaders understood the potential

dangers to family violence victims and others inherent in these kinds of automated systems. However, before these privacy protections can be achieved, there are a number of implementation issues to resolve, including the design of computer information systems. This again will benefit from a collaborative process at both a federal and state level.

Let me now move to a brief discussion of TANF provisions and their impact on domestic violence victims. Here again, it is important to underscore that not all battered women have the same needs. Only some battered women, and we don't yet know how many, will need exemptions from time limits, work requirements, or other program provisions. The available research shows us that not all abused women coming into contact with TANF and Child Support agencies will have problems that interfere with their ability to participate in job training, work or education programs and meet other program requirements. However, some abused women will have lingering safety concerns or trauma that will interfere with job training or employment.

A number of promising practices are also emerging from the collaborations among domestic violence advocates, local and state TANF agencies, job training programs, child care providers, and the families. Let me also give you a few examples here:

- By adopting the Family Violence Option or similar provisions in state law or policy, many states have recognized that some battered women need a temporary exemption from work, child support cooperation, or other program requirements.

- Understanding that legal provisions alone are not enough, many states have developed and instituted training programs designed to increase TANF worker sensitivity and responsiveness to domestic violence issues.
- In some communities partnerships that combine local domestic violence advocate expertise with agency resources have the potential to provide the meaningful, practical help battered women need.
- Building on broader culture change initiatives and the state flexibility provided by Congress, some TANF and Child Support Enforcement offices have explored ways to coordinate their efforts and create an environment in which battered women can safely get the information and resources they need to comply with program requirements and work towards greater economic independence.

We thank you again for placing domestic violence on today's hearing agenda. Without a means of supporting themselves and their children, battered women cannot be free from the violence and control of their abusive partners. The National Resource Center on Domestic Violence and others will continue to advocate for victims of domestic violence as state implementation of TANF and child support enforcement programs proceeds. We urge you to continue to support states in their efforts to balance safety and self-sufficiency within the context of their child support policies and procedures, domestic violence laws, and the services and protections available to domestic violence victims.

Thank you.

# Poverty, Welfare and Battered Women: What Does the Research Tell Us?

Prepared by Eleanor Lyon, Ph.D.

While domestic violence cuts across social groups defined by race, ethnicity, and economic circumstances, it is clear that the combined experience of poverty and violence raises particularly difficult issues for women. Several studies in the past ten to fifteen years have documented the importance of economic resources for battered women's decision-making. Gondolf's (1988) study of the exit plans of 800 women who had used Texas battered women's shelters, for example, found that access to an independent income, along with child care and transportation were primary considerations; only 16% of the women with their own income planned to return to their batterers. Similarly, shelter programs have reported that a majority of shelter residents use welfare in their efforts to end the violence in their lives (Raphael 1995). Despite these indications, research which explores the connections between domestic violence against impoverished women and their use of welfare is still in its early stages.

What follows is a brief summary of several very recent studies, focusing on the extent and impact of domestic violence among poor women and women on welfare. The overview concludes with implications of this research for the new TANF welfare program. This review is not exhaustive (see Raphael and Tolman 1997, for a more detailed summary), and necessarily does not include research which is currently in process but incomplete. The studies were originally conducted for varying reasons; they use different samples of women, and document violence and its impacts in different ways. All of them show disturbingly high rates of domestic violence in the lives of impoverished women, along with high rates of physical and mental health and other problems. In combination, however, the studies also provide indications of women's astounding resiliency. The picture which emerges at this stage of knowledge is complex: a majority of women on welfare have experienced violence by intimate partners and in childhood, and have been affected in widely different ways and to different degrees. These impacts, in turn, have varying implications for women's use of welfare and need for particular supports or temporary relief from TANF/program requirements.

## How Prevalent is Domestic Violence Among Poor Women and Women Receiving Welfare?

In nearly all of the studies which have addressed the issue, well over half of the women receiving AFDC reported that they had experienced physical abuse (defined as a continuum from causing fear of being hurt to slapping or hitting through more physically injurious acts) by an intimate male partner at some point during their adult lives; most also reported physical and/or sexual abuse in childhood. When women were asked about more recent violence from their male partners, the rates remained high—from 19.5% to 32%. The specific behaviors counted differ from one study to the next, and measures of recent violence vary, as well. The studies agree, however, that current or recent domestic violence is prevalent among poor women and especially among those receiving AFDC. More specifically:

- *In Harm's Way? Domestic Violence, AFDC Receipt and Welfare Reform in Massachusetts*, a probability sample of 734 women receiving AFDC in 40 of 42 welfare offices in the state, found that 64.9% had experienced physical abuse (using the state's legal definition of "hit, slapped, kicked, thrown, shoved, hurt badly enough to go to a doctor, used weapon in a frightening way, forced sexual activity, or 'made you think you might be hurt'") by an adult male partner during their lives, and 19.5% reported such abuse during the past year. (Allard et al. 1997).

- *The Passaic County Study of AFDC Recipients in a Welfare-to-Work Program: A Preliminary Analysis*, a sample of 846 women in an AFDC Job Readiness program in Passaic County, New Jersey, found that 57.3% reported they had experienced physical abuse by an intimate male partner as adults, and 19.7% of those currently in a relationship stated they were being abused physically (just over 65% reported they were currently involved in a relationship with a man). In this study, the term "physical abuse" had been discussed during the program, but was not defined on the survey (Curcio 1997).

- *The Worcester Family Research Project*, a study of 436 homeless and housed women, of whom 409 received AFDC, found that over 60% of the entire sample reported severe physical violence (slapped at least 6 times, kicked, bit, hit with a fist, hit with an object, beaten up, or more injurious acts) by an intimate male partner in adulthood. Nearly a third (32.4%) reported such violence by their "current or most recent partner" within the past two years (Browne and Bassuk 1997).

- *The Effects of Violence on Women's Employment*, a random survey of 824 women (one-third currently receiving AFDC, two-thirds not) in one of Chicago's low-income neighborhoods, found that women who were receiving AFDC were more likely than the others to experience domestic violence: 33.8% of the AFDC recipients and 25.5% of the non-recipients had experienced "severe aggression" (kicking, hitting, biting, beating, injuring, raping, and threatening with or using a weapon) by a partner in adulthood. Further, of those currently in a relationship, 19.5% of the recipients and 8.1% of the non-recipients had experienced severe aggression (the same acts, excluding biting and raping) in the last 12 months (Lloyd 1996).

- *Other studies of AFDC recipients* have reported similar findings (see Raphael and Tolman 1997). For example, 60% of a representative sample of the Washington state caseload reported some type of physical or sexual abuse as adults; 55% stated they had been physically abused by an intimate partner. In 50% of Oregon AFDC cases reviewed because of apparent lack of progress toward work, women reported they had been physically or sexually abused at some point during their lives. Finally, 58% of women who entered a Chicago welfare-to-work program over a one-year period reported current domestic violence (Raphael 1995).

These studies demonstrate that women receiving welfare have experienced high rates of violence of varying kinds by a male partner; the Chicago study found that the rates were higher than those experienced by other low income women from the same neighborhood. More recent abuse has been measured in multiple ways: most studies have asked about events during the last year, but the Worcester study reported recent violence for the past two years; only the Passaic County study asked about current abuse.

### What Is the Connection Between Welfare and Domestic Violence?

While these studies have documented high rates of domestic violence among welfare recipients, most research has not yet thoroughly investigated the role that welfare plays in the lives of abused women, or the role domestic violence plays in their use of welfare or their ability to sustain employment. Two recent studies have begun to shed more light on these questions.

First, the Worcester study (Saloman et al 1996) looked at length of stay on welfare, and at the number of episodes of welfare receipt. Over all, less than a third of the women had remained on welfare for a cumulative total of five years or more. However, the study found that women who had experienced physical violence by a partner were more likely to have remained on welfare for a combined total of five years or longer; this relationship was strongest among homeless women. Nearly 82% of the homeless longer-term recipients had experienced domestic violence, compared to just over 56% of those who had received welfare less than five years.

The Worcester study also investigated "cycling" (more than one episode of welfare receipt) among those who had combined totals of two years or more. It found that a lifetime history of violent victimization was a strong determinant of cycling. Women who had experienced physical or sexual abuse in childhood were significantly more likely to "cycle," as were housed women who experienced physical violence by a partner. While it is far from definitive, this last finding could support perceptions that women may use welfare strategically in response to their partner's violence.

The second study started with a sample of 3,147 domestic violence incidents reported to Salt Lake City police. Over three years, between 24% and 27% of the women victims sought AFDC. More to the point, between 38% and 41% of them had their cases opened within a year (before or after) of the reported incident. This proximity suggests a possible connection between domestic violence and welfare receipt for some of these women: they sought AFDC as a way to gain independence following a reported incident, or the independence they found through welfare contributed to a subsequent episode prompted by an abuser's desire to regain control (Brandwein 1997). More research is needed to explore the meaning of these connections.

