

FATHERHOOD LEGISLATION

HEARING
BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES
OF THE
COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTH CONGRESS
FIRST SESSION

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OCTOBER 5, 1999
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Serial 106-30
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FATHERHOOD LEGISLATION

TUESDAY, OCTOBER 5, 1999

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

The Subcommittee met, pursuant to notice, at 12 noon, in room B-318, Rayburn House Office Building, Hon. Nancy L. Johnson, (Chairman of the Subcommittee) presiding.

[The advisory announcing the hearing follows:]

Advisory

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON HUMAN RESOURCES

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-1025

September 29, 1999

No. HR-11

Johnson Announces Hearing on Fatherhood Legislation

Congresswoman Nancy L. Johnson (R-CT), Chairman, Subcommittee on Human Resources of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing on fatherhood legislation, specifically the Fathers Count Act of 1999. A draft copy of the legislation is now available in the Subcommittee Office in room B-317 Rayburn House Office Building. The hearing will take place on Tuesday, October 5, 1999, in room B-318 of the Rayburn House Office Building, beginning at 12:00 noon.

Oral testimony at this hearing will be from invited witnesses only. Witnesses will include representatives from the Administration, individuals who administer programs for low-income fathers, child support administrators, and advocacy groups. Any individual or organization not scheduled for an oral appearance is encouraged to submit written comments on the proposed legislation for consideration by the Subcommittee and for inclusion in the printed record of the hearing.

BACKGROUND:

Numerous studies suggest that unmarried poor fathers tend to have elevated rates of unemployment and incarceration compared to other fathers. These problems make it difficult for them to marry and form two-parent families and to play a positive role in the rearing of their children. As the consequence of the failure of the father to play a prominent family role, children, especially boys, repeat the cycle of school failure, delinquency and crime, unemployment, and nonmarital births.

The Fathers Count Act of 1999 is designed to prevent the unfortunate cycle of children being reared in fatherless families by supporting projects that help fathers meet their responsibilities as husbands, parents, and providers. The bill is aimed at promoting marriage among parents, helping poor and low-income fathers establish positive relationships with their children and the children's mothers, promoting responsible parenting, and increasing family income by strengthening the father's earning power. The legislation aims to accomplish these goals by awarding grants to governmental and nongovernmental organizations that apply to the Secretary of the Department of Health and Human Services; grants will be awarded on a competitive basis. Some contend that government agencies can best conduct fatherhood programs. However, because the authors believe that helping poor and low-income fathers is best achieved by organizations that are indigenous to their own neighborhoods, the legislation reserves 75 percent of its grant funds for nongovernmental, especially community-based organizations.

Projects must coordinate their activities with the Temporary Assistance for Needy Families (TANF) program, the Workforce Investment Act (P.L. 105-220), and the local child support enforcement agency. Some argue that the requirement that projects be coordinated with the child support enforcement agency, the TANF agency, and the agency conducting Workforce Investment Act programs will reduce the number of grant proposals because of the difficulty of receiving cooperation from so many agencies. On the other hand, given the vital role of child support and employ-

ment preparation in programs for poor and low-income fathers, coordination with these agencies seems necessary.

Preference is given to projects that have an assurance from the child support enforcement agency that all payments on arrearages owed to the State will be given to mothers if the mother has left welfare. Because recent research shows that around half the mothers and fathers or children born outside marriage are cohabiting, and over 80 percent say they are in an exclusive relationship that one or both partners hopes will lead to marriage, the legislation requires half its grant funds to be spent on projects that emphasize the enrollment of fathers at the time of the child's birth.

Chairman Johnson and Rep. Ben Cardin (D-MD) are expected to formally introduce the Fathers Count Act shortly.

In announcing the hearing, Chairman Johnson stated: "The 1996 welfare reform law has been very successful in helping poor mothers get jobs and improve their economic circumstances. The next logical step in reforming welfare is to help poor fathers improve their economic circumstances and participate directly in the rearing of their children. To accomplish this goal, we must support programs that focus on improving relationships between poor young men and women to increase the prospects that they can marry and form two-parent families or at a minimum, work together to rear their children. Promoting marriage and two-parent families, and aggressively helping these men become responsible parents, is the next step in welfare reform."

