

# Child Support: Beyond Enforcement to Engagement

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NCSL Legislative Summit  
August 6, 2012

# The child support program improves children's chances in life

- Serves 1 in 4 children in United States
- One of largest sources of income support
- Reduces child poverty
- Promotes parental responsibility, work and involvement
- A dollar of child support improves children's educational outcomes more than any other income source

# The child support program avoids public costs

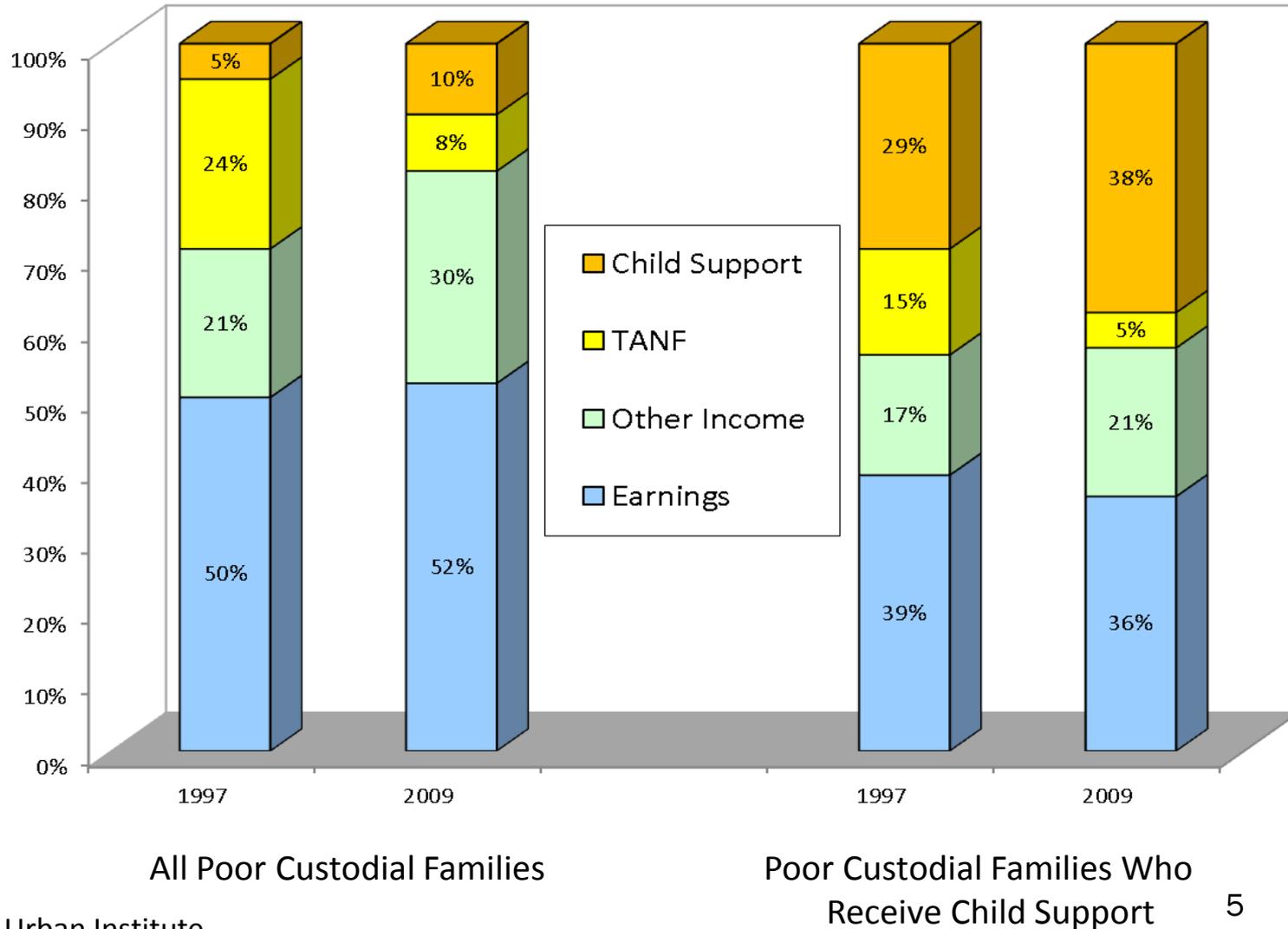
- Found by OMB to be one of most successful programs
- Collects \$27 billion per year for families
- Costs \$5.8 billion (states pay \$1.5 billion)
- Federal government pays 66% match
- Performance-based funding... federal incentives based on state performance on 5 audited measures
- Cost-effective...\$5 for every public dollar spent
- Research finds that the child support program nearly pays for itself in avoided public costs in needs-based programs