In short, the data that address the ways that women who turn to welfare include it among their immediate responses to domestic violence are still limited. The available data suggest that most recently-battered women receiving welfare have not been long-term recipients, although they are more likely to have multiple episodes of violence.

## What Effects of Domestic Violence Are Found Among Women Receiving Welfare?

Some research has investigated welfare recipients' physical and mental health, aspects of their current and past intimate relationships that could affect their participation in training and employment, and their work experience. Again, the studies have measured and analyzed these characteristics in different ways. Although AFDC recipients who have ever experienced domestic violence have generally higher rates of difficulties than others, the potential implications for TANF waiver or exemption policy are complex.

*Impacts on Physical Health.* Across studies, many AFDC recipients have reported physical health problems. The Worcester study (Bassuk et al. 1996), for example, found rates of reported asthma, anemia, hypertension, ulcers, and histories of alcohol or drug abuse or dependency at substantially higher rates than among the general population, but comparisons between abused and non-abused women have not been published. Asthma, at over 22%, was the most prevalent health problem. The Massachusetts study (Allard et al. 1997) found that 31.7% of abused women and 21.4% of non-abused women reported a current "physical disability, handicap, or other serious physical, mental, or emotional problem." However, there was no difference between the abused and non-abused groups in having "a condition that makes her unable to work." Finally, the Chicago study (Lloyd 1996) found that 19.8% of the total sample had a "work-limiting disability," compared to 23.9% of those who had experienced severe aggression in the last 12 months.

*Impacts on Mental Health.* The impact of domestic violence on AFDC recipients' mental health has also been measured in multiple ways. In general, the studies have found higher rates of depression and drug or alcohol abuse among abused women than among those who report no abuse. Current drug and alcohol problems, for example, were reported by 18.7% of the currently abused women compared to 10.1% of the entire sample in the Passaic County study (and about 4% of the entire Worcester sample). That study also found current "severe depression" among 54.1% of those in an abusive relationship, compared to 31.8% of the total sample. Similarly, current depression was reported by 42.3% of the women in the Chicago study who had experienced severe aggression in the past 12 months, compared to 37.3% of those who had ever experienced severe aggression, and 24.8% of the entire sample.

AFDC recipients who have experienced domestic violence are more likely than others to be depressed and show other signs of emotional impact. However, the lower rates for those whose abuse is not current suggest that these effects are not permanent. The Massachusetts study compared women who had been abused within the past 12 months with those whose abuse occurred more than 12 months previously, and found that the second group had significantly higher scores of self esteem and "mastery," and lower levels of symptoms of depression and anxiety than those who were most recently abused (Allard et al. 1997). While these scores still did not reach those of the never abused group, the suggestions of recovery are important, especially since not all of these women had received sustained professional or other support. It is likely that more evidence of recovery would be found after a period longer than 12 months.

*Potential Impact of Relationships on Training or Work.* AFDC recipients who are currently being abused report substantially more potential interference with work or training than those who are not. The Passaic County study (Curcio 1997) is clear on this issue. 39.7% of the currently abused women (14.6% of the sample were currently abused) reported that their partner tries to prevent them from obtaining education and training; this was reported by 12.9% of the total sample. About two-thirds of the currently abused women in this study also reported that their partner controls their life. Similarly, the Massachusetts study (Allard et al. 1997) found that 21.7% of the women who had been abused in the past 12 months (19.5% of the total sample) reported having a current or former partner who wouldn't like her going to school or work, compared to 12.9% of those whose abuse occurred more than a year ago, and 1.6% of the women who had never been abused. More dramatically, the Chicago study (Lloyd 1996) found that, among recipients who were currently in a relationship, 8% reported that their partner had prevented them from going to school or work in the past 12 months, 2% said that their partners had harassed them by telephone at work, and the partners of 1.7% had appeared at work to harass them. These women were employed significantly fewer hours than the others.

Not surprisingly, the research also shows that AFDC recipients who have been abused are more likely to have a variety of kinds of conflicts with their current or former partners. The Massachusetts study (Allard et al. 1997) found that over half (52%) of

the women who had been abused in the last year had also argued with a man about child support, visitation or custody in the past year, compared to 20% of those who had never been abused. Such arguments are commonly protracted, can include violence or its threat, and play a part in abusers' efforts to control mothers' behavior. However, comparisons between women who had been abused in the past year with those who were abused more than a year prior to the study found that the second group was also significantly less likely to have had such arguments in the past year. This suggests again that the recent abuse is a critical consideration to women's current well-being, as well as an abuse history. The impacts of abuse do diminish with time, and reductions can be seen within 12 months for significant numbers of women. Current studies have not yet indicated what factors are associated with these reductions, however.

*Work Experience and Interest.* These studies document high levels of employment interest and experience among AFDC recipients. At least two-thirds of the women report having an employment history—over 88% in the Massachusetts study. In fact, over 70% of the recipients in this study had held full-time jobs, and the women with abuse histories were significantly more likely to have been employed, and employed full-time (73.5% compared to 64.5%), than the women who had never been abused (Allard et al. 1997). Further, 89.4% of the women in this study reported that they would prefer to go to school or work, rather than stay home full-time with children; there was no difference in this respect between women with abuse histories and those who had never been abused. The two groups were also equivalently likely to have had schooling or training for particular work and to be currently enrolled in a program.

The Chicago study (Lloyd 1996) also looked closely at the relationship between employment and abuse in its low income neighborhood sample. It found no significant difference between women who had experienced physical abuse by a partner (either in the past 12 months or ever in their lives) and those who did not report such abuse in current employment, job status, days absent from work, or number of weeks unemployed in the past year. Notably, in response to an open-ended question, just 20% of the women who had been abused reported that the abuse had had negative effects on their education and employment.

However, the women in this study who had experienced abuse were more likely to have ever been unemployed when they wanted to be working, to have lower personal income, and to have received AFDC, food stamps, and Medicaid in the past year. In addition, the women whose partners had threatened them with physical harm or had used a weapon against them were employed in significantly lower status jobs than others; this effect was especially pronounced among women whose partners had used a knife or gun against them.

Notably, Lloyd (1997) also found that some of the women who had experienced abuse increased their labor force participation, while others decreased their employment efforts due to partner interference. Still others did not change. Women make decisions about work involvements based on the combination of options they have available.

In sum, the evidence available to date suggests a complex relationship between domestic violence and employment experience, and there is still more to learn about the role of a woman's race, ethnicity, ability/disability, immigration status, religious affiliation, and age in employment experience. Among AFDC recipients, women who report abuse are at least as likely to have work experience as those who have not, to have received job-related training, and to express a preference for school or work. Among poor women, those who experienced domestic violence had more spells of unemployment, more job turnover, lower personal incomes, and were more likely to receive AFDC and other assistance than others; nonetheless, they had equivalent levels of current employment, absenteeism, and job status.

### Summary Considerations

As these studies document, women who have experienced domestic violence are prominent among AFDC caseloads. Women who have experienced abuse are more likely than others to have a variety of physical and mental health problems, to have ongoing arguments with their partners, to have partners who oppose or interfere with school or employment, and to have more frequent periods of unemployment and welfare receipt; in some cases, the physical, emotional, and employment effects have been prolonged and extreme. However, the studies also provide evidence of many women's remarkable resiliency: over time the physical and emotional effects have declined, and

women have continued to seek and achieve employment. The studies also document their active efforts to use available resources, such as police and protective orders, to stop their partners' violence.

Clearly, some women face extreme circumstances and will need special supports and considerations, such as additional advocacy and services, or short or long term waivers/exceptions from welfare or child support time limits or requirements. The studies just reviewed, while providing a wealth of valuable information, do not say what percentage of ever- or currently-abused women will require special considerations — there is no definitive profile or formula to identify them. However, it is unlikely that they will constitute a majority of women receiving TANF support.

Given the myriad ways women may seek support, it is important to provide women seeking financial assistance with maximum options through flexible policies that can respond on a case-by-case basis. Economic independence and employment are central considerations in women's safety: options should include training and placement which respond to immediate and longer-term needs, as well as safely enforced child support where appropriate. Assisting battered women will require sensitivity to differences in women's strengths and needs, which can be achieved by providing safe and confidential opportunities for communication, and attention to what individual women say they need to achieve both safety and self-sufficiency. To build helpful responses, agencies will also need to recognize that abused women, depending on a complex array of circumstances, will operate according to different time frames. More research will be necessary to identify what will be most helpful policy to assist their route to self-sufficiency. Such research will need to investigate more thoroughly how women's race, ethnicity, age, ability/disability, religious affiliation, and immigration status affect their experiences and decisions. Such research, however, will not replace the importance of listening to and being guided by the women themselves and responding to the differences in their histories and circumstances.