FOCUS OF THE HEARING:

The purpose of the hearing is to receive comments on the Fathers Count Act. Although the Subcommittee is interested in comments on any issue raised by the legislation, it is especially interested in comments on the following issues: whether fatherhood services should be provided primarily by nongovernmental or governmental entities; what the level of coordination should be with child support enforcement agencies, the TANF agency, and the agency conducting Workforce Investment Act programs; whether child support arrearages should be given to mothers if the mother has left welfare, whether this would require amendments in State law, and whether the assurance would be too difficult for projects to obtain; whether the approach of earmarking funds for projects that emphasize the enrollment of fathers at the time of the child's birth is a good one, and whether the requirement that half of grant funds be expended on these projects is too high or too low. The Subcommittee will also receive testimony during this hearing on expanding access to government child support enforcement procedures.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Any person or organization wishing to submit a written statement for the printed record of the hearing should submit six (6) single-spaced copies of their statement, along with an IBM compatible 3.5-inch diskette in WordPerfect 5.1 format, with their name, address, and hearing date noted on a label, by the close of business, Tuesday, October 5, 1999, to A.L. Singleton, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements wish to have their statements distributed to the press and interested public at the hearing, they may deliver 200 additional copies for this purpose to the Subcommittee on Human Resources office, room B-317 Rayburn House Office Building, by close of business the day before the hearing.

FORMATTING REQUIREMENTS:

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

1. All statements and any accompanying exhibits for printing must be submitted on an IBM compatible 3.5-inch diskette WordPerfect 5.1 format, typed in single space and may not exceed

a total of 10 pages including attachments. Witnesses are advised that the Committee will rely on electronic submissions for printing the official hearing record.

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

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

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

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

Note: All Committee advisories and news releases are available on the World Wide Web at "[HTTP://WWW.HOUSE.GOV/WAYS_MEANS/](http://WWW.HOUSE.GOV/WAYS_MEANS/)".

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

Chairman JOHNSON of Connecticut. I am very pleased to be calling today's hearing to order.

Welfare reform has succeeded beyond our expectations. For several consecutive years, welfare rolls are down; employment by mothers, especially never-married mothers, is up; and child poverty is down. But I am concerned that some children and families leaving welfare appear not to be receiving the Medicaid and food stamps to which they are entitled and that we need to do more to help families with multiple barriers to entering the work force of our country.

Even with welfare reform a striking success, we must not fail to move forward. To take the next step in welfare reform, we must find a way—or I should say one important next step in welfare reform is to find a way to help children by providing them with more than a working mother and sporadic child support.

In recent years, both through research and testimony in our Subcommittee, we have learned a lot about fathers, the fathers of children in families that become dependent on welfare. More specifically, I would say that we have learned three big things about these fathers.

First, poor fathers have problems very similar to those of the mothers who become dependent on welfare. They have poor education, poor work histories and significant barriers to work, such as addictions and prison records. Some have coined a new term for these fathers. Rather than deadbeat, they are "dead broke" and under current law we have very few programs designed to help these fathers meet their obligations and fulfill their potential.

On this first point, I am increasingly uncomfortable with how harsh our rhetoric has become about fathers who do not pay child support. Yes, fathers must pay child support, but when young men have trouble finding and holding employment, we should blame less and help more. Our harsh rhetoric should be reserved for those who could pay and don't or those who refuse to work and so can't pay. For them, no rhetoric is too harsh.

Second, I think almost everyone has been amazed to find how many of these young, unmarried parents are living together at the time of the child's birth. Princeton Professor Sara McLanahan testified before our Subcommittee that half of these couples cohabitate, and an additional 30 percent tell interviewers they are involved in an exclusive relationship that they hope will lead to a permanent relationship, perhaps even to marriage. That is up to 80 percent now. I think that these parents have a close relationship that they want to keep is a good foundation to build on.

I know that talk about marriage in this context may seem uncomfortable, but all the data affirm that the incidence of poverty, underachievement and abuse are simply far greater in one-parent households. Marriage is good for both adults and children, and public policy must begin to reflect that fact.

We should not compel young couples to marry, but we should certainly hold it out as the expected standard and provide training to develop the skills that are necessary for a successful relationship. In fact, part of the problem seems to be that our society ceased to expect poor people to marry and that there was nothing wrong with millions of poor children being reared by single mothers, often on welfare.

This view is completely out of touch with what we know about what it takes to make adults happy and healthy and, even more to the point, what it takes to rear strong and accomplished children. Marriage is good for both poor and nonpoor, for adults and children. If we can restore marriage to its rightful place at all levels of our society, we will have accomplished more than could be achieved by any government program we might design.

Third, based on the Parent's Fair Share research and on testimony before this Subcommittee, I think we have learned a very important thing about young fathers. Even those with criminal records, and those who have never held a steady job, want to help their children and do what is best for them. Many of these young men say they don't want their children to grow up without a father the way they did. This finding that poor young fathers have a great desire to do what is best for their children, like everyone else, provides us with an anchor around which we can build good programs and provide the help so desperately needed. And build these programs we must. Hence today's hearing.

