SECTION 8-CHILD SUPPORT ENFORCEMENT PROGRAM

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BACKGROUND

OVERVIEW

In 1950, when only a small proportion of children were in single-parent families, the Federal Government took its first steps into the child support arena. Congress amended the Aid to Families with Dependent Children (AFDC) law by requiring State welfare agencies to notify law enforcement officials when benefits were being furnished to a child who had been abandoned by one of his or her parents. Presumably, local officials would then undertake to locate nonresident parents and make them pay child support. From 1950 to 1975, the Federal Government confined its child support efforts to these welfare children. With this exception, most Americans thought that child support establishment and collection was a domestic relations issue that should be dealt with at the State level by the courts.

By the early 1970s, however, Congress recognized that the composition of the AFDC caseload had changed drastically. In earlier years the majority of children needed financial assistance because their fathers had died; by the 1970s, the majority needed aid because their parents were separated, divorced, or never married. The Child Support Enforcement and Paternity Establishment program, enacted in 1975, was a response by Congress to reduce public expenditures on welfare by obtaining support from noncustodial parents on an ongoing basis, to help non-AFDC families get support so they could stay off public assistance, and to establish paternity for children born outside marriage so child support could be obtained for them.

The 1975 legislation (Public Law 93-647) added a new part D to title IV of the Social Security Act. This statute, as amended, authorizes Federal matching funds to be used for enforcing support obligations by locating nonresident parents, establishing paternity, establishing child support awards, and collecting child support payments. Since 1981, child support agencies have also been permitted to collect spousal support on behalf of custodial parents, and in 1984 they were required to petition for medical support as part of most child support orders.

Basic responsibility for administering the program is left to States, but the Federal Government plays a major role in: dictating the major design features of State programs; funding, monitoring and evaluating State programs; providing technical assistance; and giving assistance to States in locating absent parents and obtaining support payments. The program requires the provision of child support enforcement (CSE) services for both welfare and nonwelfare families and requires States to publicize frequently, through public service announcements, the availability of child support enforcement services, together with information about the application fee and a telephone number or address to obtain additional information. Local family and domestic courts and administrative agencies handle

the actual establishment and enforcement of child support obligations according to Federal, State, and local laws.

The child support program generally does not provide services aimed at other issues between parents, such as property settlement, custody, and access to children. These issues are handled by local courts with the help of private attorneys.

Any parent who needs help in locating an absent parent, establishing paternity, establishing a child support obligation, or enforcing a child support obligation may apply for CSE services. Parents receiving benefits (or who formerly received benefits) under the successor program to AFDC (Temporary Assistance for Needy Families or TANF), the federally assisted foster care program, or the Medicaid Program, automatically receive CSE services. Services are free to such recipients, but others (i.e., nonwelfare clients) are charged up to $25 for services. States can charge fees based on a sliding scale, pay fees out of State funds, or recover the fees from the noncustodial parent.

In addition, Public Law 109-171 (the Deficit Reduction Act of 2005) required families that have never been on the TANF program to pay a $25 annual user fee when the CSE program collects at least $500 in child support annually (from the noncustodial parent) on their behalf. P.L. 109-171 provides the State with four options on how to collect the fee. The $25 user fee may be (1) retained by the State from child support collected on behalf of the family (but the $25 cannot be part of the first $500 collected in any given Federal fiscal year); (2) paid by the custodial parent; (3) recovered/recouped from the noncustodial parent; or (4) paid by the State out of State funds.

In 1996, Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, abolished AFDC and related programs and replaced them with the TANF block grant program. Under this law, each State must operate a CSE Program meeting Federal requirements in order to be eligible for TANF funds. In addition to abolishing AFDC, Public Law 104-193 made about 50 changes to the CSE Program, many of them major. These changes include requiring States to increase the percentage of noncustodial parents identified as fathers, establishing an integrated, automated network linking all States to information about the location and assets of parents, requiring States to implement more enforcement techniques, and revising the rules governing the distribution of past due (arrearage) child support payments to former recipients of public assistance.

In 2006, Public Law 109-171 reauthorized funding for the TANF block grant through 2010. It also reduced the Federal matching rate for laboratory costs associated with paternity establishment from 90 percent to 66 percent, ended the Federal matching of State expenditures of Federal CSE incentive payments reinvested back into the program, required States to assess a $25 annual user fee for child support services provided to families with no connection to the welfare system (mentioned above), simplified CSE distribution rules, and extended the "families first" policy by providing incentives to States to encourage them to allow

more child support to go to both former welfare families and families still on welfare. In addition, Public Law 109-171 revised some child support enforcement collection mechanisms and added others.

DEMOGRAPHIC TRENDS

The need for an effective child support program is clearly supported by a brief review of the demographic trends of the American family. In 2006, there were 12.9 million single-parent families with children under age 18; about 10.4 million (81 percent) were maintained by the mother and 2.5 million by the father (U.S. Census Bureau, America's Families and Living Arrangements: 2006; Table FM-2). The rate of growth in the number of single parents with children under age 18 has fallen significantly since 1970. The average annual percent increase in the number of one-parent families with children under age 18 was 1.7 percent from 2000 to 2006, 2.0 percent from 1990 to 2000 and 4.1 percent from 1980 to 1990 as compared with 8.2 percent from 1970 to 1980. Nonetheless, in 2006, one-parent families with children comprised nearly 33 percent of all families with children, while the corresponding share of single-parent families with children in 1970 was 13 percent. In 2006, about 45 percent of the mothers had never been married, 34 percent were divorced, 17 percent were separated from their spouse, and 4 percent were widowed (U.S. Census Bureau, America's Families and Living Arrangements: 2006; Table FG-6).

Of equal concern, dynamic estimates indicated that at least half of all children born in the United States during the late 1970s and early 1980s would live with a single parent before reaching adulthood. For black children, the projection was about 80 percent (Bumpass, 1984). In 2006, 28 percent of the nearly 74 million children under age 18 living in the United States resided in an one-parent family. Although the number of families with a mother who has divorced has more than tripled since 1970, the number with a mother who has never married has increased almost eighteen-fold from 248,000 in 1970 to 4,647,000 in 2006. In these latter cases, paternity must be determined before the other parent has a legal obligation to financially support the child. States have made tremendous progress in establishing paternities as about 86 percent of the children in the 4.6 million families maintained by a never-married mother have had their paternity established; however, for the other 15 percent, a child support obligation cannot be established until a paternity determination is made. Poverty is prevalent among female-headed families. In 2006, 36.5 percent of the 9.9 million families maintained solely by a mother with children under 18 had incomes below the poverty threshold (Bureau of Labor Statistics and Census Bureau, 2006, Annual Social and Economic Supplement, Table POV07). About 15 percent of these families were poor despite the fact that the mother worked year round, full time. In sum, an unprecedented number of

children live in single-parent homes, nearly 37 percent are poor, and many lack adequate or any support from the nonresident parent.

PROGRAM TRENDS

In response to these demographic trends, the Federal-State child support program grew rapidly. By 2006, about 70 percent of all child support eligible families received government funded child support enforcement services. Most of the information in this chapter applies to the families receiving these government services. Table 8-1 summarizes trends for the child support program since 1978. In 2006, nearly $5.6 billion was spent by State child support programs to collect $23.9 billion in child support. The combined Federal-State program had about 60,000 employees. A sum of $4.30 was collected for every dollar of administrative expense, up by about 49 percent from $2.89 in 1982. In addition, in 2006 1.7 million paternities were established or acknowledged; almost 1.2 million support orders were established; and 8.5 million cases had collections (Office of Child Support, FY2006 CSE Preliminary Data Report). Moreover, in 2004, 331,000 families were removed from TANF because of child support collections.

These program trends demonstrate that the CSE program has steadily achieved positive child support outcomes. The extent of this success is a complex matter that will be discussed in more detail later in this chapter.

TABLE 8-1--SUMMARY OF NATIONAL CHILD SUPPORT PROGRAM STATISTICS, SELECTED FISCAL YEARS 1978-2006

[Numbers in Thousands, Dollars in Millions]

Measure	1978	1982	1986	1990	1994	1998	2002	2006
Total child support collections	1,047	1,770	3,246	6,010	9,850	14,347	20,137	23,933
In 2006 dollars [1]	2,970	3,551	5,697	8,988	13,251	17,723	22,568	23,933
Total TANF collections [2]	472	786	1,225	1,750	2,550	2,649	2,893	2,112
Federal	311	311	369	533	762	960	950	1,086
State	148	354	424	620	891	1,089	1,180	875
Total non-TANF collections	575	984	2,019	4,260	7,300	11,698	17,244	21,822
Total administrative expenditures	312	612	941	1,606	2,556	3,584	5,183	5,561
Federal	236	459	633	1,061	1,741	2,385	3,432	3,677
State	76	153	308	545	816	1,199	1,752	1,884
Federal incentive payments to States and localities	54	107	173	258	374	385	450	458
Total number of TANF cases in which a collection was made	458	597	582	701	926	790	806	747
Number of non-TANF cases in which a collection was made	249	448	786	1,363	3,169	3,071	7,013	7,783
Number of parents located	454	779	1,046	2,062	4,204	6,585	NA	NA
Number of paternities established	111	173	245	393	592	848	697	675
Number of support obligations established	315	462	731	1,022	1,025	1,148	1,220	1,159
Percent of TANF assistance payments recovered through child support collections	NA	6.8	8.6	10.3	12.5	20.0	NA	NA
Total child support collections per dollar of total administrative expenses	3.36	2.89	3.45	3.74	3.85	4.00	3.89	4.30

[1] Adjusted for inflation using the Consumer Price Index, research series for urban consumers (CPI-U-RS), all items.

[2] The Federal and State shares of TANF collections are based on collections on behalf of current TANF families and former TANF families.

NA - Not available.

Note: Paternities established do not include the paternities established through the In-Hospital Paternity Acknowledgment Program. In fiscal year 1994, 84,411 paternities were established in hospitals; 614,081 in fiscal year 1998; 829,988 in fiscal year 2002, and 1,025,521 in fiscal year 2006.

Source: Table prepared by the Congressional Research Service (CRS), based on data from the Office of Child Support Enforcement, U.S. Department of Health and Human Services. Data converted into 2006 dollars by CRS.

THE FEDERAL ROLE

The Federal statute requires the national child support program to be administered by a separate organizational unit under the control of a person designated by and reporting directly to the Secretary of the U.S. Department of Health and Human Services (HHS). Presently, this office is known as the Federal Office of Child Support Enforcement (OCSE). The Family Support Act of 1988 required the appointment of an Assistant Secretary for Family Support within HHS to administer a number of programs, including the Child Support Enforcement program. Currently, this position is entitled the Assistant Secretary for the Administration for Children and Families. A primary responsibility of the Assistant Secretary is to establish standards for State programs for locating absent parents, establishing paternity, and obtaining child support and support for the spouse (or former spouse) with whom the child is living. In addition to this broad statutory mandate, the Assistant Secretary is required to establish minimum organizational and staffing requirements for State child support agencies, and to review and approve State plans.

The statute also requires the Assistant Secretary to provide technical assistance to States to help them establish effective systems for collecting child support and establishing paternity. To fulfill this requirement, OCSE operates a National Child Support Enforcement Reference Center as a central location for the collection and dissemination of information about State and local programs. OCSE also provides, under a contract with the American Bar Association Child Support Project, training and information dissemination on legal issues to persons working in the field of child support enforcement. Special initiatives, such as assisting major urban areas in improving program performance, also have been undertaken by OCSE.

The Child Support Enforcement Amendments of 1984 (Public Law 98-378) extended the research and demonstration authority in section 1115 of the Social Security Act to the Child Support Enforcement program. This authority makes it possible for States to test innovative approaches to support enforcement so long as the modification does not disadvantage children in need of support nor result in an increase in Federal TANF costs. The 1984 amendments also authorized $15 million for each fiscal year after 1986 for special project grants to promote improvement in interstate enforcement. In fiscal year 2007, 6 States had section 1115 grants which directly impacted child support: 2 States had grants to improve the way current child support practices are administered; 2 States had grants to improve State results on child support performance measures; and 2 States had grants to improve CSE results by collaborating with other agencies on shared caseloads.

The Assistant Secretary for Children and Families has full responsibility for the evaluation of the CSE Program. Pursuant to Public Law 104-193, States must annually review and report to the Secretary of HHS information adequate to

determine the State's compliance with Federal requirements for expedited procedures, timely case processing, and improvement on the performance indicators. To measure the quality of the data reported by States and to assess the adequacy of financial management of the State program, the Secretary must conduct an audit of every State at least once every 3 years and more often if a State fails to meet Federal requirements. Under the audit's penalty provision, a State's TANF Block Grant must be reduced by an amount equal to at least 1 but not more than 2 percent for the first failure to comply substantially with the standards and requirements, at least 2 but not more than 3 percent for the second failure, and at least 3 but not more than 5 percent for the third and subsequent failures.

The 1996 welfare reform law set aside 1 percent of the Federal share of retained child support collections for information dissemination and technical assistance to States (including technical assistance related to automated systems), training of State and Federal staff, staffing studies, and related activities needed to improve the CSE Program, and research, demonstration, and special projects of regional or national significance relating to the operation of the CSE Program. An additional 2 percent of the Federal share of retained child support collections is set aside for the operation of the Federal Parent Locator Service (FPLS). Although P.L. 109-171 (the Deficit Reduction Act of 2005) made some modifications to these two provisions, the percentages were not changed. P.L. 109-171 establishes a minimum funding level for technical assistance and the FPLS by preventing funding for these two program elements from going below the amount the State received in fiscal year 2002.

The statute creates several Federal mechanisms to assist States in performing their paternity and child support enforcement functions. These include use of the Internal Revenue Service (IRS), the Federal courts, and the FPLS. The Assistant Secretary must approve a State's application for permission to use the courts of the United States to enforce orders upon a finding that either another State has not enforced the court order of the originating State within a reasonable time or Federal courts are the only reasonable method of enforcing the order. Although Congress authorized the use of Federal courts to enforce interstate cases, this mechanism has gone unused, apparently because States view it as costly and complex.

Finally, the CSE statute requires the establishment of a FPLS to be used to find absent parents in order to secure and enforce child support obligations. The role of the FPLS was expanded by the 1996 welfare reform law. For purposes of establishing parentage; establishing, setting the amount of, modifying, or enforcing child support obligations; or enforcing child custody or visitation; the FPLS is to provide information to locate any individual: (1) who is under an obligation to pay child support or provide child custody or visitation rights; (2) against whom such an obligation is sought; or (3) to whom such an obligation is owed. Upon request, the Secretary of HHS must provide to an authorized person the most recent address and place of employment of any noncustodial parent if the information is contained in

the records of HHS or can be obtained from any other department or agency of the United States or of any State. Public Law 105-33, which was enacted in 1997 and made numerous changes to the 1996 welfare reform law, allows FPLS information to be disclosed to noncustodial parents except in cases where there is evidence of domestic violence or child abuse and the local court determines that disclosure may result in harm to the custodial parent or child. The Secretary also must make available the services of the FPLS to any State that wishes to locate a missing parent or child for the purpose of enforcing any Federal or State law involving the unlawful taking or restraint of a child or the establishment or maintenance of a child custody or visitation order.

Historically, the Federal Government held the view that visitation (also referred to as child access) and child support should be legally separate issues, and that only child support should be under the purview of the CSE Program. Both Federal and State policymakers have maintained that denial of visitation rights should be treated separately and should not be considered a reason for stopping support payments. Nonetheless, Census Bureau data indicate that it was more likely for noncustodial parents to make payments of child support if they had either joint custody or visitation rights. Thus, in order to promote visitation and better relations between custodial and noncustodial parents, the 1996 welfare reform law provided $10 million per year for grants to States for access and visitation programs, including mediation, counseling, education, and supervised visitation. In addition, as mentioned above, the 1996 law also expanded the scope of the FPLS to allow certain noncustodial parents to obtain information regarding the location of the custodial parent.

All States and Territories applied for and received funding for access and visitation grants in fiscal year 2007. According to a report on the grant program for fiscal year 2005 (Office of Child Support, Access and Visitation Grants: State/Jurisdictions Profiles for FY2005, April 2007), most participating individuals received parenting education, supervised visitation services, mediation services, and help in developing parenting plans. Based on fiscal year 2005 data, nearly 69,000 individuals were served by the grant program; compared to 20,000 who were served by the grant program during its first year of operation in fiscal year 1998.

Moreover, P.L. 109-171 (the Deficit Reduction Act) included a provision that provides up to $50 million per year (for fiscal years 2006-2010) in competitive grants to States, Territories, Indian tribes and tribal organizations, and public and nonprofit community groups (including religious organizations) for responsible fatherhood initiatives. Most responsible fatherhood programs include parenting education; responsible decision-making; mediation services for both parents; providing an understanding of the CSE program; conflict resolution, coping with stress, and problem-solving skills; peer support; and job-training opportunities (skills development, interviewing skills, job search, job-retention skills, job-

advancement skills, etc.). They usually also include media campaigns that emphasize the importance of emotional, physical, psychological, and financial connections of fathers to their children.

THE STATE ROLE

The Social Security Act requires every State operating a TANF program to conduct a Child Support Enforcement program. All 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate CSE programs. Further, States were historically required to provide CSE services to Indian tribes and tribal organizations as part of the CSE caseloads. The 1996 welfare reform law (P.L. 104-193) allowed direct Federal funding of tribal CSE programs at a 90 percent Federal matching rate. Currently, nine Indian Tribes or tribal organizations operate CSE programs. They are the Chickasaw Nation, Navajo Nation, Puyallup Tribe, Sisseton-Wahpeton Sioux Tribe, Lac du Flambeau Tribe, Menominee Tribe, Port Gamble S'Klallam, Lummi Nation, and the Forest County Potawatomi.

Federal law also requires applicants for, and recipients of, TANF to assign their support rights to the State in order to receive benefits. In addition, each applicant or recipient must cooperate with the State to establish the paternity of a child born outside marriage and to obtain child support payments.

TANF recipients or applicants may be excused from the requirement of cooperation if the CSE agency determines that good cause for noncooperation exists, taking into consideration the best interests of the child on whose behalf aid is claimed. If good cause is found not to exist and if the relative with whom a child is living still refuses to cooperate, then the State must reduce the family's TANF benefit by at least 25 percent and may remove the family from the TANF program. (Federal law also stipulates that no TANF funds may be used for a family that includes a person who has not assigned child support rights to the State.) Before the 1996 welfare reform law, cooperation could have been found to be against the best interests of the child if cooperation could be anticipated to result in physical or emotional harm to the child or caretaker relative; if the child was conceived as a result of incest or rape; or if legal procedures were underway for the child's adoption.

Unlike previous law, the 1996 welfare reform law provides States rather than the Federal Government with the authority to define “good cause.” The law now requires States to develop both “good cause” and “other exceptions” to the cooperation requirement. The only restriction is that both the “good cause” and “other exceptions” must be based on the “best interests of the child.” In addition to defining good cause and other exceptions, States must establish the standard for proving a claim. States also must decide which State agency will inform TANF caretaker relatives about the cooperation exemptions, and which agency will make

the decision about the validity of a given claim. These responsibilities can be delegated to the State TANF agency, the CSE agency, or the Medicaid agency.

Each State is required to designate a single and separate organizational unit of State government to administer its child support program. Earlier child support legislation, enacted in 1967, had required that the program be administered by the welfare agency. The 1975 act deleted this requirement in order to give each State the opportunity to select the most effective administrative mechanism. Most States have placed the child support agency within a social or human services umbrella agency which also administers the TANF program. However, Alaska, Arizona, Arkansas, Florida, and Massachusetts have placed the agency in the department of revenue or economic security and the District of Columbia, Guam, Hawaii, Oregon, Texas, and the Virgin Islands have placed the agency in the office of the attorney general. The law allows the CSE program to be administered either at the State or local level. In most of the States, the CSE program is State administered with offices in many local areas. However, 14 States have programs that are locally (i.e., county) administered; and 8 States have programs that are State administered in some counties and locally administered in others (2 of these States indicated that they also use private contractors).

States must have plans, approved by the director of OCSE, which set forth the details of their child support program. States also must enter into cooperative arrangements with courts and law enforcement officials to assist the child support agency in administering the program. These agreements may include provision for reimbursing courts and law enforcement officials for their assistance. States also must operate a parent locator service to find absent parents, and they must maintain full records of collections and disbursements and otherwise maintain an adequate reporting system.

In order to facilitate the collection of support in interstate cases, a State must cooperate with other States in establishing paternity, locating absent parents, and securing compliance with an order issued by another State.

States are required to use several enforcement tools. They must use income withholding, the IRS tax refund offset procedure for welfare and nonwelfare families, and they also must determine periodically whether any individuals receiving unemployment compensation owe child support. The State Employment Security Agency (part of the Federal-State Unemployment Compensation System), is required to withhold unemployment benefits, and to pay the child support agency any outstanding child support obligations established by an agreement with the individual or through legal processes.

Other enforcement techniques States must use include:

1. Imposing liens against real and personal property for amounts of overdue support;
2. Withholding State tax refunds payable to a parent who is delinquent in support payments;

3. Reporting the amount of overdue support to a consumer credit bureau upon request;
4. Requiring individuals who have demonstrated a pattern of delinquent payments to post a bond or give some other guarantee to secure payment of overdue support;
5. Establishing expedited processes within the State judicial system or under administrative processes for obtaining and enforcing child support orders and determining paternity. These expedited procedures include giving States authority to secure assets to satisfy payment of past-due support by seizing or attaching unemployment compensation, workers' compensation, judgments, settlements, lotteries, assets held in financial institutions, and public and private retirement funds;
6. Withholding, suspending, or restricting the use of driver's licenses, professional and occupational licenses, and recreational and sporting licenses of noncustodial parents who owe past-due support;
7. Denying passports to persons owing more than $2,500 in past-due support;
8. Requiring unemployed noncustodial parents who owe child support to a child receiving TANF benefits to participate in appropriate work activities;
9. Performing quarterly data matches with financial institutions;
10. Voiding fraudulent transfers of assets to avoid payment of child support; and
11. Allowing an assisting State to establish a CSE interstate case based on another State's request for assistance (via the high-volume automated administrative enforcement of interstate cases procedure).

Each State's plan must provide that the child support agency will attempt to secure support for all TANF children. The State also must provide in its plan that it will undertake to establish the paternity of a TANF child born out of wedlock. These requirements apply to all cases except those in which the State finds, in accordance with standards established by the Secretary of HHS, the best interests of the child would be violated. Moreover, Federal law requires States to continue to provide CSE services without imposing the application fee on families whose TANF eligibility ends (i.e., former-TANF families).

Foster care agencies are required to take steps, where appropriate, to secure an assignment to the State of any rights to support on behalf of a child receiving foster care maintenance payments under title IV-E of the Social Security Act. State child support agencies also are required to establish and enforce medical child support. Federal law requires that every child support order include a provision for health care coverage. Public Law 109-171 required that medical support for a child be provided by either one parent or both parents and that it be enforced. And, if a family loses TANF eligibility as the result of increased collection of support

payments, the State must continue to provide Medicaid benefits for 4 calendar months beginning with the month of ineligibility. In addition, States must provide services to families covered by Medicaid who are referred to the State IV-D agency from the State Medicaid agency.

With respect to non-TANF families, States must provide, once an application is filed with the State agency, the same child support collection and paternity determination services which are provided for TANF families. The State must charge non-TANF families an application fee of up to $25. States may charge the fee against the custodial parent, pay the fee out of State funds, or recover it from the noncustodial parent. Federal law also provides that (1) a fee of not more than $25 may be imposed in any case where the State requests that the Federal income tax offset program be used to collect child support on behalf of a non-welfare family and (2) a fee (in accordance with regulations of the Secretary) for performing genetic tests may be imposed on any individual who is not a TANF recipient. In addition, a State may at its option recover costs in excess of the application fee. Such recovery may be from either the custodial parent or the noncustodial parent. If a State chooses to make recovery from the custodial parent, it must have in effect a procedure whereby all persons in the State who have authority to order support are informed that such costs are to be collected from the custodial parent. States also have the option of charging interest and/or a late payment fee equal to between 3 and 6 percent of the amount of overdue support. Late payment fees may be charged to noncustodial parents and are to be collected only after the full amount of the support has been paid to the child.

In addition, Public Law 109-171 (the Deficit Reduction Act of 2005) required families that have never been on the TANF program to pay a $25 annual user fee when the CSE program collects at least $500 in child support annually (from the noncustodial parent) on their behalf. P.L. 109-171 provides the State with four options on how to collect the fee. The $25 user fee may be (1) retained by the State from child support collected on behalf of the family (but the $25 cannot be part of the first $500 collected in any given Federal fiscal year); (2) paid by the custodial parent; (3) recovered/recouped from the noncustodial parent; or (4) paid by the State out of State funds.

Child support enforcement services must include the enforcement of spousal support, but only if a support obligation has been established with respect to the spouse, the child and spouse are living in the same household, and child support is being collected along with spousal support. Finally, each State must comply with any other requirements and standards that the Secretary of HHS determines to be necessary to the establishment of an effective child support program.

THE CHILD SUPPORT ENFORCEMENT PROCESS

The goal of the child support program is to combine these Federal and State responsibilities and activities into an efficient process that provides seven basic services: locating absent parents, establishing paternity, establishing child support orders, reviewing and modifying child support orders, establishing and enforcing medical child support, collecting and distributing child support, and enforcing child support across State lines. Each of these services deserves extensive discussion.

LOCATING ABSENT PARENTS

In pursuing cases, child support officials try to obtain a great deal of information and several documents from the custodial parent or other sources. These include the name and address of the noncustodial parent; the noncustodial parent's SSN; children's birth certificates; the child support order; the divorce decree or separation agreement; the name and address of the current or most recent employer of the noncustodial parent; the names of friends and relatives or organizations to which the noncustodial parent might belong; information about income and assets; and any other information about noncustodial parents that might help locate them. Once this information is provided, it is used in strictest confidence.

If the Child Support Enforcement program cannot locate the noncustodial parent with the information provided by the custodial parent, it must try to locate the noncustodial parent through the State parent locator service. The State uses various information sources such as telephone directories, motor vehicle registries, tax files, and employment and unemployment records. The State also can ask the FPLS to locate the noncustodial parent. The FPLS can access data from the Social Security Administration, the IRS, the Selective Service System, the Department of Defense, the Veterans Administration, the National Personnel Records Center, and State Employment Security Agencies. The FPLS provides SSNs, addresses, and employer and wage information to State and local child support agencies to establish and enforce child support orders.

The FPLS obtains employer addresses and wage and unemployment compensation information from the State Employment Security Agencies. This information is very useful in helping child support officials work cases in which the custodial parent and children live in one State and the noncustodial parent lives or works in another State. Employment data are updated quarterly by employers reporting to their State Employment Security Agency; unemployment data are updated continually from State unemployment compensation payment records.

The FPLS conducts weekly or biweekly matches with most of the agencies listed above. Each agency runs the cases against its database and the names and SSNs that match are returned to FPLS and through the FPLS to the requesting State

or local child support office. During fiscal year 2006, the FPLS sent employment and address information to States on 5 million noncustodial parents and putative fathers.

Since October 1984, OCSE has participated in Project 1099 which provides State child support agencies access to all of the earned and unearned income information reported to IRS by employers and financial institutions. Project 1099, named after the IRS form on which both earned and unearned income is reported, is a cooperative effort involving State child support agencies, the OCSE, and the IRS. Examples of reported earned and unearned income include: interest paid on savings accounts, stocks and bonds, and distribution of dividends and capital gains; rent or royalty payments; prizes, awards, or winnings; fees paid to directors or subcontractors; and unemployment compensation. The Project 1099 information is used to locate noncustodial parents and to verify income and employment. Project 1099 also helps locate additional non-wage income and assets of noncustodial parents who are employees as well as income and asset sources of self-employed and non-wage earning obligors. However, according to the OCSE, although Project 1099 still exists the National Directory of New Hires and the Financial Institution Data Match program are better sources of data and are more cost-effective (OSCE, Essentials for Attorneys, Oct. 2002).

The SSN is the key piece of information around which the child support information system is constructed. Most computer searches need the SSN in order to operate effectively. Thus, in the 1996 welfare reform law and the amendments in the 1997 Balanced Budget Act (Public Law 105-33), Congress gave CSE agencies access to new sources for obtaining SSNs. Federal CSE law required States to implement procedures requiring that the SSN of any applicant for a professional, driver's, occupational, recreational, or marriage license be recorded on the application (but not on the face of the license itself). In addition, the 1996 law required that the SSN of any individual subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter and that the SSN of any individual who has died be placed in the death records and recorded on the death certificate.

To further improve CSE’s ability to locate absent parents, the 1996 law also required States to have automated registries of child support orders containing records of each case in which CSE services are being provided and each support order established or modified on or after October 1, 1998. Local registries could be linked to form the State registry. The State registry includes a record of the support owed under the order, arrearages, interest or late penalty charges, amounts collected, amounts distributed, child's date of birth, and any liens imposed. The registry also includes standardized information on both parents, such as name, SSN, date of birth, and case identification number.

In one of the most important child support reforms in recent years, the 1996 law required States, by October 1, 1997, to establish an automated directory of new

hires containing information from employers, including Federal, State, and local governments and labor organizations, for each newly hired employee. The directory must include the name, address and SSN of the employee and the employer's name, address, and tax identification number. This information is to be supplied by employers to the State new hires directory within 20 days after the employee is hired. Within 3 business days after receipt of new hire information, the State directory of new hires is required to furnish the information to the National directory of new hires. The 1996 law also required the establishment of a Federal Case Registry of child support orders and a National Directory of New Hires. The Federal directories consist of abstracts of information from the State directories and are located in the FPLS. According to HHS, during fiscal year 2004 about 690 million records were posted to the National Directory of New Hires, which matches child support orders to employment records. The Federal Case Registry maintained records involving almost 42 million individuals. The National Directory of New Hires information is compared with the Federal Case Registry to locate individuals who are involved in child support cases and live in a different State than their children. In fiscal year 2006, 5 million noncustodial parents and putative fathers were located through the National Directory of New Hires.