Drawing on the studies outlined in this paper, as well as the research about battered women in general, TANF and Child Support Enforcement agency staff should assume: 1) that not all abused women coming into contact with their offices will have problems that interfere with their ability to take steps toward self-sufficiency; 2) that some

formerly abused women will have lingering safety concerns or trauma that will interfere with job training or employment or make paternity establishment or vigorous child support dangerous; 3) that not all women who have left an abusive relationship are now safe (the post-separation period can be very dangerous for many battered women, with significant numbers experiencing ongoing threats and abuse); and 4) that not only women who experience current or past abuse have the kinds of problems reviewed here: these studies show that, while these difficulties are found at higher rates among women who have been abused, they are also found for other impoverished women and women receiving welfare benefits.

States can play a critical role in identifying the prevalence of domestic violence in their caseloads, in tracking and evaluating the granting of waivers or exceptions to TANF and child support enforcement requirements, and in documenting the success and difficulties of battered women in attaining employment. We need to know a great deal more about how waivers, exceptions, or special services will be used by states and how battered women are helped to move to a situation of safety and, ultimately, from welfare to work.

*ABOUT THE AUTHOR*

Eleanor Lyon has conducted research and evaluation related to domestic violence, violence against women, and criminal justice and social policy for twenty years. She is a research consultant for several projects for the National Resource Center on Domestic Violence, and is Research Associate at the Village for Families and Children, Inc. in Hartford, CT. She is co-author of *Safety Planning with Battered Women: Complex Lives, Difficult Choices,* forthcoming from Sage Publications.

*NOTE*

***The views expressed in this paper, as in all papers disseminated through the Welfare and Domestic Violence Technical Assistance Initiative, are solely those of the author. The author expresses appreciation for the contributions of Jill Davies, Anne Menard, Jody Raphael, and Susan Schechter.***

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Mr. CAMP. Thank you very much. Ms. Pearson, I have a few questions.

Ms. PEARSON. Sure.

Mr. CAMP. Two-thirds of the women who applied for the good cause exception indicated that they were worried about the fear of further abuse. However, their applications were denied because they didn't produce sufficient documentation of past abuse. Is this documentation specifically required in Federal law or is it something State agencies have the power to change?

Ms. PEARSON. These are State agency requirements.

Mr. CAMP. Ms. Krenek, do you have any estimates of the number of women who are actually harmed by cooperating with child support enforcement?

Ms. KRENEK. Not yet. No it's a fairly new area for gathering statistics. There isn't much research available.

Mr. CAMP. Do you know to the extent which States that are implementing some of the approaches? The extent to which they are that you outlined in your testimony?

Ms. KRENEK. No. In fact, those are very new as well. I can speak to the one in the State of Wisconsin, it began just in July of this year—so it's very hard for us to tell whether or not they're going to work. We do know in one county of Wisconsin, that very few battered women want the good cause exception because they have to have child support in order to survive—they're working minimum wage jobs.

Mr. CAMP. I think I understood your testimony to say—you know have some caution here and wait until the research is more complete.

Ms. PEARSON. Right.

Mr. CAMP. You named a number of States——

Ms. PEARSON. That's right.

Mr. CAMP [continuing]. That are working on that in your written testimony. Before we address this clause, there's an exception issue here—do you have any further detail on what some of the research questions are in this——

Ms. PEARSON. Yes.

Mr. CAMP [continuing]. When we're likely to see some information or results come back.

Ms. PEARSON. There were a number of awards made by the Federal Office of Child Support Enforcement last September. They were effective October 1. They're three-year demonstration projects. In several cases, for example—in Massachusetts, there's an attempt to try and identify the incidence of—domestic violence among applicants for public assistance. Levels of interest and exemptions and waivers for not only child support requirements but other TANF requirements dealing with work requirements, time limits are being studied. Experimentation with different methods of identifying victims of domestic violence. Comparing direct screening, direct questioning versus notification procedures where written documents—written notification about the ability or the opportunities to disclose are merely presented. I think that we're really looking at the—numbers coming out in the next 18 months. Something of that sort takes a while to do.

Minnesota is experimenting with types of issues. New York State will be doing that too. They have just released an announcement for an evaluation contractors to get involved with a study. So they're really in their infancy—their early stages. I think that was the intent of the Federal Office of Child Support Enforcement when it announced these initiatives—the desire to get some good empirical information in this area. That's why this Colorado study is, to my knowledge, is the only one that we have.

Mr. CAMP. Do you think there's enough flexibility in the current welfare reform law to address the needs of victims of domestic violation?

Ms. PEARSON. At this point, I think there is, particularly with the Wellstone-Murray which allow States to exempt victims of domestic violence and to take domestic violence into account. I think there's a tremendous amount of variation even within States—jurisdiction by jurisdiction—about how these women or how these victims are identified and accorded treatment. For that reason, I think the collaborations with domestic violence professionals and public assistance agencies, and child support agencies are important so there is some mutual training and education and some of the best methodology that will inspire sensitive treatments will be used by an agency.

Mr. CAMP. Then one last question, Ms. Krenek. Can you describe some of the ways that TANF and child support offices have collaborated to help battered women get the information they need? Are you aware of those?

Ms. KRENEK. Yes. Well, I can give you one example of a project that I coordinate in LaCrosse, Wisconsin as a federally-funded project awarded by the Department of Health and Human Services. We have an economic advocate who is hired by the battered women's program and placed in the economic support division office. Women are referred to her when domestic violence has been disclosed. LaCrosse Dept. of Social Services have been working with us—they provide us free space, all of the copying and clerical work. They're working with us on different methods of voluntary disclosure to help battered women. Then we do case management with them on what is the best course of action to take at this point. They have been willing to allow us to critique their methods and it has provided some interesting results in how battered women are viewed within the system. Many women don't disclose to economic support workers but do disclose to economic advocates. We will be following women for one year to find out what the obstacles are for that group of women versus the women who either don't disclose or have not been abused. So it's a really great effort and collaboration.

We also did a piece with the State Department of work force development which is the administering agency in Wisconsin. In that we collaborated on the training manual on domestic violence that all economic support workers in Wisconsin received. So we've done some team training with them as well.

Mr. CAMP. Thank you. I believe that ends all of our questioning today. I used to serve on my local council on domestic violence.

Ms. KRENEK. Oh really?

Mr. CAMP. So I appreciate your testimony here today. Thank you for coming. It may have been mentioned your written comments will be part of the record.

Ms. KRENEK. Thank you.

Mr. CAMP. This hearing is adjourned.

[Whereupon, at 4:43 p.m., the hearing adjourned subject to the call of the Chair.]

Testimony of the American Payroll Association
to the House Ways and Means Human Resources Subcommittee

Presented by Rita Zeidner
Manager, Government Relations
American Payroll Association

May 19, 1998

On behalf of the members of the American Payroll Association, I am pleased to present testimony regarding the centralization of child support collections.

The APA is a non-profit professional association representing and educating over 15,000 companies and individuals on issues relating to wage and employment tax withholding and information reporting. In recent years, APA has also become increasingly involved in child support enforcement matters. Today, employers' role in the child support process cannot be understated. In addition to providing critical information on new hires that allows state agencies and the federal government to locate noncustodial parents, employers collect the majority of child support funds. Of the nearly $11 billion paid out to custodial families in 1995 alone, about 60 percent was collected through direct withholding (from employee wages) by employers.

APA members are very proud of their role in the child support enforcement process. More than 80 percent of our members are women. Indeed, many have personally benefitted from both new hire reporting and the direct withholding system. Nonetheless, we have some significant concerns about how the system is being administered.

Since January 1, 1994, most new orders for child support have required wage withholding. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) made wage withholding even more automatic by removing the need for a custodial parent to seek a court or administrative hearing when a payment from a noncustodial parent is late. These changes have resulted in a significant increase in the number of child support withholding orders and, thus, an increase in employers' responsibilities concerning the withholding process.

PRWORA provided employers with some relief in carrying out wage withholding orders. One very helpful provision required the Department of Health and Human Services to develop a standardized wage withholding order form that all states would be required to use. We were pleased when HHS finalized the form several months ago. While it is still being phased in by states, we are confident that the new standardized form will be a big help to employers struggling to make sense of state wage withholding notices.

Another provision required states to establish a centralized collection system for withheld funds. This provision applies to two kinds of child support orders: those enforced by the state and those issued after December 1993.

APA strongly supports a centralized collections program. But the provisions included in PRWORA don't go nearly far enough to standardize and simplify the wage withholding and remittance process for employers. Our observations and recommendations are described below.

**1. Employers can make a single payment to a single location far quicker than they can make multiple payments.** We have heard the claims of county-based child support administrators who believe that their system is best equipped to respond to the exigencies of their clients. The fact remains, however, that county child support agencies can only expedite a child support payment if they have the money in hand from the noncustodial parent's employer. And the fastest, least error-prone way for an employer to submit withheld funds to a child support agency is in a single payment.