Ben Cardin and I have written legislation that will provide money to create scores of fatherhood programs to help these young fathers in three ways: by understanding marriage, by promoting better parenting, including more contact with children and payment for child support, and by helping poor fathers find jobs and improve their skills across the board. Senator Bayh and others have written similar legislation in the Senate, and we look forward to working with them.

Our legislation would create a national competition to select promising projects, most of which must be community based, including faith based. They must be coordinated with local child support offices and with both the agency conducting the Temporary Assistance for Needy Families programs, particularly the paternity identification, subprogram of TANF, and the work force investment board. Projects are strongly encouraged to pass through all child support payments to mothers once they have left welfare. This is a very big issue we are interested in.

We would spend about \$140 million funding these projects for 4 years. In addition, we are going to spend several million on an evaluation of the best projects to see if the projects are actually having effects on the father's employment, on relations with children and mothers, marriage and payment of child support.

We have provided advance copies of the draft bill to our witnesses today and to all interested parties. The Subcommittee has already received very useful comments from the public, and we look forward to receiving more after today's hearing, after we hear from our distinguished witnesses.

We have a real opportunity to help these fathers and, by doing so, to help the most disadvantaged children and mothers in our Nation. Ben Cardin and I intend to pass this legislation through the House in the very near future; and then, with Senator Bayh's able assistance, we hope to move it through the Senate to be signed by the President.

I would like to yield to my colleague, Mr. Cardin.

Mr. CARDIN. Thank you, Madam Chairman. We are going to need help to, just the two of us, to pass it through the House, but I am optimistic when I look around the room and see the interest in this hearing on fatherhood initiatives. This is a very impressive group of people who are here, and I want to compliment you for not only holding this hearing but working in a very energetic, bipartisan way to bring all of us together so that we could get a fatherhood initiative introduced and hopefully enacted in this Congress.

I want to acknowledge the presence of Senator Bayh, who has been one of the leading individuals in our Nation on this issue in the U.S. Senate, and Congressman Shaw, who is the former Chair of this Subcommittee who has been speaking for years about trying to do a fatherhood initiative in the House of Representatives.

And it is a pleasure to have my friend Julia Carson here, who is one of the most articulate individuals on dealing with the problems of low-income individuals, including noncustodial fathers to be closer to the family unit.

So we have in our first panel three members of the Congress who have really been national leaders on this issue.

The Chair and I have circulated a draft legislation that we hope will be helpful in today's hearing. It, we believe, is an important step but certainly not the last step in helping fathers carry out their responsibility and be part of the family unit. It is a very important step.

Now, I might tell you, we are working in a bipartisan way. There have been many suggestions that have been made, including those of the administration, to reauthorize the welfare-to-work program and expand it and provide moneys for the fatherhood program,

which I support. What we are trying to do today is get a bill that can be signed into law. We don't have a budget yet. So we are working with a bill that has to be paid for, and it is difficult to find offsets. We would have liked to do more, but this is what we can come up with in a bipartisan way that we hope can receive support and be enacted.

Let me just stress how important I think it is for us to move forward on a fatherhood initiative. Noncustodial fathers want to help their families, but many lack regular employment and have significant problems that need to be addressed. As the Chair pointed out, they are not deadbeat, they are dead broke, and we need to do something about that.

It is also unfair to expect a low-income mother to bear all the responsibilities of financially raising a child. They need the assistance of the father, and a child is going to be better off financially and emotionally if both the mother and father participate in the rearing of that child. So these initiatives, I believe, are very, very important.

I am proud to say that the legislation that we have circulated encourages innovative child support policies such as suspending State-owed arrears for participating parents, of passing through more of that child support to the family itself. So we think that can help in bringing together the father and the mother more into the family unit.

We also expand eligibility and allowable activities under the current welfare-to-work program, and I think this is very important. We have a program out there, welfare to work, and it can help, including in fatherhood initiatives. The problem is that the current restrictions prevent us from getting that money out to where it is needed. So, in the legislation that we have circulated, we have adopted the recommendations of the United States Conference of mayors, the National Governors' Association and the National Association of Counties in an effort to allow the welfare-to-work program to really work and to help also in this area.

I might tell you that this is a work in progress. There are issues that are still unresolved in the legislation that we have circulated, and that is why this hearing becomes so important.

I am interested in your views on the draft legislation. I am interested in your views as to whether the initiative should be extended to noncustodial mothers in addition to noncustodial fathers. These are issues that we have not yet closed between the Chair and myself and the reason why we encourage you to be open and frank in your discussions today.

Madam Chair, I look forward to hearing from all of our witnesses, and I want to welcome again our three distinguished colleagues.

Chairman JOHNSON of Connecticut. Thank you.