The 1996 reforms allowed all States to link up to an array of databases and permits the FPLS to be used for the purpose of establishing parentage; establishing, setting the amount of, modifying, or enforcing child support obligations; or enforcing child custody or visitation orders. A designated State agency must directly or by contract conduct automated comparisons of the SSNs reported by employers to the State directory of new hires and the SSNs of CSE cases that appear in the records of the State registry of child support orders. The Secretary of HHS is required to conduct similar comparisons of the Federal directories. When a match occurs, the State directory of new hires is required to report to the State CSE agency the name, date of birth, and SSN of the employee, and the name, address, and identification number of the employer. The CSE agency must, within 2 business days, instruct appropriate employers to withhold child support obligations from the employee's paycheck, unless the employee's income is not subject to withholding.

There are two exceptions to the immediate income withholding rule: (1) if one of the parties demonstrates, and the court (or administrative process) finds, that there is good cause not to require immediate withholding; or (2) if both parties agree in writing to an alternative arrangement. Employers must remit to the State disbursement unit income withheld within 7 business days after the employee's payday. States also are required to operate a centralized collection and disbursement unit that sends child support payments to custodial parents within 2 business days.

ESTABLISHING PATERNITY

Paternity establishment is a prerequisite for obtaining a child support order. In 2006, 38.5 percent of children born in the United States were born to unmarried women. According to the OCSE, in fiscal year 2006 paternity was established for about 86 percent of the children who needed paternity established. The CSE program has made great strides in establishing paternity. Between 1994 and 2006, the number of paternities established or acknowledged increased from 676,000 to 1.7 million, a jump of 151 percent.

Experts agree that the CSE Program must continue to improve paternity establishment. Without paternity established, children have no legal claim on their father’s income. In addition to financial benefits, research studies have found that establishing paternity can provide social, psychological, and emotional benefits and in some cases the father's medical history may be needed to give a child proper care.

In the 1980s, legislation was enacted that contained provisions aimed at increasing the number of paternities established. Public Law 98-378, the Child Support Enforcement Amendments of 1984, required States to implement laws that permitted paternity to be established until a child's 18th birthday. Under the Family Support Act of 1988 (Public Law 100-485), States are required to initiate the establishment of paternity for all children under the age of 18, including those for whom an action to establish paternity was previously dismissed because of the existence of a statute of limitations of less than 18 years. The 1988 law encouraged States to create simple civil procedures for establishing paternity in contested cases, required States to have all parties in a contested paternity case take a genetic test upon the request of any party, required the Federal Government to pay 90 percent of the laboratory costs of these tests, and permitted States to charge persons not receiving Aid to Families with Dependent Children (AFDC) for the cost of establishing paternity. The 1988 law also set paternity establishment standards for the States and stipulated that each State was required, in administering any law involving the issuance of birth certificates, to require both parents to furnish their SSN unless the State found good cause for not doing so.

Congress took additional action to improve paternity establishment in the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66). This law required States to have in effect, by October 1, 1993, the following:

1. A simple civil process for voluntarily acknowledging paternity under which the State must explain the rights and responsibilities of acknowledging paternity and afford due process safeguards. Procedures must include a hospital-based program for the voluntary acknowledgment of paternity during the period immediately preceding or following the birth of a child;

2. A law under which the voluntary acknowledgment of paternity creates a rebuttable, or at State option, conclusive presumption of paternity, and under which such voluntary acknowledgments are admissible as evidence of paternity;
3. A law under which the voluntary acknowledgment of paternity must be recognized as a basis for seeking a support order without requiring any further proceedings to establish paternity;
4. Procedures which provide that any objection to genetic testing results must be made in writing within a specified number of days prior to any hearing at which such results may be introduced in evidence; if no objection is made, the test results must be admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy;
5. A law which creates a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability of the alleged father's being the father of the child;
6. Procedures which require default orders in paternity cases upon a showing that process has been served on the defendant and whatever additional showing may be required by State law; and
7. Expedited processes for paternity establishment in contested cases and full faith and credit to determinations of paternity made by other States.

The 1993 reforms also revised the mandatory paternity establishment requirements imposed on States by the Family Support Act of 1988. The most notable provision increased the mandatory paternity establishment percentage, which was backed up by financial penalties linked to a reduction of Federal matching funds for the State's AFDC (now TANF) Program (see Audits and Financial Penalties section). The 1996 welfare reform law made further changes. More specifically, the 1996 law streamlined the paternity determination process; raised the paternity establishment requirement from 75 to 90 percent; implemented a simple civil process for establishing paternity; required a uniform affidavit to be completed by men voluntarily acknowledging paternity and entitled such affidavit to full faith and credit in any State; stipulated that a signed acknowledgment of paternity be considered a legal finding of paternity unless rescinded within 60 days and thereafter may be challenged in court only on the basis of fraud, duress, or material mistake of fact; and provided that no judicial or administrative action is needed to ratify an acknowledgment that is not challenged. The 1996 law also required States to publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support.

Paternity acknowledgments must be filed with the State birth records agency. However, before an alleged father can sign a paternity acknowledgment, he must be given notice (both orally and in writing) of the alternatives to, legal consequences of, and rights and responsibilities arising from the signed acknowledgment.

Moreover, in the case of unmarried parents, the father's name shall not appear on the birth certificate unless he has signed a voluntary acknowledgment or a court has issued an adjudication of paternity.

Public Law 109-171 (the Deficit Reduction Act of 2005) reduced the Federal matching rate for laboratory costs associated with paternity establishment from 90 percent to 66 percent.

While employing these laws and procedures (mentioned above) to establish paternity, States follow a predictable sequence of events. In cases for which paternity is not voluntarily acknowledged, the child support agency locates the alleged father and brings him to court or before an administrative agency where he can either acknowledge or dispute paternity. If he claims he is not the father, the court can require that he submit to parentage blood testing to establish the probability that he is the father. If the father denies paternity, a court usually decides the issue based on scientific and testimonial evidence. Through the use of testing techniques, a man may be excluded as a possible natural father, in which case no further action against him is warranted. Most States use one or more of several scientific methods for establishing paternity. These include: ABO blood typing system, human leukocyte antigen testing, red cell enzyme and serum protein electrophoresis, and deoxyribonucleic acid (DNA) testing.

The State CSE agency has the power (without the need for permission from a court or administrative tribunal) to order genetic tests in appropriate CSE cases. These CSE agencies also must recognize and enforce the ability of other State CSE agencies to take such actions. Moreover, genetic test results must be admissible as evidence so long as they are of a type generally acknowledged as reliable by accreditation bodies recognized by HHS and performed by an entity approved by such an accredited body. Finally, in any case in which the CSE agency ordered the tests, the State must pay the initial costs. The State is allowed to recoup the cost from the father if paternity is established. If the original test result is contested, further testing can be ordered by the CSE agency if the contestant pays the cost in advance.

There are two types of testing procedures for paternity cases: (1) probability of exclusion tests, and (2) probability of paternity tests. Most laboratories perform probability of exclusion tests. This type of testing can determine with 90-99 percent accuracy that a man is “not” the father of a given child. There is a very high probability the test will exonerate a falsely accused man (Office of Child Support Enforcement, 1990).

Since the question of paternity is essentially a scientific one, it is important that the verification process include available advanced scientific technology. Experts now agree that use of the highly reliable DNA test greatly increases the likelihood of correct identification of putative fathers. DNA tests can be used either to exclude unlikely fathers or to establish a high likelihood that a given man is the father (Office of Child Support Enforcement, 1990, see pp. 59-74). One expert,

speaking at a child support conference, summed up the effectiveness of DNA testing as follows: “The DNA fingerprinting technique promises far superior reliability than current blood grouping or human leukocyte antigen analyses. The probability of an unrelated individual sharing the same patterns is practically zero. The DNA fingerprinting test, developed in England in 1985, refines the favorable statistics to an even greater degree, reducing the probability that two unrelated individuals will have the same DNA fingerprint to one in a quadrillion” (Georgeson, 1989, p. 568).

If the putative father is not excluded on the basis of the scientific test results, authorities may still conclude on the basis of witnesses, resemblance, and other evidence that they do not have sufficient evidence to establish paternity and, therefore, will drop charges against him. Tests resulting in no exclusion also may serve to convince the putative father that he is, in fact, the father. If this occurs, a voluntary admission often leads to a formal court order. When authorities believe there is enough evidence to support the mother's allegation, but the putative father continues to deny the charges, the case proceeds to a formal adjudication of paternity in a court of law (McKillop, 1981, pp. 22-23). Using the results of the blood test and other evidence, the court or the child support agency, often through an administrative process, may dismiss the case or enter an order of paternity, a prerequisite to obtaining a court order requiring a noncustodial parent to pay support (U.S. General Accounting Office, 1987).

In recent years, a new phenomenon has occurred in the paternity establishment area called the “disestablishment” of paternity. New genetic testing capabilities have made identification of a biological father more accurate than ever before, prompting some parties to attempt to overcome presumptions or previous determinations of paternity by using genetic test results (OCSE, 2002c). During the last several years, advances in genetic testing have resulted in more instances of putative fathers substantiating their claim that they in fact are not the biological father of the child in question. In divorce cases in which the mother contends that her husband is not the father of her child and genetic tests verify her claim, but the husband nevertheless wants to maintain a parent-child relationship and continue the emotional and financial responsibilities of fatherhood, many courts considering the best interests of the child and the public have ruled in the ex-husband’s favor, arguing that there is more to fatherhood than biology. In divorce cases in which the husband alleges that children of the marriage are not his and can substantiate his allegation with genetic testing results, some courts have ruled on behalf of the ex-husband, arguing that it is not fair to force a man to assume responsibility for a child to whom he has no biological connection. Other courts have not allowed husbands to raise the paternity issue at divorce, especially if the husband suspected adultery and failed to act, contending that it would not be in the best interest of the child or the public. Outcomes of such paternity disestablishment cases are varied among jurisdictions; so far, no national consensus has emerged.

In fiscal year 2006, 1,701,019 paternities were established or acknowledged. For the past several years, paternity acknowledgments exceeded paternity establishments. In fiscal year 2006, 675,498 paternities were established or acknowledged through the CSE agencies and 1,025,521 paternities were acknowledged primarily through hospitals (see Table 8-1). While the percentage of children in the CSE program for whom paternity was established or acknowledged averaged about 86 percent nationally in 2006, huge disparities exist among States. For example, the percentage of children in the CSE program for whom paternity was established or acknowledged in 2006 ranged from 59.4 percent in New Mexico to 122.1 percent in Oklahoma (some paternities established are for children born in previous years).

ESTABLISHING CHILD SUPPORT ORDERS

A child support order legally obligates noncustodial parents to provide financial support for their children and stipulates the amount of the obligation (current weekly obligation plus arrearages, if any) and how it is to be paid. Many States have statutes that provide that, in the absence of a child support award, the payment of TANF benefits to the child of a noncustodial parent creates a debt due from the parent or parents in the amount of the TANF benefit. Other States operate under the common law principle, which maintains that a father is obligated to reimburse any person who has provided his child with food, shelter, clothing, medical attention, or education. States can establish child support obligations either by judicial or administrative process.

Judicial and administrative systems

The courts have traditionally played a major role in the child support program. Judges establish orders, establish paternity, and provide authority for all enforcement activity. The child support literature generally concludes that the judicial process offers several advantages, especially by providing more adequate protection for the legal rights of the noncustodial parent and by offering a wide range of enforcement remedies, such as civil contempt and possible incarceration. A major problem of using courts, however, is that they are often cumbersome, expensive, and time consuming.

Thus, the advantages of an administrative process are very compelling. These include offering quicker service because documents do not have to be filed with the court clerk nor await the signature of the judge, eliminating time consuming problems in scheduling court appearances, providing a more uniform and consistent obligation amount, and saving money because of reduced court costs and attorney fees.

The 1984 child support amendments required States to limit the role of the courts significantly by implementing administrative or judicial expedited processes.

States are required to have quasi-judicial or administrative systems to expedite the process for obtaining and enforcing a child support order. Since 1993, States have been required to extend these expedited processes to paternity establishment.

Most child support officials view the growth of expedited administrative processes as an improvement in the child support program. An expedited judicial process is a legal process in effect under a State's judicial system that reduces the processing time of establishing and enforcing a child support order. To expedite case processing, a “judge surrogate” is given authority to: take testimony and establish a record, evaluate and make initial decisions, enter default orders if the noncustodial parent does not respond to “notice” or other State “service of process” in a timely manner, accept voluntary acknowledgment of support liability and approve stipulated agreements to pay support. In addition, if the State establishes paternity using the expedited judicial process, the surrogate can accept voluntary acknowledgment of paternity. Judge surrogates are sometimes referred to as court masters, referees, hearing officers, commissioners, or presiding officers.

The purpose of an expedited administrative process is to increase effectiveness and meet specified processing times in child support cases and paternity actions. Federal regulations specify that 90 percent of cases must be processed within 3 months, 98 percent within 6 months, and 100 percent within 12 months.

The Federal regulations also contain additional requirements related to the expedited process. Proceedings conducted pursuant to either the expedited judicial or expedited administrative process must be presided over by an individual who is not a judge of the court. Orders established by expedited process must have the same force and effect under State law as orders established by full judicial process, although either process may provide that a judge first ratify the order. Within these broad limitations, each State is free to design an expedited process that is best suited to its administrative needs and legal traditions.

Under the 1996 welfare reform law, the expedited procedure rules were broadened to cover modification of support orders. The new law also required that State tribunals--whether quasi-judicial or administrative--must have statewide jurisdiction over the parties and permit intrastate case transfers from one tribunal to another without the need to refile the case or reserve the respondent. In addition, once a support/paternity order is entered, the tribunal must require each party to file and periodically update certain information with both the tribunal and the State’s child support case registry. This information includes the parent’s SSN, residential and mailing addresses, telephone number, driver’s license number, and employer's name, address, and telephone number.

Moreover, the 1996 reforms required States to adopt laws that give the CSE agency authority to initiate a series of expedited procedures without the necessity of obtaining an order from any other administrative agency or judicial tribunal. These actions include: ordering genetic testing; issuing subpoenas; requiring public and

private employers and other entities to provide information on employment, compensation, and benefits or be subject to penalties; obtaining access to vital statistics, State and local tax records, real and personal property records, records of occupational and professional licenses, business records, employment security and public assistance records, motor vehicle records, corrections records, customer records of utilities and cable television companies pursuant to an administrative subpoena, and records of financial institutions; ordering income withholding; securing assets to satisfy judgments and settlements; and increasing the monthly support due to make payments on arrearages.

Determining the amount of support orders

Before October 1989, the decision of how much a parent should pay for child support was left primarily to the discretion of the court. Typically, judges examined financial statements from mothers and fathers and established awards based on children's needs. The resulting awards varied greatly. Moreover, this case-by-case approach resulted in very low awards. Based on Census Bureau data, in 1991, the average amount of child support owed to custodial parents was $3,321, about $277 per month (the comparable figure in 2005 was $5,584 or $465 per month).

In an attempt to increase the use of objective criteria, the 1984 child support amendments (Public Law 98-378) required each State to establish, by October 1987, guidelines for determining child support award amounts "by law or by judicial or administrative action" and to make the guidelines available "to all judges and other officials who have the power to determine child support awards within the State." Federal regulations made the provision more specific: State child support guidelines must be based on specific descriptive and numeric criteria and result in a computation of the support obligation. The 1984 provision did not make the guidelines binding on judges and other officials who had the authority to establish child support obligations. However, the Family Support Act of 1988 (Public Law 100-485) required States to pass legislation making the State child support guidelines a "rebuttable presumption" in any judicial or administrative proceeding and establishing the amount of the order which results from the application of the State- established guidelines as the correct amount to be awarded.

By requiring the States to establish child support guidelines, the Federal Government hoped to accomplish four main goals, each goal corresponding to the perceived problems of the common law method of determining child support: (1) increase the adequacy of child support awards; (2) increase the consistency and predictability of child support awards; (3) increase compliance through perceived fairness of child support awards; and (4) increase the ease of administration of child support cases (Morgan, 1996).

States generally use one of three basic types of guidelines to determine award amounts: "Income shares," which is based on the combined income of both parents (37 States and the District of Columbia); "percentage of income," in which the

number of eligible children is used to determine a percentage of the noncustodial parents' income to be paid in child support (9 States); and "Melson-Delaware," which provides a minimum self-support reserve for parents before the cost of rearing the children is prorated between the parents to determine the award amount (3 States). Two jurisdictions and one State use variants of one or more of these three approaches. Information was not available for the Virgin Islands (Williams, 1994; www.supportguidelines.com/links.html; See Table 8-21 below).

The income shares approach is designed to ensure that the children of divorced parents suffer the lowest possible decline in standard of living. The approach is intended to ensure that the child receives the same proportion of parental income that the child would have received if the parents lived together. The first step in the income shares approach is to determine the combined income of the two parents. A percentage of that combined income, which varies by income level, is used to calculate a "primary support obligation." The percentages decline as income rises, although the absolute amount of the primary support obligation increases with income. Many States add child care costs and extraordinary medical expenses to the primary support obligation. The resulting total child support obligation is apportioned between the parents on the basis of their proportionate share of total income. The noncustodial parent's share is the child support award (Office of Child Support, 1987, pp. II 67-80). As indicated in Table 8-21 below, 37 States and the District of Columbia use the income shares approach.

Proponents of the income shares approach note that it reflects the economic presumption that as income increases, the percentage of income devoted to child care decreases, and explicitly considers the income of both parents in determining the support of the child. They claim that the income shares approach, more easily than the flat percentage model, can take into consideration adjustments for shared and split custody, health care needs, child care expenses, and children's ages by the manipulation of income, add-ons and deductions and by then allocating these costs between the parents. Because these factors can be built into the income shares formula, there is less reason for deviation from the guideline's presumptive award. Limiting deviation meets the ideal of perceived fairness, as well as the Federal requirement that the number of cases in which deviation is granted be limited. Limited deviation also meets the goals of consistency and predictability. Given that the ultimate goal of child support guidelines is increased compliance through perceived fairness, the income shares approach meets this goal (Morgan, 1996a).

The percentage of income approach is based on the noncustodial parent's gross income and the number of children to be supported (the child support obligation is not adjusted for the income of the custodial parent). The percentages vary by State. In Wisconsin, for example, child support is based on the following proportions of the noncustodial parent's gross income: one child--17 percent; two children--25 percent; three children--29 percent; four children--31 percent; and five or more children--34 percent. There is no self support reserve in this approach nor

is there separate treatment for child care or extraordinary medical expenses. The States that use a percentage of income approach are Alaska, Arkansas, Illinois, Massachusetts, Mississippi, Nevada, North Dakota, Texas, and Wisconsin.

Proponents of the percentage of income approach contend that it is simpler, easier to learn, easier to explain, easier to computerize, and less prone to error. They note that although the percentage of income approach does not consider the custodial parent's income, neither does it impute income to the custodial parent (Morgan, 1996b).

The Melson-Delaware formula starts with net income.[1] After determining net income for each parent, a primary support allowance is subtracted from each parent's income. This reserve represents the minimum amount required for adults to meet their own subsistence requirements. The next step is to determine a primary support amount for each dependent child. Work-related child care expenses and extraordinary medical expenses are added to the child's primary support amount. The child's primary support needs are then apportioned between the parents. To ensure that children share in any additional income the parents might have, a percentage of the parents' remaining income is allocated among the children (the percentage is based on the number of dependent children). The States that use the Melson-Delaware approach are Delaware, Hawaii, and Montana.

Proponents of the Melson-Delaware approach claim that it is fairer than the other approaches because it is internally consistent. They contend that it takes into consideration not only special custody arrangements and health care needs, but each parent's needs as well. They maintain that the Melson-Delaware approach is consistent and predictable and not as complex as it appears at first glance (Morgan, 1996b).

Pirog, Klotz, and Buyers (1997) examined the differences in child support guidelines across States. Their approach was to define five hypothetical cases of custodial mothers and noncustodial fathers that capture a range of differences in income, expenses, and other factors that influence the amount of child support payments computed under the guidelines adopted by the various States. State 1997 guidelines were then applied to each of the five cases to compute the amount of child support that would be due (shown in Table 8-2). In each of the five cases, the mother and father are divorced. The father lives alone while the mother lives with the couples' two children, ages 7 and 13. The father pays union dues of $30 per month and health insurance for the children of $25 per month. The mother incurs monthly employment-related child care expenses of $150. The monthly income of the fathers and mothers is:

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[1] Net income equals income from employment and other sources plus business expense accounts if they provide the parent with an automobile, lunches, etc., minus income taxes based on maximum allowable exemptions, other deductions required by law, deductions required by an employer or union, legitimate business expenses, and benefits such as medical insurance maintained for dependents.

Case A: father--$530; mother--$300
Case B: father--$720; mother--$480
Case C: father--$2,500; mother--$1,000
Case D: father--$4,400; mother--$1,760
Case E: father--$6,300; mother--$4,200.

Arguably, the most striking generalization that emerges from Table 8-2 is the remarkable differences across States in the amount of the child support obligation established by the guidelines, particularly at the lower income levels.

There is some agreement that there is no evidence that any one approach is superior to any other approach in terms of achieving the goals of increased compliance, consistency and predictability, and ease of administration. However, there is some evidence concerning adequacy of awards. One study indicates that the income shares model produces the highest awards for low-income families, the Melson-Delaware model produces the highest award for middle-income families, and the percentage of income model produces the highest awards in upper-income families (Morgan, 1996a).

Award rates

In 2005, of the 13.6 million custodial parents of children under the age of 21 whose other parent was not living in the household, only 7.8 million or 57 percent had a child support award. Of all custodial parents, 84 percent were mothers and 16 percent were fathers. About 61 percent of custodial mothers and 36 percent of custodial fathers had child support awards. About 30 percent of the 6.1 million custodial parents without awards chose not to pursue a child support award. In other cases, custodial parents were unable to locate the noncustodial parent (14.5 percent), had a nonlegal agreement with the noncustodial parent (33.7 percent), or believed that the noncustodial parent was unable to pay (24.1 percent).

Never-married custodial parents were the group least likely to have a child support award. Only 48 percent of never-married custodial parents had support awards compared with 65 percent of divorced custodial parents. Moreover, black custodial parents and custodial parents of Hispanic origin were much less likely than their white counterparts to have child support awards. About 63 percent of whites had child support awards, compared with 50 percent of blacks and 50 percent of Hispanics (U.S. Census Bureau, 2007, Custodial Mothers and Fathers and Their Children: 2005, P60-234, August 2007).

Unresolved issues

As noted by Garfinkel, Melli, and Robertson (1994), there are a host of controversial issues associated with child support awards. These include whether child care costs, extraordinary medical expenses, and college costs are taken into account in determining the support order; how the income of stepparents is treated, how the income of the noncustodial parent is allocated between first and subsequent

families;[2] whether a minimum child support award level regardless of age or circumstance of the noncustodial parent should be imposed; and the duration of the support order (i.e., does the support obligation end when the child reaches age 18; what happens to arrearages).

TABLE 8-2--AMOUNT OF CHILD SUPPORT AWARDED BY STATE GUIDELINES IN VARIOUS CASES (based on 1997 State guidelines)

State	Case				
	A	B	C	D	E
Alabama	$216	$280	$433	$634	[1]
Alaska	38	38	312	546	$1,193
Arizona	[1]	75	482	628	1,061
Arkansas	[1]	150	305	475	1,025
California	236	278	478	770	1,457
Colorado	231	261	409	610	1,066
Connecticut	0	0	404	703	1,198
Delaware	91	91	467	626	1,157
District of Columbia	50	208	458	821	1,495
Florida	135	261	463	721	1,186
Georgia	210	210	383	673	1,607
Hawaii	100	100	470	610	1,260
Idaho	122	166	345	566	913
Illinois	102	136	294	485	1,020
Indiana	215	327	692	899	1,462
Iowa	50	189	358	566	1,047
Kansas	188	227	390	582	1,195
Kentucky	221	293	445	637	1,017
Louisiana	207	292	451	667	1,052
Maine	52	290	437	619	1,031
Maryland	249	295	449	655	1,060
Massachusetts	[1]	137	471	789	[1]
Michigan	128	141	468	657	1,078
Minnesota	62	84	376	606	1,228
Mississippi	92	124	251	427	908
Missouri	149	265	447	609	1,032
Montana	6	15	26	456	908
Nebraska	50	50	390	677	1,035
Nevada	200	180	375	660	1,575
New Hampshire	50	50	424	667	1,473
New Jersey	112	267	452	710	[1]
New Mexico	183	291	468	588	1,095
New York	25	50	436	699	1,548
North Carolina	50	57	463	600	1,012
North Dakota	68	126	356	582	1,231

[2]Traditionally, the courts have taken the position that the father's prior child support obligations take absolute precedence over the needs of the new family. They have disregarded the father's plea that his new responsibilities are a “change in circumstance” justifying a reduction in a prior child support award or at least averting an increase.

TABLE 8-2--AMOUNT OF CHILD SUPPORT AWARDED BY STATE GUIDELINES IN VARIOUS CASES (based on 1997 State guidelines) -continued

State	Case				
	A	B	C	D	E
Ohio	150	278	465	609	1,045
Oklahoma	171	171	295	415	801
Oregon	73	159	343	587	1,027
Pennsylvania	[1]	257	415	554	[1]
Rhode Island	252	315	480	677	1,170
South Carolina	58	183	463	574	1,000
South Dakota	275	275	486	652	1,032
Tennessee	153	200	393	665	1,422
Texas	109	147	298	517	1,114
Utah	83	131	447	616	[1]
Vermont	[1]	[1]	428	642	1,025
Virginia	231	289	446	641	1,042
Washington	50	50	412	641	1,054
West Virginia	50	117	364	539	1,742
Wisconsin	133	180	375	660	1,575
Wyoming	105	200	348	519	882

[1] In these cases, courts have the discretion to set the amount that seems appropriate to the court.
Note: See text for explanation of cases A, B, C, D, and E.
Source: Pirog, Klotz, & Buyers, 1997.

REVIEWING AND MODIFYING ORDERS

Without periodic modifications, child support obligations can become inadequate and inequitable. Historically, the only way to modify a child support order was to require a party to petition the court for a modification based on a "change in circumstances." What constituted a change in circumstances sufficient to modify the order depended on the State and the court. The person requesting modification was responsible for filing the motion, serving notice, hiring a lawyer, and proving a change in circumstances of sufficient magnitude to satisfy statutory standards. The modification proceeding was a two step process. First the court determined whether a modification was appropriate. Next, the amount of the new obligation was determined.

Because this approach to updating orders was so cumbersome, the Family Support Act of 1988 required States both to use guidelines as a rebuttable presumption in all proceedings for the award of child support and to review and adjust child support orders in accordance with the guidelines. These provisions reflected congressional intent to simplify the updating of support orders by requiring a process in which the standard for modification was the State child support guidelines. They also reflect recognition that the traditional burden of proof for changing the amount of the support order was a barrier to updating. Finally, the 1988 law signaled a need for States to at least expand, if not replace, the traditional "change in circumstances" test as the legal prerequisite for updating support orders

by making State guidelines the presumptively correct amount of support to be paid (Federal Register, 1992, p. 61560).

The Family Support Act also required States to review guidelines at least once every 4 years and have procedures for review and adjustment of orders, consistent with a plan indicating how and when child support orders are to be reviewed and adjusted. Review may take place at the request of either parent subject to the order or at the request of a State child support agency. Any adjustment to the award must be consistent with the State's guidelines, which must be used as a rebuttable presumption in establishing or adjusting the support order. The Family Support Act also required States to review all orders being enforced under the child support program within 36 months after establishment or after the most recent review of the order and to adjust the order in accord with the State's guidelines.

Review is required in child support cases in which support rights are assigned to the State, unless the State has determined that review would not be in the best interests of the child and neither parent has requested a review. This provision applies to child support orders in cases in which benefits under the TANF, foster care, or Medicaid Programs are currently being provided, but does not include orders for former TANF, foster care, or Medicaid cases, even if the State retains an assignment of support rights for arrearages that accumulated during the time the family was on welfare. In child support cases in which there is no current assignment of support rights to the State, review is required at least once every 36 months only if a parent requests it. If the review indicates that adjustment of the support amount is appropriate, the State must proceed to adjust the award accordingly.

The Family Support Act also required States to notify parents in cases being enforced by the State of their right to request a review, of their right to be informed of the forthcoming review at least 30 days before the review begins, and of any proposed adjustment or determination that there should be no change in the award amount. In the latter case, the parent must be given at least 30 days after notification to initiate proceedings to challenge the proposed adjustment or determination.

The 1996 welfare reform law somewhat revised the review and modification requirements. The mandatory 3-year review of child support orders was slightly modified to permit States some flexibility in determining which reviews of welfare cases should be pursued and in choosing methods of review. States must review orders every 3 years (or more often at State option) if either parent or the State requests a review in welfare cases or if either parent requests a review in nonwelfare cases. States must notify parents of their review and adjustment rights at least once every 3 years. States can use one of three different methods for adjusting orders: (1) the child support guidelines (i.e., current law); (2) an inflation adjustment in accordance with a formula developed by the State; or (3) an

automated method to identify orders eligible for review followed by an appropriate adjustment to the order, not to exceed any threshold amount determined by the State. If either an inflation adjustment or an automated method is used, the State must allow either parent to contest the adjustment.