The experience of one of our members, a payroll manager for the city of Houston, Texas, shows just how complex the payroll withholding system can be for a large employer. Consider the following: With a payroll of 23,000 workers, Houston is currently processing more than 2,000 child support orders. The funds for about 1,600 of those orders are sent regularly to a single location -- the District Clerk of Harris County, Texas. But to carry out the remaining 400 orders, the city must send checks to nearly 300 other locations — mostly within the state. Needless to say, the mere processing of so many checks is inefficient and burdensome for employers. When checks are lost by or stolen from the intended check recipient, the employer must process a new one, further compounding the burden.

It's important to note that in its capacity as an employer, Houston makes its child support payments to Harris County using an electronic deposit method. The shear magnitude of its child support deposits made it worthwhile for the county and the city to work together to develop a system that could use electronic technology to facilitate the smooth flow of data and funds from the employer to the large county's repository. Doing so with the several hundred other counties to which Houston makes much smaller payments has not been feasible. Hence those other counties must rely on the slower, traditional paper check method of payment.

**2. County policies and practices for processing child support orders often differ within the same state.** Counties within the same state often have dramatically different practices for collecting child support. For instance, Genessee County, Michigan, has adopted the unusual process of garnishing 100 percent of disposable earnings from profit sharing payments for child support, claiming that federal consumer credit protections do not apply. One large Michigan employer is suing Genessee County over this procedure. Montgomery County in Ohio has recently taken a similar position. As additional counties formulate their own policies and practices for the collection of child support, employer headaches will surely grow as they struggle to meet the various mandates that may exist within a single state.

But APA is concerned that employers will not be the only ones who suffer. While most employers would likely try to follow the letter of the order, even those with the best intentions often are confused by the variation within single states. Complexity breeds errors and APA is concerned that the child support system, and ultimately, kids would be the real losers.

**3. Employers need a single point of contact that is knowledgeable on child support.** Employers with questions about a child support order are frequently at a loss about whom to call for help -- the state child support agency or the court. Understanding among court clerks (who don't specialize in the nuances of technical child support compliance issues) is spotty at best. But often, the court is the employer's only point of contact.

**4. There is tremendous confusion over what constitutes a post-1993 order.** As stated earlier, federal law requires all withholding orders issued after December 31, 1993 to be processed by a centralized child support collections facility. Unfortunately, the law governing exactly what constitutes a post-1993 order is not clear, particularly if the order has been modified since December 31, 1993. The bottom line is, employers are often at a loss regarding where to send an order — to a court or to a child support agency. Were the system centralized, this would not be an issue.

**5. The current system requires employers to know more about their employee's private affairs and family situation than should be necessary.** The mere location to which an employer is ordered to send withheld funds gives the employer a great deal of information about the employee. For instance, if an employer knows an employee has a seven-year-old child, and if the employer is ordered to send withheld funds to a child support agency, the employer will have enough information to surmise that the employee is receiving public assistance. This is not information to which the employer would otherwise have access.

Finally, it's important to note that in many instances a child support order wont require the employer to send a child support check to a government agency or county court. Rather, the employer is ordered to send the child support payments directly to the custodial parent. These types of orders carry a whole new set of headaches for employers. Many of our members have been contacted by irate custodial parents who erroneously accuse them of withholding less than they should be. (This frequently occurs when the employer's pay cycle doesn't match the frequency of payments included on the order, e.g., an order describes a monthly payment, but the employer divides the monthly sum into two smaller payments.) Some parents demand to pick up the check in person. Meanwhile, employers must bear the burden of issuing a new check if one is lost or stolen or if a parent moves without notifying the employer of his/her new address. We believe that under no circumstances should employers be required to have direct contact with custodial parents. All payments should go to the centralized repository.

In closing, I'd like to mention APA strongly supports the efforts of the House Education and Labor Committee and the Senate Labor and Human Resources Committee to develop a standardized process for administering medical support orders. Such a proposal is advanced in H.R. 3130. We support the continued bifurcation of the cash child support and medical support processes and believe that employers, states and families alike all would benefit from the kind of standardization and streamlining we have seen in the cash child support process.

Thank you very much for the opportunity to present the payroll professional's point of view on this important topic. I would be pleased to answer any questions from any members of the panel.

**Supplemental Information**

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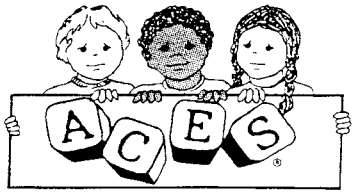


The Association for Children for Enforcement of Support, Inc.

**WRITTEN TESTIMONY OF GERALDINE JENSEN,
PRESIDENT OF THE ASSOCIATION FOR CHILDREN
FOR ENFORCEMENT OF SUPPORT, INC. (ACES)
HUMAN RESOURCES SUBCOMMITTEE OF THE
HOUSE WAYS AND MEANS COMMITTEE
MAY 19, 1998**

ACES members are clients of State Title IV-D child support enforcement agencies. ACES has 390 chapters in 48 states with almost 40,000 members. We are representative of the families whose 39 million children are owed $41 billion in unpaid child support. We have banded together to work for effective and fair child support enforcement.

ACES has surveyed our membership to gather information from families as they make the transition from welfare to self sufficiency. We have asked welfare recipients about the actions taken or not taken by child support enforcement agencies that have assisted them to become self sufficient. Collection of child support when joined with available earned income allows 88% of our membership to get off of public assistance. Collection of child support enables our low income working poor members to stay in the job force long enough to gain promotions and better pay. The collection of child support means our membership can pay the rent, utilities, buy food, pay for health care and provide their children educational opportunities. Lack of child support most often means poverty and welfare dependency.

Implementation of the personal Responsibility and Work Opportunities Act profoundly affects ACES members. The median income for single parents with children under the age eighteen is $11,000 per year. This is means that a typical single parent family is a mother with two children who are living below the poverty line. Child support payments are needed to move the family above poverty and provide a base which enable self sufficiency.

The GAO in Interstate Child Support: Mothers Report Receiving Less support from Out -of- State Fathers, 1992 states that 36% of the child support caseload are interstate cases. Therefore, the implementation of the Federal Case Order Registry, and New Hire Registry will impact millions of children.

Under the current planned system, the following is suppose to occur: when a non-custodial parent gets a job, it will be reported to the state New Hire Registry via new hire reporting systems. These records will then be matched with state case order registry records to see if a child support case or order is on file. If yes, enforcement via an income withholding should occur or action should be taken to establish an order. The new hire report is then sent onto the Federal New Hire Registry where it is matched with records in the Federal Case order Registry. If a match is found, the state with the open file is notified of the new hire report so that appropriate interstate income withholding or action is taken or and order is established. When payments are collected, they are sent by the employer to the central payment registry in the state with the open case.

ACES is concerned that this process is too compacted and involves too many bureaucracies to be effective. Additionally we have been informed that the Federal Case Registry does not list the state where the order originates. For example if a couple get a divorce in Ohio, the custodial parent moves to Michigan and opens a IV-D case, the non-custodial parent gets a job in Indiana. Indiana would send the new hire report to the Federal New Hire Registry, a match would be found which lists Michigan where the custodial parent now lives, but where there is no order. If Ohio was listed as the state with the order as part of the data in the Federal Case order registry, then Ohio could send the income withholding order to Indiana. This would be much more efficient then Indian telling Michigan who tells Ohio who sends the income withholding to Indiana.

OCSE reported that they matched new hire records received from states to IRS offset records, Dept. of Labor SESA records and unemployment records. They were sent about 1.1 million new hire records since October 1997 and found about 109,000 new hire matches with IRS offset, about 624,000 matches with SESA records and about 29,000 matches with unemployment data.

There are many issues that remain unsolved by OCSE and State IV-D agencies, such as: what happens after the new hire match? How is the data sent to states? Are they communicating by paper lists, computer tapes, or via e-mail? How is the state handling the data and when it is received, does the state IV-D agency send out the

income withholding or is the data divided and sent to counties who send out the income withholding orders? What is the time frame for the data being sent to the state? What is the time frame for the state handing the data and sending our income withholding orders? OCSE should issue regulations resolving these problems.

OCSE is providing Action Transmittals to state IV-D agencies rather than regulations which specifically require the methods of implementation. ACES concern is that all states will implement it differently, using different time frames so that families will not receive equal services.

OCSE is slow to respond and fails to respond to most complaints by families when states fail to follow and implement federal laws and regulations. ACES has provided examples of: fees being illegally charged to families, lack of consistent statewide policies, failure of states to follow even the most basic rules for doing federal and state parent locators. OCSE states they have no authority to investigate or take action and that the regional Administration for Children and Families acts as a barrier to the OCSE employees located in those offices since OCSE has no direct authority over these workers.

A June 1997 GAO report entitled *Child Support Enforcement - Strong Leadership Required to Maximize Benefits of Automated Systems* found that the Federal Office of Child Support did a very poor job monitoring what was happening with private vendors who had contracts for the statewide child support computers. The same thing can happen when states hire private vendors for child support enforcement services.