# Children participating in selected social welfare programs, 2010

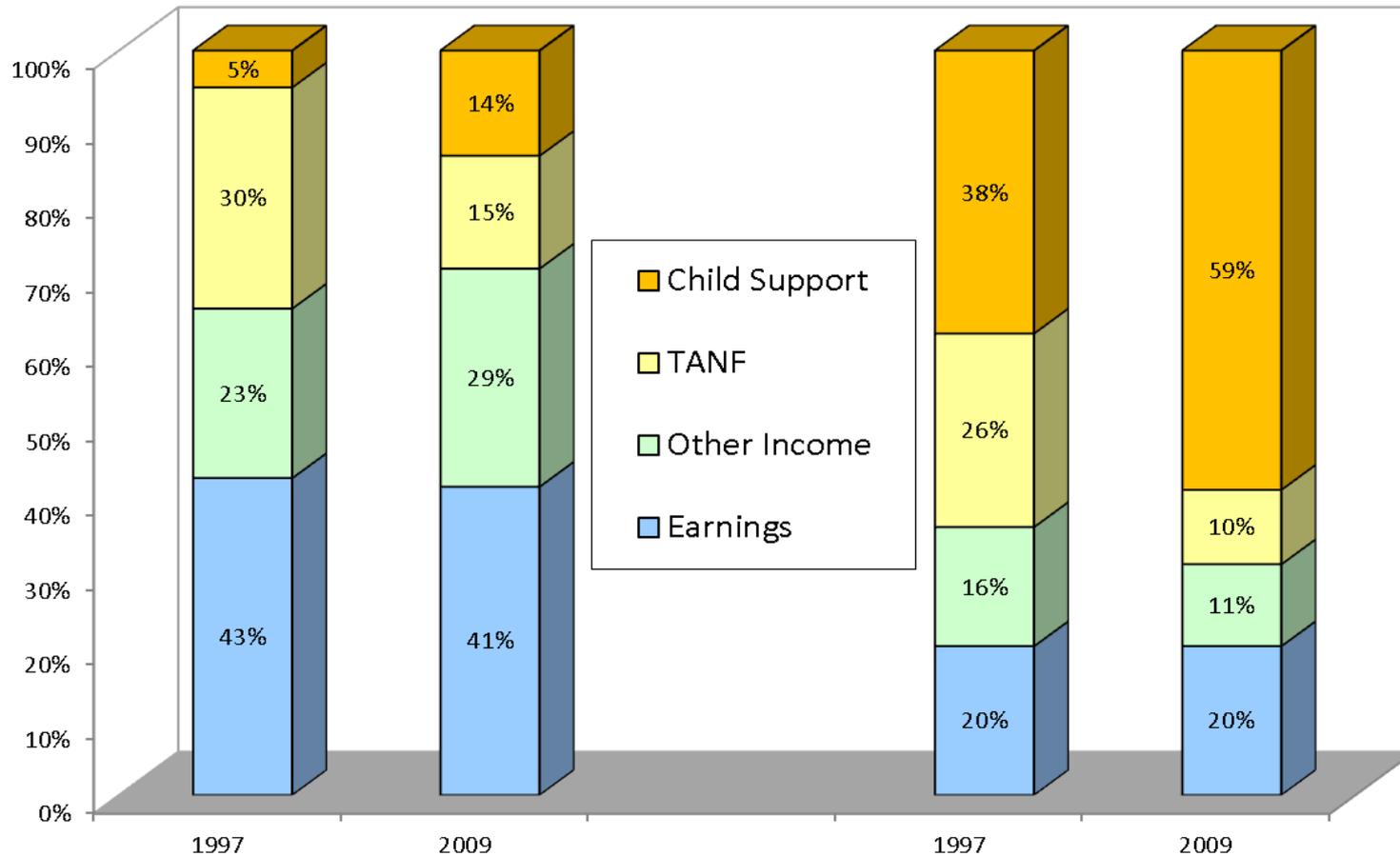
| <b>Programs</b>   | <b>Number of children (2010)</b> (in millions) |
|-------------------|--|
| Medicaid          | 27   |
| SNAP              | 19   |
| Child Support     | 18   |
| CHIP              | 5  |
| TANF Assistance   | 3  |
| Child Care (CCDF) | 2  |
| SSI               | 1  |