The Deficit Reduction Act of 2005 (Public Law 109-171) revised the review and modification requirements by requiring States to review and, if appropriate, adjust child support orders in TANF cases every 3 years. In the case of a non-TANF family, one of the parents must request a review in order for a review and modification to occur.

Especially during the early 1980s, a major issue in the modification of awards was the practice of retroactive modifications. The vast majority of such retroactive modifications had the effect of reducing the amount of child support ordered. Thus, for example, an order for $200 a month for child support, which was unpaid for 36 months, should accumulate an arrearage of $7,200. Yet, if the obligor was brought to court, having made no prior attempt to modify the order, the order might be reduced to $100 a month retroactive to 36 months prior to the date of modification. This retroactive modification would reduce the arrearage from $7,200 to $3,600. Cases such as this, which had serious impacts on custodial parents and their children, convinced Congress to take action.

Thus, in 1986 Congress enacted section 9103 of Public Law 99-509 (the Omnibus Budget Reconciliation Act of 1986; section 466(a) (9) of the Social Security Act) to change State practices involving modification of child support arrears. The provision required States to change their laws so that any payment of child support, on and after the date due, is a "judgment" (the official decision or finding of a court on the respective rights and claims of the parties to an action) by operation of law. The provision also required that the judgment be entitled to full faith and credit in the originating State and in any other State. Full faith and credit is a constitutional principle that the various States must recognize the judgments of other States within the United States and accord them the force and effect they would have in their home State.

The 1986 provision also greatly restricted retroactive modification to make it more difficult for courts and administrative entities to forgive or reduce arrearages. More specifically, orders can be retroactively modified only for a period during which there is pending a petition for modification and only from the date that notice of the petition has been given to the custodial or noncustodial parent.

Many noncustodial parents believe that if they fall behind in their child support payments at a time when they are legitimately unable to make the payments, the amount they owe can later be reduced or discounted by the court when an explanation for nonpayment is given. However, this is not the case. If the noncustodial parent waits to explain his or her changed financial circumstances, the court will not be able to retroactively reduce the back payments (i.e., arrearages) that the noncustodial parent owes.

In order to prevent child support arrearages, especially for noncustodial parents who are unemployed or in jail, some policymakers and advocacy groups have recommended that child support modification laws be changed so that they are more sensitive to periods of incarceration, unemployment, or injury/illness during which the noncustodial parent's ability to pay child support decreases.

ESTABLISHING AND ENFORCING MEDICAL SUPPORT

Federal law mandates that States have procedures under which all child support orders are required to include a provision for medical support for the dependent child to be provided by either or both parents, and shall be enforced, where appropriate, through the use of the National Medical Support Notice (Section 466(a)(19) of the Social Security Act). Medical support is the legal provision of payment of medical, dental, prescription, and other health care expenses for dependent children. It can include provisions for health care coverage, such as coverage under a health insurance plan (including payment of costs of premiums, co-payments, and deductibles) as well as cash payments for a dependent child's medical expenses. Thus, pursuant to changes mandated by the Deficit Reduction Act of 2005 (P.L. 109-171), if appropriate health insurance is available to either parent, States are required to establish an order requiring that the children be placed on such coverage with appropriate cost sharing. States now are able to enforce such orders against both custodial and noncustodial parents. If health insurance is not available, States can pursue cost-sharing of expenses associated with the child's medical care.

The first connection between medical support and child support came as an attempt to recoup the costs of Medicaid provided to public assistance families under Title XIX of the Social Security Act. Two years after creation of the IV-D program, the Medicare/Medicaid Antifraud and Abuse Amendments of 1977 established a medical support enforcement program that allowed States to require that Medicaid applicants assign their rights to medical support. Further, in an effort to cover children by private insurance instead of public programs, when available, it permitted IV-D and Medicaid agencies to enter into cooperative agreements to pursue medical child support assigned to the State. Also, State IV-D agencies were required to notify Medicaid agencies when private family health coverage was either obtained or discontinued for a Medicaid-eligible person.

Section 16 of Public Law 98-378 (the Child Support Enforcement Amendments of 1984), enacted in 1984, required the Secretary of HHS to issue regulations to require that State child support agencies petition for the inclusion of medical support as part of any child support order whenever health care coverage is available to the noncustodial parent at reasonable cost. According to Federal regulations, any employment-related or other group coverage is considered reasonable, under the assumption that health insurance is inexpensive to the

employee/noncustodial parent. A 1993 study by Cooper and Johnson that analyzed 1987 data from the Center for Health Expenditures and Insurance Studies indicated that for workers with income below the poverty line and employer- provided family health insurance coverage, 77 percent of the premium was paid for by the employer.

On October 16, 1985, the OCSE published regulations amending previous regulations and implementing section 16 of the 1984 Child Support Enforcement Amendments. The regulations required State child support agencies to obtain basic medical support information and provide this information to the State Medicaid agency. The purpose of medical support enforcement is to expand the number of children for whom private health insurance coverage is obtained by increasing the availability of third party resources to pay for medical care and thereby reduce Medicaid costs for both the States and the Federal Government. If the custodial parent does not have satisfactory health insurance coverage, the child support agency must petition the court or administrative authority to include medical support in new or modified support orders and inform the State Medicaid agency of any new or modified support orders that include a medical support obligation. The regulations also required child support agencies to enforce medical support that has been ordered by a court or administrative process. States receive child support matching funds at the 66-percent rate for required medical support activities. Before these regulations were issued, medical support activities were pursued by child support agencies only under optional cooperative agreements with Medicaid agencies.

Some of the functions that the child support agency may perform under a cooperative agreement with the Medicaid agency include: receiving referrals from the Medicaid agency, locating noncustodial parents, establishing paternity, determining whether the noncustodial parent has a health insurance policy or plan that covers the child, obtaining sufficient information about the health insurance policy or plan to permit the filing of a claim with the insurer, filing a claim with the insurer or transmitting the necessary information to the Medicaid agency, securing health insurance coverage through court or administrative order, and recovering amounts necessary to reimburse medical assistance payments.

On September 16, 1988, OCSE issued regulations expanding the medical support enforcement provisions. These regulations required the child support agency to develop criteria to identify existing child support cases that have a high potential for obtaining medical support, and to petition the court or administrative authority to modify support orders to include medical support for these cases even if no other modification is anticipated. The child support agency also is required to provide the custodial parent with information regarding the health insurance coverage obtained by the noncustodial parent for the child. Moreover, the regulation deleted the condition that child support agencies may secure health

insurance coverage under a cooperative agreement only when it will not reduce the noncustodial parent's ability to pay child support.

Before late 1993, employees covered under their employer's health care plans generally could provide coverage to children only if the children lived with the employee. However, as a result of divorce proceedings, employees often lost custody of their children but were nonetheless required to provide their health care coverage. While the employee would be obliged to follow the court's directive, the employer that sponsored the employee's health care plan was under no similar obligation. Even if the court ordered the employer to continue health care coverage for the nonresident child of their employee, the employer would be under no legal obligation to do so (Shulman, 1994, pp. 1-2). Aware of this situation, Congress took the following legislative action in the Omnibus Budget Reconciliation Act of 1993:

1. Insurers were prohibited from denying enrollment of a child under the health insurance coverage of the child's parent on the grounds that the child was born out of wedlock, is not claimed as a dependent on the parent's Federal income tax return, or does not reside with the parent or in the insurer's service area;
2. Insurers and employers were required, in any case in which a parent is required by court order to provide health coverage for a child and the child is otherwise eligible for family health coverage through the insurer: (a) to permit the parent, without regard to any enrollment season restrictions, to enroll the child under such family coverage; (b) if the parent fails to provide health insurance coverage for a child, to enroll the child upon application by the child’s other parent or the State child support or Medicaid agency; and (c) with respect to employers, not to disenroll the child unless there is satisfactory written evidence that the order is no longer in effect or the child is or will be enrolled in comparable health coverage through another insurer that will take effect not later than the effective date of the disenrollment;
3. Employers doing business in the State, if they offer health insurance and if a court order is in effect, were required to withhold from the employee's compensation the employee's share of premiums for health insurance and to pay that share to the insurer. The Secretary of HHS may provide by regulation for such exceptions to this requirement (and other requirements described above that apply to employers) as the Secretary determines necessary to ensure compliance with an order, or with the limits on withholding that are specified in section 303(b) of the Consumer Credit Protection Act;
4. Insurers were prohibited from imposing requirements on a State agency acting as an agent or assignee of an individual eligible for medical assistance that are different from requirements applicable to an agent or assignee of any other individual;

5. Insurers were required, in the case of a child who has coverage through the insurer of a noncustodial parent to: (a) provide the custodial parent with the information necessary for the child to obtain benefits; (b) permit the custodial parent (or provider, with the custodial parent's approval) to submit claims for covered services without the approval of the noncustodial parent; and (c) make payment on claims directly to the custodial parent, the provider, or the State agency; and
6. The State Medicaid agency was permitted to garnish the wages, salary, or other employment income of, and to withhold State tax refunds to, any person who: (a) is required by court or administrative order to provide health insurance coverage to an individual eligible for Medicaid; (b) has received payment from a third party for the costs of medical services to that individual; and (c) has not reimbursed either the individual or the provider. The amount subject to garnishment or withholding is the amount required to reimburse the State agency for expenditures for costs of medical services provided under the Medicaid Program. Claims for current or past due child support take priority over any claims for the costs of medical services.

Under the 1996 welfare reform legislation, the definition of "medical child support order" in the Employee Retirement Income Security Act (ERISA) was expanded to clarify that any judgment, decree, or order that is issued by a court or by an administrative process has the force and effect of law. In addition, the new law stipulates that all orders enforced by the State CSE agency must include a provision for health care coverage. If the noncustodial parent changes jobs and the new employer provides health coverage, the State must send notice of coverage to the new employer; the notice must serve to enroll the child in the health plan of the new employer.

Public Law 105-200 (Child Support Performance and Incentive Act of 1998), enacted in 1998, provided a uniform manner for States to inform employers about their need to enroll the children of noncustodial parents in employer-sponsored health plans. It required the CSE agency to use a standardized national medical support notice (developed by HHS and the Department of Labor) to communicate to employers the issuance of a medical support order. Employers are required to accept the form as a "qualified medical support order" under ERISA. States were required to begin using the national medical support notice in October 2001, although many States had to delay implementation until enactment of required State enabling legislation. An appropriately completed national medical support notice is considered to be a "Qualified Medical Child Support Order" and as such must be honored by the employers' group health plan.

Public Law 109-171 (the Deficit Reduction Act of 2005) defined the term "medical support" and required that States have procedures under which all child support orders that are enforced by CSE agencies must include a provision for

medical support for the dependent child to be provided by either or both parents. Federal law further stipulates that CSE agencies may enforce medical support against a custodial parent if health care coverage is available to the custodial parent at a reasonable cost.

On September 20, 2006, the Administration for Children and Families at HHS, issued proposed regulations related to medical child support. The regulations include both the Deficit Reduction Act changes and recommendations by the Medical Child Support Working Group (MCSWG). Among other things, the proposed regulations would stipulate that cash medical support or private health insurance is considered reasonable in cost if the cost to the obligated parent does not exceed 5 percent of his or her gross income or, at State option, a reasonable alternative income-based numeric standard defined in State child support guidelines. The proposed regulations also would require the State CSE agency to inform the Medicaid agency when a new or modified court or administrative order for child support includes health insurance and/or cash medical support in the case of a child who is a Medicaid applicant or recipient. Also, the State CSE agency would have to communicate periodically with the Medicaid agency to determine if there have been lapses in health insurance coverage for Medicaid applicants or recipients.

Although there is widespread agreement that many children still lack health care coverage, OCSE data indicate that there has been dramatic improvement in the establishment of medical child support and significantly less improvement in enforcement of medical child support. According to OCSE data, in 2001, only 49 percent of child support orders included health insurance coverage and the health insurance order was complied with in only 18 percent of the cases. However, in FY2006, 73 percent of CSE cases with child support orders included medical support, but the medical support order was complied with in only 20 percent of such cases. Similarly, in FY2006, health insurance coverage was provided in only about 22 percent of the CSE cases in which health insurance was ordered. (To the extent that medical support has been assigned to the State, medical support collections are forwarded to the Medicaid agency for distribution in accordance with Federal regulations. Otherwise, the amount is forwarded to the family.)

COLLECTING CHILD SUPPORT

Local courts and child support enforcement agencies attempt to collect child support when the noncustodial parent does not pay. The most important collection method is wage withholding. Other techniques for enforcing payments include regular billings; delinquency notices; liens on property; offset of unemployment compensation payments; seizure and sale of property; reporting arrearages to credit agencies; garnishment of wages; seizure of State and Federal income tax refunds; revocation of various types of licenses (driver's, business, occupational,

recreational) to persons who are delinquent in their child support payments; attachment of lottery winnings and insurance settlements of debtor parents; authority to seize assets of debtor parents held by public or private retirement funds and financial institutions; and Federal imprisonment, fines or both.

In addition to approaches authorized by the Federal Government through the child support program, States use a variety of other collection techniques. In fact, States have been at the forefront in implementing innovative approaches. Some States hire private collection agencies to collect child support payments. Some States bring charges of criminal nonsupport or civil or criminal contempt of court against noncustodial parents who fail to pay child support. These court proceedings are usually lengthy because of court backlogs, delays, and continuances. Once a court decides the case, noncustodial parents are often given probation or suspended sentences, and occasionally they are even awarded lower support payments and partial payment of arrearages. To combat problems associated with court delays, the child support statute requires States to implement expedited processes under the State judicial system or State administrative processes for obtaining and enforcing support orders.

Given the pivotal role of collections in the child support process, this section now turns to detailed discussion of the most effective collections procedures. Summary data on the effectiveness of four top collection methods are presented in Table 8-3.

Wage withholding

Wage or income withholding generally is considered the most effective child support enforcement tool. Wage or income withholding was not a required component of the CSE program when the program was first enacted in 1975. It was not until 1984 that Public Law 98-378, the Child Support Enforcement Amendments of 1984, established a list of specific CSE procedures -- including income withholding -- that each State is required to have in place in order to satisfy the State Plan requirements of section 454 of the Social Security Act. In addition to requiring income withholding in intrastate cases, the 1984 Amendments also required interstate income withholding.

The 1984 Amendments also required that States have in effect two distinct procedures for withholding wages of noncustodial parents. First, for existing cases enforced through the child support agency, States were required to impose wage withholding whenever an arrearage accrued that was equal to the amount of support payable for 1 month. Second, for all child support cases, all new or modified orders were required to include a provision for wage withholding when an arrearage occurs. The intent of the second procedure was to ensure that orders not enforced through the child support agency contain the authority necessary to permit wage withholding to be initiated by someone other than the child support agency if and when an arrearage occurs.

Delinquency-based income withholding was made obsolete when Public Law 100-485, the Family Support Act of 1988, established immediate income withholding. The Family Support Act of 1988 greatly expanded income withholding by requiring immediate withholding to begin in November 1990 for all new or modified orders being enforced by States. Equally important, States were required, with some exceptions, to implement immediate wage withholding in all support orders initially issued on or after January 1, 1994, regardless of whether a parent has applied for child support services.

TABLE 8-3--CHILD SUPPORT COLLECTIONS MADE BY VARIOUS ENFORCEMENT TECHNIQUES, SELECTED FISCAL YEARS 1989-2006

[In Millions of Dollars]

Enforcement Technique	Child Support Collections						Percent of Total Collections					
	1989	1995	1997	2000	2001	2006	1989	1995	1997	2000	2001	2006
Income withholding	$2,144	$6,111	$7,472	$12,968	$14,583	$20,189	40.9	56.9	55.9	62.0	64.8	69.5
Federal income tax offset	411	734	1,015	1,328	1,485	1,496	7.9	6.8	7.6	6.3	6.6	5.2
State income tax offset	62	97	120	208	216	211	1.2	0.9	0.9	1.0	1.0	0.7
Unemployment compensation intercept	54	187	207	260	338	446	1.0	1.7	1.5	1.2	1.5	1.5
Other [1]	2,570	3,624	4,549	5,109	5,900	6,708	49.0	33.7	34.0	29.5	26.2	23.1
Total collections	5,241	10,753	13,363	19,873	22,522	29,050	100.0	100.0	100.0	100.0	100.0	100.0

[1] The Office of Child Support Enforcement (OCSE) does not designate the source of most of these collections. According to the OCSE, the majority of collections in the "other" category came from noncustodial parents who were complying with their support orders by sending their payments to the child support agency. OCSE officials maintain that reliability of collection data lessen when specified by techniques of collection.

Note: Income withholding includes CSE and non-CSE collections. In 2006, approximately $5.0 billion were non-CSE collections from income withholding.

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

According to the Federal statute, State due process requirements govern the scope of notice that must be provided to an obligor (i.e. noncustodial parent) when withholding is triggered. As a general rule, the noncustodial parent is entitled to advance notice of the withholding procedure. This notice, where required, must inform the noncustodial parent of the following: the amount that will be withheld; the application of withholding to any current or subsequent period of employment; the procedures available for contesting the withholding and the sole basis for objection (i.e., mistake of fact); the period allotted to contest the withholding and the result of failure to contact the State within this timeframe (i.e., issuance of notification to the employer to begin withholding); and the steps the State will take if the noncustodial parent contests the withholding, including the procedure to resolve such contests.

If the noncustodial parent contests the withholding notice, the State must conduct a hearing, determine if the withholding is valid, notify the noncustodial parent of the decision, and notify the employer to commence the deductions if withholding is upheld. All of this must occur within 45 days of the initial notice of withholding. Regardless of whether a State uses a judicial or an administrative process, the only basis for a hearing is a factual mistake about the amount owed (current, arrearage or both) or the identity of the noncustodial parent.

When income withholding is uncontested or when a contested case is resolved in favor of withholding, the administering agency must serve a withholding notice on the employer. The employer is required to withhold as much of the noncustodial parent's wages as is necessary to comply with the order, including the current support amount plus an amount to be applied toward liquidation of any arrearage. In addition, the employer may retain a fee to offset the administrative cost of implementing withholding. Employer fees per wage withholding transaction vary widely among the States, from nothing to $10 per month to $5 per pay period to $5 per payment to 2 percent of the payment (OCSE, State Income Withholding Information, December 31, 2007).

The Federal Consumer Credit Protection Act limits garnishment to 50 percent of disposable earnings for a noncustodial parent who is the head of a household, and 60 percent for a noncustodial parent who is not supporting a second family. These percentages increase by 5 percentage points, to 55 and 65 percent respectively, when the arrearages represent support that was due more than 12 weeks before the current pay period.

Upon receiving a withholding notice, the employer must begin withholding the appropriate amount of the obligor's wages no later than the first pay period that occurs after 14 days following the date the notice was mailed. The 1984 Amendments regulate the language in State statutes on the other rights and liabilities of the employer. For instance, the employer is subject to a fine for discharging a noncustodial parent or taking other forms of retaliation as a result of a

withholding order. In addition, the employer is held liable for amounts not withheld as directed.

In addition to being able to charge the noncustodial parent a fee for the administrative costs associated with wage withholding, the employer can combine all support payments required to be withheld for multiple obligors into a single payment and forward it to the child support agency or court with a list of the cases to which the payments apply. The employer need not vary from the normal pay and disbursement cycle to comply with withholding orders; however, support payments must be forwarded to the State or other designated agency within 10 days of the date on which the noncustodial parent is paid.

When the noncustodial parent changes jobs, the previous employer must notify the court or agency that entered the withholding order. The State must then notify the new employer or income source to begin withholding from the obligor's wages. In addition, States must develop procedures to terminate income withholding orders when all of the children are emancipated and no arrearage exists.

Public Law 104-193 (the Personal Responsibility and Work Opportunity Reconciliation Act) included many enhancements to the income withholding procedure. For the first time, the Federal law provided a definition of "income," clarifying what types of income are subject to withholding. It also emphasized the importance of automation in the income withholding process.

Federal law provides three exceptions to the income withholding rule: (1) if one of the parents demonstrates, and the court (or administrative process) finds, that there is good cause not to require immediate income withholding, (2) if both parents agree in writing to an alternative payment arrangement, or (3) at the HHS Secretary's discretion, if a State can demonstrate that the rule will not increase the effectiveness or efficiency of the State's CSE Program. For income withholding purposes, ``income'' means any periodic form of payment due an individual, regardless of source, including wages, salaries, commissions, bonuses, workers' compensation, disability, payments from a pension or retirement program, and interest.

As shown in Table 8-3, the congressional emphasis on wage withholding has paid off handsomely. The total amount of support collected through wage withholding has increased each year, reaching $20.2 billion in 2006 (however, about $5.0 billion was from non-CSE collections from wage withholding); the percentage of total collections achieved through wage withholding has also increased, reaching 69.5 percent in 2006.

Federal income tax refund offset

Under this program, the IRS, operating on request from a State filed through the Secretary of HHS, simply intercepts tax returns and deducts the amount of certified child support arrearages. The money is then sent to the State for

distribution. Since the enactment of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), the IRS has been able to withhold past due support from Federal tax refunds upon a simple showing by the State that an individual owes at least $150 in past due support which has been assigned to the State as a condition of AFDC, now TANF, eligibility. The withheld amount is sent to the State agency, together with notice of the taxpayer's current address. Public Law 97-35 allowed the Federal income tax refund offset program to be used to collect child support arrearages on behalf of welfare families regardless of whether the children were still minors (as long as the child support order was in effect).

The 1984 child support amendments (Public Law 98-378) created a similar IRS Offset Program for non-AFDC families (with minor children) who were owed child support. States must submit to the IRS for withholding the names of absent parents who have arrearages of at least $500 and who, on the basis of current payment patterns and the enforcement efforts that have been made, are unlikely to pay the arrearage before the IRS offset can occur. The law established specific notice requirements and mandated that the noncustodial parent and his or her spouse (if any) be informed of the impending use of the tax offset procedure. The purpose of this notice is to protect the unobligated spouse's portion of the tax refund. The 1984 provision applied to refunds payable after December 31, 1985, and before January 1, 1991. Public Law 101-508 (Omnibus Budget Reconciliation Act of 1990), enacted in 1990, made permanent the IRS Offset Program for non-welfare families.

Public Law 109-171 (the Deficit Reduction Act of 2005) permits the Federal income tax refund offset program to be used to collect child support arrearages on behalf of non-welfare children who are no longer minors.

In tax year 2006, according to HHS, more than 1.4 million cases were offset. The total amount of child support intercepted was about $1.5 billion, up by a factor of nearly five since 1986 ($308 million).

State income tax refund offset

The child support amendments of 1984 mandated that States increase the effectiveness of the child support program by, among other things, enacting several collection procedures. Among the required procedures is the interception of State income tax refunds payable to noncustodial parents up to the amount of overdue support. As in the case of liens and bonds, this procedure need not be used in cases found inappropriate under State guidelines.

In order for the State tax refund offset to work effectively, cooperation between the State's department of revenue and the child support agency is crucial. The names and SSNs of delinquent noncustodial parents are submitted to the department of revenue for matching with tax return forms. If a match occurs and a refund is due, the refund or a portion of it is transferred from the State department of revenue to the child support agency and then credited to the appropriate

noncustodial parents to offset their child support debt. The child support agency must give advance notice of the impending offset to the noncustodial parents and also must inform them of the process for contesting and resolving the proposed action. If the custodial parent does not respond to the notice, the money is intercepted and forwarded to the child support agency for distribution.

In fiscal year 2006, the State Tax Intercept Program collected $211 million (Table 8-3). Unlike the Federal program, which requires that States certify a specified amount before the offset can be applied ($150 for TANF families and $500 for non-TANF families), States choose their own level for certification. In many States, the amount is the same for both TANF and non-TANF families. Although the amounts vary greatly from State to State, the certification amount in the typical State is about $100.

Unemployment compensation intercept

Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981, required State child support agencies to determine on a periodic basis whether individuals receiving unemployment compensation owe support obligations that are not being met. The act also required child support agencies to enforce support obligations in accord with State-developed guidelines for obtaining an agreement with the individual to have a specified amount of support withheld from unemployment compensation or, in the absence of an agreement, for bringing legal proceedings to require the withholding. The child support agency must reimburse the State employment security agency for the administrative costs attributable to withholding unemployment compensation.

Pursuant to Public Law 108-295 (SUTA Dumping Prevention Act of 2004, enacted August 9, 2004), State Workforce Agencies responsible for administering State or Federal Unemployment Compensation programs were granted access to the National Directory of New Hires. The provisions were designed to determine whether persons receiving unemployment compensation are working.

The unemployment compensation intercept collected $446 million in fiscal year 2006 (Table 8-3). A number of States, especially those with high levels of unemployment, are finding that the unemployment offset procedure can raise collections significantly.

Property liens

A lien is a legal claim on someone's property as security against a just debt. The use of liens for child support enforcement was characterized during congressional debate on the child support amendments of 1984 as “simple to execute and cost effective and a catalyst for an absent parent to pay past due support in order to clear title to the property in question” (U.S. House, 1983). The House report also stated that liens would complement the income withholding provisions of the 1984 law and be particularly helpful in enforcing support

payments owed by noncustodial parents with substantial assets or income but who are not salaried employees.

The 1984 legislation required States to enact laws and implement "procedures under which liens are imposed against real property for amount of overdue support owed by an absent parent who resides or owns property in the State." Liens can apply to property such as land, vehicles, houses, antique furniture, and livestock. The law provides, however, that States need not use liens in cases in which, on the basis of guidelines that generally are available to the public, they determine that lien procedures would be inappropriate. This provision implicitly requires States to develop guidelines about use of liens.

Generally, a lien for delinquent child support is a statutorily created mechanism by which an obligee obtains a nonpossessory interest in property belonging to the noncustodial parent. The interest of the custodial parent is a slumbering interest that allows the noncustodial parent to retain possession of the property, but affects the noncustodial parent's ability to sell the property or transfer ownership to anyone else. A child support lien converts the custodial parent from an unsecured to a secured creditor. As such, it gives the custodial parent priority over unsecured creditors and subsequent secured creditors. In some States a lien is established automatically upon entry of a child support order and the first incidence of noncompliance by the obligor. Frequently, the mere imposition of a lien will motivate the delinquent parent to pay past-due support to remove the lien. When this is not the case, it may become necessary to enforce the lien. Liens are not self-executory. If a lien exists, a debtor must satisfy the judgment before the property may be sold or transferred. However, it is not necessary for the obligee to wait until the obligor tries to transfer the property before taking action. The obligee may enforce her or his judgment by execution and levy against the property if she or he believes the amount of equity in the property justifies execution.

A procedure developed by the IRS, known as Project 1099 (that is, the number of the IRS form used), helped several States increase their use of liens by identifying individuals who possess appropriate assets. Initiated in 1984 to assist in location efforts, Project 1099 routinely provided wage and employer information as well as location and asset information on noncustodial parents. Project 1099 operations were significantly curtailed in 2002. OSCE contends that the use of the National Directory of New Hires and the Financial Institution Data Match program are a more effective use of CSE resources.

The welfare reform legislation passed in 1996 (Public Law 104-193) required States to have procedures under which liens arise by operation of law against property for the amount of the past-due support. States must grant full faith and credit to liens of other States if the originating State agency or party has complied with procedural rules relating to the recording or serving of the lien.

Bonds, securities, and other guarantees

The 1984 child support amendments required States to have in effect and use procedures under which noncustodial parents must post security, bond, or some other guarantee to secure payment of overdue child support. This technique is useful where significant assets exist although the noncustodial parent's income is sporadic, seasonal, or derived from self-employment. As in the case of liens, this procedure need not be used in cases found inappropriate under State guidelines. The State guidelines should define and target assets that can appropriately be sought to secure or guarantee payment without hindering noncustodial parents from effectively pursuing their livelihood.

IRS full collection process

Since 1975, Congress has authorized the IRS to collect certain child support arrearages as if they were delinquent Federal taxes. This method is known as the IRS full collection process. It works as follows: The Secretary of HHS must, upon the request of a State, certify to the Secretary of Treasury any amounts identified by the State as delinquent child support. The Secretary of HHS may certify only the amounts delinquent under a court or administrative order, and only upon a showing by the State that it has made diligent and reasonable efforts to collect amounts due using its own collection mechanisms. States must reimburse the Federal Government for any costs involved in making the collections. This full collection process is used only when there is a good chance that the IRS can make a collection and only for cases in which a child support obligation is delinquent and the amount owed has been certified to be at least $750. Use by the States of this regular IRS collection mechanism, which may include seizure of property, freezing of accounts, and use of other aggressive procedures, has been relatively infrequent. In fiscal year 1998, collections were made in 477 cases nationwide, for a total collection of $230,417. In fiscal year 2000, collections were made in 240 cases nationwide, for a total collection of $192,935.

Withholding of passports and various types of licenses

The 1996 welfare reform law required States to implement procedures under which the State would have authority to withhold, suspend, or restrict use of driver's licenses, professional and occupational licenses, and recreational and sporting licenses of persons who owe past-due support or who fail to comply with subpoenas or warrants relating to paternity or child support proceedings. The law also authorized the Secretary of State to deny, revoke, or restrict passports of debtor parents whose child support arrearages exceed $5,000.

Public Law 109-171 (the Deficit Reduction Act of 2005) included a provision that lowered the threshold amount from $5,000 to $2,500 for denial of a passport to a noncustodial parent who owes past-due child support.

According to HHS, the passport denial program was implemented in June 1998 and as of the end of fiscal year 2006 had collected more than $75.6 million in lump sum child support payments and currently is denying about 80 passports daily to delinquent noncustodial parents. OCSE estimates that the passport denial threshold reduction to $2,500 will increase child support collections by about $1.7 million per year (OCSE, DCL-06-32, October 5, 2006).

