

CRS Report for Congress

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The Child Support Enforcement Program: A Fact Sheet

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The Child Support Enforcement (CSE) program, Part D of Title IV of the Social Security Act, was enacted in January 1975 (P.L. 93-647). Its main goals are to reduce spending for actual and potential recipients of public welfare by obtaining support from noncustodial parents on an ongoing basis; and to establish paternity for children born outside of marriage so that child support can be obtained. All 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate CSE programs and are entitled to federal matching funds. To qualify for federal matching funds, each state's CSE plan must be approved by the Office of Child Support Enforcement, Department of Health and Human Services. The CSE program provides six major services on behalf of children: parent location, paternity establishment, establishment of child (and spousal) support orders, review and modification of support orders, collection of support payments, and distribution of support payments. Collection methods include: wage withholding, intercept of federal and state income tax refunds, intercept of unemployment compensation, liens against property, and providing child support debt information to credit bureaus. Since 1984, CSE agencies have been required to petition for medical support as part of most child support orders.

P.L. 104-193, enacted August 22, 1996, made significant changes to the CSE program. It requires states to establish an integrated, automated network linking all states to information about the location and assets of parents, requires states to increase the percentage of fathers identified, requires states to implement more enforcement techniques to obtain support collections from noncustodial parents (such as withholding, suspending, or restricting the use of driver's licenses, professional and occupational licenses, and recreational licenses of debtor parents), and makes many other changes.¹ Federal law requires applicants for, and recipients of, Title IV-A benefits (i.e., formerly Aid to Families with Dependent Children (AFDC), now the Temporary Assistance to Needy Families (TANF) block grant) to assign their support rights to the state in order to receive Title IV-A benefits; and to cooperate with state CSE agencies if necessary to establish paternity and collect payments. Families that refuse to cooperate (without good cause) must have their Title IV-A benefit reduced by at least 25% or could have them terminated completely.

¹ For more information on the new CSE law, see CRS Report 97-408, *Child Support Enforcement: New Reforms and Potential Issues*, by Carmen Solomon-Fears.

Families receiving (or who formerly received) AFDC/TANF benefits, foster care payments, or Medicaid coverage automatically qualify (free of charge) for CSE services. Other families must apply for CSE services, and states must charge an application fee that cannot exceed \$25. Child support collected on behalf of nonwelfare families go to the family (via the state disbursement unit). Collections on behalf of families receiving Title IV-A benefits are used to reimburse state and federal governments for Title IV-A payments made to the family. The federal government pays 66% of state and local CSE costs, makes incentive payments to states (out of its share of collections), and provides higher matching funds for computerization and laboratory testing for paternity determination.

Child Support Data—FY1996

Total CSE caseload—19.3 million; **AFDC** cases, 10.0 million; **non-AFDC** cases, 9.3 million
Total CSE collections—\$12.0 billion; **AFDC** families, \$2.86 billion; **non-AFDC**, \$9.16 billion
Payments to AFDC families, \$480 million
Federal share of AFDC collections, \$888 million
State share of AFDC collections, \$1,014 million
Incentive payments to States, \$409 million
Medical support payments, \$64 million
Total CSE expenditures—\$3.1 billion
Federal share, \$2.04 billion, **State share**, \$1.02 billion
Absent parents located—5,779,489
Paternities established—1,067,508
Support orders established—1,081,781
Collections made for 1,341,000 **AFDC** families; 2,612,000 **non-AFDC** families
Families ineligible for AFDC because of collections—285,314
AFDC payments recovered through collections—15.5%

P.L. 104-193 requires 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. The state case registry is to include information about the amount of the support owed under the order, arrearages (i.e., past due support), amounts collected, amounts distributed, any liens imposed, the names and Social Security numbers of both parents, etc. It requires states, beginning October 1, 1997, to establish an automated directory of new hires containing information from all employers that includes the name, address, and Social Security number of the newly hired employee and the employer's tax identification number. This information generally is to be supplied to the state within 20 days after the employee is hired. Automated comparisons would then be made of the Social Security numbers in the state directory of new hires to the Social Security numbers appearing in the records of the state registry of child support orders. When a match occurs, the state directory of new hires is required to report to the state CSE agency the name, date of birth, Social Security number of the employee, and employer identification number. The CSE agency is then, within 2 business days, required to instruct appropriate employers to withhold child support obligations from the employee's paycheck. The law requires employers to remit the withheld amount to the state disbursement unit within 7 business days after the date such amount would have been paid to the employee. It further requires states to operate a centralized collection and disbursement unit which is to send child support payments to custodial parents within 2 business days.