Source: Urban Institute

# Income of poor custodial families



# Income of deeply poor custodial families



All Deeply Poor Custodial Families

Deeply Poor Custodial Families  
Who Receive Child Support 6

# Basic responsibilities of state child support programs

- The program voluntarily establishes legal paternity in the birthing hospital for all children born outside of wedlock. 42 U.S.C. 666(a)(5)
- It processes income withholding payments for state employers. 42 U.S.C. 666(a) and (b)
- It provides child support services to children who (1) receive TANF, federal Foster Care Maintenance Payments , or Medicaid, or (2) apply for services. 42 U.S.C. 654
  - Locating parents and financial resources
  - Establishing paternity and support orders
  - Establishing and enforcing health care coverage (medical child support )
  - Enforcing interstate and tribal cases

# Children usually receive reliable support when:

1. The noncustodial parent has a stable job
2. An income withholding order is in place...70% of collections are withheld from paychecks
3. The parent can comply with the support order
4. The money is paid to the family, instead of kept by the state to repay TANF benefits
5. The parent maintains ties with the child

# BUT...when there is no job, the case does not pay reliably

- 25-30% of noncustodial parents have limited or no earnings.
- They often face multiple barriers to work:
  - Limited education and job skills
  - Intermittent work history
  - Incarceration history
- They owe 70% of child support arrears.
- They do not have stable jobs.

# Employment is key to regular child support payments

- The child support program partners closely with employers to collect monthly support payments for children
- States must have procedures to withhold income in: (1) all cases receiving services from the child support program, (2) all support orders issued or modified in the state beginning in 1994, regardless of whether there is an arrearage; and (2) support orders where there is an arrearage in all support orders issued beginning in 1998. 42 U.S.C. 666(a) and (b)
- Employers report all newly-hired employees to the state directory of new hires. New hire data is reported to the federal directory and matched interstate. 42 U.S.C. 653a

# Other enforcement tools can collect overdue support, but not regularly

- Administrative and judicial enforcement tools are available when noncustodial parents are self-employed or fall behind in payments, but usually don't result in payments coming in month after month
- For example:
  - Federal and state tax refund offsets 42 U.S.C. 666(a)(3)
  - Financial institution data matching 42 U.S.C. 666(a)(17)
  - Property liens and levies 42 U.S.C. 666(a)(4)
  - Professional, recreational and driver's license suspension 42 U.S.C. 666(a)(16)
  - Passport denial 42 U.S.C. 454(31)
  - Credit bureau reporting 42 U.S.C. 666(a)(7)
  - Contempt hearings

# The paradigm shift in child support

- Short- and medium-term strategies to increase reliable support to children
- Using data to select the right tools for the right person at the right time
- Early intervention to get parent on right track and prevent debt build-up
- **Change behavior** to encourage payment... build ability and willingness to pay