Information Comparisons with Insurance Data

The 1996 welfare reform law required States to pass laws providing State CSE agencies with the authority to subpoena "any financial or other information needed to establish, modify or enforce a child support order and to impose penalties for failure to respond to such a subpoena." Thus, without the necessity of obtaining an order from any other judicial or administrative tribunal, current law authorizes a State CSE agency to subpoena information from insurers about insurance claims, settlements, awards and payments, to enforce a child support order.

Public Law 109-171, the Deficit Reduction Act of 2005, authorized the HHS Secretary via the Federal Parent Locator Service to compare information concerning individuals owing past-due child support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments and to furnish the information obtained from any data match to the State CSE agencies. The Deficit Reduction Act also stipulates that an insurer (including any agent of an insurer) shall not be liable under any Federal or State law to any person for any disclosure provided under the insurance data match procedure.

The purpose of the insurance match is to identify pending insurance claims payable to individuals delinquent in their child support obligation. The insurance match provision gives OCSE the authority to conduct the match with insurers and provide the information to the State CSE agencies responsible for collecting child support from the delinquent noncustodial parents. This legislation provides States with a new tool to collect child support from noncustodial parents who owe child support arrearages (OCSE, FPLS, Insurance Match Initiative, 2008).

Credit bureau reporting

Public Law 98-378 (the 1984 Child Support Enforcement Amendments) required States to develop procedures for providing child support debt information to credit reporting agencies (sometimes referred to as credit bureaus). The primary purposes for reporting delinquent child support payers to credit reporting agencies are to discourage noncustodial parents from not making their child support payments, to prevent the undeserved extension of credit, and to maintain the noncustodial parent's ability to pay their child support obligation. Other benefits include access by child support agencies to address, employment, and asset information.

The 1984 amendments required States to report overdue child support obligations exceeding $1,000 to consumer reporting agencies if such information is requested by the credit bureau. States have the option of reporting in cases in which the noncustodial parent is less than $1,000 in arrears. States must provide noncustodial parents with advance notice of intent to release information on their child support arrearage and an opportunity for them to contest the accuracy of the information. The child support agency may charge the credit bureau a fee for the information.

Public Law 102-537, the Ted Weiss Child Support Enforcement Act of 1992, amended the Fair Credit Reporting Act to require consumer credit reporting agencies to include in any consumer report information on child support delinquencies. The information is provided by or verified by State or local child support agencies.

Public Law 103-432, the Social Security Act Amendments of 1994, enacted in October 1994, included a provision that requires States to periodically report to consumer reporting agencies the names of parents owing at least 2 months of overdue child support, and the amount of the child support overdue.

In order to facilitate the access of child support officials to credit information, the 1996 welfare reform legislation stated that, in response to a request by the head of a State or local CSE agency or other authorized official, consumer credit agencies must release information if the person making the request meets all of the following certifications: that the consumer report is needed to establish an individual's capacity to make child support payments or determine the level of payments; that paternity has been established or acknowledged; that the consumer has been given at least 10 days notice by certified or registered mail that the report is being requested; and that the consumer report will be kept confidential, will be used solely for child support purposes, and will not be used in connection with any other civil, administrative, or criminal proceeding or for any other purpose. Consumer reporting agencies also must give reports to a CSE agency for use in setting an initial or modified award. These provisions amended the Fair Credit Reporting Act.

The 1996 law also required States to periodically report to consumer reporting agencies the name of any noncustodial parent who is delinquent in the payment of support and the amount of past-due support owed by the parent. Before such a report can be sent, the obligor must have been afforded all due process rights, including notice and reasonable opportunity to contest the claim of child support delinquency.

Enforcement against Federal employees

The 1975 child support legislation included a provision allowing garnishment of wages and other payments by the Federal Government for enforcement of child support and alimony obligations. The law also provided that moneys payable by the

United States to any individual for employment are subject to legal proceedings brought for the enforcement of child support or alimony. The law sets forth in detail the procedures that must be followed for service of legal process and specifies that the term "based upon remuneration for employment" includes wages, periodic benefits for the payment of pensions, retirement pay including Social Security, and other kinds of Federal payments.

The 1996 welfare reform law substantially revised child support enforcement for Federal employees, including retirees and military personnel. As under prior law, Federal employees are subject to income withholding and other actions taken against them by State CSE agencies. However, every Federal agency is responsible for responding to a State CSE Program as if the Federal agency were a private business. The head of each Federal agency must designate an agent, whose name and address must be published annually in the Federal Register, to be responsible for handling child support cases. The agency must respond to withholding notices and other matters brought to its attention by CSE officials. Child support claims are given priority in the allocation of Federal employee income.

Enforcement against military personnel

Child support enforcement workers face unique difficulties when working on cases in which the absent parent is an active duty member of the military service. Learning to work through military channels can prove both challenging and frustrating, especially if the child support agency is not near a military base. As a result, military cases are often ignored or not given sufficient attention (Office of Child Support, 1991).

Public Law 97-248, the Tax Equity and Fiscal Responsibility Act of 1982, required allotments from the pay and allowances of any active duty member of the uniformed service who fails to make child or spousal support payments. This requirement arises when the service member fails to make support payments in an amount at least equal to the value of 2 months worth of support. Provisions of the Federal Consumer Credit Protection Act apply, limiting the percentage of the member's pay that is subject to allotment. The amount of the allotment is the amount of the support payment, as established under a legally enforceable administrative or judicial order.

Since October 1, 1995, the Department of Defense has consolidated its garnishment operations at the Defense Finance and Accounting Service in Cleveland, Ohio. Support orders received by the Service are processed immediately and notices are sent to the appropriate military pay center to start payments in the first pay cycle (Office of Child Support, 1995b).

As a result of the 1996 welfare reform law, the Secretary of Defense must establish a central personnel locator service, which must be updated on a regular basis that permits location of every member of the Armed Services. The Secretary of each branch of the military service must grant leave to facilitate attendance at

child support hearings and other child support proceedings. The Secretary of each branch also must withhold support from retirement pay and forward it to State disbursement units.

Small business loans

The Small Business Administration Reauthorization and Amendments Act of 1994 (Public Law 103-403), included the requirement that recipients of financial assistance from the Small Business Administration, including direct loans and loan guarantees, must certify that the recipient is not more than 60 days delinquent in the payment of child support.

Other provisions

A February 27, 1995 Executive order established the executive branch of the Federal Government, including its civilian employees and the uniformed services members, as a model employer in promoting and facilitating the establishment and enforcement of child support. The Executive order states that the Federal Government is the Nation's largest single employer and as such should set an example of leadership and encouragement in ensuring that all children are properly supported. Among other measures, the order requires Federal agencies and the uniformed services to cooperate fully in efforts to establish paternity and child support orders and to enforce the collection of child and medical support. The order also requires Federal agencies to provide information to their personnel concerning the services that are available to them and to ensure that their children are provided the support to which they are legally entitled (Office of Child Support, 1995a).

The 1996 welfare reform law required States to implement expedited procedures to secure assets to satisfy arrearages by intercepting or seizing periodic or lump sum payments (such as unemployment and workers compensation), lottery winnings, awards, judgments, or settlements. States also must have expedited procedures to seize assets of the debtor parent held by public or private retirement funds and financial institutions.

INTERSTATE ENFORCEMENT

The most difficult child support orders to enforce are interstate cases. States are required to cooperate in interstate child support enforcement, but problems arise from the autonomy of local courts. Family law traditionally has been under the jurisdiction of State and local governments, and citizens fall under the jurisdiction of the courts where they live.

During the 1930s and 1940s, such laws were used to establish and enforce support obligations when the noncustodial parent, custodial parent, and child lived in the same State. But when noncustodial parents lived out of State, enforcing child support was cumbersome and ineffective. Often the only option in these cases was

to extradite the noncustodial parent and, when successful, to jail the person for nonsupport. This procedure, rarely used, generally punished the delinquent noncustodial parent, but left the abandoned family without financial support.

A University of Michigan study (Hill, 1988) of separated parents found that 12 percent lived in different States 1 year after divorce or separation. That proportion increased to 25 percent after 3 years, and to 40 percent after 8 years. Estimates based on the Federal income tax refund offset and other sources suggest that approximately 30 percent of all child support cases involve interstate residency of the custodial and noncustodial parents (Weaver & Williams, 1989, p. 510). A 1992 GAO report indicated that 26 percent to 37 percent of the CSE caseload consisted of interstate cases (GAO, 1992a). According to an OCSE Information Memorandum dated January 22, 2003, the interstate caseload is about 25 to 30 percent of the total CSE caseload. According to U.S. Census Bureau data for 2005, 12 percent of noncustodial parents lived in a different State than their children, 2 percent lived overseas, and the residence of 9 percent of the noncustodial parents was unknown (Census Bureau, 2007, P60-234, Table 9).

In fiscal year 2006, $1.4 billion was collected for interstate cases, up 92 percent from about $749 million in fiscal year 1996.

Uniform Reciprocal Enforcement of Support Act (URESA)

Starting in 1950, interstate cooperation was promoted through the adoption by the States of URESA. This act, which first was proposed by the National Conference of Commissioners on Uniform State Laws (NCCUSL) in 1950, was enacted in all 50 States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. The act was amended in 1952 and 1958 and revised in 1968. The 1968 amendments, which included provisions for paternity establishment, were extensive and became the Revised Uniform Reciprocal Enforcement of Support Act, or RURESA. All States and U.S. Territories enacted some form of URESA or similar legislation. Some States, however, modified or omitted certain provisions to comply with their own State laws on procedure and enforcement. Thus, even though every State passed some provisions of URESA, many provisions vary from State to State. URESA, in short, is uniform in name only (OCSE, 2002c, chapter 12).

The purpose of URESA was to provide a system for the interstate enforcement of support orders without requiring the person seeking support to go (or have their legal representative go) to the State in which the noncustodial parent resided. Where the URESA provisions between the two States are compatible, the law can be used to establish paternity, locate an absent parent, and establish, modify, or enforce a support order across State lines. However, some observers note that the use of URESA procedures often resulted in lower orders for both current support and arrearages. They also contend that few child support agencies attempted to use URESA procedures to establish paternity or to obtain a modification in a support order.

In 1989, NCCUSL reviewed RURESA and determined the need for major revisions. The result was the development of the Uniform Interstate Family Support Act (UIFSA), a new interstate act that superseded URESA and RURESA. The most important aspects of UIFSA are the concepts of one controlling order for prospective support and limitations on modification jurisdiction. NCCUSL amended UIFSA in 1996 and 2001. UIFSA is discussed in detail below.

Uniform Interstate Family Support Act (UIFSA)

UIFSA was drafted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) and approved by the Commissioners in August 1992. It is designed to deal with desertion and nonsupport by instituting uniform laws in all 50 States and the District of Columbia. The core of UIFSA is limiting control of a child support case to a single State, thereby ensuring that only one child support order from one court or child support agency is in effect at any given time. It follows that the controlling State will be able to effectively pursue interstate cases, primarily through the use of long arm statutes, because its jurisdiction is undisputed. Many, perhaps most, child support officials believe UIFSA will help eliminate jurisdictional disputes between States and lead to substantial increases in interstate collections.

UIFSA allows: (1) direct income withholding by the controlling State without second State involvement; (2) administrative enforcement without registration; and (3) registered enforcement based on the substantive laws of the controlling State and the procedural laws of the registering State. The order cannot be adjusted if only enforcement is requested, and enforcement may begin upon registration (before notice and hearing) if the receiving State's due process rules allow such enforcement. The controlling State may adjust the support order under its own standards. In addition, UIFSA includes some uniform evidentiary rules to make interstate case handling easier, such as using telephonic hearings, easing admissibility of evidence requirements, and admitting petitions into evidence without the need for live or corroborative testimony to make a prima facie case. In July 1996, amendments to the UIFSA were adopted by the NCCUSL to clarify some provisions and resolve some omissions.

The 1996 welfare reform law required all States to enact UIFSA, including all amendments, before January 1, 1998. States are not required to use UIFSA in all cases if they determine that using other interstate procedures would be more effective. All States and jurisdictions had adopted UIFSA by June 1998.

The NCCUSL approved additional amendments to UIFSA in August 2001. It is widely agreed that the 2001 amendments to UIFSA further improve interstate case processing. At this point, however, there is no Federal mandate to enact the 2001 amendments. To the extent that the 2001 amendments clarify or enhance, rather than conflict with, the 1996 version of UIFSA, State CSE agencies may wish to consider them as best practices. However, until there is a Federal mandate to

enact the 2001 amendments to UIFSA, States seeking to enact UIFSA 2001 must request an exemption from the requirement to adopt the 1996 version. OCSE has developed guidance for States to request an exemption to enact UIFSA 2001 (OCSE, 2003c).

Long arm statutes

Interstate cases established or enforced by long arm statutes use the court system in the State of the custodial parent rather than that of the noncustodial parent. When a person commits certain acts in a State of which he is not a resident, that person may be subjecting himself to the jurisdiction of that State. The long arm of the law of the State where the event occurs may reach out to grab the out-of-State person so that issues relating to the event may be resolved where it happened. Under the long arm procedure, the State must authorize by statute that the acts allegedly committed by the defendant are those that subject the defendant to the State's jurisdiction. An example is a paternity statute stating that if conception takes place in the State and the child lives in the State, the State may exercise jurisdiction over the alleged father even if he lives in another State. Long arm statute language usually extends the State's jurisdiction over an out-of-State defendant to the maximum extent permitted by the U.S. Constitution under the 14th Amendment's due process clause. Long arm statutes may be used to establish paternity, establish support awards, and enforce support orders.

Federal courts

The 1975 child support law mandated that the State plan for child support require States to cooperate with other States in establishing paternity, locating absent parents, and securing compliance with court orders. Further, it authorized the use of Federal courts as a last resort to enforce an existing order in another State if that State were uncooperative.

Section 460 of the Social Security Act provides that the district courts of the United States shall have jurisdiction, without regard to any amount in controversy, to hear and determine any civil action certified by the Secretary of HHS under section 452(a)(8) of the act. A civil action under section 460 may be brought in any judicial district in which the claim arose, the plaintiff resides, or the defendant resides. Section 452(a)(8) states that the Secretary of HHS shall receive applications from States for permission to use the courts of the United States to enforce court orders for support against noncustodial parents. The Secretary must approve applications if he finds both that a given State has not enforced a court order of another State within a reasonable time and that using the Federal courts is the only reasonable method of enforcing the order.

As a condition of obtaining certification from the Secretary, the child support agency of the initiating State must give the child support agency of the responding State at least 60 days to enforce the order as well as a 30-day warning of its intent

to seek enforcement in Federal court. If the initiating State receives no response within the 30-day limit, or if the response is unsatisfactory, the initiating State may apply to the Office of Child Support Enforcement (OCSE) Regional Office for certification. The application must attest that all the requirements outlined above have been satisfied. Upon certification of the case, a civil action may be filed in the U.S. district court. Although this interstate enforcement procedure has been available since enactment of the child support program in 1975, there has been only one reported case of its use by a State (the initiating State was California; the responding State was Texas).

Interstate income withholding

Interstate income withholding is a process by which the State of the custodial parent seeks the help of the State in which the noncustodial parent's income is earned to enforce a support order using the income withholding mechanism. Pursuant to the child support amendments of 1984, income withholding was authorized for all valid instate or out-of-State orders issued or modified after October 1, 1985, and for all orders being enforced by the CSE program, regardless of the date the order was issued. Although Federal law requires a State to enforce another State's valid orders through interstate withholding, there is no Federal mandate that interstate income withholding procedures be uniform. Approaches vary from the Model Interstate Income Withholding Act to URESA registration. The preferred way to handle an interstate income withholding request is to use the interstate action transmittal form from one child support agency to another. In child support enforcement cases, Federal regulations required that by August 22, 1988, all interstate income withholding requests be sent to the enforcing State's central registry for referral to the appropriate State or local official. The actual wage withholding procedure used by the State in which the noncustodial parent lives is the same as that used in intrastate cases.

A 1992 General Accounting Office (GAO) report (U.S. General Accounting Office, 1992a, p. 4 & pp. 21-28) indicated that the main reason for the failure of interstate income withholding was the lack of uniformity in its implementation. To avoid the delays inherent when a second agency is involved, many CSE agencies began sending income withholding orders directly across State lines to employers, even when there was no legal authority to do so because the employer did not conduct business in their State. The 1992 GAO report also found that 75 percent of the surveyed CSE offices directly served out-of-State employers with income withholding orders, with a median success rate of 72 percent. After studying the effectiveness of direct income withholding, the U.S. Commission on Interstate Child Support recommended that the practice be legalized (OCSE, 2002c, chapter 12).

The 1996 welfare reform law required States, as a condition of receiving Federal funds, to have laws and procedures that direct employers to comply with an income withholding order issued by any State and to treat that order as if it were

issued by a tribunal in the employer's State. The 1996 welfare law required the HHS Secretary, in consultation with State CSE directors, to issue forms by October 1, 1996 that States must use for income withholding, for imposing liens, and for issuing administrative subpoenas in interstate cases. States were required to begin using the forms by March 1, 1997. The standardized form for income withholding cases was developed by OCSE, in conjunction with State CSE agencies and representatives from the American Payroll Association, the American Society for Payroll Management, and employers. The purpose of this standardized form is to facilitate uniformity in the processing of child support wage attachments (regardless of whether they are intrastate or interstate).

Full faith and credit

One of the most significant barriers to improved interstate collections was that, because a child support order was not considered a final judgment, the full faith and credit clause of the U.S. Constitution did not preclude modification. Thus, the order was subject to modification upon a showing of changed circumstances by the issuing court or by another court with jurisdiction. Congress could prohibit inter- or intrastate modifications of child support orders, but many students of child support held that a complete ban on modifications would be unrealistic and unfair. A preferred approach was one under which States were required to give full faith and credit to each other's child support orders under most circumstances.

The Omnibus Budget Reconciliation Act of 1986, Public Law 99-509, took a step in this direction by requiring States to treat past due support obligations as final judgments entitled to full faith and credit in every State. Thus, a person who has a support order in one State does not have to obtain a second order in another State to obtain the money due should the debtor parent move from the issuing court's jurisdiction. The second State can modify the order prospectively if it finds that circumstances exist to justify a change, but the second State may not retroactively modify a child support order.

Public Law 103-383, the Full Faith and Credit for Child Support Orders Act of 1994, restricted a State court's ability to modify a child support order issued by another State unless the child and the custodial parent have moved to the State where the modification is sought or have agreed to the modification.

The full faith and credit rules of the 1996 welfare reform law clarified the definition of a child's home State, made several revisions to ensure that the rules can be applied consistently with UIFSA, and clarified the rules regarding which child support order States must honor when there is more than one order.

High-Volume, Automated Administrative Enforcement Interstate Cases

The 1996 welfare reform law created a new child support enforcement mechanism referred to as High-Volume, Automated Administrative Enforcement in Interstate Cases (AEI). The term high-volume automated administrative

enforcement in interstate cases means, “on the request of another State, the identification by a State, through automated data matches with financial institutions and other entities where assets may be found, of assets owned by persons who owe child support in other States, and the seizure of such assets by the State, through levy or other appropriate processes.” AEI is designed to enable CSE agencies to quickly locate and obtain assets held by delinquent obligors in another State or jurisdiction. AEI differs from the way such enforcement is traditionally pursued in several respects. First, AEI is triggered by a *request* rather than a formal interstate referral from one CSE jurisdiction to another. Second, AEI is designed to take prompt but *limited* enforcement action. When assets are uncovered, the assisting CSE jurisdiction takes steps to seize the noncustodial parent’s assets and sends them to the requesting jurisdiction. AEI is not an ongoing or long-term enforcement remedy, but rather "one-shot" or "quick" enforcement action. Finally, AEI requests do not constitute formal CSE interstate case referrals. The assisting jurisdiction does *not* open a CSE case in the conventional sense either during the matching phase or, in the event of a "hit”, when it seizes and forwards assets to the requesting State.

Neither the original nor amended statute specifies the manner in which AEI requests are to be submitted, other than to suggest, though not require, that "electronic" means be used to transmit data between States. The statute does, however, require that incoming AEI data be computer matched against "the databases of the (assisting) State." Further, the statute clearly anticipates that when a "hit" occurs and an asset is identified, an enforcement action be taken to collect on the arrears amount on behalf of the requesting State. Public Law 105-33 (the Balanced Budget Act of 1997), legislation that made many “technical” corrections to the 1996 welfare reform law, stipulated that a receiving State use its automated enforcement tools "to the same extent" as it uses them for its own cases, and to "promptly" report the results to the requesting State.

Public Law 109-171 (the Deficit Reduction Act of 2005) allowed an assisting State to establish a CSE interstate case based on another State’s request for assistance. (This means that an assisting State may open a corresponding child support enforcement case when another State requests assistance. This provision provides a State with the authority to use a much wider range of enforcement techniques, including income withholding, for an interstate case.)

Federal criminal penalties

The Child Support Recovery Act of 1992 (Public Law 102-521) imposed a Federal criminal penalty for the willful failure to pay a past due child support obligation to a child who resides in another State and that has remained unpaid for longer than a year or is greater than $5,000. For the first conviction, the penalty is a fine of up to $5,000, imprisonment for not more than 6 months, or both; for a second conviction, the penalty is a fine of not more than $250,000, imprisonment for up to 2 years, or both.

In response to concerns of law enforcement officials and prosecutors that the 1992 law did not adequately address more serious instances of nonpayment of child support obligations, Congress passed the Deadbeat Parents Punishment Act of 1998 (Public Law 105-187). The law establishes two new categories of felony offenses, subject to a 2-year maximum prison term. The offenses are: (1) traveling in interstate or foreign commerce with the intent to evade a support obligation if the obligation has remained unpaid for more than 1 year or is greater than $5,000; and (2) willfully failing to pay a child support obligation regarding a child residing in another State if the obligation has remained unpaid for more than 2 years or is greater than $10,000.

According to HHS, the Nation's criminal child support enforcement initiative, "Project Save Our Children," which began in 1998 has received and investigated over 9,000 potential criminal nonsupport cases referred by State and county CSE agencies resulting in over 1,000 Federal and State arrests and over 800 Federal and State convictions and adjudications; and the payment of nearly $27.8 million in past-due child support payments in the form of criminal restitution (OCSE, FY2004 Annual Report; ExpectMore.gov, CSE, 2003).

The Project Save Our Children initiative is conducted by officials from the HHS Office of Inspector General, the OCSE, the Department of Justice, State CSE agencies, and local law enforcement organizations working together to pursue chronic delinquent parents who owe large sums of child support.

Other procedures that aid interstate enforcement

In 1948, the National Conference of Commissioners on Uniform State Laws and the American Bar Association approved the Uniform Enforcement of Foreign Judgments Act (UEFJA), which simplifies the collection of child support arrearages in interstate cases. Revised in 1964 and adopted in only 30 States, UEFJA provides that upon the filing of an authenticated foreign (i.e., out-of-State) judgment and notice to the obligor, the judgment is to be treated in the same manner as a local one. A judgment is the official decision or finding of a court on the respective rights of the involved parties. UEFJA applies only to final judgments. As a general rule, child support arrearages that have been reduced to judgment are considered final judgments and thus can be filed under UEFJA. An advantage of UEFJA is that it does not require reciprocity (i.e., it need only be in effect in the initiating State). A

disadvantage is that UEFJA is limited to collection of arrearages; it cannot be used to establish an initial order or to enforce current orders.

Expedited procedures

Regardless of whether a State uses judicial processes, administrative processes, or a combination, the 1996 welfare reform law required States to adopt a series of procedures to expedite the establishment of paternity and the establishment, enforcement, and modification of child support. These procedures must give the State CSE agency the authority to take several enforcement actions, subject to due process safeguards, without the necessity of obtaining an order from any other judicial or administrative tribunal. For example, States must have expedited procedures to secure assets to satisfy an arrearage by intercepting or seizing periodic or lump sum payments (such as unemployment and workers compensation), lottery winnings, awards, judgments, or settlements, and assets of the debtor parent held by public or private retirement funds and financial institutions.

Financial institution data match program

The 1996 welfare reform law also required States to enter into agreements with financial institutions conducting business within their State for the purpose of conducting a quarterly data match. The data match is intended to identify financial accounts (in banks, credit unions, money-market mutual funds, etc.) belonging to parents who are delinquent in the payment of their child support obligation. When a match is identified, State CSE programs may issue liens or levies (often referred to as “freeze and seize” procedures) on the accounts of that delinquent obligor to collect the past-due child support. Pursuant to P.L. 105-200 (the Child Support Performance and Incentive Act of 1998), Congress made it easier for multi-State financial institutions to match records by allowing the OCSE through the Federal Parent Locator Service to assist States in conducting data matches with multi-State financial institutions. When matches are made, the information is sent to the States within 48 hours for placement of a lien on and seizure of all or part of the accounts identified. States are using their expedited procedures to seize the accounts and thereby force debtor noncustodial parents to meet their child support obligations.

With the introduction of FIDM (Financial Institution Data Match), CSE agencies must conduct quarterly matches with hundreds of single-State financial institutions operating within their State. State agencies also must participate in matching at the Federal level with thousands of multi-State financial institutions and process tens of thousands of matches resulting in collections through account seizures. State agencies also engage in interstate processing to identify and seize accounts located in another State. In addition, they engage in outreach to solicit the cooperation of financial institutions, perform customer services to address the concerns of delinquent obligors whose access to financial assets have been

disrupted, and develop automated systems to routinely process and manage large numbers of cases.

In fiscal year 2003, the FIDM program found more than 1.8 million accounts belonging to more than 1.1 million delinquent noncustodial parents nationwide. The FIDM program collected $63 million in fiscal year 2003 (OCSE, 2005).

Summary information on collection methods

Table 8-3 shows that 77 percent of the $29.0 billion in child support payments collected in fiscal year 2006 was obtained through four enforcement techniques: income withholding, Federal income tax refund offset, State income tax refund offset, and unemployment compensation intercept. The remaining 23 percent was collected from "other sources." The "other sources" category includes collections from parents who have informal agreements, collections from noncustodial parents who voluntarily sent money for their children even though a support order never had been established, and enforcement techniques such as liens against property, license and passport revocation, seizure of assets from financial institutions, posting of bonds or securities, and use of the full IRS collection procedure. By fiscal year 1991 income withholding had become the primary enforcement method, producing nearly 47 percent of all child support collections. By 2006, the percentage had increased even further, reaching 69 percent. (Note: income withholding includes CSE and non-CSE collections. In fiscal year 2006, $5 billion in child support collections was obtained through income withholding on behalf of families that were not part of the CSE caseload, therefore they represent non-CSE collections.)

PRIVATE COLLECTION ACTIVITIES

According to the OCSE, the Child Support Enforcement program handles about 60 percent of all child support cases. The rest are handled by private attorneys, private collection agencies, locally-funded public child support enforcement agencies, or through mutual agreements between the parents.

Private collection agencies have a strong incentive to collect support in even the most difficult cases, since their payment generally is a percentage of any collection they make.

As more private collection agencies pursue child support debt, however, more parents, both custodial and noncustodial, are complaining about some of the business practices of these companies. Some of the complaints include: written and oral communications with custodial and noncustodial parents designed to look or sound like they are from the State CSE agency or other government entity; continued harassment of employers, family members and neighbors of noncustodial parents; excessive fees for services (sometimes 50 percent or more of support

collected); and refusing to terminate contracts when requested by the custodial parent (National Conference of State Legislatures, 2008).

Nonfederal CSE activities

Some localities have chosen to operate a child support program using local funding sources and fees levied against noncustodial parents. In some instances this approach is based on an ideological view that privatization of government functions is the preferred model. In other cases, State/local CSE agencies were not able to meet Federal and/or State mandates or did not have the staff to perform needed services (OCSE, 1997).

A major complaint of these localities is that the enforcement tools (e.g., Federal and State tax refund intercepts, license sanctions, passport sanctions, data matches with financial institutions, reporting of delinquencies to credit bureaus) that now are available only to the Federal/State CSE program should be extended to the entities working outside the Federal/ State system and to private contractors as well. However, State child support agencies, advocates representing both noncustodial and custodial parents, and privacy rights organizations have voiced concerns about such an approach, particularly as it relates to private agencies.

CSE privatization

While doing business with public and private sector entities outside the CSE program for such things as laboratory testing for paternity establishment, service of process, and automated systems development is not new in the CSE program, contracting out all of the program's functions is new. This approach is usually referred to as privatization.

In its March 2002 report, the GAO identified 38 private firms in 16 States that regularly collected child support payments on behalf of individual parents (U.S. General Accounting Office, 2002).

In many more States, the State or locality had a contract with a private entity to perform one or several services to supplement the efforts of the State or local program. Most commonly, States contract with the private sector for the collection of past-due support, especially support considered hard to collect. Under the terms of most collection contracts, States pay contractors only if collections are made and payments to contractors are often a fixed percentage of the recovered arrearage payments.

STATE COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

One of the major child support provisions of the 1996 welfare reform law was the requirement that by October 1, 1998 State CSE agencies must operate a centralized, automated unit for collection and disbursement of payments on two

categories of child support orders: those enforced by the CSE agency and those issued or modified after December 31, 1993 which are not enforced by the State CSE agency but for which the noncustodial parent's income is subject to withholding.

The main objectives of State disbursement units are to facilitate child support enforcement via the income withholding process by providing employers with a single location in each State to send the withheld child support payments and to make the processing of child support payments more efficient and economical.