I would like to welcome the Senator, but, before I do that, I want to thank my friend and colleague, Hon. Clay Shaw, former Chairman of the Subcommittee, for yielding to the Senator.

It should be noted that Clay, as Chairman of this Subcommittee, actually introduced legislation and began the process of developing the thinking along these lines in the House about how we better support fatherhood, and I am delighted to have him here today.

And I thank you, Senator, for coming across and talking with us about this important subject today.

STATEMENT OF HON. EVAN BAYH, A U.S. SENATOR FROM THE STATE OF INDIANA

Senator BAYH. Thank you, Chairman Johnson. I want to thank both you and Congressman Cardin for your hospitality today and your gracious words, but more than that I want to thank you for your leadership in taking on what I think is one of the most important challenges facing our country today.

As you pointed out, our gathering today is bipartisan. It is also bicameral, and I am happy to be in the people's House today on this side of the Capitol. It struck me in my 9 months here how infrequently we do get together, but the fact that we are together here today on this issue I think is testimony to how important it really is.

Congressman Shaw, I also want to thank you not only for your courtesy here this morning but also your leadership. The legislation you introduced last year sparked an important debate on how best to deal with this important challenge facing our country, and so I am grateful to you for that, as well as your kindness today.

And finally, Madam Chairman, I want to say a word or two about not only my colleague, but my congresswoman, Julia Carson, who I have had the pleasure of working with for many, many years; and Julia has been in the frontlines of this battle before her coming to the U.S. Congress as trustee of Center Township in Indianapolis. She is known as someone who cares about children, who cares about families.

Julia, it is good to be here with you again today fighting the good fight, and I thank you for your leadership and friendship.

The irony in America's unprecedented economic prosperity today is the fact that many Americans still feel that the country is somehow or another off on the wrong track. There seems to be a fraying of the social fabric, and many indicators point to the increase in absentee fathers as a primary cause.

America's mothers, including single moms, are heroic in their efforts to make ends meet financially while raising good, responsible children. Many dads are, too. But an increasing number of men simply aren't doing their part or are absent altogether. When both parents are involved, children are more likely to learn about personal responsibility, respect, honor, duty and the other values that make our communities strong. The troubling decline in the involvement of fathers in the lives of their children over the last 40 years is a trend that should worry us all.

The number of children living in-households without fathers has tripled, tripled over the last 40 years, from just over 5 million in 1960 to more than 17 million today. The United States, unfortunately, leads the world in fatherless families, and too many children spend their lives without any contact with their fathers whatsoever.

The consequences of this dramatic decrease in the involvement of fathers in the lives of their children are severe. For example, a recent Journal of Research in Crime and Delinquency study found that the best predictor of violent crime and burglary in a commu-

nity is not poverty but the proportion of fatherless homes in that community.

When fathers are absent from their lives, children are five times more likely to live in poverty; twice as likely to commit crimes; more likely to bring weapons and drugs into the classroom; twice as likely to drop out of school; twice as likely to be abused; more likely to commit suicide; over twice as likely to abuse drugs and alcohol; and more likely to become pregnant as teenagers.

Fortunately, community efforts have sprung up around the country to stem the rising tide of fatherless families and the consequences that result. This Subcommittee will soon hear from some of the leading experts in the field, several of whom I am happy to say were instrumental in helping Indiana start the Nation's first statewide comprehensive effort to tackle the problem of fatherlessness, helping over 5,000 Hoosier fathers to reconnect with their children.

I have had the opportunity to work with and visit local fatherhood programs in my State. I have talked to fathers as they work to reengage with their children, learn how to become better parents and gradually build the trust that allows them to become emotionally as well as financially involved with their families.

Just this past Friday, I was at the Father Resource Program run by Dr. Wallace McLaughlin in Indianapolis. This program is a wonderful example of a local, private/public partnership that delivers results. It has served more than 500 fathers, primarily young men between the ages of 15 and 25, by providing father peer support meetings, premarital counseling, family development forums and family support services, as well as coparenting, employment, job training, education and other life skills classes.

The fathers there were eager to tell me when I asked about the difference these programs have made not only in their lives but in the lives of their children. One said to me, and I quote, "After the 6-week fatherhood training program, the support doesn't stop. I was wild before, but this program taught me self-respect, parenting skills, responsibility."

Another one of the fathers said, quote, "As fathers, we would like to interact with our kids. When they grow up into something, we want to feel proud and say that we are a part of that."

And yet another added, "The program showed me how to have a better relationship with my child's mother, a better relationship with my child. Before, those relationships were just financial."

While the program's emotional benefits to families are difficult to measure we do know it has been successful in helping fathers enter the work force. Over 80 percent of the men who have graduated from the program are currently employed; and your bill, Congressman, would make a significant investment to help programs like these flourish and encourage new ones to develop.