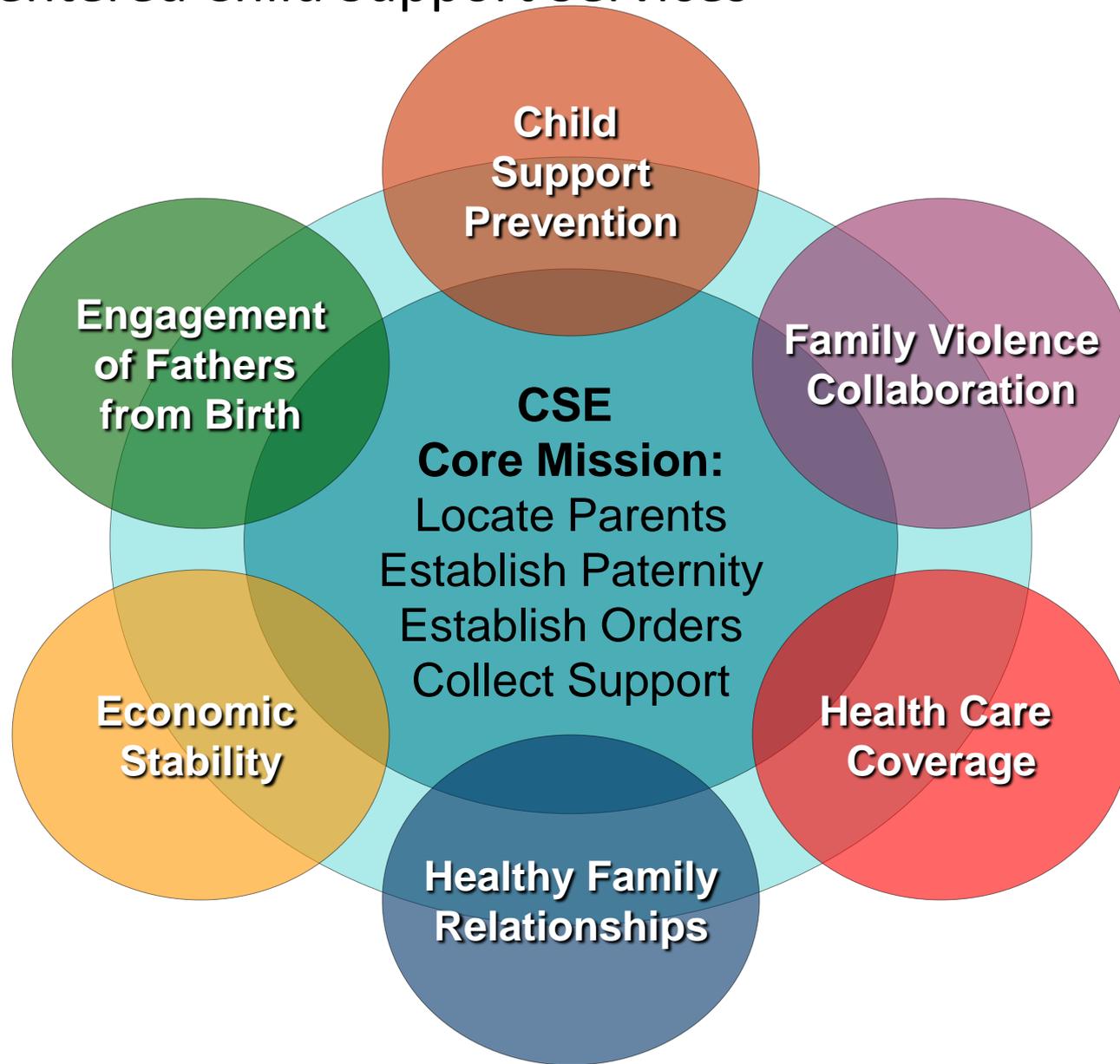
# Five evidence-based tools to increase regular payments

- Right-sized orders (Formoso, 2003; HHS/OIG, 2000)
- Debt reduction (Heinrich, 2009; Cancian, 2009)
- Family distribution (Wheaton, 2008; Meyer, 2003; Bloom, 1998)
- Parenting time (Pearson, 2006)
- Employment services (Sorensen, 2011; Schroeder, 2009; Miller, 2001)