The State disbursement unit must be operated directly by the State CSE agency, by two or more State CSE agencies under a regional cooperative agreement, or by a contractor responsible directly to the State CSE agency. The State disbursement unit may be established by linking local disbursement units through an automated information network if the Secretary of HHS agrees that the system will not cost more, take more time to establish, or take more time to operate than a single State system. All States, including those that operate a linked system, must give employers one and only one location for submitting withheld income.

The disbursement unit must be used to collect and disburse support payments, to generate orders and notices of withholding to employers, to keep an accurate identification of payments, to promptly distribute money to custodial parents or other States, and to furnish parents with a record of the current status of support payments made after August 22, 1996. The disbursement unit must use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical.

The disbursement unit must distribute all amounts payable within 2 business days after receiving the money and identifying information from the employer or other source of periodic income if sufficient information identifying the payee is provided. The unit may retain arrearages in the case of appeals until they are resolved.

States must use their automated system to facilitate collection and disbursement including at least: (1) transmission of orders and notices to employers within 2 days after receipt of the withholding notice; (2) monitoring to identify missed payments of support; and (3) automatic use of enforcement procedures when payments are missed.

The collection and disbursement unit provisions went into effect on October 1, 1998. States that process child support payments through local courts were allowed to continue court payments until September 30, 1999.

Following enactment of this provision in August 1996, there was widespread misunderstanding about its breadth of application. Thus, it is useful to emphasize here that not all child support orders must be a part of the State disbursement unit. First, orders issued before 1994 that are not being enforced by the State Child Support Enforcement Agency are exempt. Second, parents can avoid both wage withholding and involvement in the child support enforcement system if at the time

the original order is issued, the judge determines that private payment directly between parents is acceptable.

Because of the total loss of CSE funding plus possible loss of TANF Block Grant funding for States that are not in compliance with the State plan requirement related to State disbursement units, in November 1999, Congress passed legislation (Public Law 106-113—the Consolidated Appropriations Act of 2000) that imposed a lesser alternative penalty for these States. To qualify, States must have submitted a corrective compliance plan by April l, 2000, that described how, by when, and at what cost the State would achieve compliance with the State disbursement unit requirement. The Secretary of HHS is required to reduce the amount the State would otherwise have received in Federal child support payments by the penalty amount for the fiscal year. The penalty amount percentage is 4 percent in the case of the first fiscal year of noncompliance; 8 percent in the second year; 16 percent in the third year; 25 percent in the fourth year; and 30 percent in the fifth and subsequent years. If a State that is subject to a penalty achieved compliance on or before April l, 2000, the Secretary of HHS was required to waive the first year penalty. If a State achieved compliance on or after April 1, 2000, and on or before September 30, 2000, the penalty percentage was 1. In addition, Public Law 106-113 provides that States that fail to implement both the CSE automated data processing requirement and the State disbursement unit requirement are subject to only one alternative penalty process.

BANKRUPTCY AND CHILD SUPPORT ENFORCEMENT

Giving debtors a fresh start is the goal of this country's bankruptcy system. Depending on the type of bankruptcy, a debtor may be able to discharge a debt completely, pay a percentage of the debt, or pay the full amount of the debt over a longer period of time. However, several types of debts are not dischargeable, including debts for child support and alimony (U.S. Commission on Interstate Child Support, 1992, p. 209).

The 1975 child support legislation included a provision stating that an assigned child support obligation was not dischargeable in bankruptcy. In 1978 this provision was incorporated into the uniform law on bankruptcy. The bankruptcy law also listed exceptions to discharge including alimony and maintenance or support due a spouse, former spouse, or child. In 1981, a provision stating that a child support obligation assigned to the State as a condition of eligibility for AFDC is not dischargeable in bankruptcy was reinstated. In 1984, the provision was expanded so that child support obligations assigned to the State as part of the child support program may not be discharged in bankruptcy, regardless of whether the payments are to be made on behalf of a welfare (i.e., TANF) or a non-welfare family and regardless of whether the debtor was married to the child's other parent.

Pursuant to Public Law 103-394 (the Bankruptcy Reform Act of 1994), enacted in 1994, a filing of bankruptcy will not stay a paternity, child support, or alimony proceeding. In addition, child support and alimony payments are priority claims and custodial parents are able to appear in bankruptcy court to protect their interests without having to pay a fee or meet any local rules for attorney appearances.

The 1996 welfare reform law amended the U.S. Bankruptcy Code to ensure that any child support debt that is owed to a State and that is enforceable under the CSE Program cannot be discharged in bankruptcy proceedings.

Public Law 109-8, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, includes several provisions related to establishing paternity and child support orders and to enforcing child support obligations. The child support related provisions: (1) stipulate that a "domestic support obligation" includes child support and gives such obligations first priority (rather than seventh priority) in the distribution of available funds; (2) allow enforcement of child support orders during bankruptcy proceedings --- in other words the establishment or modification of a child support order is exempt from the automatic stay requirements of bankruptcy law; (3) permit continued income withholding of child support payments throughout the bankruptcy process; (4) condition the court's confirmation of a debt repayment plan upon the certification that the debtor is current with regard to his or her child support payments; and (5) require bankruptcy trustees to notify custodial parents and State CSE agencies of bankruptcy proceedings in the case of a debtor (i.e., noncustodial parent) who has a child support obligation.

Pursuant to the 2005 bankruptcy provisions, there are now many new classes of nondischargeable debt that may compete for payment along with custodial parents seeking payment of their child support. Several of the new categories of nondischargeable debt include various types of credit card debt. Some organizations representing custodial parents are concerned that this change in law will intensify the post-bankruptcy competition for the noncustodial parent's income between custodial parents trying to obtain child support and credit card companies. Other analysts contend that the CSE program has a vast array of enforcement mechanisms that will enable it to compete successfully against commercial creditors.

AUTOMATED SYSTEMS

It is widely agreed that achievement of CSE program goals depends in large part on the effective planning, design, and operation of automated systems. Automating CSE information systems improves caseworker productivity by allowing automatic searches of a variety of databases—including those containing motor vehicle registrations, State revenue information, and new employee

registries—and eliminating the need for voluminous paper documentation. Automated CSE systems also help track court actions relating to paternity and support orders and amounts of collections and distributions (GAO, 1997).

In 1980, Public Law 96-265 (the Social Security Disability Amendments of 1980) authorized 90 percent Federal matching funds on an open-ended basis for States to design and implement automated data systems. Funds go to States that establish an automated data processing and information retrieval system designed to assist in administration of the State child support plan, and to control, account for, and monitor all factors in the enforcement, collection, and paternity determination processes. Funds may be used to plan, design, develop, and install or enhance the system. The Secretary of HHS must approve the State system as meeting specified conditions before matching is available.

In 1984, Congress made the 90 percent rate available to pay for the acquisition of computer hardware and necessary software. The 1984 Child Support Enforcement Amendments also specified that if a State met the Federal requirement for 90 percent matching, it could use its funds to pay for the development and improvement of income withholding and other procedures required by the 1984 law. In May 1986, OCSE established a transfer policy requiring States seeking the 90 percent Federal matching rate to transfer existing automated systems from other States rather than to develop new ones, unless there was a compelling reason not to use the systems developed by other States.

In 1988, Congress required States without comprehensive statewide automated systems to submit an advance planning document to the OCSE by October 1, 1991, for the development of such a system. Congress required that all States have a fully operating system by October 1, 1995, at which time the 90 percent matching rate was to end. The 1988 Family Support Act allowed many requirements for automated systems to be waived under certain circumstances. For instance, the Secretary of HHS could waive a requirement if a State demonstrated that it had an alternative system enabling it to substantially comply with program requirements.

As of September 30, 1995, OCSE had approved the automated data systems of only six States--Delaware, Georgia, Utah, Virginia, Washington, and West Virginia. Most observers agree that States were delayed primarily by the lateness of Federal regulations specifying the requirements for the data systems and by the complexity of getting their final systems into operation. Thus, on October 12, 1995, Congress enacted Public Law 104-35 which extended for 2 years, from October 1, 1995 to October 1, 1997, the deadline by which States were required to have statewide automated systems for their child support programs. On October 1, 1995, however, the 90 percent matching rate was ended; the Federal matching rate for State spending on data systems reverted back to the basic administrative rate of 66 percent.

The purpose of requiring States to operate statewide automated and computerized systems is to ensure that child support functions are carried out effectively and efficiently. These requirements include case initiation, case management, financial management, enforcement, security, privacy, and reporting. Implementing these requirements can facilitate locating noncustodial parents and monitoring child support cases. For example, by linking automated child support systems to other State databases, information can be obtained quickly and cheaply about a noncustodial parent's current address, assets, and employment status. Systems also can be connected to the court system to access information on child support orders (U.S. General Accounting Office, 1992b).

Under the 1996 welfare reform legislation, States are required to have a statewide automated data processing and information retrieval system which has the capacity to perform a wide variety of functions with a specified frequency. The State data system must be used to perform functions the Secretary of HHS specifies, including controlling and accounting for the use of Federal, State, and local funds and maintaining the data necessary to meet Federal reporting requirements. The automated system must maintain the requisite data for Federal reporting, calculate the State's performance for purposes of the incentive and penalty provisions, and have in place systems controls to ensure the completeness, reliability, and accuracy of the data. Final regulations were issued by the Secretary in August 1998.

The 1996 welfare reform law stipulated that all automatic data processing requirements enacted on or before the date of enactment of the Family Support Act of 1988 (i.e., October 13, 1988) were to be met by October 1, 1997. Second, requirements enacted on or before August 22, 1996 had to be met by October 1, 2000. The Federal Government continued the 90 percent matching rate in 1996 and 1997 for provisions outlined in advanced planning documents submitted before September 30, 1995.

Also, (pursuant to the 1996 welfare reform law) the Secretary was required to create procedures to cap payments to the States at $400 million for fiscal years 1996-2001. The Federal matching rate for the new requirements was 80 percent. Funds were to be distributed among States by a formula set in regulations which took into account the relative size of State caseloads and the level of automation needed to meet applicable automatic data processing requirements.

Until fiscal year 2001, the Federal Government paid 80-90 percent of approved State expenditures on developing and improving management information systems. Congress decided to pay this enhanced match rate because data management, the construction of large databases containing information on location, income, and assets of child support obligors, and computer access to and manipulation of such large databases were seen as the keys to a cost effective child support system. In spending the additional Federal dollars on these data systems,

Congress hoped to provide an incentive for States to adopt and aggressively employ efficient data management technology.

Federal funding at the enhanced 80 percent rate (for capped funds) was available through fiscal year 2001. The 80 percent Federal matching rate for CSE automated systems expenditures was eliminated after September 30, 2001. For all CSE automated systems expenditures made on or after October 1, 2001, Federal funding is available at the 66 percent Federal matching rate.

The Child Support Performance and Incentive Act of 1998 (Public Law 105-200), gave the Secretary of HHS an alternative to assessing a 100 percent penalty (i.e., loss of all CSE funding) on States that failed to comply with the October 1, 1997 statewide automated system requirements. The alternative penalty is available to States that the Secretary determines have made and are continuing to make good faith efforts to comply with the automated system requirements (and have submitted a "corrective action plan" that describes how, by when, and at what cost the State will achieve compliance with the automated system requirements). The alternative percentage penalty is equal to 4, 8, 16, 25, and 30 percent respectively for the first, second, third, fourth, and fifth or subsequent years of failing to comply with the data processing requirements. The percentage penalty is to be applied to the amount payable to the State in the previous year as Federal administrative reimbursement under the child support program (i.e., the 66 percent Federal matching funds). A State that fails to comply with the 1996 automated system requirements nonetheless may have its annual penalty reduced by 20 percent for each performance measure under the new incentive system for which it achieves a maximum score. Thus, for example, a State being penalized would have its penalty for a given year reduced by 60 percent if it achieved maximum performance on three of the five proposed performance measures. Further, the Secretary is to reduce the annual penalty amount by 90 percent in the year in which a State achieves compliance with the automated system requirements. These alternative penalties apply to all CSE automated system requirements (i.e., those required by both Public Law 100-485 (the 1988 Family Support Act) and Public Law 104-193 (the 1996 welfare reform law). However, Public Law 105-200 only allows the Secretary to impose one penalty in any given year. This means that if a State was not in compliance in fiscal year 2000 with either the 1988 automated system requirements or the 1996 requirements, it would be only penalized once. The 1998 law also stipulates that because States are subject to the alternative penalty procedures for violations of the CSE automated system requirements, they are exempt from the TANF penalty procedure for such violations.

As of February 2008, 2 jurisdictions (California and South Carolina) had not been certified as meeting the CSE automated systems requirements. California has applied for Federal certification and its automated system is under review. California expects its system to be fully implemented by November 2008. Since 1998, California has paid nearly $1.2 billion in financial penalties for failing to

have a single statewide automated CSE system (California Legislative Analyst's Office, Analysis of the 2007-2008 Budget Bill). South Carolina's automated system also is currently under review.

AUDITS AND FINANCIAL PENALTIES

The CSE program is a partnership between the Federal Government and the States. It has always included a "reward and penalty" approach to program improvement. Fundamental to this approach is the Federal audit of State CSE programs (U.S. Commission on Interstate Child Support, 1992. p. 251).

States receive substantial Federal funding for operating their CSE programs. To obtain this funding, a State must be operating an approved CSE State Plan. Further, in order to obtain funding from the TANF block grant, a State needs to certify that it has an approved State CSE Plan. Thus, failure to have an approved State CSE Plan can result in loss of both CSE and TANF funds.

The Federal Office of Child Support Enforcement (OCSE) conducts audits of State CSE programs to verify that they are in compliance with Federal requirements. The enactment of the 1996 welfare reform law (Public Law 104-193) changed the direction and emphasis of audits of CSE programs conducted by the OCSE Division of Audit. Audit requirements now emphasize performance and outcomes instead of processes. Beginning in FY2000, as part of Public Law 104-193 and the Child Support Performance and Incentives Act of 1998 (Public Law 105-200), States are eligible for financial incentives based on CSE program performance. States that meet or exceed the standards for each of the program performance measures are eligible for incentive payments. Pursuant to the 1996 welfare law, States will receive incentive payments only if their data are deemed to be reliable, complete, and accurate.

The 1996 welfare reform law required States to annually review and report to the Secretary of HHS, using data from their automatic data processing system, both information adequate to determine the State's compliance with Federal requirements for expedited procedures and case processing as well as the information necessary to calculate their levels of accomplishment and rates of improvement on the performance indicators. The HHS Secretary is required to determine the amount (if any) of incentives or penalties. The Secretary also must review State reports on compliance with Federal requirements and provide States with recommendations for corrective action.

In addition, the OCSE Division of Audit is required at least once every three years to (1) evaluate the completeness, reliability, and security of data produced by the States and the accuracy of the reporting systems used in calculating performance indicator data, (2) perform administrative cost audits and reviews to determine whether collections and disbursements of child support payments are being correctly and fully accounted; and (3) provide assessments for such other

purposes as the HHS Secretary may find necessary. (It should be noted that if a State is under penalty, a comprehensive audit is conducted annually until the cited deficiencies are corrected.) The purpose of the audits is to assess the completeness, reliability, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the State program.

Under the performance-based audit procedures, a graduated penalty equal to 1 percent to 5 percent of the Federal TANF block grant to the State is assessed against a State if, (1) based on the data submitted by the State for a review, the State program fails to achieve the paternity establishment or other performance standards set by the HHS Secretary; (2) an audit finds that the State data are incomplete or unreliable, or (3) the State failed to substantially comply with one or more CSE State plan requirements, and the State fails to correct the deficiencies in the fiscal year following the performance year (i.e., the corrective action plan year). With respect to parenthetical 2, there are three performance measures for which States have to achieve certain levels of performance in order to avoid being penalized for poor performance. These measures are (1) paternity establishment [specifically mentioned in Federal law], (2) child support order establishment and (3) current child support collections [these last two performance measures were designated by the HHS Secretary].

Federal law specifies that a State that has been audited and found not to be in substantial compliance is subject to a graduated financial penalty that ranges from 1 percent to 5 percent based on the duration of the deficiency that is assessed against the State. Specifically, Federal TANF funds for the State must be reduced by an amount equal to at least 1 percent but not more than 2 percent for the first failure to comply, at least 2 percent but not more than 3 percent for the second failure, and at least 3 percent but not more than 5 percent for the third and subsequent failures.

The penalty may be suspended for up to one year to allow a State time to implement corrective actions to remedy the program deficiency. At the end of the corrective action period, a follow-up audit is conducted in the areas of deficiency. If the follow-up audit shows that the deficiency has been corrected, the penalty is rescinded. However, if the State remains out of compliance with Federal requirements, a graduated penalty, as provided by law, is assessed against the State.

In addition to the 1-5 percent penalty for States that the Secretary of HHS has found, via an audit, to have failed to substantially comply with CSE State plan requirements, there is the possibility of complete elimination of CSE funding in cases in which a State's CSE program has been disapproved. The Secretary must disapprove the plans of States which fail to implement the CSE State plan requirements under sections 454 and 466 of the Social Security Act. Disapproval of a State's plan will result in the cessation of all Federal child support funding for the State. In addition, because operating an approved CSE program is a prerequisite to

a State's receiving funds under the TANF program, a State's TANF funds also would be terminated.

There are two exceptions to the complete elimination of Federal funding rule. First, the Child Support Performance and Incentive Act of 1998 (Public Law 105-200) established an alternative penalty for a State's failure to meet the automated data systems requirements. Second, the Consolidated Appropriations Act of 2000 (Public Law 106-113) established an alternative penalty for a State's failure to meet the automated centralized disbursement unit requirements.

To qualify for this alternative penalty, the HHS Secretary must find that (1) the State has not met one or more of the CSE automated data processing and information retrieval systems requirements or the State Disbursement Unit requirement; (2) the State has made and is continuing to make a good faith effort to meet the requirements; and (3) the State has submitted (and HHS has approved) a corrective compliance plan which describes how, when, and at what cost the State will achieve compliance. When these conditions are met, the Secretary will not disapprove the State CSE plan but will instead apply the alternative penalty provision and reduce the State's CSE funding by a prescribed amount.

The HHS Secretary is required to reduce the amount the State would otherwise have received in Federal child support payments by the penalty amount for the fiscal year. The penalty amount percentage is 4 percent in the case of the first fiscal year of noncompliance; 8 percent in the second year; 16 percent in the third year; 25 percent in the fourth year; and 30 percent in the fifth and subsequent years.

Moreover, Public Law 106-113 provides that States that fail to implement both the CSE automated data processing requirement and the State disbursement unit requirement are subject to only one alternative penalty process.

ASSIGNMENT AND DISTRIBUTION OF CHILD SUPPORT COLLECTIONS

Since the child support program's inception, the rules determining the distribution of arrearage payments have been complex. It is helpful to think of the rules in two categories. First, there are rules in both Federal and State law that stipulate who has a legal claim on the payments owed by the noncustodial parent. These are called assignment rules. Second, there are rules that determine the order in which child support collections are paid in accord with the assignment rules. These are called distribution rules.

DISTRIBUTION OF PAYMENTS WHILE THE FAMILY RECEIVES PUBLIC ASSISTANCE

When a family applies for TANF, the custodial parent must assign to the State the right to collect her or his child support payments. The child support assignment covers any child support that accrues while the family receives cash TANF benefits, as well as any child support accrued before the family started receiving TANF benefits. Child support arrearages that accrued to the family before it went on public assistance are called "preassistance" arrearages; those that accrue while the family is on public assistance are called "permanently-assigned arrearages." While the family receives TANF benefits, the State is permitted to retain any current support and any arrearages it collects up to the cumulative amount of TANF benefits which has been paid to the family. Before the 1996 reforms, States were required by Federal law to pay (or "pass through") the first $50 of child support collections to the family. This provision was repealed by the 1996 legislation and States were given the right to decide for themselves how much, if any, of their collections would be passed through to the family, although they must pay the Federal share of collections. Thus, child support payments made on behalf of TANF families that are passed through to the TANF family currently come entirely out of the State share of child support collections. States also have the right to decide whether they treat any child support passed through to the family as income, in which case the child support collections may reduce or even eliminate TANF payments to the family.

P.L. 109-171, the Deficit Reduction Act of 2005, stipulates (effective October 1, 2009 or at State option no earlier than October 1, 2008) that the child support assignment only covers child support that accrues while the family receives TANF benefits. This means that any child support arrearages that accrued before the family started receiving TANF benefits would not have to be assigned to the State (even temporarily), and thereby any child support collected on behalf of the former-TANF family for pre-assistance arrearages will go to the family. Moreover, States have the option to discontinue any pre-assistance assignments (that occurred before the implementation date of this provision), which means that the State (if it chose the option) would have to give up its claim to any child support collections based on pre-assistance arrearages and the State would have to distribute such collections to the family.

The Deficit Reduction Act of 2005 also provides incentives in the form of Federal cost sharing to States to direct more of the child support collected on behalf of TANF families to the families themselves (often referred to as a "family-first" policy), as opposed to using such collections to reimburse State and Federal treasuries for welfare benefits paid to the families. The Deficit Reduction Act helps States pay for the cost of their CSE pass-through and disregard policies by requiring the Federal Government to share in the costs of the entire amount of child

support collections passed through and disregarded by States. As of October 1, 2008, P.L. 109-171 will allow States to pay up to $100 per month (or $200 per month to a family with two or more children) in child support collected on behalf of a TANF or foster care family to the family, and will not require the State to pay the Federal Government the Federal share of those payments. In order for the Federal Government to share in the cost of the child support pass-through, the State would be required to disregard (i.e., not count) the child support collection paid to the family in determining the family's cash TANF benefit.

DISTRIBUTION OF PAYMENTS AFTER THE FAMILY LEAVES PUBLIC ASSISTANCE

Distribution rules after the family leaves public assistance are far more complicated. Most of the complexity stems from the requirements that preassistance arrears be assigned to the State, and that certain arrearages otherwise owed to the former welfare family are deemed to be owed to the State when the collection is made by Federal tax refund intercept.

When a family leaves welfare, States are required to keep track of six categories of arrearages: (1) permanently assigned; (2) temporarily assigned; (3) conditionally assigned; (4) never assigned; (5) unassigned during assistance; and (6) unassigned preassistance. On the computer, these different categories are called "buckets." The money shifts among the buckets according to the source of the collection, the family's status on or off assistance when the arrearage accrued, the amount of the unreimbursed public assistance balance, and the date of the assignment of support rights as well as the date the TANF case closed (because of phased-in implementation dates). Moreover, the distribution rules differ depending on whether the family went on welfare before or after October 1, 1997. Families that assigned their rights to preassistance arrearages to the State before October 1, 1997, have "permanently-assigned arrearages," which are owed to the State. Families that assign their rights to preassistance arrearages to the State on or after October 1, 1997, have "temporarily-assigned arrearages." Temporarily-assigned arrearages and permanently-assigned arrearages are treated differently after a family leaves public assistance. Temporarily-assigned arrearages become "conditionally-assigned arrearages" when the family leaves welfare or on October 1, 2000, whichever is later. These are called conditionally- assigned arrearages because, as will be seen below, if they are collected by Federal tax refund intercept, they will be paid to the State, not the family.

There are also categories for "never-assigned arrearages," which accrue after the family's most recent period of assistance ends. These can become temporarily-assigned arrearages if the family goes back on public assistance. In addition, there are "unassigned during assistance arrearages" and "unassigned preassistance arrearages." These are previously assigned arrearages which exceed the cumulative

amount of unreimbursed assistance when the family leaves public assistance, and which accrued either during (unassigned during assistance arrearages) or prior to (unassigned preassistance arrearages) receipt of assistance.

When the family leaves public assistance, the order of distribution of any collection depends not only on when the arrearages accrued--preassistance, during-assistance, or postassistance--and when they were assigned, but also on when and how the past-due support was collected. If the collection was made by any means other than the Federal tax refund intercept, the collection is first paid to the family up to the amount of the monthly child support obligation. Any remaining collection is distributed to certain categories of arrearages owed to the family (conditionally assigned, never assigned and unassigned preassistance), and then to arrearages owed to the State (permanently assigned), with the remainder to the family (unassigned during assistance).

Once current support is paid, collections on past-due support made between October 1, 1997, and September 30, 2000, or earlier at State option, are paid to the family to satisfy any arrearages that accrued to the family after leaving public assistance (never-assigned arrearages). Once never-assigned arrearages are satisfied, the collection is to be applied either to other arrearages owed to the family or to the State (permanently-assigned arrearages). A family that left welfare before October 1, 2000, maintains its permanently-assigned arrearages, that is, those which accrued before the family went on welfare and while the family received public assistance. These arrearages are always owed to the State and, unlike temporarily-assigned arrearages, never revert to the family.

On October 1, 2000, the rules changed again (although States had the option of implementing these changes sooner). As noted above, the temporarily-assigned arrearages for a former welfare family that leaves public assistance on or after October 1, 2000, or when the case closes, whichever is later, become "conditionally-assigned arrearages." The distribution of these conditionally-assigned arrearages is "conditioned" upon whether the money is collected by Federal income tax refund intercept or by some other method, such as levy of a bank account, a workers compensation lump sum payment, or a payment agreement to avoid a driver's license revocation. If the collection is from a Federal income tax refund intercept, it must be paid to the State rather than to the family, up to the cumulative amount of unreimbursed assistance. The distribution from any other method of collection is first made to the family, with current support being paid first and any balance allocated to arrearages.

On October 1, 2009 (or at State option, as early as October 1, 2008), the rules will change again. The Deficit Reduction Act of 2005 gives States the option of distributing to former TANF families the full amount of child support collected on their behalf (i.e., both current support and child support arrearages -- including arrearages collected through the Federal income tax refund offset program). Thereby, the Deficit Reduction Act allows States to simplify the CSE distribution

process by eliminating the special treatment of child support arrearages collected through the Federal income tax refund offset program. Under the Deficit Reduction Act, the Federal Government shares with the States the entire cost of paying child support arrearages to the family first. This means that unlike the limits (i.e., $100 per month for one child and up to $200 per month for two or more children) imposed on child support passed through to current TANF families, the full Federal share of Federal income tax refund offset collections will be waived if the money is paid to former TANF families.

FUNDING OF STATE PROGRAMS

The CSE program is funded with both State and Federal dollars. The CSE program operated by States/localities is financed by five major streams of money. First, States spend their own money to operate a CSE program; the level of funding allocated by the State and/or localities determines the amount of resources available to CSE agencies.

The second and largest stream of money is the Federal Government's commitment to reimburse States for 66 percent of all allowable expenditures on child support activities. Allowable expenditures include (among other things) outlays for locating parents, establishing paternity, establishing orders, and collecting payments. The Federal Government's funding is "open-ended" in that it pays its percentage of expenditures by matching the amounts spent by State and local governments with no upper limit or ceiling.

There are two mechanisms through which Federal financial control of State expenditures is exercised. First, States must submit plans to the Secretary of HHS outlining the specific child support activities they intend to pursue. The State plan provides the Secretary with the opportunity to review and approve or disapprove child support activities that will receive the 66 percent Federal reimbursement. Second, as discussed previously, HHS conducts a financial audit of State expenditures.

The third stream of financing for State programs is child support collections. As discussed earlier, when mothers apply for welfare, they assign their rights to child support (from the father) to the State. As long as the family receives TANF payments, the State can retain all child support payments. As explained in detail above in the section on distribution of child support payments, States may retain the right to pursue repayment for TANF benefits from the parent who owes child support even after the family leaves welfare.

Recovered payments are split between the State and the Federal Government in accord with the percentage of Federal reimbursement of Medicaid benefits. In the Medicaid Program, the Federal Government pays States a percentage of their expenditures that varies inversely with State per capita income--poor States have a high Federal reimbursement percentage; wealthy States have a lower Federal

reimbursement percentage. Mississippi, for example, one of the poorest States, receives a reimbursement of about 76 percent for its Medicaid expenditures. By contrast, States like California and New York that have high per capita income receive the minimum Federal reimbursement of 50 percent.

As discussed in an earlier section, effective October 1, 2008, States that choose to pass through some of the collected child support to the TANF family *do not* have to pay the Federal Government its share of such collections if the amount passed through to the family and disregarded by the State does not exceed $100 per month ($200 per month to a family with two or more children) in child support collected on behalf of a TANF (or foster care) family. Similarly, States that choose to pass through all collected child support arrearages (including arrearages collected via the Federal income tax refund offset program) to former-TANF families will not have to pay the Federal Government its share of such collections.

The formula for distributing the child support payments collected by the States on behalf of TANF families between the State and the Federal Government is still based on the old AFDC Federal-State reimbursement rates (i.e., the Federal Medical Assistance Percentage [FMAP] or Medicaid matching rate) even though the AFDC entitlement program was replaced by the TANF block grant program. Though TANF is not a matching grant program, the Federal Government and the States still share the costs of providing help to needy families with children. TANF includes a maintenance-of-effort (MOE) requirement that requires States to expend at least 75 percent (80 percent if they fail to meet TANF work requirements) of what they spent under prior law programs in fiscal year 1994 on families with children that meet TANF eligibility requirements. The fact that the Federal Government and the States split the costs of TANF explains why States are required to split child support collections from TANF cases with the Federal Government. The rate at which States reimburse the Federal Government is the Federal Medicaid matching rate. The result of this cost-recovery procedure is that poorer States are rewarded less for their CSE efforts than wealthier States.

The fourth stream of child support financing is Federal incentive payments. The Federal Government provides States with an incentive payment to encourage them to operate effective programs. Federal law requires States to reinvest CSE incentive payments back into the CSE program or related activities. The current incentive system is designed to encourage States to collect child support from both TANF and non-TANF cases. Public Law 105-200, the Child Support Performance and Incentive Act of 1998 (enacted July 16, 1998), replaced the old incentive payment system with a new cost-neutral system of incentive payments that provides: (1) incentive payments based on a percentage of the State's collections (with no cap on non- TANF collections); (2) incorporation of five performance measures related to establishment of paternity and child support orders, collections of current and past-due support payments, and cost-effectiveness; (3) mandatory

reinvestment of incentive payments into the CSE Program; and (4) an incentive payment formula weighted in favor of TANF and former TANF families.