The investment called for by your legislation is fiscally responsible. It helps deal with the root causes, not just the symptoms, of many of the social problems that cost our society a great deal of money. Just a few examples:

The cost to society of drug and alcohol abuse is more than \$110 billion per year. The Federal Government currently spends \$8 billion a year on dropout prevention programs, \$105 billion on poverty

relief programs for family and children. The social and economic consequences of teen pregnancy and associated problems are estimated to be \$21 billion per year.

All this adds up to a staggering price that we pay for the consequences of our fraying social fabric, broken families, and too many men who are not involved with their kids. Your bill will begin—one life at a time, one community at a time—to help make a real difference and will prove that the old adage that an ounce of prevention is worth a pound of cure is absolutely true.

Now, I want to emphasize, in concluding, that I know, as I am sure the rest of us here recognize, that government alone cannot solve this problem. We can't legislate parental responsibility. But government can encourage fathers to behave responsibly, government can inform the public about the consequences of irresponsible behavior, and government can remove the barriers that currently exist in present law to responsible fatherhood.

Again, I want to thank the Chairman, Congressman Cardin, Congressman Shaw and Julia and others who have been working on this issue. The Johnson-Cardin bill is similar in many respects to the Bayh-Domenici Responsible Fatherhood Act we introduced in the U.S. Senate. You make important reforms to the welfare-to-work program, deal with the challenges in our child support system, create a grant program to expand access to programs like the Father Resource Program in Indianapolis and create a national clearinghouse to coordinate a media campaign and evaluate the success of our overall effort. I would like to continue working with you to see to it that this hearing leads to meaningful action to help deal with what is one of the foremost challenges of our time.

Again, I thank you for your courtesy, and I look forward to working with you in a bipartisan way to make progress on this important issue. Thank you.

Chairman JOHNSON of Connecticut. Thank you very much for your testimony, Senator, and for the good data that you brought to us through that means.

[The prepared statement follows:]

Statement of Hon. Evan Bayh, a U.S. Senator from the State of Indiana

Thank you Chairman Johnson for holding this hearing today. You and Congressman Cardin have shown both bipartisanship and true leadership in putting this bill together. It deals with one of the greatest social challenges of our time—the increasing prevalence of fatherlessness. I also want to acknowledge the work of Chairman Shaw in this area. His bill last year helped spark a healthy debate about how to best deal with this problem.

The irony in America's unprecedented economic prosperity is that many Americans still feel the country is on the wrong track. There seems to be a fraying of the social fabric and many indicators point to the increase in absentee fathers as the cause.

America's mothers, including single moms, are heroic in their efforts to make ends meet financially while raising good, responsible children. Many dads are too. But an increasing number of men are not doing their part—or are absent entirely. When *both* parents are involved, children are more likely to learn about respect, honor, duty and the values that make our communities strong. The troubling decline in the involvement of fathers in the lives of their children over the last 40 years is a trend that should worry us all.

The number of children living in households without fathers has tripled over the last forty years, from just over 5 million in 1960 to more than 17 million today. The United States leads the world in fatherless families and too many children spend their lives without any contact with their fathers. The consequences of this dramatic decrease in the involvement of fathers in the lives of their children are severe. For

example, The Journal of Research in Crime and Delinquency study found that the best predictor of violent crime and burglary in a community is not poverty, but the proportion of fatherless homes in that community.

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- more likely to become pregnant as teenagers.

Community efforts have sprung up around the country to stem the rising tide of fatherless families and the consequences that result. This Committee will hear from some of the leading experts in the field. Several were instrumental in helping Indiana start the nation's first statewide comprehensive effort to tackle the problem of fatherlessness, helping over 5,000 Hoosier fathers to reconnect to their children.

I have had the opportunity to work with and visit local fatherhood programs in Indiana. I have talked to fathers as they work to re-engage with their children, learn how to be better parents, and gradually build the trust that allows them to be involved emotionally, as well as financially, with their children.

Just this past Friday, I was at the Father Resource Program, run by Dr. Wallace McLaughlin in Indianapolis. This program is a wonderful example of a local, private/public partnership that delivers results. It has served more than 500 fathers, primarily young men between the ages of 15 and 25, by providing father peer support meetings, pre-marital counseling, family development forums and family support services, as well as co-parenting, employment, job training, education, and life skills classes.

The fathers there were eager to tell me when I asked about the difference these programs have made in their lives and the lives of their children.

One said to me, "After the six week fatherhood training program, the support doesn't stop...I was wild before. The program taught me self-discipline, parenting skills, responsibility."

Another said, "As fathers, we would like to interact with our kids. When they grow into something, we want to feel proud and say that we were a part of that."