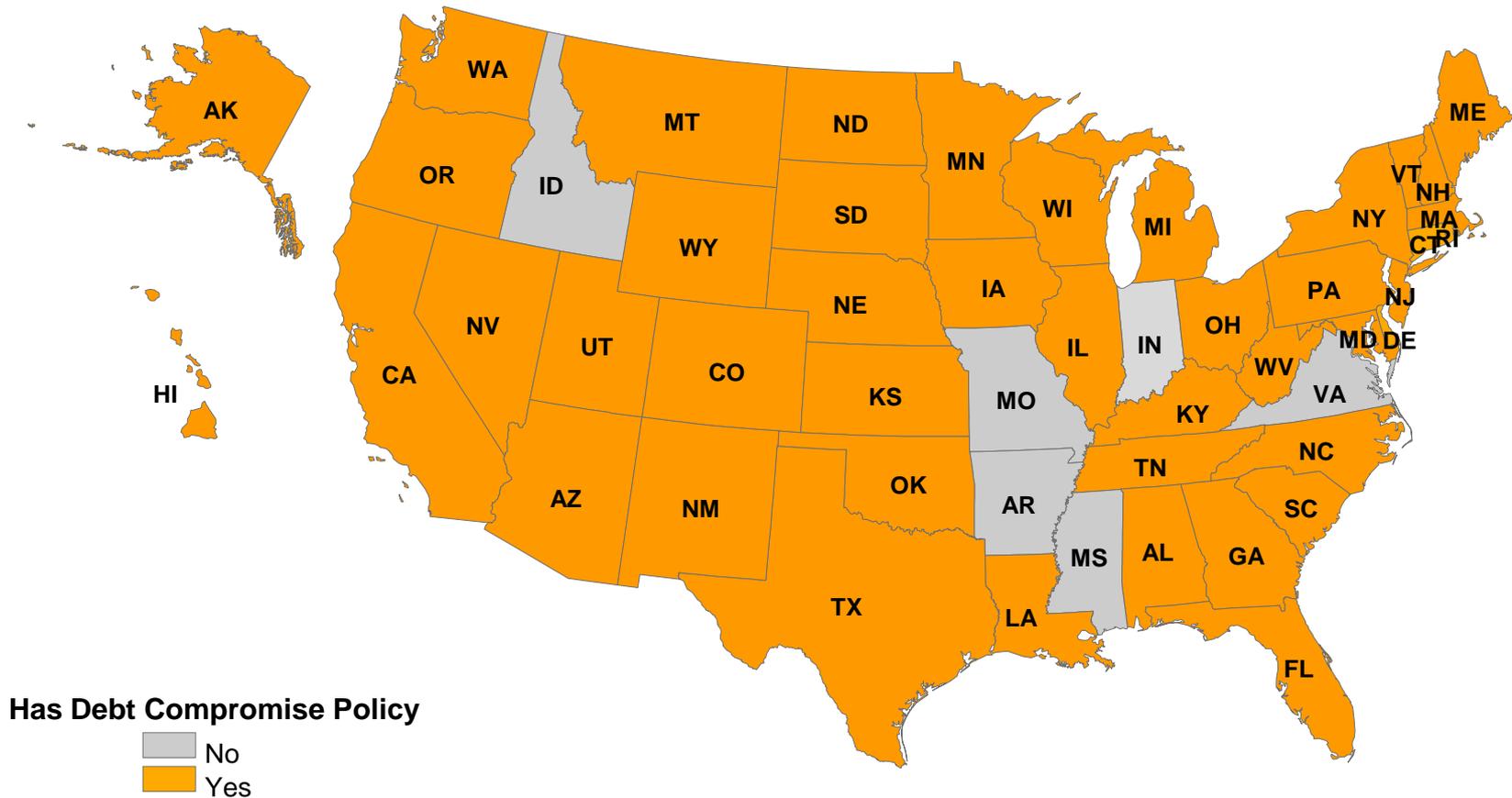
# Early intervention can increase regular support payments

- Many child support agencies have early intervention strategies to work with parents early in the process--**before they fall behind**—and partner with other programs to address barriers to non-payment.
- One barrier can be an order that is too high. States must review and adjust orders up or down based on state guidelines at least every 3 years upon the request of either parent. 42 U.S.C. 666(a)(10)
- Unmanageable arrears can also interfere with low-wage work and increase underground activities. Nearly all states reduce state debt to encourage work. OCSE-PIQ-99-03 and OCSE-PIQ-00-03.
- When support payments are paid to the family, instead of used to repay TANF benefits, more fathers pay and fathers pay more—increasing family income and reducing welfare use. 42 U.S.C. 567(a)
- States must have “pay or work” procedures to be able to order a noncustodial parent who owes overdue support for a child receiving TANF assistance to enter into a payment plan or participate in work activities. 42 U.S.C. 666(a)(15)