States have already spent $2.6 Billion on broken and non-existent automated child support enforcement tracking systems. As of today only 17 states have certified systems, half of these are only partially certified. Ten other states have asked to be reviewed to be certified and the remaining states are nowhere close to having statewide computer systems in place. Children have now been waiting for 13 years for states to get computerized. Almost all of the provisions of the Personal Responsibility and Work Opportunities Reconciliation Act, such as; new hire reporting, professional and driver's license suspension, cannot be implemented due to the lack of computerization.

The states have received the federal funding to put the computers in place, the private vendors have been paid, but because at least 40% of this caseload remains uncomputerized the children have not been paid. The children are the reason for all of this government spending and all of these contracts with private companies. It appears to us that government and private companies are the beneficiaries, not the children.

Another group which is cashing in on the children are private collection agencies. They advertise to custodial parents that "we can collect your child support". Many desperate families seek their help to find a way to put food on the table only to find they have been ripped-off by con-artists who collect application fees from the parents then vanish into the night. Others have encountered private collectors who collect some money from the non-custodial parent but never send it on to the mother and children. We have members who report the private collection agencies are taking 30-50% from the child support collected when the going rate for collecting unpaid bills for doctors is only 15%.

We have one member whose only support came from the paternal grandmother. She lost this help because the private collector repeatedly called the grandmother at work to obtain information about the non-custodial parent. Now the grandmother's job is in jeopardy, and she has been the only family member besides the custodial parent providing for the children.

Another member from California whose children were owed $60,000 went to a private collection agency. Nothing was done on her case so she canceled her contract in writing. She came to ACES and learned how to collect the back support. When she was due to get the $60,000 the private collector notified her that she owed him his 30% of the arrearage, even though the contract had been canceled. The private agency even tried to foreclose on her house to get his portion of the $60,000, luckily he was unsuccessful.

Another member had a private collector find the non-custodial parent's source of income to be Social Security Disability. The child was entitled to a social security check that was more than the child support order. The private collector got a court order that stated the amount greater than the support order was considered payment on arrears and therefore the private collector was entitled to 30% of the child's Social Security dependents check.

Currently there are no regulations which govern the activities of private collection agencies who are collecting child support. In fact in 1994, the United States Court of Appeals for the Fourth District in Mabe vs G.C. Services found that child support payments are not debts encompassed within the scope of the Fair Debt Collection Practices Act. This means that private companies and private collection agencies are not required to adhere to the requirements of the Fair Debt Collection Practices Act. This decision has been upheld in several other 1997 federal court cases.

All private companies and collection agencies doing child support collection should be specifically included as being subject to the fair debt collection practices act.

In addition to the lack of improved collection rates, price gouging and "rip-offs" there are serious privacy issues involved in privatizing the child support enforcement agencies. I testified at a hearing on privacy held by the FTC earlier this year to support the use of social security numbers to locate absent parents. There were many privacy concerns expressed by organizations and citizens to the FTC, especially when this information made its way onto the Internet. We must carefully approach who has access to confidential social security and tax information. We do not think it advisable for private companies to have direct access to individuals' IRS and Social Security earnings information. This is personal financial information that might be subject to misuse.

ACES, along with lawyers for divorced spouses and government enforcement organizations, have found that databases of credit header information that permit searches using a deadbeat parents' known social security number are an extremely positive and useful means of finding deadbeat parents. However, giving a corporation unfettered access to information about individuals' earnings in IRS and Social Security records, would make truly sensitive financial information more broadly available than we believe most Americans would feel comfortable with.

Private enterprise in this nation is designed to make a profit. The temptation to cash in on this confidential IRS And Social Security income information data would be difficult if not impossible to regulate. Having government act as the gate keepers of this confidential information about income and assets is a realistic expectation of the citizens. Government can regulate access among its employees, set up safe guards and restrict access to only those with a legitimate child support enforcement purpose.

Private companies should not be given direct access to IRS,or Social Security confidential data. This should remain available only to government IV-D child support agencies.

The success and assistance that some private companies provide to the government child support agencies in locating absent parents is needed. There are many legitimate, needed, and beneficial uses of privatization of some government services. The issue appears to be which services are appropriate to be privatized and which should remain within the government as part of the public trust.

ACES has found some private child support enforcement services very effective and beneficial to families. Especially central payment registries run by banks who collect and distribute payments. The Massachusetts system works very quickly and accurately. Our members report their arrearage records are kept correctly and they can count on regular checks being processed.

Georgia has a long positive history of turning over "public assistance arrears only cases" to private companies who are paid only if they collect on the case. This has recovered millions of dollars owed to the state. Use of private companies to act as consultants for improvements in the child support system to set up better procedures for establishing paternity and developing new hire registries has been effective in some states.

The federal office of child support should seek evaluation of private vendors by state government. This information should be provided to all state IV-D agencies to assist them with decision making involving hiring private companies to enhance their child support enforcement systems.

Unfortunately, private companies and state governments' best efforts have done little to impact the system wide problems with child support enforcement. Cases are still back-logged in the local court system six months to a year; paternity establishment is still taking three years on average, even with 90% federal funding for genetic testing. The average child support case is delinquent within six months of the order being issued and it takes another six months before any type of agency begins to act to enforce payments.

Children continue to go to bed hungry and wake up homeless because their single parent is unable to earn enough on his/her own to completely support the family. Low income non-custodial parents continue to pay support that benefits the state government and rarely finds its way to their children. And a crisis is close at hand. When their three year welfare benefits end, families will not be able to survive on minium wages or slightly better jobs. Child support payments will be needed for them to survive as a family. We anticipate large increases in the number of single parents who will be forced to place their children in foster care or will work two or three jobs leaving the children to raise themselves.

Annually, we produce a report entitled the *Status of Child Support Enforcement in the U.S.* In this report we use statistics supplied by state government to the U.S. Department of Health and Human Services. We look at each state's total number of the cases and the number of cases receiving payments to determine the collection rate. We include those cases that need paternity and/or child support orders established in the total since state IV-D agencies are required to provide families these services under federal and state laws. In our last report, which was based on 1996 statistics, we found that only 20% of the cases opened at a IV-D child support enforcement agency received payments.

This poor collection rate is occurring at the same time states

report record increases in the dollar amount of child support collected. This is due to higher case load and higher child support order amounts in the period following the implementation of child support guidelines. Child support guidelines have caused a consistent increase in the amount judges or administrative hearing officers order to be paid. This is because child support payments are based on a mathematical formula rather than the old method often used by judges which was $25 for one child, $50 for two children, $75 for three children, no matter how much the non-custodial parent earned. The average ACES member with two children has experienced an increase from $40.00 to $80.00 per week due to the use of guidelines

Non-payment of child support is one of the few solvable social problems we have. If we collected child support via payroll deduction just like we do FICA taxes the collection rate should increase to 58%. If we added a system to collect child support from self-employed non-payors just as we do self-employed social security taxes, we would increase the collection rate to 85%.

We can do this if Congress enacts HR 2189, Uniform Child Support Enforcement Act of 1997 sponsored by Rep. Henry Hyde and Rep. Lynn Woolsey. This bill sets up a system to collect child support just like we do FICA taxes. This is a perfect time to consider this idea. The tax system is under scrutiny and a new system could be built to ensure that child support is as important as taxes, while making sure citizens could resolve problems with the IRS and Social Security Administration.

The Social Security Administration is one of the few government agencies that has an effective and functioning computer system. It would be cheaper and more effective to have Social Security add to their system then to continue to give states money to put computer systems in place. Currently the computers are not designed to connect to other states and therefore will not assist 40% of families who have interstate cases.

PLEASE SUPPORT H.R. 2189 AND H.R. 399.

HR 399 will help families entitled to child support by not allowing those who fail to pay child support to receive federal government benefits. We would hope that the language of the bill could be amended to include means tested benefits and expanded to include automatic attachment of federal funds paid out. For example: the medicaid payments that an Inspector General's recent report found was being paid to doctors who owed $30 million in unpaid child support.

Thank you for your concern and efforts for children entitled to child support. It is long past due the time to set up an effective

**and fair national child support enforcement system. Only the public school system in this nation affects more children than the child support enforcement system. Please take action to make children as important as taxes.**

ACES, the Association for Children for the Enforcement of Support, does not,and never has received any federal funding for any of our programs or projects.

Geraldine Jensen
President

ACES
2260 Upton Ave
Toledo, OH 43606
419-472-0047
Fax: 419-472-6295

TESTIMONY OF ELOISE ANDERSON
HOUSE WAYS AND MEANS COMMITTEE
SUBCOMMITTEE ON HUMAN RESOURCES
MAY 19, 1998

Thank you for the opportunity to provide comments to the Subcommittee on Human Resources today, on the subject of meeting the new 90 percent performance standard on Paternity Establishment. I am Eloise Anderson, Director of the California Department of Social Services which provides oversight and administration of the Title IV-D Child Support Enforcement Program throughout the state. I would like to share with you California's positive experience toward meeting the federal 90 percent paternity establishment performance standard, resulting from an aggressive statewide paternity establishment strategy. The keystone of that strategy has been a highly successful voluntary acknowledgment program, which we initiated in 1995.