And yet another, "The program showed me how to have a better relationship with my child's mother, and a better relationship with my child. Before those relationships were just financial."

While the program's emotional benefits to families are difficult to measure we do know it is helping fathers enter the workforce. Over 80% of the men who have graduated from the program are currently employed. Your bill would make a significant investment to help programs like these flourish and encourage new ones to develop.

The investment called for in this legislation is fiscally responsible—it helps deal with the root causes, not just the symptoms, of many of the social problems that cost our society a great deal of money.

- The cost to society of drug and alcohol abuse is more than \$110 billion per year.
- The federal government spends \$8 billion a year on dropout prevention programs.
- Last year we spent more than \$105 billion on poverty relief programs for families and children.
- The social and economic costs of teenage pregnancy, abortion and sexually transmitted diseases has been estimated at over \$21 billion per year.

All this adds up to a staggering price we pay for the consequences of our fraying social fabric, broken families and too many men not being involved with their kids. Your bill will begin—one life at a time, one community at a time—to help and is a perfect example of the truth in the old adage: an ounce of prevention is worth a pound of cure.

I know that government cannot be the answer to this problem. We cannot legislate parental responsibility. But government can encourage fathers to behave responsibly, inform the public about the consequences of irresponsibility, and remove barriers to responsible fatherhood.

I want to thank Chairman Johnson and Congressman Cardin for your continuing work on this issue. The Johnson/Cardin bill is similar in many respects to the Bayh/Domenici Responsible Fatherhood Act of 1999. You make important reforms to the Welfare to Work program, deal with challenges in our child support system, create a grant program to expand access to programs like the Father Resource Program in Indianapolis, and create a National Clearinghouse to coordinate a media campaign and evaluate the success of the overall effort. I would like to continue working

with you to ensure that your approach encourages Governors to take up this fight and provides them with the resources and relief from federal strings to make a real impact.

Again, thank you Chairman Johnson and Congressman Cardin for holding this bipartisan hearing. I believe you have built on the momentum of our bipartisan effort in the Senate and look forward to working to help secure passage of important legislation in this area.

Chairman JOHNSON of Connecticut. Congressman Shaw, it is a pleasure to have you.

**STATEMENT OF HON. E. CLAY SHAW, JR., A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. SHAW. It is nice to be back. This is my first trip back to this old Subcommittee, and I must say, Madam Chairman, you look very good sitting there, and I am pleased to have you there. And I want to compliment you and Mr. Cardin in working together in a bipartisan way on such a big, big piece of legislation that is so necessary.

I have no written statement, but I would like to speak just for a few moments from my heart to let you know how I feel about where we have come from and where we must go.

Mr. Camp can testify to a number of years ago on this Subcommittee where there was no such thing as bipartisanship. We went through some very, very tough times of name calling. We were called mean spirited.

I recall when we brought welfare reform to the floor, there was one member on the Minority side that all but referred to us as Nazis, making a comparison as to the Holocaust as to what we were doing to children.

In the end, we did pull together; and we did come up with a bill after it was vetoed a few times that the President did sign on August 22, 1996, which probably has made more difference in the lives of single moms and children of anything that has ever been done. It simply taught self-esteem. For people that nothing was expected of, suddenly we changed that, and we did expect something of them, and we found that when you expect something of somebody, they will make something of themselves.

That is where we are today, and we have seen that welfare reform has been, I think, perhaps the greatest social experiment of this century, and I think that the rest of the world will be looking at what we have been able to accomplish and probably follow our example. I would certainly hope so.

But we are leaving one segment of the population behind, and that is the man that has fathered these children who are born of these single moms, and those are the ones that we have got to get to. We will be putting together an artificial type of population if we continue along these lines without going after the father to give him self-esteem, to see that he bonds with his kids.

It is important for us to realize, just as these single moms and people that were on welfare for a generation had no role models, they had no one in the home that had ever held a job, these fathers have never lived in a home where there was a father. We all need role models, and why shouldn't it be our mother and our father,

whether they be married or not? And that is what this fatherhood initiative does.

I recall when we first introduced this, Ron Haskins and I were working on it, and I know some of the conservative talk shows thought we had lost our mind in bringing forth some legislation such as this, but we are going after the roots of poverty, the reason for poverty. It is not a question of just keeping people in a certain level, economic level, and just making them as comfortable as possible and not expecting anything of them. It is to take particularly these guys off of the street corner, have them bond with their kids, and they can then be the role model for their kids, and that is the way it should be. I think that is exactly what is absolutely needed.

We hear the expression so much that it takes a village to raise a child. Well, that is fine to say, but primarily and first of all, it takes a mom and a father to raise a child, and that is where that responsibility lies.