# Family-Centered Child Support Services

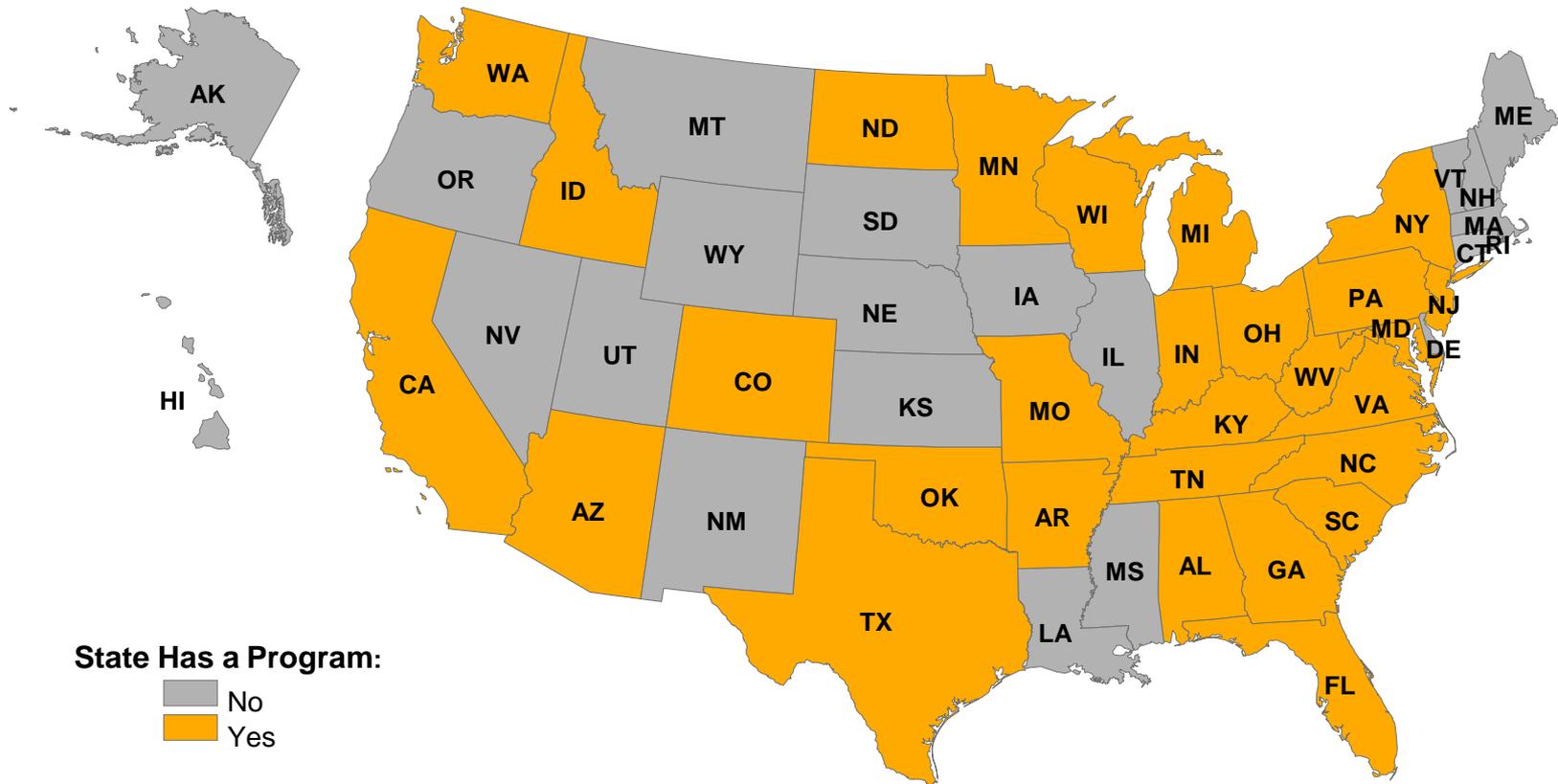


# State Child Support Agencies with Debt Compromise Policies



As of September 2011, 44 states and the District of Columbia have policies to compromise child support debt owed to the State.

# Work Programs for Non-Custodial Parents with Active Child Support Agency Involvement



As of September 2011, at least 28 states and the District of Columbia are operating work-oriented programs for non-custodial parents with active child support agency involvement. Programs are funded through a variety of sources. However, funding is unstable and programs tend to be small.