In California, one out of every three children is born outside of marriage. In calendar year 1996 (the latest year for which information is available), the number of children born to unwed parents in our state was 168,939. Typically, many of these children will grow up without a father. Recent studies have indicated the long term effects of a father's absence to include childhood poverty, teenage pregnancy, family violence, drug and alcohol abuse, school failure and welfare dependency. If a connection between children and their fathers can be established soon after birth, the likelihood fathers will remain involved in the lives and futures of their children is greatly increased. California's Paternity Opportunity Program (POP) is making that connection for an increasing number of children born out of wedlock in California.

POP is a statewide program, providing unmarried parents the opportunity to voluntarily acknowledge paternity (legal fatherhood) by signing a *Declaration of Paternity* form. When unmarried parents sign the form, typically at a birthing facility, they extend the connection between parent and child at the time of birth, thereby helping to establish a foundation for the future emotional, social and financial support of their children. Moreover, by California law, it is now only through the voluntary acknowledgment of paternity that an unmarried father can get his name on his child's birth certificate.

The program has been implemented in more than 350 hospitals and clinics in the state since its inception on January 1, 1995. Through 1997, more than 150,000 paternity declarations have been signed in our state. Of that total, 111,850 *Declarations of Paternity* were signed in calendar year 1997, accounting for 66 percent of the unwed births across the state during that year. Further, based on a federal estimate of nationwide submissions, California expects to account for 25 to 30 percent of all voluntary paternity acknowledgments, nationwide, in calendar year 1998.

To the advantage of California's children, POP has created a partnership between the public and private sectors to streamline the paternity process. That partnership is the engine behind POP's success, ensuring children born out of wedlock gain the same benefits, legal rights

and privileges of children born within a marriage. Included among the key agencies on our team are the County District Attorneys and Family Support Divisions, private and public birthing facilities, prenatal clinics, California State and local offices of Vital Records and Statistics and Family Law Facilitators.

Beyond the clear benefits to both parents and children, there are significant benefits accruing to the taxpayers and to government agencies. Until POP was implemented, legal paternity could only be established through a court of law, frequently requiring expensive genetic testing to determine the legal father of a child. POP now offers a low cost and speedy alternative to the traditional judicial process, alleviating the growing cost to taxpayers, local agencies and the courts affected by burdensome and costly paternity establishment methods.

In State Fiscal Year 1996-97, traditional judicial processes to establish paternity cost an estimated $269 per successful establishment, not including costs associated with locating the putative father(s). The cost to taxpayers was more than $38 million for 141,289 California children whose paternity was established using those traditional methods. As a result of POP and the ongoing expansion of the POP voluntary acknowledgment data base, District Attorneys will soon be able to verify paternity for a cost of only about $12 per child. Therefore, the state expects a significant reduction in cost of paternity establishment, based on a total POP "investment" cost to taxpayers of only $1.5 million annually. In addition to the overall savings, POP acts as a catalyst for the support of children. By beginning the paternity establishment process at the time of the child's birth, we estimate a $10 million increase in child support collections each year.

As you can see, the program sells itself, particularly given the dramatic success--a 540 percent increase in signed declarations over 1996--in calendar year 1997. We fully expect the program's success to continue. As of April 30 this year, over 40,000 *Declarations of Paternity* have been submitted by our birthing facilities. That number is pointing us toward another record in calendar year 1998.

So, what does this mean in terms of our being able to sustain our performance to meet the federal standards set by the new Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996? We believe we will continue to meet or exceed the federal 90 percent Paternity Establishment Percentage (PEP) standard over the next several years. We measure our success one newborn child at a time. And thanks to the joint efforts of our public and private partners who make up our statewide Paternity establishment public outreach network, we have been able to get the word out to a growing number of prospective parents across the state.

Our state staff participate in numerous conferences and seminars, carrying the paternity establishment message to service providers, educators, child support program staff and the general public. The highly effective "Providing For Your Child" video has been produced in English and Spanish and is provided free of charge to each location where *Declarations of Paternity* are initiated. We have also produced a 12-page Implementation and Training Guide for

staff who interact directly with the public at the point of service. Public information is also available through an English-Spanish brochure, a paternity establishment poster, a quarterly newsletter; and POP information is readily accessible via our paternity establishment Internet Site (http:www.childsup.cahwnet.gov).

Finally, we have established a solid working relationship with the California State University through which we contract for the production and coordination of a wide variety of public outreach materials and projects. An example of the level of our outreach efforts is a campaign to highlight parenting of well-known, professional sports figures through posters and billboards. We have found communication of ideas to be the driver behind the cultural change needed to nurture the link between parents and their children where it might not otherwise exist.

Clearly the federal 90 percent paternity establishment performance standard seems imposing on its face. After all, convincing virtually every unmarried couple, fathers in particular, to acknowledge their connection to their child(ren) is often difficult given the popular culture of "liberal sexuality", single motherhood, impregnation as a badge of manhood and generally unassigned responsibility for fatherhood.

I believe all state child support program administrators would agree - accounting for nearly every unwed birth with a signed *Declaration of Paternity* will continue to challenge us for the next several years. Fortunately, the federal Office of Child Support Enforcement has been willing to work with the states in developing a formula allowing the states to compare all paternities established during the most recent year with the unwed births from the previous year. This explains why some of the percentages have reached or exceeded the 100 percent mark during these first years of POP. For example, in California the PEP for Calendar Year 1997 is 131 percent.

Notably, gradual changes in birth demographics, where the state's unwed birth rate between 1993 and 1996 actually dropped, will tend to reduce the achievable PEP in California, and probably many other states as well. Using the current federal formula, the current year pool of potential unwed parents eligible to sign a *Declaration of Paternity* will be one year ahead of the declining wave of unwed births from the prior year. However, although this differential will make it somewhat more difficult to sustain California's current performance percentage, we expect to continue to meet the federal 90 percent PEP standard for the foreseeable future.

In a broader sense, our efforts are beginning to have an impact on national attitudes toward shared parenting and on raising the quality of life of children. This is cause for celebration in a program where our victories of late have come all too infrequently. Thank you for allowing me to share this good news with you.

# Child Support Network, Inc.

***Specialists in Child Support Recovery & Locating Missing Parents***

May 15, 1998

A.L. Singleton, Chief of Staff
Committee on Ways and Means, U.S. House of Representatives
1102 Longworth House Office Building
Washington DC 20515

Committee Members of the Ways and Means Committee:
**STATEMENT SUBMISSION** for entry into the record of the committee's hearing on Child Support Enforcement being held May 19, 1998 in room B-318, Rayburn House Office Building, Washington, D.C.

**Custodial parents and most important, our nation's children are not receiving the child support to which they are legally entitled,** in record numbers, despite improved computerized efforts by state and federal agencies and attempts through the establishment of 1996 welfare reform legislation to crackdown on non-custodial parent's delinquency. Most State caseworkers each handle thousands of cases, being able to only humanly, effectively reach an extremely small portion of those in their files. The inability to locate non-custodial parents remains the number one (1) reason why child support enforcement efforts continue to be so ineffectual.

We view the child support problem as one of Economic Child Abuse. The fact is that **custodial parents who are owed child support can and are being better served through the private sector, through services provided by private agencies**, such as Child Support Network, Inc., who can commit the financial resources, location and collection expertise, staffing and systems to efficiently and effectively get the job done. As a private national, licensed and bonded company we have committed the resources to address the location problem, through the establishment of a Location Department, staffed by former private investigators, sheriff's officers and military security personnel, who are equipped with not only the databases and tools, but also the experience to find "missing parents." We employ seasoned collection staff members who are experts, specially trained and skilled in collection , who can handle their caseloads of just a few hundred, rather than thousands of cases.

Most private sector companies currently involved in child support collection for the states are collecting arrearages through the RFP process. We are of the opinion that there is a tremendously large, unserved segment of non-Title IV-D custodial parents who are not receiving any assistance and who can only be served through the private sector collection /recovery process.

We strongly believe that through cooperative efforts and the sharing of information between private companies and governmental agencies, we can significantly address and impact the child support problem and better serve our nation's custodial parents and children.

Sincerely,

Daniel M. Jacobson, President

**212 E. Osborn Suite 210 Phoenix, AZ 85012 (602) 277-9755 Fax (602) 241-1816**
**Visit our Website at: www.childsupport.com**

# Child Support Network, Inc.

***Specialists in Child Support Recovery & Locating Missing Parents***

## FACT SHEET

**THE ISSUE:** Custodial parents and our nation's children are not receiving their court-ordered child support. This is a $50 billion social problem.

**THE PROBLEM:** Over 6.2 million U.S. custodial parents have received awards or have agreements for child support.

Of those custodial parents that received support awards:
- a quarter receive no payments at all
- a quarter receive only partial payments
- half receive the full amount

(Information based on the *"Custodial Support for Custodial Mothers & Fathers"* report released May 1995, U.S. Department of Health and Human Services)

**STATES CANNOT DO THE JOB ALONE** Currently the states are responsible for going after court-ordered payments that are not being made. States make a collection in less than 20% of the unpaid child support cases.