We hear so much about different educational programs, but you can talk to anyone you want to and if things are not right at home, I don't care how much money you spend in the classroom, you are going to have failing children, and this is what is important. We need to get to the roots of what is out there and solve some of these problems and bring these people together.

So, again, I want to compliment this Subcommittee in bringing this forward in such a bipartisan manner and the Senator for carrying this companion legislation in the Senate. This is terribly important, and it is very important that we bring balance to welfare reform, and this is what it is going to take, and I congratulate you on the progress that you have made. I wish we had this bipartisanship on Social Security, and we would get that solved, too.

Mr. CARDIN. Maybe it is the Chairman.

Chairman JOHNSON of Connecticut. Your comments are really right on target, Mr. Shaw, and it was that kind of foundation that you laid in the last session, as difficult as that session was, that has enabled us to go forward.

I also can't help but reflect that in a way this is the ultimate in women's liberation, that we should begin seeing women and men actually the same way as human beings, with certain requirements and needs and capabilities.

It is a pleasure now to welcome our colleague from the House and also from Indiana, Hon. Julia Carson; and like I have said before, you have come to this issue with a lot of experience. Pleasure to have you.

STATEMENT OF HON. JULIA CARSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Ms. CARSON. Thank you very much. I feel honored. I am a fan of Congresswoman Nancy Johnson even though we come from different parts of the country and certainly come from different political philosophies and affiliations. She does a great job in the Congress, and I am happy that you are chairing this Subcommittee.

And, Congressman Cardin, I could spend the rest of my limited time giving you the praise. It is good to be here and certainly with Hon. U.S. Senator Evan Bayh from the State of Indiana where we both hail, so all of you who have had feelings about Indiana know

that we are here to change that image, whatever that might have been, and certainly to Congressman Shaw for all that he has done, his foresight and his wisdom.

I come, I guess, as an expert witness. I was raised by a single mother, born out of wedlock, and I know firsthand what a lonesome feeling it is out in a big country when you don't even have your father's name.

As a matter of fact, when I was a member of the Indiana General Assembly I authorized legislation that said that if a father was present and near when a child was born, that paternity was established at birth rather than through a court system, and the father's name would be on the child's birth certificate before the child left the hospital, before coming to the planet Earth. That has worked well. It does good for children to have both a mother and father's name affixed to a birth certificate, a child be born in a father's name. And so I thank you for the opportunity to testify here today on the Fathers Count Act of 1999.

Nearly 25 million children, I guess more than one out of three, live absent of their biological father, and 17 million kids live without a father of any kind. About 40 percent of children living in fatherless households have not even seen their father in at least a year, and 50 percent of children who do not live with their fathers have never stepped foot into their father's home, and many have never stepped inside of their father's arms or their father's heart.

The situation is even worse, unfortunately, for African-American children, 70 percent of whom are born to single mothers and at least 80 percent can expect to spend a significant part of their childhood years living apart from their fathers. I believe we can agree that father absenteeism is a national problem that must be addressed to ensure the wellness and well-being of American children in the century ahead. For too long legislators and policy-makers have ignored the father-child relationship; and I agree, Chairman Johnson, it is not always about deadbeat but about dead broke. It is about time that this issue gets full consideration by the Congress, and if it pleases the Subcommittee, I request that my testimony be entered into the record for the sake of time.

I, too, am excited about this bipartisan relationship that has taken center stage in this Subcommittee, and I want to thank again Chairman Johnson for her leadership on fatherhood legislation and all of the wonderful people who are involved in this effort.

I consider myself to be rather fortunate. I recently had the benefit of well-known scholars, along with Senator Bayh and practitioners, participate in a forum that I hosted last month entitled Responsible Fatherhood: Ensuring African-American Fathers Count, in conjunction with the Congressional Black Caucus 29th Annual Legislative Weekend. Dr. Jeffrey Johnson, who is president and chief executive officer of the National Center for Strategic Non-profit Planning and Community Leadership, cohosted the forum with me, and Mr. Charles Ballard, founder and chief executive officer of the National Institute for Responsible Fatherhood and Family Development, was one of the outstanding panelists.

What I admire most of all in this bill is that it acknowledges that a father should be a part of the equation for a child's success. By and large, the social programs developed to aid poor children have

concentrated on helping mothers, not fathers, care for their children. It is not just the economic benefit of a two-parent family but it is the social and spiritual benefit of having a two-parent family involved in a child's life. Creating resources for fatherhood programs, providing greater flexibility for welfare to work eligibility, this bill seeks to bridge the divide between poor fathers and their children.