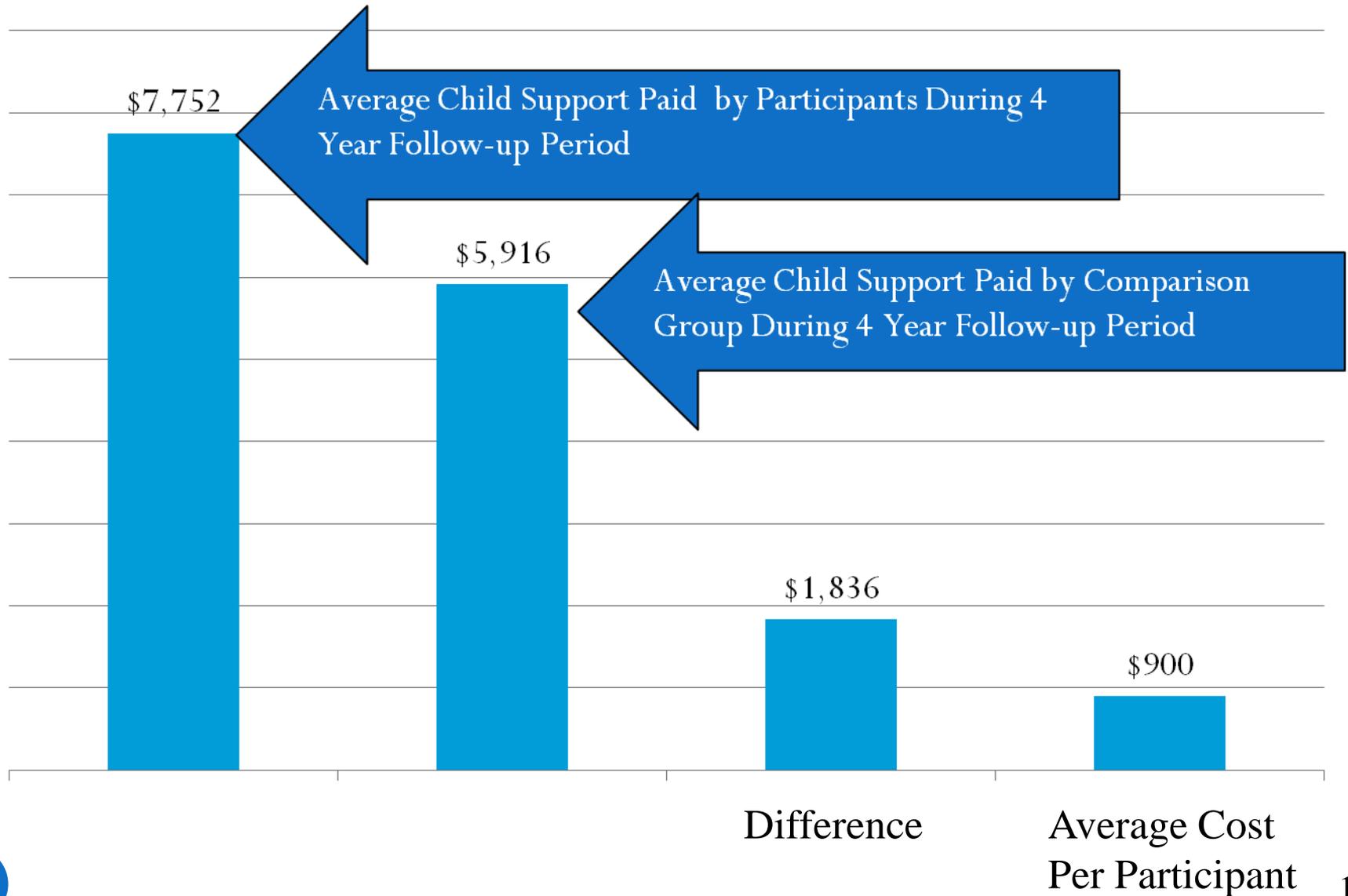
# Two new studies: Child support employment programs boost collections

- Texas and New York child support programs have conducted rigorous impact evaluations of their noncustodial parent employment programs, using a non-randomized research design and similar jobs model:
  - Targeted unemployed noncustodial parents who were behind in their child support
  - Relied on court referrals for recruitment
  - Used a case management model
  - Employment services included job placement and retention services
  - Incorporated fatherhood/peer support curriculum
- Both studies found significant positive effects on child support payments and employment that last over time
- OCSE is planning a national noncustodial parent employment demonstration project

# Texas “NCP Choices”

- Participants were employed at 21% higher rates
- Participants paid their child support 47% more often, for a 51 percent increase in total collections
- Participants paid support 50% more consistently
- Custodial parents associated with the participants were 21% less likely to receive TANF benefits, and 29% less likely 2 to 4 years later
- The effects lasted at least 2 to 4 years after the program. Participants continued to pay their child support more often, in greater amounts, and more consistently over time