States do not have the people, know how or technology to get the job done, alone. Caseworkers are each assigned thousands of cases, which is a humanly unmanageable load. Hundred of millions of dollars are being spent trying to locate non-paying parents in and out of state.
(Source: *1994 Green Book; 14th-20th Gen. Accounting Office Reports to Congress).*

**PRIVATE SECTOR COLLECTION: The Alternative** A child support agency, such as Child Support Network, is a business that exists for the purpose of going after child support payments. They must do a good job, to stay in business.

**Motivation**
- Because the companies are for profit, they are financially motivated to work each case and get results.

**Collection Experts**
- Private collection companies can collect when the government cannot, because they are experts at collection and location.

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## FACT SHEET

(Page (2) Two)

**PRIVATE SECTOR COLLECTION:**
**The Alternative (Continued)**

**Fewer Restrictions**

- Private companies are not under restrictions like the states. They have better leverage, like reporting the non-custodial parent who is in arrears to major credit bureaus.
- They are also not restricted by county or state borders. They are not bound by the same time-consuming rules and regulations that apply to states and can therefore proceed much more quickly, without months or years of delay when the non-custodial parent moves or changes jobs.

**Other Assistance**

Private companies can also assist with alimony, spousal support, educational support recovery.

**Case Loads:**

Staffs of private companies have much more manageable case loads than government staffs. State agency case workers generally handle thousands of cases for collection, in addition to their many other job responsibilities. Child Support Network, for example, maintains collector inventories below 200 cases and collectors have the sole responsibility for collection/recovery from information provided to them by our location department.

**Finding The Non-Paying Parent**

Before you can collect, you must be able to locate the non-paying parent. Private collection agencies know how to locate people. Child Support Network, for example, has a complete location department staffed by professional skiptracers, including former sheriff's officers, experienced private investigators and former military security personnel. These professionals use state-of-the art computers, database software and online data services.

**What About Lawyers?**

Private agencies are better suited than lawyers for collecting support. Lawyers can practice in only one state. Most child support cases involve more than one state. Most lawyers are good at filing suits and getting judgments, but private agencies are more experienced at making collection demands, location of non-paying parents and assets and in collections.

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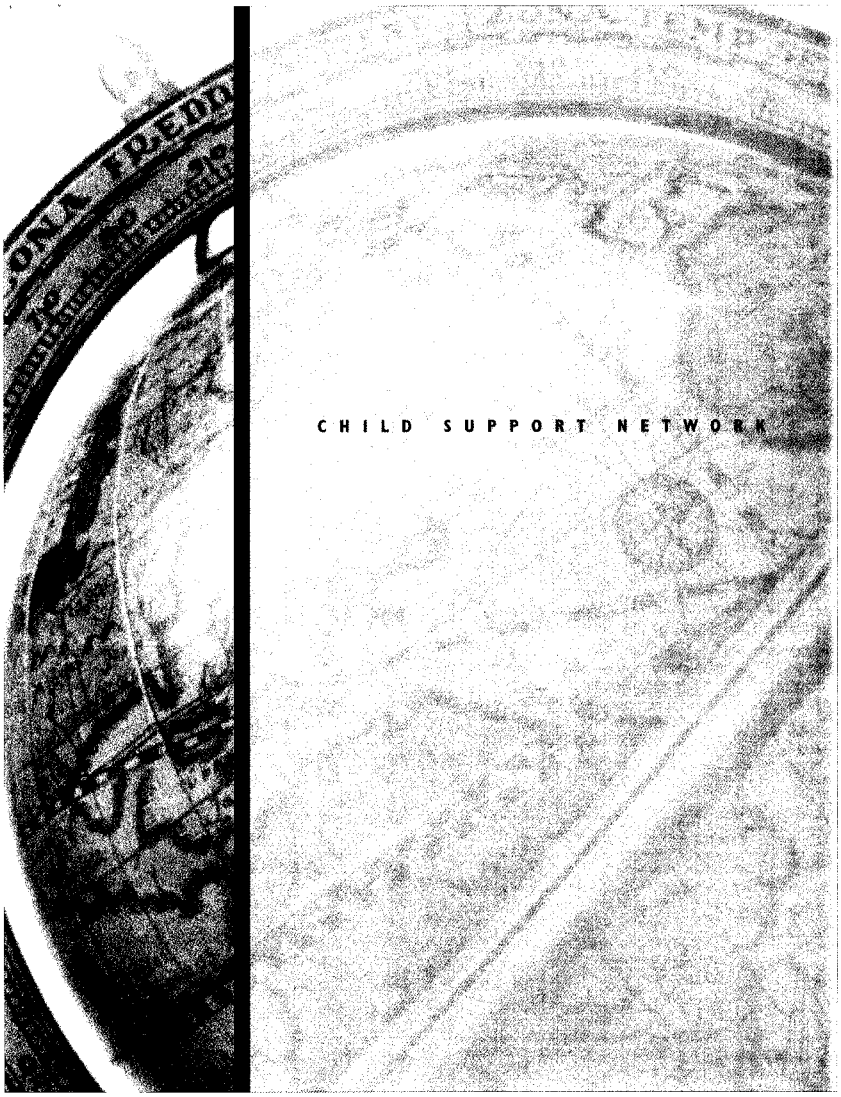

CHILD SUPPORT NETWORK

# CORPORATE PROFILE

**BACKGROUND**

The task of collecting the billions of dollars of child support arrearages within the nation falls initially to the individual States. Their child support enforcement systems have proven to be notoriously ineffective at locating and collecting from non-paying parents, due to excessively large caseloads and limited staffing.

National reports show over $50 billion is due in back child support and that some States collect less than 10% of the arrearages outstanding. This is particularly alarming since arrearages are estimated to be growing at more than $3 billion each year.

**CSN CORPORATE MISSION**

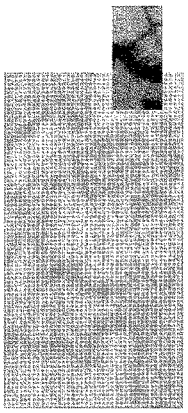
**Child Support Network**, Inc. (CSN) is an Arizona Corporation, established with the specific mission of collecting arrearages, on a national basis, from parents who are not meeting court-ordered child support requirements. The Company's clients are custodial parents who have been unsuccessful collecting their child support through personal efforts or through traditional state or federal agencies. Child Support Network locates over 90% of missing parents and collects from over 50% of them.

**THE UNIQUE ALTERNATIVE**

**Child Support Network** provides a comprehensive solution to the child support collection problem facing millions of custodial parents, nationally. The company is both licensed and bonded. CSN combines experienced proven collection industry professionals with the latest technology and comprehensive data bases.

In addition, the Company has a complete location department staffed by professional skiptracers, including licensed private investigators, former sheriff's officers and military security personnel.

CSN has designed a unique, proprietary copyrighted 50-state **Collection, Location, Arrearage and Interest Management System© ("CLAIMS")** program which includes the most up-to-date interest and penalty information available. Using this program, CSN is able to accurately calculate and compute support arrearage amounts and applicable interest and penalties. The Company also has relationships with TRW, Equifax and Transunion to report non-paying parents on these credit bureaus.



**Collection Industry Professionals**

**Complete Location Department**

**Collection, Location, Arrearage & Interest Management System**

## EXPERIENCED MANAGEMENT TEAM

Unlike general collection agencies, Child Support Network has only one major collection product. The company is focused on child support recovery. The management team is comprised of officers, directors and consultants with extensive experience in every aspect of the collection business and expertise in the child support arena.

**Gary D. Katz, Esq.,**
*CEO/General Counsel*

— brings to the Company over 25 years of legal experience acquired in both corporate and private practice. He is a specialist in collection law, child support enforcement and regulatory compliance, with a strong background in post-judgment child support enforcement remedies.

Mr. Katz served as the ACB Companies Vice President and Legal Counsel for eight years. He was in charge of licensing, regulatory compliance, consumer complaint issues and the national attorney network and was the direct interface with the operations department for these areas.

He is responsible for the Company's licensing and regulatory efforts and for overseeing compliance issues with both state and federal licensing and regulatory agencies, and for supervision of CSN's national legal network. Mr. Katz is licensed to practice law in Arizona, Florida and the District of Columbia.

**Daniel M. Jacobson,**
*COO/President*

— brings to the Company over 29 years of experience in the collection industry. He has served in executive management positions, through and including President and CEO, for both public and privately held companies.

During his career, he spent over 22 years with the nation's collection industry leaders; 15 years with the ACB Companies, the last five of which were as it's Chief Operating Officer, five years with GC Services Corporation, two years with Payco American Corporation and over three years with Monetary Business Services. He served most recently as President and CEO of CRW Financial, a publicly traded multi-branch national collection company.