The revised incentive payment system was phased in between fiscal year 2000 and fiscal year 2002. The system caps the Federal incentive pool, thereby forcing States for the first time to compete against each other for incentive dollars. Under the new incentive system, a State may be eligible to receive an incentive payment for good performance. The total amount of the incentive payment received by a State depends on four factors: (1) the total amount of money available in a given fiscal year from which to make incentive payments; (2) the State's success in making collections on behalf of its caseload; (3) the State's performance in five areas (mentioned earlier); and (4) the relative success or failure of other States in making collections and meeting these performance criteria.

The incentive payment no longer comes out of the gross Federal share of child support collected on behalf of TANF families. Instead, the Child Support Performance and Incentive Act of 1998 required the Secretary of HHS to make incentive payments to States. This law stipulated that the incentive payment pool could not exceed $422 million for fiscal year 2000; $429 million for fiscal year 2001; $450 million for fiscal year 2002; $461 million for fiscal year 2003; $454 million for fiscal year 2004; $446 million for fiscal year 2005; $458 million for fiscal year 2006; $471 million for fiscal year 2007; and $483 million for fiscal year 2008. For years after fiscal year 2008, the incentive pool is increased to reflect changes in inflation in the previous year as measured by the Consumer Price Index.

The Deficit Reduction Act of 2005 (effective October 1, 2007) prohibited Federal matching of State expenditure of Federal CSE incentive payments. This means that CSE incentive payments that are reinvested in the CSE program are no longer eligible for Federal reimbursement. As Congress considered the Deficit Reduction Act, the Congressional Budget Office (CBO) estimated that this change would reduce Federal CSE funding by roughly $660 million per year when fully implemented. CBO further projected that this reduced level of funding would lower collections of child support by over $1 billion a year compared to baseline projections under prior law (although collections would still rise under CBO’s 10-year baseline).

The fifth stream of child support financing is money obtained through application fees and costs recovered from nonwelfare families. In the case of a nonwelfare family, the custodial parent can hire a private attorney or apply for CSE services. As one might expect, hiring a private attorney is more expensive than applying for services under the Federal/State CSE program. The CSE agency must charge an application fee, not to exceed $25, for families not on welfare. The CSE agency may charge this fee to the applicant or the noncustodial parent, or pay the fee out of State funds. In addition, a State may at its option recover costs in excess of the application fee. Such recovery may be either from the custodial parent or the noncustodial parent. Such fees and costs recovered from nonwelfare cases must be

subtracted from the State's total administrative costs before calculating the Federal reimbursement amount (i.e., the 66 percent matching rate). P.L. 109-171 (effective October 1, 2006) required families that have never been on TANF to pay a $25 annual user fee when child support enforcement efforts on their behalf are successful (i.e., at least $500 annually is collected on their behalf).

Given this overview of the five streams of money that support State CSE programs, we can now examine the basic financial operations of the child support system. Table 8-4 summarizes both child support income and expenditures for every State. Columns 3, 4, and 5 show State income from three of the funding streams; the second column shows State spending on child support. As shown in the sixth column, the sum of the three streams of income exceeded expenditures in only 7 States (Alaska, Connecticut, Iowa, Maine, Rhode Island, South Dakota, and Virginia) in fiscal year 2006. However, this excess does not account for any child support payments that these States may pass through to families receiving TANF. States are free to spend the State share of collections in any manner the State sees fit, but States must spend Federal incentive payments solely on the CSE program or on activities approved by the Secretary of HHS that contribute to the effectiveness or efficiency of the CSE program.

The method of financing child support enforcement has received considerable attention in recent years. The last column of Table 8-4 presents a measure of State program efficiency referred to as the collections to costs ratio (or the cost effectiveness ratio). The table shows the dramatic differences among States with regard to the collections to costs ratio--a crude measure of efficiency-- ranging from $2.03 in California to $9.45 in Mississippi. (Note that the collections to costs ratio is more than just the dividing of total CSE collections by total CSE program expenditures [as shown in the last row of Table 8-1]; instead it consists of the total of collections forwarded to other States plus total collections distributed plus fees retained by other States divided by total current quarter CSE claims and total prior quarter adjustments minus Non-CSE costs.)

TABLE 8-4--FINANCING OF THE FEDERAL/STATE CHILD SUPPORT ENFORCEMENT PROGRAM, FISCAL YEAR 2006

State	Total Child Support Expenditures	Federal Share of Expenditures	State Share of Collections	Incentive Payments (actual)	State Net	Collections to Costs Ratio[1]
Alabama	$61,582,475	$40,938,408	3,143,473	$4,245,467	-$13,255,127	$4.38
Alaska	22,959,136	15,159,413	6,707,039	1,744,388	651,704	4.27
Arizona	73,908,598	48,820,468	9,383,122	5,684,394	-10,020,614	4.35
Arkansas	44,971,941	29,739,301	1,703,675	3,741,846	-9,787,119	4.08
California	1,129,067,703	745,476,245	268,838,138	39,823,017	-74,930,303	2.03
Colorado	72,140,413	47,626,293	10,017,704	4,935,402	-9,561,014	3.94
Connecticut	68,602,962	45,309,496	19,524,326	4,160,278	391,138	3.74
Delaware	29,016,784	19,171,249	2,434,415	1,272,246	-6,138,874	2.70
District of Columbia	21,631,784	14,281,262	2,545,288	768,740	-4,036,494	2.55
Florida	275,695,896	182,438,304	25,578,101	25,798,882	-41,880,609	4.60
Georgia	95,603,833	63,308,833	11,401,918	11,141,641	-9,751,441	6.18
Guam	5,305,063	3,514,610	292,715	104,799	-1,392,939	1.84
Hawaii	18,710,564	12,354,177	3,774,975	1,537,631	-1,043,781	5.00
Idaho	24,832,024	16,418,487	924,254	2,468,472	-5,020,811	5.35
Illinois	175,105,677	115,718,639	16,520,286	9,530,560	-33,336,192	3.84
Indiana	57,885,252	38,445,114	10,807,705	8,190,561	-441,872	8.92
Iowa	54,024,580	35,700,588	13,214,798	7,017,788	1,908,594	5.79
Kansas	52,923,770	34,985,378	8,425,796	3,387,772	-6,124,824	3.38
Kentucky	60,852,966	40,298,552	11,163,525	7,431,105	-1,959,784	6.16
Louisiana	68,120,443	45,099,415	3,764,313	6,194,086	-13,062,629	4.58
Maine	25,652,591	16,960,306	9,260,292	2,159,837	2,727,844	4.16
Maryland	95,216,218	62,860,507	9,711,746	7,517,385	-15,126,580	5.20
Massachusetts	90,663,307	59,901,179	19,614,143	9,080,603	-2,067,382	5.59
Michigan	271,307,400	179,229,027	41,406,724	26,830,446	-23,841,203	5.29
Minnesota	149,229,219	98,648,135	19,972,918	12,266,108	-18,342,058	4.05
Mississippi	23,014,584	15,318,670	1,592,906	3,325,347	-2,777,661	9.45
Missouri	92,297,034	61,190,178	15,956,363	10,613,940	-4,536,553	5.58
Montana	13,817,422	9,132,276	1,435,137	1,071,976	-2,178,033	4.19

TABLE 8-4--FINANCING OF THE FEDERAL/STATE CHILD SUPPORT ENFORCEMENT PROGRAM, FISCAL YEAR 2006-continued

State	Total Child Support Expenditures	Federal Share of Expenditures	State Share of Collections	Incentive Payments (actual)	State Net	Collections to Costs Ratio[1]
Nebraska	46,335,525	30,813,238	3,654,995	2,650,264	-9,217,028	3.78
Nevada	46,019,262	30,401,723	3,308,587	2,044,501	-10,264,451	3.34
New Hampshire	18,858,094	12,467,617	4,194,667	1,834,607	-361,203	4.70
New Jersey	222,360,091	146,824,664	28,435,753	16,310,142	-30,789,532	4.56
New Mexico	35,567,717	23,498,883	2,358,996	1,178,407	-8,531,431	2.36
New York	328,800,464	217,248,370	54,106,878	26,038,149	-31,407,067	4.75
North Carolina	128,675,913	85,128,921	11,187,510	13,583,820	-18,775,662	4.97
North Dakota	12,776,758	8,438,753	2,174,017	1,682,573	-481,415	5.86
Ohio	277,484,643	184,156,307	29,965,649	29,475,265	-33,887,422	6.29
Oklahoma	56,246,532	37,171,663	5,953,999	4,190,513	-8,930,357	3.99
Oregon	58,092,605	38,359,801	8,618,767	5,732,739	-5,381,298	5.86
Pennsylvania	230,950,799	152,553,295	41,349,523	25,633,452	-11,414,529	6.45
Puerto Rico	51,842,048	34,268,578	312,288	3,342,209	-13,918,973	5.43
Rhode Island	12,736,331	8,419,778	4,642,751	1,179,663	1,505,861	4.70
South Carolina	34,466,043	22,829,774	2,597,699	3,440,029	-5,598,541	7.40
South Dakota	8,286,834	5,478,322	1,299,154	1,530,637	21,279	8.23
Tennessee	78,617,529	52,276,986	9,105,724	8,245,688	-8,989,131	6.08
Texas	285,352,825	189,053,737	30,586,735	41,421,297	-24,291,056	7.52
Utah	39,350,395	26,042,496	4,464,705	3,434,394	-5,408,800	4.28
Vermont	12,711,802	8,406,377	2,324,675	1,001,362	-979,388	3.80
Virgin Islands	4,808,046	3,178,133	47,711	111,800	-1,470,402	2.13
Virginia	90,195,726	59,604,232	21,709,206	10,425,176	1,542,888	6.58
Washington	151,434,828	99,992,900	38,359,003	12,679,446	-403,479	4.41
West Virginia	37,254,672	24,647,514	3,202,732	3,973,305	-5,431,121	5.00
Wisconsin	108,692,436	71,879,070	10,777,225	13,615,802	-12,420,339	5.79
Wyoming	9,386,661	6,196,853	1,217,621	1,200,043	-772,144	6.29
Total	**$5,561,444,218**	**$3,677,382,495**	**$875,072,365**	**$458,000,000**	**-$550,989,358**	**$4.58**

[1] The collections-to-costs ratio is the ratio that is used pursuant to the Child Support Performance and Incentive Act of 1998 (CSPIA).

Source: Table prepared by the Congressional Research Service (CRS), based on data from the Office of Child Support Enforcement (Annual Reports to Congress).

Table 8-5 shows one consequence of child support's financing system. The first two columns of the table show the net impact of program financing on the Federal and State governments respectively. The Federal Government has spent more money on child support with each successive year since 1980 (except for one year---1996), with spending rising from $103 million in 1980 to $2.591 billion in 2006.

State governments made a net gain on the program until fiscal year 2000. Since then they too have experienced aggregate losses every year. In 1980, States in the aggregate cleared $230 million. In 1997, the peak year, States cleared $494 million. In fiscal year 2000, States in the aggregate lost $38 million, in 2006, States lost $551 million.

TABLE 8-5--FEDERAL AND STATE SHARE OF CHILD SUPPORT "SAVINGS" AND/OR "COSTS," SELECTED FISCAL YEARS 1980-2006

[In Millions of Dollars]

Fiscal Year	Federal Share of Child Support Savings or Costs [1]	State Share of Child Support Savings or Costs[1]	Net Public Savings or Costs [1]
1980	-103	230	127
1985	-231	317	86
1990	-528	333	-195
1991	-603	401	-201
1992	-645	475	-170
1993	-765	487	-278
1994	-946	449	-496
1995	-1,273	408	-865
1996	-1,147	409	-738
1997	-1,282	494	-788
1998	-1,438	288	-1,150
1999	-1,795	87	-1,708
2000	-2,048	-38	-2,086
2001	-2,338	-186	-2,523
2002	-2,252	-351	-2,603
2003	-2,283	-357	-2,640
2004	-2,373	-422	-2,795
2005	-2,411	-455	-2,866
2006	-2,591	-551	-3,142

[1] Negative numbers are costs.

Note: Numbers may not add due to rounding. Numbers reflect actual rather than estimated incentive payments.

Source: Table prepared by the Congressional Research Service (CRS), based on data from the Office of Child Support Enforcement (Annual Reports to Congress).

HOW EFFECTIVE IS CHILD SUPPORT ENFORCEMENT?

As measured either by expenditures or total collections, the Federal-State program has grown rapidly since 1978. To the extent that private arrangements fail to ensure child support payments, our laws and, increasingly, our practices bring child support cases into the public domain. In view of these changes in law and practice, it seems useful to provide a broad assessment of the performance of the Nation's child support system in general and of the CSE program (Title IV-D of the Social Security Act) in particular.

IMPACT ON TAXPAYERS

One useful measure of the Federal-State program is the impact of collections on TANF costs. As outlined in an earlier section, States retain and split with the Federal Government child support collections from parents whose children are on TANF. In addition, States often can retain part of collections from parents whose children were on TANF in the past as repayment for taxpayer-provided TANF benefits. As shown in Table 8-1 above, after a long period of steady growth TANF collections declined from a high of nearly $2.9 billion in 1996 to $2.5 billion in fiscal year 1999, increased back to $2.9 billion in 2002, and dropped to $985 million in fiscal year 2006. Despite its many successes, the overall direct financial impact of the child support program on taxpayers is negative. As shown in Table 8-5, CSE program expenses totaled $3.1 billion in 2006. However, increased child support payments may reduce costs in other taxpayer supported programs, as well as provide other societal benefits that ultimately reward taxpayers. For example, a 2003 study by the Urban Institute found that child support collections produced significant savings in Food Stamps, TANF, Medicaid, Supplemental Security Income (SSI), and federal housing programs (Wheaton, 2003).

IMPACT ON POVERTY

In 2005, 25 percent of the 13.6 million women and men rearing children alone had incomes below the poverty level. By comparison, 21 percent of the custodial parents who received child support payments had incomes below the poverty level (U.S. Census Bureau, 2007, P60-234, detailed Table 4). Similarly, a study by the Urban Institute indicated that child support lifts about half a million children out of poverty, reducing poverty among these children by 5 percent (Sorensen, 2000). Thus, child support appears to be associated with a modest reduction in poverty. If the child support program could collect support for a substantial fraction of the additional 7.4 million single parents who did not receive payments in 2005, the antipoverty impact of the program could be substantially improved.

Despite the modest impact of child support on poverty, many families on welfare have received enough of a financial boost from child support payments that they were able to leave the rolls. In 2004, 331,000 families with child support collections, representing about 16 percent of the welfare caseload, became ineligible for TANF. Although child support alone generally is not enough to raise family income above the poverty level, poor families who received child support but remained in poverty had their standard of living improved by the child support payments. Similarly, incomes and standards of living were improved by child support payments of non-poor families as well. On average, child support constitutes 17 percent of family income for household who receive it. Among poor households that receive it, child support constitutes about 30 percent of family income (Sorensen, 2003).

IMPACT ON NATIONAL CHILD SUPPORT PAYMENTS

Perhaps the most important measure of the Federal-State program is its impact on overall national rates of paying child support. Although the original intent of Congress in creating the child support program was primarily to offset welfare payments, both Congress and the American public have come to see the program as a means of improving the Nation's system of ensuring that all parents who no longer live with their children continue to provide for their financial support.

The U.S. Census Bureau periodically collects national survey information on child support. By interviewing a random sample of single-parent families, the Census Bureau is able to generate a host of numbers that can be used to assess the performance of noncustodial parents in paying child support.

Table 8-6 provides detailed information for 2005, the most recent year for which national data are available, on child support payments by fathers to families headed by mothers. Although the 2005 survey, like all of the surveys since 1991, included custodial fathers, the following discussion is focused solely on custodial mothers. Several points bear emphasis, the most important of which is that many female-headed families do not receive child support. As shown in the bottom row of the upper panel in Table 8-6, of the 11.4 million female-headed families eligible for support, only 61 percent even had a support award.

Of the 6.1 million mothers who had an award and who were supposed to receive payments in 2005, 78 percent actually received at least one payment (Table 8-6). However, as shown in Table 8-7, only about 42 percent of the total of 11.4 million women who did not live with their children’s father in 2005 actually received at least one payment and only 25 percent received everything due.

TABLE 8-6--CHILD SUPPORT PAYMENTS AWARDED AND RECEIVED BY WOMEN WITH CHILDREN PRESENT, BY SELECTED CHARACTERISTICS, 2005 [1]

Characteristics	Total Custodial Mothers (Thousands)	Percent of Custodial Mothers Awarded Child Support	Total Custodial Mothers with Support Order (Thousands)	Custodial Mothers Receiving Support in 2005		
				Percent	Mean Child Support	Mean Income
All Women						
Current marital status:						
Married	2,480	68	1,529	78	$4,951	$27,289
Divorced	3,762	72	2,417	80	5,427	34,297
Separated	1,280	53	575	74	4,608	27,028
Widowed [2]	145	51	69	72	[4]	[4]
Never married	3,739	49	1,541	75	3,420	18,782
Race and Hispanic origin:						
White	6,009	70	3,688	81	5,209	30,831
Black	3,174	51	1,411	69	3,283	23,468
Hispanic origin	1,854	51	836	76	4,513	22,141
Years of school completed:						
Less than high school grad	1,718	48	674	73	3,339	13,006
High school grad or GED	4,101	60	2,193	75	4,070	20,930
Some college	2,667	66	1,557	76	4,731	26,029
Associate degree	1,263	65	729	84	4,819	30,732
Bachelors degree or more	1,657	67	978	85	6,731	51,735
Total	11,406	61	6,131	78	4,719	28,018
Women Below Poverty						
Current marital status:						
Married	245	54	126	75	2,468	6,058
Divorced	785	71	479	73	4,371	9,341
Separated	545	50	206	67	3,127	8,429
Widowed [2]	49	27	13	54	[4]	[4]
Never married	1,536	48	602	74	2,839	6,759
Race:						
White	1,235	64	647	76	3,935	7,913
Black	1,168	49	475	65	2,324	7,766
Hispanic origin [3]	677	41	249	72	3,969	6,972
Total	3,160	54	1,427	73	3,369	7,773

[1] Award status as of spring 2006.

[2] Widowed women whose previous marriage ended in divorce.

[3] Persons of Hispanic origin may be of any race.

[4] Sample too small to produce reliable estimate.

Note: Women with own children under 21 years of age present from an absent father as of spring 2006.

Source: U.S. Census Bureau (2007)

Table 8-6, which also summarizes child support information by ethnic group, by years of schooling, and by poverty level, suggests a number of interesting and important features of child support payments. White mothers are more likely to have a support order than black or Hispanic mothers (70 percent versus 51 percent for blacks and Hispanics). Similarly, mothers with a bachelor's degree have a 67 percent chance of having an order as compared with 48 percent for high school dropouts and 60 percent for high school graduates. As for payments, white mothers receive $5,209 per year on average as compared with $3,283 for black mothers and $4,513 for Hispanic mothers. Mothers with a bachelor's degree receive an average of $6,731 per year in support as compared with $3,339 and $4,070 for high school dropouts and graduates respectively.

Clearly, mothers who are already financially worse off get less from child support than mothers who are financially better off. This generalization is made especially clear by two further pieces of information depicted in the table. First, never-married mothers, one of the poorest demographic groups in the Nation, are less likely to have an award than divorced mothers (49 percent versus 72 percent); even never-married mothers who actually receive support get considerably less than divorced mothers ($3,420 versus $5,427). Second, as shown by the data at the bottom of the table, poor mothers are less likely to have orders and receive less money than non-poor mothers. Table 8-9 shows similar data for the award of health insurance. While demonstrating that about 58 percent of all mothers have health insurance included in their award, the table also shows that the probability of health insurance coverage is greatly reduced for never-married women (44 percent), black women (43 percent), and women with less schooling (i.e., high school dropouts, 48 percent). Table 8-9 also indicates that health insurance was actually provided (by the noncustodial parent) in 45 percent of the cases in which it was included in the child support award.

Table 8-8, which summarizes several child support measures for selected years from 1978 to 2005, complements and puts into context the conclusions drawn from the 2005 data.[3] The pattern of poor women being less likely to have a child support order is nothing new; but the years since 1978 show a narrowing of the difference between poor and non-poor mothers. The percentage of poor women who had an order was up 42 percent over the 27-year period, compared with a decline of nearly 5 percent among women above the poverty level. Moreover, the percentage of poor women who received child support payments increased 153

[3]The Census Bureau changed its interview procedures before obtaining the 1991 data. Specifically, Census asked whether adults had any children under age 21 in their household who had a parent living elsewhere. This question may have excluded some mothers who would have answered the child support questions in previous surveys. In the interviews for the years 1978 through 1989, all never-married mothers were asked the child support questions. Because of this and other differences in procedure, the Census Bureau recommends "extreme caution" (U.S. Census Bureau, 1995, p. 40) in comparing data from the 1992 interview with data from previous interviews. We present the data from most of the surveys and recommend that readers draw their own conclusions.

percent from 1978 to 2005, compared to an increase of 10 percent among non-poor women. Thus, although the percentage of all women with an award has changed only slightly, the percentage of all women who actually receive any child support payments increased 20 percent during the years from 1978 to 2005. However, even though women who were awarded child support were more likely to receive it in 2005 than in 1978, the percentage of women who received full payment remained virtually unchanged (25 percent in 2005 versus 24 percent in 1978).

In summary, the Nation's child support system has made important strides over the last three decades, but critical challenges remain. The percentage of IV-D cases with a collection has risen from 23 percent in 1998 to 54 percent in 2006 (as shown in Table 8-7) and the number of paternities established has jumped 151 percent between 1994 and 2006. Additionally, the cost-effectiveness of the child support program has climbed from collecting $2.89 in child support in 1982 for every dollar invested in enforcement to collecting $4.58 in 2006. Nevertheless, a projected $12.3 billion in child support still went unpaid in 2005 and the percent of all custodial mothers receiving full child support payments remains low at just over 25 percent in 2005 (as illustrated in Table 8-8).

TABLE 8-7--PERCENTAGE OF CHILD SUPPORT ENFORCEMENT (CSE) CASES WITH COLLECTIONS, FISCAL YEARS 1998-2006

	CSE Cases with Collections	CSE Caseload	Percent of CSE Cases with Collections
1998	4,466,976	19,419,449	23%
1999	6,599,936	17,330,366	38%
2000	7,232,254	17,374,041	42%
2001	7,460,459	17,060,501	44%
2002	7,819,434	16,065,728	49%
2003	7,982,311	15,923,353	50%
2004	8,133,646	15,854,475	51%
2005	8,303,946	15,860,753	52%
2006	8,530,648	15,844,238	54%

Source: Table prepared by the Congressional Research Service (CRS) based on data from the Department of Health and Human Services, Office of Child Support Enforcement, annual reports.

TABLE 8-8--CHILD SUPPORT PAYMENTS FOR ALL WOMEN, WOMEN ABOVE THE POVERTY LEVEL, AND WOMEN BELOW THE POVERTY LEVEL, SELECTED YEARS 1978-2005

Category of Women	1978	1981	1989	1993[3]	1999	2001	2003	2005
All women:								
Total (in thousands)	7,094	8,387	9,955	11,505	11,499	11,291	11,587	11,406
Percent awarded[1]	59.1	59.2	57.7	59.8	62.2	63.0	64.2	61.4
Percent received payment	34.6	34.6	37.4	39.1	39.8	41.1	43.3	41.7
Percent received full payment	23.6	22.5	25.6	18.9	24.5	25.0	25.5	25.4
Women above poverty level:								
Total (in thousands)	5,121	5,821	6,749	7,271	8,194	8,468	8,559	8,246
Percent awarded [1]	67.3	67.9	64.6	64.4	66.1	65.4	65.6	64.2
Percent received payment	41.1	41.4	43.1	44.4	44.9	44.3	45.7	32.8
Women below poverty level:								
Total (in thousands)	1,973	2,566	3,206	4,234	3,305	2,823	3,028	3,160
Percent awarded [1]	38.1	39.7	43.3	51.9	52.3	55.7	60.1	54.1
Percent received payment	17.8	19.3	25.4	30.1	27.2	31.3	36.4	45.1
Aggregate payment (in billions of dollars): [2]								
Child support due	18.9	20.4	24.8	28.6	34.6	35.2	35.8	34.7
Child support received	12.4	12.6	17.0	18.8	20.6	21.8	24.7	22.4
Aggregate child support deficit	6.6	7.8	7.8	9.8	13.9	13.3	11.0	12.3

[1] Survey conducted in spring 1979, 1982, 1990, 1994, 2000, 2002, 2004, and 2006 for prior years.

[2] In 2005 dollars based on Consumer Price Index Research Series using current methods (CPI-U-RS).

[3] Data for 1993 are not directly compatible with prior years because of changes to survey questions.

Note: Payments for women with own children under age 21.

Source: U.S. Census Bureau (various years).

TABLE 8-9--CHILD SUPPORT AWARD STATUS AND INCLUSION OF HEALTH INSURANCE AWARD, BY SELECTED CHARACTERISTICS OF WOMEN, 2005

(Numbers in Thousands)

		Child Support Payments Awarded, 2005			
			Health Insurance Included in Child Support Award		
Characteristic	Total	Total	Number	Percent Awarded	Percent Provided
Current marital status: [1]					
Married	2,480	1,692	1,162	69	44
Divorced	3,762	2,716	1,747	64	49
Separated	1,280	679	341	50	47
Never married	3,739	1,840	812	44	38
Race and Hispanic origin:					
White	6,009	4,197	2,735	65	45
Black	3,174	1,622	699	43	44
Hispanic[2]	1,854	943	532	56	44
Age:					
15-17 years	53	13	13	100	100
18-29 years	2,894	1,518	660	43	44
30-39 years	4,154	2,710	1,598	59	41
40 years and over	4,305	2,761	1,802	65	49
Years of school completed:					
Less than high school graduate	1,718	821	396	48	57
High school graduate or GED	4,101	2,478	1,322	53	42
Some college, no degree	2,667	1,773	1,050	59	43
Associate degree	1,263	815	508	62	40
Bachelors degree or more	1,657	1,114	797	72	50
Number of own children present from an absent father:					
One	6,362	3,570	2,134	60	44
Two	3,318	2,211	1,322	60	47
Three	1,253	920	459	50	43
Four or more	474	301	157	52	47
Total	11,406	7,002	4,073	58	45

[1] Excludes a small number of currently widowed women whose previous marriage ended in divorce.

[2] Persons of Hispanic origin may be of any race.

Note: Women 15 years and older with own children under 21 years of age present from absent fathers as of spring 2006.

Source: U.S. Census Bureau, 2007.

LEGISLATIVE HISTORY

(Note: For legislative history before 1996, see previous editions of the Green Book)

104th CONGRESS

Title III of the 1996 welfare reform law (Public Law 104-193) was devoted to major reforms of the Child Support Enforcement program. A section-by-section summary of these reforms follows:

Sec. 301--Imposes a State obligation to provide child support enforcement services for each child receiving assistance under IV-A (TANF), IV-E (foster care and adoption), and title XIX (Medicaid). Services must also be provided for others who apply, including families ceasing to receive assistance (no application is permitted for this group).

Sec. 302--Changes distribution priorities to provide that families leaving welfare receive priority in payment of arrears. Changes are effective October 1, 1997 for postassistance arrears and October 1, 2000 for preassistance arrears. Exception is made for collections from the Federal Tax Refund Offset Program. Provides a hold harmless provision so that States are protected if the amount they lose because of changes in distribution exceeds what they gain from the elimination of the $50 pass-through (eliminated October 1, 1996).

Sec. 303--Protects privacy rights with respect to confidential information.

Sec. 304--Requires States to have procedures for providing notices of proceedings and copies of orders to recipients of program services or parties to cases being served under title IV-D.

Sec. 311--Specifies requirements for the central State registry, including maintaining and updating a payment record and extracting data for matching with other databases. Allows automated linkages of local registries.

Sec. 312--Specifies requirements for the centralized collection and disbursement of support payments, including the monitoring of payments, generating wage withholding notices, and automatic use of administrative enforcement remedies. Under some circumstances, permits linkages of local disbursement units to form centralized State disbursement unit for collection and disbursement of child support payments. Requires distribution within 2 business days of receipt of collection; requires transmission of withholding orders to employers within 2 business days of notice of income source subject to withholding.

Sec. 313--Requires employers and labor organizations to report name, address, SSN, and employer identification number of new hires to State directory of new hires within 20 days of hire (in the case of an employer transmitting reports magnetically or electronically, reports may be made by two monthly transmissions); requires the report to be the W-4 or equivalent at option of the

employer with penalties assessed for failure to report. State directory must perform database matching using SSNs and report findings to any State; directory must also report information to the National directory within 3 business days, and issue withholding notices within 2 business days of match, among other requirements.

Sec. 314--Strengthens and expands income withholding from wages to pay child support by reducing the time for employers to remit withheld wages to 7 business days and adding a State law requirement that allows issuance of electronic withholding orders by State agency and without notice to obligor.

Sec. 315--Includes requirements for access by State child support agency to locator information from State motor vehicle and law enforcement systems.

Sec. 316--Expands the authority of the Federal Parent Locator Service (FPLS) to obtain information and locate individuals. Permits access to the FPLS for the enforcement of child custody and visitation orders but specifies that requests must come through courts or child support agencies. Requires establishment of a Federal case registry of child support orders, and details guidelines for the National directory of new hires. Allows disclosure of certain information, including Federal tax offset amounts, to child support enforcement agents.