# Impact of Texas's NCP Choices Program

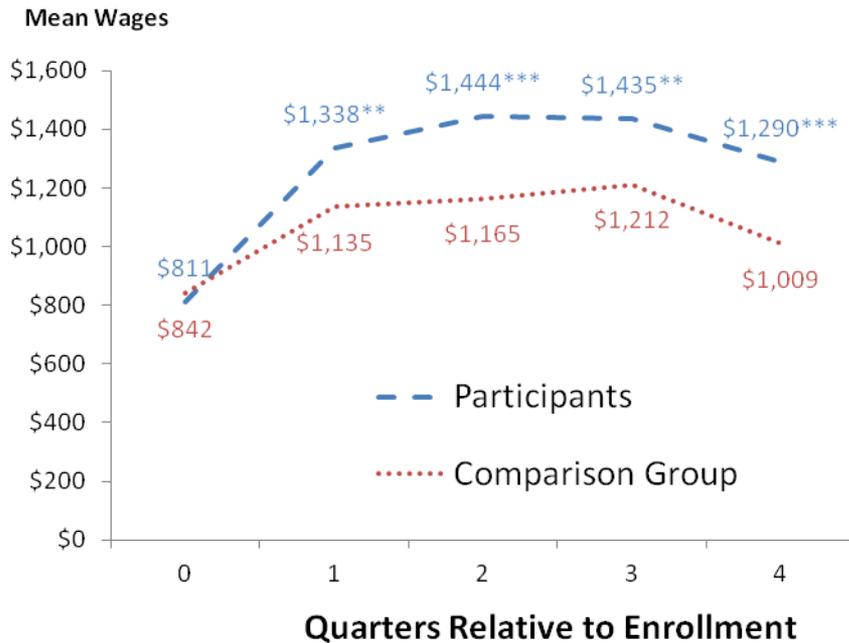


# New York “Strengthening Families Through Stronger Fathers Initiative”

- Participants experienced a 19% increase in the likelihood of employment
- They earned an average of \$986 more than nonparticipants, a 22% increase in earnings
- Participants paid an average of \$504 more than nonparticipants, a 38% increase in support payments
- The difference between participants and the comparison group grew over time

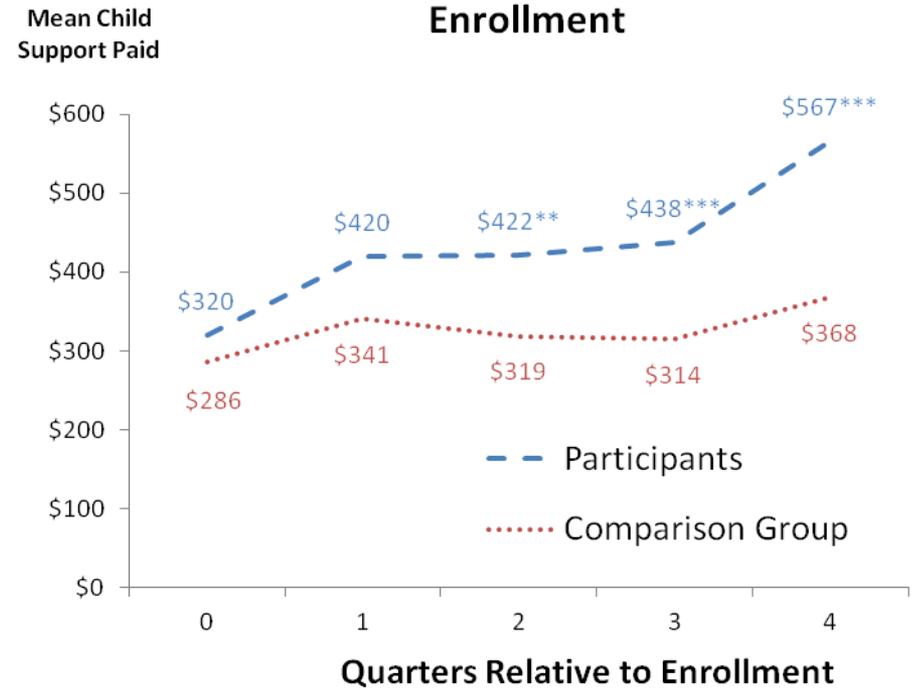
# Impact of New York's Fatherhood Pilot Programs

**Figure 1. Quarterly Wages of Participants and Comparison Group At and After Enrollment**



During first year after enrollment, participants earned an average of \$986 more than nonparticipants, a 22% increase in earnings.

**Figure 2. Child Support Paid by Participants and Comparison Group At and After Enrollment**



During first year after enrollment, participants paid an average of \$504 more than nonparticipants, a 38% increase in child support payments.