He was involved in all phases of the operation of the child support departments for ACB and for CRW Financial, from system development through location and collections.

## AFFILIATIONS

The company is a member of the American Collectors Association, the National Child Support Council and the Better Business Bureau. CSN also has many civic associations including the Single Parents Association and the Governor's Arizona Coalition for Displaced Homemakers.

CONTACT PERSONS:
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or
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Former President, Board of Rabbis
of Greater Washington, D.C.

"Dear Abby"
(Abigail Van Buren)
Los Angeles, California

Honorable Fred Thompson
U.S. Senator, Tennessee

Honorable Bob Graham
U.S. Senator, Florida

Honorable Debbie Stabenow
U.S. House of Representatives, Michigan

Honorable Sherwood Boehlert
U.S. House of Representatives, New York

Kay and Ray Berryhill, Co-founders
Grandparent Rights in New Strength
(G.R.I.N.S.), Corunna, Indiana

David Birney, Actor
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Pat Boyd, President
Parents Without Partners (PWP)
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CHILDREN'S RIGHTS COUNCIL®

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To the Subcommittee on Human Resources, Oversight Hearing, May 19, 1998

We would like to add something to the testimony of Jeffrey Cohen, Director of the Vermont Child Support Office.

One of the reasons that Vermont has a very high rate of in-hospital parentage establishment (82 percent establishment in 1996) is that parents know Vermont wants them involved as parents, not just as financial providers.

Vermont's form shows that both fathers and mothers have mutual rights and responsibilities in regard to custody, access/visitation, and financial support. A copy of Vermont's form is attached. The form does not state the level of custody, access, or support that a child or parents shall have, only that such rights must be worked out. In Vermont, all three aspects are worked out at the same hearing!

**We ask Congress to require that all states have a parentage form which acknowledges the responsibilities and joys of custody, access/visitation and support by both parents, not just a paternity form for one parent to sign.** A child is born with, needs and loves both parents. Both parents have obligations; not just one parent.

Benefits of parentage establishment:
1) More parent involvement in children's lives;
2) More financial support for children;
3) More "balance" in our legal system for children and families.

Thank you.

David L. Levy, J.D.
President and CEO

A NON-PROFIT, TAX EXEMPT ORGANIZATION STRENGTHENING FAMILIES THROUGH EDUCATION AND ASSISTING CHILDREN OF SEPARATION AND DIVORCE

Elisabeth Kübler-Ross, M.D.
Author, Psychiatrist
Head Waters, Virginia

Vicki Lansky
Author, Columnist
Deephaven, Minnesota

James Levine
Families and Work Institute
New York, New York

John Money, Ph.D., Professor of
Medical Psychology and Pediatrics
Johns Hopkins University and Hospital
Baltimore, Maryland

CONFIDENTIAL

STATE OF VERMONT VOLUNTARY ACKNOWLEDGEMENT OF PARENTAGE

NOTICE: Parentage creates specific legal obligations. This signed, witnessed form may be used in court in support of a parentage claim. You should seek legal advice before signing this form if you have any questions or if you are confused about your rights and responsibilities. (Also see the other side for some specific obligations of parenthood.)

I, _____, _____, _____
(full name of mother) (dob) (mother's SSN)

_____, _____, _____
(mailing address) (city) (state) (zip)

and I, _____, _____, _____
(full name of father) (dob) (father's SSN)

_____, _____, _____
(mailing address) (city) (state) (zip)

being of sound mind and memory, voluntarily and without coercion, and of our own free will, hereby acknowledge that we are the biological parents of the male/female child

named _____, born _____,
(date of birth)

at _____, _____, _____,
(city/town and county of birth) (state) (SSN if any) (Optional)

Dated this _____ day of _____, 19 _____

at _____, _____, _____
(city) (county) (state)

Signature of Mother_____

Witnessed before me this _____ day of _____, 19 _____

at _____, _____, _____
(city) (county) (state)

Signature of Witness_____

Dated this _____ day of _____, 19 _____

at _____, _____, _____
(city) (county) (state)

Signature of Father_____

Witnessed before me this _____ day of _____, 19 _____

at _____, _____, _____
(city) (county) (state)

Signature of Witness_____

Please Note: The law allows a person signing this form to rescind the acknowledgement within 60 days after signing or prior to a judicial determination of parentage, whichever occurs first. The rescission must be in writing and must be filed with the Department of Health.

This form is confidential and should be filed with: Vital Records Office, Department of Health, 108 Cherry Street, PO Box 70, Burlington, Vermont 05402-0070

## INFORMATION
## CONCERNING THE LEGAL IMPLICATIONS
## OF COMPLETING THIS ACKNOWLEDGEMENT OF PARENTAGE FORM

**What is parentage establishment?**

**"Parentage Establishment"** is a determination by the Family Court that a man is the biological father of a child and therefore is responsible for child support and may be entitled to parental rights and responsibilities (formerly known as "custody") and parent/child contact (formerly known as "visitation").

If a child's parents are not married and "parentage" has not been legally established, the biological father has no legal parental rights or responsibilities with respect to the child. Even if the mother and father live together and even if the father's name is on the birth certificate, the law does not recognize him as the father until parentage has been legally established by the Family Court.

**What role could this Acknowledgement form play in parentage establishment?**

A Voluntary Acknowledgement of Parentage form, signed by both biological parents and witnessed, may be filed with the Health Department. The Acknowledgement could then be filed with the Family Court when requesting a determination of parentage and/or a child support action. This creates a "rebuttable presumption of parentage," which means that unless contrary evidence is given to the Court, the Court will probably issue an order declaring the man who signed the Acknowledgement to be the father of the child. (See also: Office of Child Support, Fact Sheet: How to Establish Parentage.)

**Is the information on this form confidential?**

By law the Department of Health shall only make the completed Voluntary Acknowledgment of Parentage Form available to the parties who signed it and the Office of Child Support.

The Office of Child Support shall not have access to the form except for the purpose of initiating a parentage or support proceeding on behalf of a "dependent child", in which case, upon explicit request, the Department of Health shall make available to the Office of Child Support a copy of the completed form.

DEFINITIONS:

**CHILD SUPPORT** is an amount of money that a parent must pay to the other parent to contribute to the living, medical, and educational expenses of a child.

**PARENTAL RIGHTS AND RESPONSIBILITIES** (formerly known as "custody"):
There are two major parts to parental rights and responsibilities:

**"Legal Rights and Responsibilities"** enable a parent to determine and control matters affecting the child's welfare and upbringing, other than routine care and control of the child. Examples include decisions regarding education, non-emergency medical and dental care, religion and travel. Basically, it is the right to make major life decisions for the child.
**"Physical Rights and Responsibilities"** enable a parent to provide routine daily care and control of the child while taking into consideration the right and responsibility of the other parent to have contact with the child. Basically, it is the right to make daily decisions for the child.

**PARENT/CHILD CONTACT** (formerly known as "visitation") establishes the conditions under which a parent may be with his or her child.

Pamphlets with further discussion of these topics are available from the County Family Court (see below).

**Where can I obtain further information or advice?**

Depending on what questions you have, you may wish to contact:

- Your local Family Court Clerk (see list below)
- The Office of Child Support at (802) 241-2713
- The Vermont Bar Association Lawyer Referral Service, at 1-800-639-7036
- The Vermont Volunteer Lawyers Project at 1-800-639-8857 or 863-7153
- Vermont Legal Aid (offices in Burlington, Montpelier, Rutland, Springfield, St. Johnsbury)

State of Vermont

AGENCY OF HUMAN SERVICES

OFFICE OF THE SECRETARY
103 South Main Street
Waterbury, Vermont 05671-0204

Telephone: (802) 241-2220
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June 1, 1998

The Honorable Clay Shaw
Chairman, Human Relations Subcommittee
House Ways and Means Committee
Room B317 Rayburn Office Building
Washington, DC 20515

Dear Chairman Shaw:

This is to supplement the testimony provided by Jeffrey Cohen, Director of Child Support Enforcement, State of Vermont, at your May 19, 1998 Oversight Hearing of Child Support.

As Mr. Cohen testified, Vermont has a unique parentage form, on which parent indicates a responsibility or right in three areas -- custody, access/visitation, and child support. The forms do not state the level that any of those three shall reach, only that there are mutual rights and responsibilities in all three areas. All three are decided at the same follow-up hearing.

Vermont has the second highest parentage compliance (82%) in the country; one reason, according to the Children's Rights Council, is because parents know we do not want them just for their financial contributions, but for them to be parents to their children, as well.

Mr. Shaw, I know how important emotional as well as financial support of children, is to your Committee. Therefore, I recommend that your Committee ask that all states use a form similar to the Vermont parentage form. That is, parents should not just provide their social security number for their collection of support, but indicate the parenting responsibilities, as well. Both financial and emotional support should improve as a result. Thank you.

Sincerely,

Veronica Celani for
Cornelius D. Hogan
Secretary