Sec. 317--Requires use of SSNs on applications for professional licenses, commercial driver's licenses, occupational license or marriage licenses, and in records for divorce decrees, support orders, paternity determinations or acknowledgments and death certificates.

Sec. 321--Mandates adoption by all States of the Uniform Interstate Family Support Act.

Sec. 322--Clarifies priorities for recognition of orders.

Sec. 323--Requires States to respond within 5 business days to a request from another State to enforce a support order; electronic means are allowed for transmitting requests.

Sec. 324--Calls for the promulgation of forms, developed by the Secretary of HHS, to be used in interstate income withholding cases, the imposition of liens, and administrative subpoenas across State lines.

Sec. 325--Grants authority to State IV-D programs to order genetic testing for paternity establishment, issue a subpoena for financial or other information, and require all entities to respond to requests for information “without the necessity of obtaining an order from any other judicial or administrative tribunal, but subject to due process safeguards as appropriate." Grants States access to public records such as vital statistics of marriage, birth and divorce, State and local tax records, real and titled personal property, license records, employment security records, public assistance programs, motor vehicle records, and corrections records. Also grants access to certain private records such as public utility and cable television records and financial institution data, among other administrative measures.

Sec. 331--Streamlines the legal processes for establishment of paternity, allows establishment of paternity anytime before a child turns 18, and provides for mandatory genetic testing in contested cases, among other provisions.

Sec. 332--Mandates that State programs publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support.

Sec. 333--Requires States to determine whether recipients of aid under the TANF program or Medicaid are cooperating with the State in conducting child support activities against the noncustodial parent.

Sec. 341--Requires the Secretary of HHS to develop a new cost-neutral incentive system by March 1, 1997 which provides additional payments to any State based on such State's performance. Increases the mandatory IV-D paternity establishment percentage in graduated phases from 75 to 90 percent.

Sec. 342--Changes the audit process to be based on performance measures and requires the Secretary to ensure that State data meets high standards of accuracy and completeness.

Sec. 343--Requires States to collect and report program data in a uniform manner as a State plan requirement.

Sec. 344--Creates additional requirements for the State automated data processing systems, and sets a deadline of October 1, 2000 for implementation. Contains a new implementation timetable that extends to October 1, 1997 the deadline by which a State must have an automated case tracking and monitoring system meeting all Federal IV-D requirements up through the enactment of the Family Support Act of 1988. Caps aggregate spending on the new automated system at $400,000,000 and requires the Secretary to devise a formula for distributing these funds among the States. The Federal Government will pay 80 percent of State costs of meeting the new requirements.

Sec. 345--Sets aside 1 percent of the Federal share of reimbursed public assistance for information, training, and related technical assistance concerning State automated systems and research, demonstration, and special projects of regional or national significance. An additional 2 percent is set aside for the operation of the FPLS.

Sec. 346--Clarifies data collection requirements and eliminates requirements for unnecessary or duplicate information. Several new data reports are to be included in the annual report to Congress, including information about State compliance.

Sec. 351--Requires processes for periodic modification of all child support orders, with review occurring every 3 years, upon request.

Sec. 352--Expands access and use of consumer reports by child support agencies for establishing and modifying child support.

Sec. 353--Specifies that depository institutions are not liable for disclosing financial information to the CSE Agency; the CSE Agency is prohibited from disclosing information obtained except for child support purposes.

Sec. 361--Makes technical corrections to the Social Security Act section on IRS collection of arrearages.

Sec. 362--Eliminates separate withholding rules for all Federal employees. Establishes procedures by which Federal agencies must aggressively pursue child support collections from Federal employees.

Sec. 363--Establishes procedures by which all branches of the armed forces must aggressively pursue child support collections from Federal employees.

Sec. 364--Requires States to have laws that prevent obligor from transferring income or property to avoid paying child support.

Sec. 365--Requires State child support officials to have the authority to seek a judicial or administrative order that requires any individual owing past-due support to pay such support in accordance with a plan approved by the court or participate in work activities.

Sec. 366--Provides a definition of a support order.

Sec. 367--Requires all child support delinquencies and their amounts to be reported to credit bureaus.

Sec. 368--Requires liens on real and personal property and the extension of full faith and credit to liens arising in another State in cases of past-due child support.

Sec. 369--Requires States to have laws providing for the suspension of driver's, professional, occupational, and recreational licenses.

Sec. 370--Establishes a process by which HHS can submit the names of delinquent noncustodial parents who are at least $5,000 in arrears on their child support payments to the State Department for the denial of their passports.

Sec. 371--Authorizes Federal officials to declare any foreign country to be a foreign reciprocating country for purposes of establishment and collection of child support obligations.

Sec. 372--Requires States to enter agreements with financial institutions doing business in the State to develop a data match system by which records on individuals having accounts with the financial institution are matched against the list of child support obligors who have overdue payments.

Sec. 373--Adds a State option that a child support order of a child of minor parents, if the mother is receiving cash assistance, may be enforceable against parents of the noncustodial parent of the child.

Sec. 374--Clarifies that child support assigned to a State in assistance cases is not dischargeable in bankruptcy.

Sec. 375--Allows States to enter cooperative agreements with Indian tribes; allows the Secretary to make direct Federal funding to Indian tribes meeting certain criteria.

Sec. 381--Requires the application of the Employee Retirement Income Security Act (ERISA) to support orders that are judgments, decrees or orders issued by any court of competent jurisdiction or through a State administrative process.

Sec. 382--Adds a new State law requirement providing that the State IV-D agency have procedures for notifying a new employer of an absent parent, when the absent parent was providing health care coverage of the child in the previous job, of the medical support obligation.

Sec. 391--Provides $10 million per year to the Secretary to award grants to States for the purpose of establishing programs to facilitate noncustodial parents' access to and visitation of their children.

105th CONGRESS

Public Law 105-33, the Balanced Budget Act of 1997, made 28 technical changes to the 1996 welfare reform law (Public Law 104-193).

Public Law 105-187, the Deadbeat Parents Punishment Act of 1998, established two new categories of felony offenses, subject to a 2-year maximum prison term: (1) traveling in interstate or foreign commerce with the intent to evade a support obligation if the obligation has remained unpaid for more than 1 year or is greater than $5,000; and (2) willfully failing to pay a child support obligation regarding a child residing in another State if the obligation has remained unpaid for more than 2 years or is greater than $10,000.

Public Law 105-200, the Child Support Performance and Incentive Act of 1998, established a new cost/budget-neutral incentive system based on five performance measures that create strong incentives for States to operate efficient and effective programs. The law also imposed less severe financial penalties on States that failed to meet the October 1997 deadline for implementing a statewide CSE automated data processing and information retrieval system. It also included provisions related to medical support and privacy protections, and makes other minor changes.

Public Law 105-306, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, included a correction to Public Law 105-200 that allows a State that failed to comply with the 1996 child support data processing requirements to have its annual penalty reduced by 20 percent for each of the five performance measures under the child support incentive system for which it achieves a maximum score. In addition, the provision clarified the date by which States must pass laws implementing medical child support provisions to allow time for State legislatures that meet biennially to pass laws after final Federal regulations are issued in year 2000.

106th CONGRESS

Public Law 106-113, the Fiscal Year 2000 Consolidated Appropriations Bill, provided an alternative penalty for States that are not in compliance with the centralized State disbursement unit requirement, but which have submitted a corrective compliance plan by April l, 2000, that describes how, by when, and at what cost the State would achieve compliance with the State disbursement unit requirement. The Secretary of HHS is required to reduce the amount the State would otherwise have received in Federal child support payments by the penalty amount for the fiscal year. The penalty amount percentage is 4 percent in the case of the first fiscal year of noncompliance; 8 percent in the second year; 16 percent in the third year; 25 percent in the fourth year; or 30 percent in the fifth or any subsequent year. In addition, the law provides for coordination of the alternative disbursement unit penalty with the automated systems penalty so that States that fail to implement both the automated data processing requirement and the State disbursement unit requirement are subject to only one alternative penalty.

Public Law 106-169, the Foster Care Independence Act of 1999, limited the hold harmless requirement of current law by stipulating that States would only be entitled to hold harmless funds if the State's share of child support collections are less than they were in fiscal year 1995 and the State has distributed and disregarded to welfare families at least 80 percent of child support collected on their behalf in the preceding fiscal year or the State has distributed to former welfare recipients the State share of child support payments collected via the Federal Income Tax Offset Program. If these conditions are met, the State's share of child support collections would be increased by 50 percent of the difference between what the State would have received in fiscal year 1995 and its share of child support collections in the pertinent fiscal year. Public Law 106-169 repealed the hold harmless provision effective October 1, 2001.

109th CONGRESS

Public Law 109-171, the Deficit Reduction Act of 2005, made several changes to the CSE program. P.L. 109-171 reduced the Federal matching rate for laboratory costs associated with paternity establishment from 90 percent to 66 percent, ended the Federal matching of State expenditures of Federal CSE incentive payments reinvested back into the program, and required States to assess a $25 annual user fee for child support services provided to families with no connection to the welfare system. It also simplified CSE distribution rules and extended the "families first" policy by providing incentives to States to encourage them to allow more child support to go to both former welfare families and families still on welfare. In addition, P.L. 109-171included provisions that (1) lower the threshold

amount for denial of a passport to a noncustodial parent who owes past-due child support; (2) allow States to use the Federal income tax refund offset program to collect past-due child support for persons not on TANF who are no longer minors; (3) authorize the Secretary of HHS to compare information of noncustodial parents who owe past-due child support with information maintained by insurers concerning insurance payments and to furnish any information resulting from a match to CSE agencies so that they can pursue child support arrearages; (4) allow an assisting State to establish a CSE interstate case based on another State's request for assistance (thereby enabling an assisting State to use the CSE statewide automated data processing and information retrieval system for interstate cases); (5) require States to review and, if appropriate, adjust child support orders of TANF families every three years; and (6) require that medical child support for a child be provided by either or both parents.

TABLE 8-10--COMPARISON OF MEASURES OF IV-D EFFECTIVENESS WITH CENSUS CHILD SUPPORT DATA, SELECTED YEARS 1978-2005

Measure	1978	1981	1985	1989	1991 [3]	1993	1999	2001	2003	2005	Percent change, 1978-2005
Total IV-D collections (2005 dollars, in billions)[1]	2.9	3.4	4.7	8.0	9.6	11.9	18.6	20.9	22.5	23.0	693
Parents located (thousands)	454	696	878	1,624	2,577	3,777	NA	NA	NA	NA	NA
Paternities established (thousands)	111	164	232	339	472	554	1,600	1,568	1,525	1,630	1,368
Awards established	315	414	669	936	821 [3]	1,026	1,220	1,181	1,161	1,180	274
Total collections (2005 dollars, in billions)[1]	NA	NA	NA	NA	16.6	20.8	22.3	24.1	27.0	24.8	NA
Collections for custodial mothers(2005 dollars, in billions) [1,2]	12.4	12.6	12.5	17.0	15.7	18.8	20.6	21.8	24.7	22.4	81
Of demographically eligible women:											
Percent with awards	59	59	61	58	56	60	62	63	64	61	3
Percent with awards who received some payment	19	20	21	21	21	34	25	26	28	26	37
Percent with awards who received full amount	40	38	39	44	46	32	39	40	40	41	3
IV-D collections as a percent of total collections for custodial mothers	23	27	38	47	58	57	84	87	83	93	304

NA – Not Available.

[1] In 2005 dollars based on Consumer Price Index Research Series Using Current Methods (CPI-U-RS).

[2] The Census Bureau collected data on custodial fathers for the first time for 1991; only the data on custodial mothers is included here.

[3] The definition of support orders established changed in 1991.

Notes: For 1978-1989, total national collections only include custodial mothers-during that time data on custodial fathers was not collected.
"Demographically eligible women" means women with own children under 21 years of age living with them from an absent parent.

Sources: Office of Child Support Enforcement, Annual Reports to Congress, various years; U.S. Census Bureau (various years).

TABLE 8-11--STATE PROFILE OF COLLECTIONS AND EXPENDITURES, FISCAL YEAR 2006

State	Total Distributed Collections	TANF Collections	Non-TANF Collections	Total CSE Expenditures	CSE Cost Effectiveness Ratio	Incentive Payments (Actual)
Alabama	$246,440,868	$12,357,139	$234,083,729	$61,582,475	$4.38	$4,245,467
Alaska	86,408,926	13,574,354	72,834,572	22,959,136	4.27	1,744,388
Arizona	283,504,310	29,288,338	254,215,972	73,908,598	4.35	5,684,394
Arkansas	166,999,427	6,932,042	160,067,385	44,971,941	4.08	3,741,846
California	2,187,632,783	554,174,355	1,633,458,428	1,129,067,703	2.03	39,823,017
Colorado	251,838,691	21,007,615	230,831,076	72,140,413	3.94	4,935,402
Connecticut	238,378,851	43,205,897	195,172,954	68,602,962	3.74	4,160,278
Delaware	69,753,316	6,853,264	62,900,052	29,016,784	2.70	1,272,246
District of Columbia	48,433,723	5,430,358	43,003,365	21,631,784	2.55	768,740
Florida	1,130,847,009	63,517,550	1,067,329,459	275,695,896	4.60	25,798,882
Georgia	525,393,042	34,424,931	490,968,111	95,603,833	6.18	11,141,641
Guam	8,965,653	1,353,294	7,612,359	5,305,063	1.84	104,799
Hawaii	87,502,455	10,624,353	76,878,102	18,710,564	5.00	1,537,631
Idaho	121,483,643	3,318,213	118,165,430	24,832,024	5.35	2,468,472
Illinois	621,004,002	35,309,256	585,694,746	175,105,677	3.84	9,530,560
Indiana	507,821,721	30,204,994	477,616,727	57,885,252	8.92	8,190,561
Iowa	298,238,365	36,686,082	261,552,283	54,024,580	5.79	7,017,788
Kansas	157,720,315	22,462,962	135,257,353	52,923,770	3.38	3,387,772
Kentucky	356,470,107	37,119,643	319,350,464	60,852,966	6.16	7,431,105
Louisiana	292,527,410	13,743,079	278,784,331	68,120,443	4.58	6,194,086

TABLE 8-11--STATE PROFILE OF COLLECTIONS AND EXPENDITURES, FISCAL YEAR 2006 -continued

State	Total Distributed Collections	TANF Collections	Non-TANF Collections	Total CSE Expenditures	CSE Cost Effectiveness Ratio	Incentive Payments (Actual)
Maine	101,111,420	28,508,260	72,603,160	25,652,591	4.16	2,159,837
Maryland	461,979,714	20,065,724	441,913,990	95,216,218	5.20	7,517,385
Massachusetts	482,694,886	39,545,413	443,149,473	90,663,307	5.59	9,080,603
Michigan	1,399,561,029	100,896,066	1,298,664,963	271,307,400	5.29	26,830,446
Minnesota	584,188,523	43,444,285	540,744,238	149,229,219	4.05	12,266,108
Mississippi	206,634,659	7,029,992	199,604,667	23,014,584	9.45	3,325,347
Missouri	489,006,349	42,771,690	446,234,659	92,297,034	5.58	10,613,940
Montana	49,925,528	5,117,928	44,807,600	13,817,422	4.19	1,071,976
Nebraska	165,087,441	10,316,449	154,770,992	46,335,525	3.78	2,650,264
Nevada	126,945,166	7,428,600	119,516,566	46,019,262	3.34	2,044,501
New Hampshire	82,334,492	8,557,775	73,776,717	18,858,094	4.70	1,834,607
New Jersey	962,286,549	59,450,459	902,836,090	222,360,091	4.56	16,310,142
New Mexico	74,411,789	8,577,143	65,834,646	35,567,717	2.36	1,178,407
New York	1,457,168,830	118,528,060	1,338,640,770	328,800,464	4.75	26,038,149
North Carolina	591,558,146	32,003,740	559,554,406	128,675,913	4.97	13,583,820
North Dakota	68,450,313	6,541,264	61,909,049	12,776,758	5.86	1,682,573
Ohio	1,694,575,743	80,197,194	1,614,378,549	277,484,643	6.29	29,475,265
Oklahoma	204,527,099	19,025,658	185,501,441	56,246,532	3.99	4,190,513
Oregon	314,467,562	24,083,782	290,383,780	58,092,605	5.86	5,732,739
Pennsylvania	1,441,881,350	104,402,846	1,337,478,504	230,950,799	6.45	25,633,452

TABLE 8-11--STATE PROFILE OF COLLECTIONS AND EXPENDITURES, FISCAL YEAR 2006 -continued

State	Total Distributed Collections	TANF Collections	Non-TANF Collections	Total CSE Expenditures	CSE Cost Effectiveness Ratio	Incentive Payments (Actual)
Puerto Rico	267,815,777	1,901,247	265,914,530	51,842,048	5.43	3,342,209
Rhode Island	55,199,480	10,650,206	44,549,274	12,736,331	4.70	1,179,663
South Carolina	243,280,928	12,157,803	231,123,125	34,466,043	7.40	3,440,029
South Dakota	61,483,282	3,790,510	57,692,772	8,286,834	8.23	1,530,637
Tennessee	442,106,732	62,380,730	379,726,002	78,617,529	6.08	8,245,688
Texas	2,002,840,203	79,529,068	1,923,311,135	285,352,825	7.52	41,421,297
Utah	157,604,724	16,423,715	141,181,009	39,350,395	4.28	3,434,394
Vermont	46,077,875	5,749,737	40,328,138	12,711,802	3.80	1,001,362
Virgin Islands	8,623,836	217,022	8,406,814	4,808,046	2.13	111,800
Virginia	539,893,786	44,998,168	494,895,618	90,195,726	6.58	10,425,176
Washington	626,886,724	77,372,093	549,514,631	151,434,828	4.41	12,679,446
West Virginia	174,791,834	12,109,503	162,682,331	37,254,672	5.00	3,973,305
Wisconsin	607,234,700	33,710,062	573,524,638	108,692,436	5.79	13,615,802
Wyoming	53,383,171	2,675,851	50,707,320	9,386,661	6.29	1,200,043
Total	$23,933,384,257	$2,111,745,762	$21,821,638,495	$5,561,444,218	$4.58	$458,000,000

Note: TANF collections include collections made on behalf of Title IV-E foster care children.
Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-12--TOTAL DISTRIBUTED COLLECTIONS BY STATE,
FISCAL YEARS 2002, 2003, 2004, 2005, and 2006

State	2002	2003	2004	2005	2006
Alabama	$210,793,885	$223,267,646	$226,484,276	$237,315,365	$246,440,868
Alaska	81,297,436	79,349,491	82,112,657	85,090,915	86,408,926
Arizona	229,628,128	233,501,240	247,704,782	266,572,458	283,504,310
Arkansas	128,845,269	135,345,918	144,740,929	155,100,806	166,999,427
California	1,761,395,793	2,132,041,944	2,177,842,511	2,222,045,042	2,187,632,783
Colorado	202,513,277	203,110,443	217,200,793	236,265,381	251,838,691
Connecticut	216,686,470	222,361,658	226,642,739	235,391,292	238,378,851
Delaware	59,507,990	61,504,137	63,647,137	66,481,676	69,753,316
District of Columbia	40,543,493	44,314,143	44,704,165	47,972,545	48,433,723
Florida	803,427,506	891,001,252	982,706,031	1,076,686,438	1,130,847,009
Georgia	415,190,279	453,672,698	465,376,601	498,897,914	525,393,042
Guam	7,923,440	8,320,588	8,708,844	8,881,209	8,965,653
Hawaii	73,490,476	75,708,133	80,829,473	83,583,548	87,502,455
Idaho	95,669,488	103,072,584	110,889,809	115,542,878	121,483,643
Illinois	460,100,983	471,037,130	511,215,349	561,787,781	621,004,002
Indiana	430,195,033	417,099,068	442,638,880	481,249,569	507,821,721
Iowa	255,489,996	269,972,715	280,399,263	289,928,099	298,238,365
Kansas	134,192,271	139,250,242	142,711,660	152,580,972	157,720,315
Kentucky	280,917,646	281,178,623	322,100,896	336,566,029	356,470,107
Louisiana	260,352,264	273,010,342	279,621,377	289,310,689	292,527,410
Maine	96,058,639	97,605,371	99,549,245	100,777,100	101,111,420
Maryland	396,325,538	409,232,429	427,575,362	453,401,914	461,979,714
Massachusetts	402,684,665	425,091,556	439,874,829	466,045,087	482,694,886
Michigan	1,443,730,382	1,403,936,116	1,414,387,902	1,381,521,685	1,399,561,029
Minnesota	537,089,362	558,574,634	567,377,338	568,967,573	584,188,523
Mississippi	169,034,476	175,065,417	182,008,930	195,329,225	206,634,659
Missouri	410,866,655	432,993,219	449,718,615	467,499,224	489,006,349
Montana	43,450,853	44,285,363	45,000,554	46,807,100	49,925,528

TABLE 8-12--TOTAL DISTRIBUTED COLLECTIONS BY STATE,
FISCAL YEARS 2002, 2003, 2004, 2005, and 2006-continued

State	2002	2003	2004	2005	2006
Nebraska	143,218,162	146,714,458	153,576,166	159,216,677	165,087,441
Nevada	91,416,297	99,633,371	107,714,631	115,523,605	126,945,166
New Hampshire	76,021,041	79,516,774	79,608,466	80,794,583	82,334,492
New Jersey	774,655,477	815,021,270	861,917,778	915,475,680	962,286,549
New Mexico	51,872,707	59,810,895	66,398,704	68,447,915	74,411,789
New York	1,289,224,609	1,341,103,958	1,312,113,067	1,400,128,858	1,457,168,830
North Carolina	468,742,468	496,092,172	527,372,864	565,129,209	591,558,146
North Dakota	50,844,528	54,533,409	57,670,079	62,992,073	68,450,313
Ohio	1,617,586,413	1,566,112,907	1,636,418,913	1,657,504,507	1,694,575,743
Oklahoma	131,791,800	142,434,428	154,022,936	177,478,235	204,527,099
Oregon	275,879,302	289,028,485	298,280,030	303,780,537	314,467,562
Pennsylvania	1,331,920,478	1,356,655,545	1,370,957,279	1,413,912,650	1,441,881,350
Puerto Rico	211,582,627	232,315,190	240,504,748	258,358,843	267,815,777
Rhode Island	53,269,669	52,544,957	54,654,636	55,363,526	55,199,480
South Carolina	224,346,732	232,500,299	235,648,240	236,177,853	243,280,928
South Dakota	50,621,425	52,514,697	55,767,437	58,450,299	61,483,282
Tennessee	318,253,081	353,682,826	382,290,366	414,917,582	442,106,732
Texas	1,346,898,110	1,507,375,863	1,502,575,692	1,781,323,156	2,002,840,203
Utah	133,052,785	137,108,429	140,596,546	148,672,334	157,604,724
Vermont	41,502,260	42,210,431	48,680,441	44,520,139	46,077,875
Virgin Islands	7,184,209	7,602,225	8,483,034	8,487,012	8,623,836
Virginia	436,704,128	467,452,194	495,051,082	518,975,573	539,893,786
Washington	590,896,606	597,257,719	591,198,936	609,073,256	626,886,724
West Virginia	151,193,843	157,061,989	158,469,493	171,129,801	174,791,834
Wisconsin	574,178,130	577,846,759	588,915,411	601,203,390	607,234,700
Wyoming	46,608,491	47,354,532	48,600,954	51,243,324	53,383,171
Total	$20,136,867,071	$21,176,389,882	$21,861,258,876	$23,005,880,131	$23,933,384,257

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-13-- DISTRIBUTED COLLECTIONS OF CURRENT, FORMER, AND NEVER ASSISTANCE FAMILIES, BY STATE, FISCAL YEAR 2006

State	Total	Current Assistance [1]	Former Assistance	Medicaid (Never) Assistance	Other Never Assistance
Alabama	$246,440,868	$5,817,059	$97,432,779	$2,340	$143,188,690
Alaska	86,408,926	4,325,455	41,389,604	167,039	40,526,828
Arizona	283,504,310	11,834,544	173,422,153	790,902	97,456,711
Arkansas	166,999,427	3,154,359	61,485,870	60,689,370	41,669,828
California	2,187,632,783	261,003,802	1,128,908,854	79,371,510	718,348,617
Colorado	251,838,691	14,216,683	104,832,702	4,224,356	128,564,950
Connecticut	238,378,851	18,270,579	139,756,954	33,285,053	47,066,265
Delaware	69,753,316	3,778,406	27,540,586	7,188,021	31,246,303
District of Columbia	48,433,723	3,886,923	18,168,572	8,879,917	17,498,311
Florida	1,130,847,009	19,829,342	569,880,545	355,265,546	185,871,576
Georgia	525,393,042	14,719,898	259,923,682	74,557,216	176,192,246
Guam	8,965,653	1,122,381	2,229,700	0	5,613,572
Hawaii	87,502,455	4,816,807	41,061,344	1,929,721	39,694,583
Idaho	121,483,643	1,288,765	30,369,669	36,222,811	53,602,398
Illinois	621,004,002	14,190,110	214,817,759	0	391,996,133
Indiana	507,821,721	13,745,001	188,422,830	0	305,653,890
Iowa	298,238,365	12,978,970	149,746,176	72,402,708	63,110,511
Kansas	157,720,315	10,430,195	85,402,414	36,046,910	25,840,796
Kentucky	356,470,107	19,344,670	181,370,712	38,113,018	117,641,707
Louisiana	292,527,410	5,614,207	132,501,961	89,874,249	64,536,993
Maine	101,111,420	16,378,860	54,416,605	4,490,689	25,825,266
Maryland	461,979,714	9,057,260	100,679,415	0	352,243,039
Massachusetts	482,694,886	22,851,604	206,780,671	6,503,108	246,559,503
Maryland	1,399,561,029	39,050,238	448,000,763	279,235,980	633,274,048
Michigan	584,188,523	16,967,842	292,117,621	79,487,316	195,615,744
Mississippi	206,634,659	3,321,362	64,520,083	14,336,391	124,456,823
Missouri	489,006,349	18,916,008	207,551,618	135,216,708	127,322,015
Montana	49,925,528	2,158,997	25,142,114	2,510,291	20,114,126
Nebraska	165,087,441	5,865,594	67,265,244	51,997,899	39,958,704
Nevada	126,945,166	2,013,120	34,328,787	19,109,012	71,494,247
New Hampshire	82,334,492	4,859,397	36,596,116	13,782,730	27,096,249
New Jersey	962,286,549	32,838,666	262,842,287	0	666,605,596
New Mexico	74,411,789	3,310,251	38,997,434	6,642,071	25,462,033
New York	1,457,168,830	55,238,194	484,065,097	10,942,017	906,923,522
North Carolina	591,558,146	15,203,181	307,301,722	135,304,180	133,749,063
North Dakota	68,450,313	2,291,625	25,703,961	23,983,880	16,470,847
Ohio	1,694,575,743	32,012,511	488,805,486	132,358,309	1,041,399,437
Oklahoma	204,527,099	4,801,355	90,611,960	62,214,322	46,899,462
Oregon	314,467,562	11,641,211	100,792,808	25,465,829	176,567,714
Pennsylvania	1,441,881,350	66,640,875	359,311,387	0	1,015,929,088
Puerto Rico	267,815,777	1,313,380	10,228,479	0	256,273,918
Rhode Island	55,199,480	7,653,606	33,854,292	4,144,881	9,546,701
South Carolina	243,280,928	8,598,498	32,092,123	1,513,392	201,076,915
South Dakota	61,483,282	1,351,149	34,432,743	12,226,843	13,472,547
Tennessee	442,106,732	49,708,262	179,738,831	17,651,109	195,008,530
Texas	2,002,840,203	17,615,786	731,621,420	402,624,600	850,978,397
Utah	157,604,724	7,782,814	70,749,884	32,324,034	46,747,992
Vermont	46,077,875	3,895,827	25,605,780	4,339,134	12,237,134
Virgin Islands	8,623,836	91,650	1,123,962	8,496	7,399,728
Virginia	539,893,786	22,458,058	169,284,823	53,715,838	294,435,067

TABLE 8-13-- DISTRIBUTED COLLECTIONS OF CURRENT, FORMER, AND NEVER ASSISTANCE FAMILIES, BY STATE, FISCAL YEAR 2006 - continued

State	Total	Current Assistance [1]	Former Assistance	Medicaid Assistance	Other Never Assistance
Washington	626,886,724	32,482,788	277,336,002	49,082,935	267,984,999
West Virginia	174,791,834	5,334,006	80,528,125	42,508,988	46,420,715
Wisconsin	607,234,700	16,891,139	226,861,525	204,419,509	159,062,527
Wyoming	53,383,171	453,269	20,938,992	11,783,351	20,207,559
Total	$23,933,384,257	$985,416,539	$9,238,893,026	$2,738,934,529	$10,970,140,163

[1] Current assistance includes IV-A.

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-14--DISTRIBUTED TANF/FOSTER CARE COLLECTIONS BY STATE, FISCAL YEARS 2002, 2003, 2004, 2005, and 2006

State	2002	2003	2004	2005	2006
Alabama	$13,070,953	$12,310,721	$8,458,707	$11,839,252	$12,357,139
Alaska	16,452,343	16,092,505	15,239,101	15,336,344	13,574,354
Arizona	28,509,842	27,643,984	29,092,285	30,309,671	29,288,338
Arkansas	15,741,586	40,312,621	6,964,762	6,863,365	6,932,042
California	582,988,895	634,613,021	625,003,898	611,865,937	554,174,355
Colorado	24,836,128	23,265,732	21,824,858	21,333,115	21,007,615
Connecticut	63,140,625	62,082,366	45,930,083	44,858,212	43,205,897
Delaware	7,169,614	6,812,164	6,329,047	6,120,742	6,853,264
District of Columbia	4,737,603	5,193,572	5,409,026	6,040,234	5,430,358
Florida	296,477,106	336,382,801	78,841,911	71,835,871	63,517,550
Georgia	43,164,775	44,219,189	39,583,413	39,133,402	34,424,931
Guam	1,583,590	1,615,247	1,380,921	1,304,833	1,353,294
Hawaii	12,248,433	10,489,741	10,813,747	10,484,441	10,624,353
Idaho	4,322,906	4,191,037	4,127,346	3,724,701	3,318,213
Illinois	49,700,941	41,676,468	35,029,538	36,785,416	35,309,256
Indiana	27,824,470	31,436,429	24,975,981	31,872,206	30,204,994
Iowa	87,456,333	95,343,557	38,955,150	37,371,447	36,686,082
Kansas	20,025,764	21,533,413	20,359,956	21,850,062	22,462,962
Kentucky	35,734,880	32,324,467	33,506,785	34,858,843	37,119,643
Louisiana	17,906,938	17,368,413	15,812,640	14,267,528	13,743,079
Maine	29,995,734	29,417,641	28,587,335	29,042,907	28,508,260
Maryland	21,567,764	21,047,658	20,327,294	20,516,769	20,065,724
Massachusetts	47,128,826	45,285,263	42,778,472	41,062,556	39,545,413
Michigan	140,231,850	119,747,102	105,602,755	95,526,504	100,896,066
Minnesota	57,196,977	58,974,374	55,109,655	49,831,925	43,444,285
Mississippi	8,277,905	8,143,992	7,374,491	7,168,391	7,029,992
Missouri	50,901,728	45,675,281	41,716,124	40,768,601	42,771,690
Montana	5,852,920	6,136,508	5,342,046	4,911,294	5,117,928
Nebraska	15,126,677	13,480,624	9,919,556	10,418,522	10,316,449
Nevada	6,176,779	6,612,294	6,708,981	7,349,531	7,428,600
New Hampshire	8,472,104	10,769,956	8,964,214	8,690,521	8,557,775

TABLE 8-14--DISTRIBUTED TANF/FOSTER CARE COLLECTIONS BY STATE, FISCAL YEARS, 2002, 2003, 2004, 2005, and 2006-continued

State	2002	2003	2004	2005	2006
New Jersey	63,336,873	60,489,944	58,770,101	59,419,432	59,450,459
New Mexico	8,947,173	9,021,232	9,739,570	9,199,342	8,577,143
New York	168,267,753	141,406,689	122,191,116	121,704,469	118,528,060
North Carolina	41,289,171	38,421,597	37,112,995	36,271,686	32,003,740
North Dakota	5,361,060	5,788,315	5,710,140	6,195,273	6,541,264
Ohio	79,975,326	73,905,681	77,345,466	69,946,364	80,197,194
Oklahoma	20,005,757	19,825,778	18,966,025	18,480,636	19,025,658
Oregon	25,350,822	24,713,023	23,098,031	23,721,184	24,083,782
Pennsylvania	98,729,901	94,051,598	96,160,734	102,777,678	104,402,846
Puerto Rico	2,187,325	2,247,284	2,030,720	1,955,643	1,901,247
Rhode Island	14,953,362	14,017,269	13,075,299	11,646,425	10,650,206
South Carolina	14,027,122	13,571,443	12,420,345	10,925,825	12,157,803
South Dakota	21,363,037	22,650,100	4,180,891	3,851,883	3,790,510
Tennessee	45,919,503	53,289,778	59,120,268	65,775,647	62,380,730
Texas	174,469,207	199,122,727	83,241,380	82,744,750	79,529,068
Utah	20,818,545	20,493,898	18,016,722	17,160,377	16,423,715
Vermont	6,272,797	5,647,286	11,522,976	5,375,367	5,749,737
Virgin Islands	941,382	270,481	229,657	232,733	217,022
Virginia	148,070,621	158,385,159	43,793,760	45,373,037	44,998,168
Washington	84,776,087	80,231,050	74,463,573	77,852,520	77,372,093
West Virginia	66,009,416	67,281,016	12,566,648	13,480,949	12,109,503
Wisconsin	34,738,477	34,434,927	34,033,377	30,964,316	33,710,062
Wyoming	3,272,291	2,784,854	2,766,880	2,676,044	2,675,851
Total	$2,893,105,997	$2,972,249,270	$2,220,626,752	$2,191,074,723	$2,111,745,762

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-15--DISTRIBUTED NON-TANF COLLECTIONS BY STATE,
FISCAL YEARS 2002, 2003, 2004, 2005, and 2006

State	2002	2003	2004	2005	2006
Alabama	$197,722,932	$210,956,925	$218,025,569	$225,476,113	$234,083,729
Alaska	64,845,093	63,256,986	66,873,556	69,754,571	72,834,572
Arizona	201,118,286	205,857,256	218,612,497	236,262,787	254,215,972
Arkansas	113,103,683	95,033,297	137,776,167	148,237,441	160,067,385
California	1,178,406,898	1,497,428,923	1,552,838,613	1,610,179,105	1,633,458,428
Colorado	177,677,149	179,844,711	195,375,935	214,932,266	230,831,076
Connecticut	153,545,845	160,279,292	180,712,656	190,533,080	195,172,954
Delaware	52,338,376	54,691,973	57,318,090	60,360,934	62,900,052
District of Columbia	35,805,890	39,120,571	39,295,139	41,932,311	43,003,365
Florida	506,950,400	554,618,451	903,864,120	1,004,850,567	1,067,329,459
Georgia	372,025,504	409,453,509	425,793,188	459,764,512	490,968,111
Guam	6,339,850	6,705,341	7,327,923	7,576,376	7,612,359
Hawaii	61,242,043	65,218,392	70,015,726	73,099,107	76,878,102
Idaho	91,346,582	98,881,547	106,762,463	111,818,177	118,165,430
Illinois	410,400,042	429,360,662	476,185,811	525,002,365	585,694,746
Indiana	402,370,563	385,662,639	417,662,899	449,377,363	477,616,727
Iowa	168,033,663	174,629,158	241,444,113	252,556,652	261,552,283
Kansas	114,166,507	117,716,829	122,351,704	130,730,910	135,257,353
Kentucky	245,182,766	248,854,156	288,594,111	301,707,186	319,350,464
Louisiana	242,445,326	255,641,929	263,808,737	275,043,161	278,784,331
Maine	66,062,905	68,187,730	70,961,910	71,734,193	72,603,160
Maryland	374,757,774	388,184,771	407,248,068	432,885,145	441,913,990
Massachusetts	355,555,839	379,806,293	397,096,357	424,982,531	443,149,473
Michigan	1,303,498,532	1,284,189,014	1,308,785,147	1,285,995,181	1,298,664,963
Minnesota	479,892,385	499,600,260	512,267,683	519,135,648	540,744,238
Mississippi	160,756,571	166,921,425	174,634,439	188,160,834	199,604,667

TABLE 8-15--DISTRIBUTED NON-TANF COLLECTIONS BY STATE,
FISCAL YEARS 2002, 2003, 2004, 2005, and 2006 -continued

State	2002	2003	2004	2005	2006
Missouri	359,964,927	387,317,938	408,002,491	426,730,623	446,234,659
Montana	37,597,933	38,148,855	39,658,508	41,895,806	44,807,600
Nebraska	128,091,485	133,233,834	143,656,610	148,798,155	154,770,992
Nevada	85,239,518	93,021,077	101,005,650	108,174,074	119,516,566
New Hampshire	67,548,937	68,746,818	70,644,252	72,104,062	73,776,717
New Jersey	711,318,604	754,531,326	803,147,677	856,056,248	902,836,090
New Mexico	42,925,534	50,789,663	56,659,134	59,248,573	65,834,646
New York	1,120,956,856	1,199,697,269	1,189,921,951	1,278,424,389	1,338,640,770
North Carolina	427,453,297	457,670,575	490,259,869	528,857,523	559,554,406
North Dakota	45,483,468	48,745,094	51,959,939	56,796,800	61,909,049
Ohio	1,537,611,087	1,492,207,226	1,559,073,447	1,587,558,143	1,614,378,549
Oklahoma	111,786,043	122,608,650	135,056,911	158,997,599	185,501,441
Oregon	250,528,480	264,315,462	275,181,999	280,059,353	290,383,780
Pennsylvania	1,233,190,577	1,262,603,947	1,274,796,545	1,311,134,972	1,337,478,504
Puerto Rico	209,395,302	230,067,906	238,474,028	256,403,200	265,914,530
Rhode Island	38,316,307	38,527,688	41,579,337	43,717,101	44,549,274
South Carolina	210,319,610	218,928,856	223,227,895	225,252,028	231,123,125
South Dakota	29,258,388	29,864,597	51,586,546	54,598,416	57,692,772
Tennessee	272,333,578	300,393,048	323,170,098	349,141,935	379,726,002
Texas	1,172,428,903	1,308,253,136	1,419,334,312	1,698,578,406	1,923,311,135
Utah	112,234,240	116,614,531	122,579,824	131,511,957	141,181,009
Vermont	35,229,463	36,563,145	37,157,465	39,144,772	40,328,138
Virgin Islands	6,242,827	7,331,744	8,253,377	8,254,279	8,406,814
Virginia	288,633,507	309,067,035	451,257,322	473,602,536	494,895,618
Washington	506,120,519	517,026,669	516,735,363	531,220,736	549,514,631
West Virginia	85,184,427	89,780,973	145,902,845	157,648,852	162,682,331
Wisconsin	539,439,653	543,411,832	554,882,034	570,239,074	573,524,638
Wyoming	43,336,200	44,569,678	$45,834,074	48,567,280	50,707,320
Total	$17,243,761,074	$18,204,140,612	$19,640,632,124	$20,814,805,408	$21,821,638,495

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-16--NUMBER OF CASES IN WHICH A COLLECTION WAS MADE ON AN OBLIGATION, BY STATE, SELECTED FISCAL YEARS 2000-2006

State	2000	2002	2004	2006
Alabama	107,547	113,717	119,735	121,588
Alaska	28,402	29,733	31,138	32,728
Arizona	84,772	92,218	98,021	104,458
Arkansas	69,477	70,910	74,104	78,223
California	797,793	793,194	791,101	769,372
Colorado	76,684	62,653	57,454	104,098
Connecticut	80,114	84,369	86,864	91,471
Delaware	27,140	27,550	27,282	27,837
District of Columbia	15,650	16,910	17,683	18,071
Florida	305,078	353,708	403,430	430,865
Georgia	182,781	195,174	206,124	224,633
Guam	3,360	6,197	7,249	8,198
Hawaii	28,017	30,583	29,943	27,619
Idaho	39,663	45,410	49,374	52,706
Illinois	175,048	205,219	208,184	228,804
Indiana	141,194	143,180	154,998	170,247
Iowa	117,942	128,522	139,329	142,974
Kansas	63,990	65,341	67,806	71,511
Kentucky	112,505	132,399	143,612	156,120
Louisiana	114,500	123,955	127,904	128,127
Maine	41,463	41,201	40,713	39,909
Maryland	144,310	152,033	150,722	152,646
Massachusetts	103,882	110,235	115,298	118,844
Michigan	476,416	453,993	427,275	429,883
Minnesota	145,540	153,346	157,965	160,413
Mississippi	96,260	104,618	109,612	118,216
Missouri	155,895	172,333	177,988	197,617
Montana	24,076	24,148	25,120	26,643
Nebraska	55,098	57,606	61,619	64,733
Nevada	35,703	39,079	59,971	50,441
New Hampshire	26,451	26,961	26,675	26,291
New Jersey	218,259	227,583	230,486	234,043
New Mexico	19,378	23,890	26,510	29,381
New York	441,369	445,833	447,698	460,127
North Carolina	220,954	245,796	260,576	271,333
North Dakota	18,915	21,223	23,054	24,437
Ohio	435,480	490,479	518,342	542,352
Oklahoma	62,538	70,905	74,886	90,883
Oregon	111,285	115,226	115,625	115,341
Pennsylvania	397,253	421,739	420,084	421,185
Puerto Rico	92,439	98,606	104,595	112,232
Rhode Island	20,270	21,198	20,756	20,991
South Carolina	93,585	101,586	100,705	100,225
South Dakota	21,300	23,170	24,016	25,566
Tennessee	122,360	142,947	159,386	178,090
Texas	303,686	497,260	574,454	657,908
Utah	55,686	57,731	58,241	60,744
Vermont	15,989	15,753	16,944	16,419
Virgin Islands	NA	3,757	3,989	3,904
Virginia	181,736	199,862	209,241	216,883
Washington	226,921	236,592	240,644	256,026

TABLE 8-16--TOTAL NUMBER OF CASES IN WHICH A COLLECTION WAS MADE ON AN OBLIGATION, BY STATE, SELECTED FISCAL YEARS 2000-2006-continued

State	2000	2002	2004	2006
West Virginia	52,287	59,173	64,145	68,423
Wisconsin	223,967	220,246	221,649	224,884
Wyoming	19,846	22,384	23,327	23,985
Total	7,232,254	7,819,434	8,133,646	8,530,648

NA - Not available.

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-17--FEDERAL INCOME TAX REFUND OFFSET PROGRAM COLLECTIONS, BY STATE, FISCAL YEARS 2000-2004

State	2000	2001	2002	2003	2004
Alabama	$21,677,908	$21,859,073	$22,091,605	$21,224,222	$16,552,701
Alaska	3,669,393	4,209,211	4,905,387	4,623,018	5,004,493
Arizona	22,532,491	26,526,762	25,255,986	24,529,048	23,122,703
Arkansas	14,110,728	15,216,188	14,441,253	14,154,609	13,119,497
California	219,256,351	238,734,502	245,740,664	206,097,119	183,113,751
Colorado	14,789,052	15,575,976	17,762,167	18,217,870	16,584,448
Connecticut	18,343,373	20,463,266	21,043,548	20,038,239	18,199,195
Delaware	4,019,147	3,632,173	3,039,822	3,039,801	3,058,604
District of Columbia	3,373,216	3,640,784	3,091,744	4,519,779	3,207,098
Florida	63,638,421	69,691,933	68,613,889	80,507,426	85,408,358
Georgia	33,139,842	34,525,755	31,834,430	30,620,451	28,118,673
Guam	111,352	117,565	666,156	642,231	557,928
Hawaii	6,809,858	8,424,205	8,475,624	8,437,597	8,422,717
Idaho	5,658,176	6,833,457	6,789,382	7,530,599	8,224,297
Illinois	48,201,865	50,133,799	50,813,146	46,071,226	43,286,274
Indiana	28,699,527	31,515,949	37,015,565	42,128,472	43,790,930
Iowa	17,698,331	20,311,453	18,866,547	18,549,068	20,663,602
Kansas	15,868,213	16,722,259	14,877,435	16,086,326	13,258,472
Kentucky	21,700,202	29,858,522	30,257,676	24,265,795	27,633,314
Louisiana	18,452,651	22,136,182	24,860,463	23,219,385	20,867,306
Maine	9,132,430	10,449,368	9,700,114	9,186,763	7,929,207
Maryland	22,747,635	28,651,270	23,441,605	22,322,211	21,214,634
Massachusetts	14,886,658	16,932,179	17,251,249	18,329,043	18,123,277
Michigan	71,902,744	80,127,720	89,122,117	84,696,464	73,028,655
Minnesota	15,601,196	19,962,716	19,138,984	20,714,860	19,236,320
Mississippi	16,031,393	18,552,318	18,480,215	18,486,517	17,066,362
Missouri	30,908,000	38,447,007	37,119,937	39,509,203	30,568,701
Montana	3,075,386	3,661,072	3,575,550	3,664,652	3,490,780
Nebraska	7,113,050	8,452,176	6,617,564	6,588,199	6,431,563
Nevada	7,477,342	8,688,360	8,548,143	8,732,795	9,412,887
New Hampshire	4,014,326	4,503,105	4,621,173	4,886,108	4,424,956
New Jersey	35,700,273	36,662,310	29,056,797	32,535,705	37,077,944
New Mexico	5,817,788	4,455,727	5,633,446	6,645,659	8,792,161
New York	44,147,207	46,363,288	51,289,315	43,233,116	41,139,676
North Carolina	28,677,897	30,405,240	28,084,815	27,146,179	27,384,214
North Dakota	2,952,919	4,325,817	3,706,547	4,012,827	3,535,145
Ohio	91,849,371	94,218,651	102,008,377	98,080,867	118,173,680
Oklahoma	13,924,588	14,771,218	18,981,242	16,918,397	16,099,512

TABLE 8-17--FEDERAL INCOME TAX REFUND OFFSET PROGRAM COLLECTIONS, BY STATE,2000-2004-continued

State	2000	2001	2002	2003	2004
Oregon	11,761,855	14,618,392	14,988,370	17,541,642	14,441,541
Pennsylvania	53,671,873	58,680,841	54,859,705	52,987,052	46,571,072
Puerto Rico	3,743,177	5,509,535	7,140,244	7,931,706	8,182,063
Rhode Island	3,163,633	3,586,460	3,379,250	3,345,960	3,500,580
South Carolina	8,797,523	11,257,642	12,799,466	12,230,261	12,190,552
South Dakota	3,681,055	4,158,876	4,209,248	4,232,727	4,207,515
Tennessee	23,181,069	30,372,102	29,689,485	29,531,257	31,333,044
Texas	103,217,729	119,365,121	121,205,694	123,791,243	117,761,986
Utah	7,405,195	8,485,435	8,291,650	7,929,232	7,810,039
Vermont	2,461,217	2,834,691	2,965,947	2,780,919	2,445,528
Virgin Islands	510,850	437,432	67,647	552,183	390,939
Virginia	24,196,415	30,266,276	26,005,858	31,999,836	32,061,811
Washington	30,815,432	35,039,232	34,240,238	34,977,925	33,521,225
West Virginia	9,477,132	11,726,590	13,253,393	11,964,478	7,893,223
Wisconsin	29,622,591	33,189,778	31,501,844	34,088,933	34,040,254
Wyoming	4,242,417	5,288,044	5,107,904	4,914,249	4,675,342
Total	$1,327,659,463	$1,484,575,003	$1,496,525,622	$1,460,991,449	$1,406,350,749

Source: Federal Parent Locator Service (FPLS).

TABLE 8-18--COST EFFECTIVENESS RATIO UNDER THE CHILD SUPPORT PERFORMANCE INCENTIVE ACT OF 1998 SELECTED FISCAL YEARS 2000-2006

State	2000	2002	2004	2006
Alabama	$3.66	$3.64	$3.95	$4.38
Alaska	3.89	4.49	4.50	4.27
Arizona	3.72	4.25	4.42	4.35
Arkansas	3.28	2.66	3.88	4.08
California	3.23	1.91	2.12	2.03
Colorado	3.23	3.66	3.55	3.94
Connecticut	3.75	3.76	3.20	3.74
Delaware	3.19	3.66	3.01	2.70
District of Columbia	2.64	2.69	3.14	2.55
Florida	3.45	4.03	4.50	4.60
Georgia	3.72	4.24	4.67	6.18
Guam	2.67	1.64	2.26	1.84
Hawaii	4.54	6.53	8.70	5.00
Idaho	4.32	5.29	5.94	5.35
Illinois	2.42	2.80	3.22	3.84
Indiana	7.69	7.80	7.04	8.92
Iowa	4.24	5.63	5.59	5.79
Kansas	2.91	2.61	3.15	3.38
Kentucky	4.02	4.71	5.95	6.16
Louisiana	4.92	4.87	5.04	4.58
Maine	4.90	4.28	4.35	4.16
Maryland	3.60	4.19	4.57	5.20
Massachusetts	3.50	5.77	4.88	5.59
Michigan	5.52	4.59	5.42	5.29

TABLE 8-18-- COST EFFECTIVENESS RATIO UNDER THE CHILD SUPPORT PERFORMANCE INCENTIVE ACT OF 1998
SELECTED FISCAL YEARS 2000-2006-continued

State	2000	2002	2004	2006
Minnesota	4.11	4.05	4.10	4.05
Mississippi	4.92	7.12	7.96	9.45
Missouri	3.37	4.63	5.40	5.58
Montana	3.58	4.10	3.94	4.19
Nebraska	3.78	2.87	3.63	3.78
Nevada	2.52	2.87	3.31	3.34
New Hampshire	4.82	4.37	5.27	4.70
New Jersey	4.60	4.83	4.89	4.56
New Mexico	1.31	1.46	1.87	2.36
New York	4.90	4.49	4.31	4.75
North Carolina	3.86	4.43	5.01	4.97
North Dakota	4.61	4.71	5.37	5.86
Ohio	4.82	4.81	5.46	6.29
Oklahoma	2.83	2.80	3.64	3.99
Oregon	5.54	5.85	6.17	5.86
Pennsylvania	6.05	6.85	7.01	6.45
Puerto Rico	6.31	6.27	7.88	5.43
Rhode Island	4.44	4.52	5.01	4.70
South Carolina	5.08	5.87	7.00	7.40
South Dakota	6.95	7.59	7.49	8.23
Tennessee	4.85	4.50	5.16	6.08
Texas	4.96	5.41	5.95	7.52
Utah	3.47	3.89	4.08	4.28
Vermont	4.02	3.93	4.22	3.80
Virgin Islands	1.63	1.58	1.83	2.13
Virginia	5.00	6.34	6.33	6.58
Washington	4.53	4.95	4.52	4.41
West Virginia	4.15	4.87	4.42	5.00
Wisconsin	6.51	6.11	5.91	5.79
Wyoming	4.33	5.00	5.16	6.29
Total	$4.23	$4.13	$4.38	$4.58

Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-19-- NUMBER OF PATERNITIES ESTABLISHED OR ACKNOWLEDGED, BY STATE, FISCAL YEARS 2000-2004

State	2000	2001	2002	2003	2004
Alabama	6,689	6,806	7,016	8,142	7,745
Alaska	3,055	2,995	3,086	3,298	3,427
Arizona	43,515	48,287	43,648	48,135	55,392
Arkansas	3,062	10,411	10,692	10,727	9,545
California	306,508	277,307	188,011	185,197	213,542
Colorado	13,745	15,480	16,750	17,764	17,708
Connecticut	16,687	17,189	25,814	23,980	24,174
Delaware	4,611	3,881	7,931	4,689	5,332
District of Columbia	7,863	3,630	8,644	6,088	5,825
Florida	98,004	91,299	95,508	93,042	92,532
Georgia	22,467	62,450	59,378	54,498	50,139
Guam	1,905	2,619	2,269	164	1,106
Hawaii	3,937	5,198	5,671	9,800	9,999
Idaho	6,071	7,399	11,229	8,308	8,352

TABLE 8-19-- NUMBER OF PATERNITIES ESTABLISHED OR ACKNOWLEDGED, BY STATE, FISCAL YEARS 2000-2004 -continued

State	2000	2001	2002	2003	2004
Illinois	71,696	82,706	81,302	78,899	80,291
Indiana	25,921	20,527	9,330	9,202	9,806
Iowa	10,561	10,117	10,856	11,674	11,563
Kansas	8,571	17,454	19,456	23,356	27,685
Kentucky	16,000	16,318	19,929	19,735	21,710
Louisiana	20,496	15,206	18,591	19,703	13,921
Maine	3,372	2,688	2,887	2,291	5,540
Maryland	32,959	29,016	27,405	27,476	27,532
Massachusetts	25,197	23,887	18,878	19,895	19,028
Michigan	49,878	52,659	45,140	62,783	46,759
Minnesota	26,875	20,399	20,524	23,742	24,002
Mississippi	19,420	19,111	17,836	14,548	34,665
Missouri	31,880	32,843	33,076	33,630	32,883
Montana	3,288	2,894	1,274	1,217	1,158
Nebraska	5,886	6,028	6,147	6,879	7,410
Nevada	18,765	2,081	2,851	4,370	4,464
New Hampshire	1,411	1,398	1,280	1,214	1,169
New Jersey	36,987	37,538	36,183	36,872	37,515
New Mexico	10,992	11,814	5,186	7,639	7,157
New York	102,368	102,104	103,877	104,488	108,494
North Carolina	29,875	36,309	48,383	45,684	46,012
North Dakota	7,478	6,839	6,932	8,221	8,188
Ohio	67,223	53,602	53,739	52,965	56,692
Oklahoma	13,694	13,995	13,415	13,865	16,009
Oregon	16,239	13,496	14,824	13,482	15,458
Pennsylvania	61,300	72,091	74,140	65,671	70,572
Puerto Rico	90	186	26,132	25,398	26,283
Rhode Island	3,747	3,314	3,175	5,496	4,079
South Carolina	16,853	18,906	19,553	17,343	16,089
South Dakota	2,964	3,100	3,341	3,220	3,476
Tennessee	37,343	34,718	38,734	52,891	65,266
Texas	126,940	144,468	150,537	141,321	152,010
Utah	7,869	9,234	8,714	8,267	7,845
Vermont	737	754	1,871	1,442	1,264
Virgin Islands	NA	NA	14	21	11
Virginia	35,086	34,822	33,615	29,227	30,527
Washington	27,700	30,083	29,411	27,930	29,965
West Virginia	7,286	6,593	7,265	6,889	8,192
Wisconsin	29,429	21,449	23,639	19,911	18,915
Wyoming	1,945	1,811	2,014	1,880	1,880
Total	1,554,440	1,567,509	1,527,103	1,524,569	1,606,303

NA - Not available.
Source: Office of Child Support Enforcement, U.S. Department of Health and Human Services.

TABLE 8-20--PERCENTAGE OF CHILD SUPPORT PATERNITIES ESTABLISHED, BY STATE, FISCAL YEARS 2004-2006

State	2004	2005	2006
Alabama	73.72	81.89	81.69
Alaska	91.82	104.79	97.95
Arizona	74.75	81.11	84.27
Arkansas	88.21	90.57	100.13
California	117.76	106.54	109.88
Colorado	108.72	92.36	92.99
Connecticut	86.40	87.87	91.99
Delaware	74.13	79.14	81.61
District of Columbia	64.34	74.81	78.09
Florida	92.46	99.90	99.22
Georgia	81.64	83.69	87.30
Guam	71.12	79.27	77.29
Hawaii	87.90	98.09	103.31
Idaho	94.87	93.97	104.84
Illinois	106.57	92.19	98.32
Indiana	79.52	82.28	86.19
Iowa	96.10	94.76	95.53
Kansas	86.61	91.19	91.48
Kentucky	89.45	92.53	91.39
Louisiana	78.81	81.93	81.07
Maine	101.05	111.02	96.34
Maryland	96.75	90.57	90.75
Massachusetts	85.86	91.22	96.46
Michigan	86.11	86.46	90.71
Minnesota	98.78	96.09	96.48
Mississippi	74.47	77.80	79.98
Missouri	88.89	92.52	92.91
Montana	104.98	105.43	108.68
Nebraska	90.56	82.49	95.23
Nevada	63.21	66.30	69.35
New Hampshire	100.04	102.53	113.2
New Jersey	106.27	100.45	113.2
New Mexico	90.25	54.05	59.44
New York	90.25	90.33	91.75
North Carolina	93.32	96.37	97.71
North Dakota	100.85	102.88	114.40
Ohio	102.59	104.13	95.25
Oklahoma	104.62	112.42	122.12
Oregon	84.38	91.71	92.05
Pennsylvania	101.38	98.73	100.11
Puerto Rico	95.90	104.4	99.29

TABLE 8-20--PERCENTAGE OF CHILD SUPPORT PATERNITIES ESTABLISHED, BY STATE, FISCAL YEARS 2004-2006 - continued

State	2004	2005	2006
Rhode Island	74.75	77.02	86.15
South Carolina	82.28	84.67	84.24
South Dakota	103.31	103.56	108.68
Tennessee	77.71	80.48	89.48
Texas	103.47	107.95	92.96
Utah	84.41	83.47	112.18
Vermont	97.53	98.82	101.01
Virgin Islands	83.91	79.56	83.53
Virginia	86.98	89.34	91.69
Washington	96.82	95.16	98.00
West Virginia	87.52	87.65	102.57
Wisconsin	100.15	100.23	100.23
Wyoming	86.89	82.90	86.07
Total	90.21	91.07	94.20

Note: May not be comparable to previous years' data. May exceed 100 percent because States can take credit for paternities established for children of any age and compare that number to the number of births outside of marriage for a single year.
Source: Office of Child Support Enforcement, IV-D or statewide paternity establishment percentage as selected by the State.

TABLE 8-21--STATES USING THE INCOME SHARES, PERCENTAGE OF INCOME, AND MELSON-DELAWARE APPROACHES TO ESTABLISHING CHILD SUPPORT GUIDELINES

Income Shares		
Alabama	Louisiana	Oklahoma
Arizona	Maine	Oregon
California	Maryland	Pennsylvania
Colorado	Michigan	Rhode Island
Connecticut	Minnesota	South Carolina
District of Columbia	Missouri	South Dakota
Florida	Nebraska	Tennessee
Georgia	New Hampshire	Utah
Idaho	New Jersey	Vermont
Indiana	New Mexico	Virginia
Iowa	New York	Washington
Kansas	North Carolina	West Virginia
Kentucky	Ohio	
Percentage of Income		
Alaska	Massachusetts	North Dakota
Arkansas	Mississippi	Texas
Illinois	Nevada	Wisconsin
Melson-Delaware		
Delaware	Hawaii	Montana
Combination of Approaches		
Wyoming	Guam	Puerto Rico

Note: Information on the Virgin Islands was not available.
Source: See www.supportguidelines.com (2008).

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