I am happy to see that the bill allows for a variety of approaches to attack fatherlessness. When the welfare of children is foremost in our minds and hearts, we must be open to individual preferences, whether they are aligned with our personal ideologies or not. I wish all children could grow up in a two-parent household, but reality dictates that this will not be the case for every child. All fathers, whether living with the child or enjoying an amicable relationship with the mother, ought to be encouraged and supported in having a positive, productive relationship with their children.

Fortunately, there are organizations such as Senator Bayh referred to. In my District, the Father Resource Program, a part of Wishard Health Services in Indianapolis, has been serving young fathers for over 5 years now, and their primary objective, as you know now, is to enhance the capacity of young fathers to become responsible and involved parents. A secondary objective aims to assist both fathers and mothers in developing skills and behavior necessary to cooperate in the care of their children.

I would again for the sake of time ask, Madam Chair, that my remarks be put in the record for further reference and suggest that your bill would provide the opportunity for more success stories that would be incorporated in my remarks. The successes of the Father Resource Center, and with other programs around the country, prove that young men need only be given the guidance and the opportunity to better themselves, and improve the lives of their children.

My first concern is one that I know Dr. Jeffrey Johnson shares, and that is about the eligibility requirements. We need to look at those. We cannot lose sight of the goal of getting resources and opportunities to fathers devoted to playing a role in the lives of their children.

I would be remiss in terms of the perseverance of my mother if I did not mention that my mother worked full time, and we never drew a welfare check. So I don't want you to think that because I was born to a single mother that I was on the welfare rolls. That is far from the truth. That did not happen. I have to do that in reference to my mother who did a tremendous job, working mother, father and sister and brother and all those good things. But women do indeed need the support of fathers for their children and not in a negative sense, but fathers need to be eligible to help children.

In Indiana, I notice that when fathers don't pay child support they lose their driver's license, and that is rather punitive, I think, for somebody who is trying to go out and get gainful employment, who has missed child support payments, to lose their driving license as a result of nonpayment. And so there are a lot of ways I guess that we can look at what is out there in terms of how it inhibits fathers from being responsible and see how we can address

that as this legislation moves forward. Thank you from the bottom of my heart for your care and in sharing in this effort.

[The prepared statement follows:]

Statement of the Hon. Julia Carson, a Representative in Congress from the State of Indiana

Madam Chairwoman, as a child raised by a single mother and mother of 2 children, I thank you for the opportunity to testify here today on the Fathers Count Act of 1999. Nearly 25 million children, more than 1 out of 3, live absent their biological father, and 17 million kids live without a father of any kind. About 40 percent of children living in fatherless households have not seen their fathers in at least a year, and 50 percent of children who do not live with their fathers have never stepped foot in their father's home.

The situation is even worse for African American children. 70 percent of black children are born to single mothers, and at least 80 percent of all black children can expect to spend a significant part of their childhood years living apart from their fathers.

I believe we can all agree that father absenteeism is a national problem that must be addressed to ensure the well-being and prosperity of American children in the century ahead. For too long, legislators and policymakers have ignored the father/child relationship. It is about time that this issue gets full consideration by Congress. If it pleases the Committee, I request that my testimony be entered in the record. Thank you.

I am excited to see this very important, bipartisan measure take center stage in this Subcommittee. I want to thank the Chairwoman for her leadership on fatherhood legislation and our colleague, from across the Capitol, Senator Evan Bayh for his bill, S. 1364, the Responsible Fatherhood Act of 1999. I am very hopeful we will accomplish passing a meaningful fatherhood bill before the end of this session.

I consider myself to be rather fortunate. I recently had the benefit of well-known scholars and practitioners participate in a forum I hosted last month entitled Responsible Fatherhood: Ensuring African American Fathers Count, in conjunction with the Congressional Black Caucus' 29th Annual Legislative Conference. Dr. Jeffrey Johnson, President and CEO, of the National Center for Strategic Nonprofit Planning and Community Leadership, co-hosted the forum with me and Mr. Charles Ballard, Founder and CEO, of the National Institute for Responsible Fatherhood and Family Development, was one of the outstanding panelists. I am delighted that both gentlemen are here today to testify on the second panel.

What I admire most of all in this bill is its acknowledgment that a father should be a part of the equation for a child's success. By-in-large, the social programs developed to aid poor children have concentrated on helping mothers, not fathers, care for their children. From creating resources for fatherhood programs to providing for greater flexibility for welfare-to-work program eligibility, this bill seeks to bridge the divide between poor fathers and their children. I am also happy to see that the bill allows for a variety of approaches to attack fatherlessness. When the welfare of children is foremost in our minds and hearts, we must be open to individual preferences whether they align with our personal ideologies or not. I wish all children could grow up in a two-parent household but reality dictates that this will not be the case for every child. All fathers, whether living with the child or enjoying an amicable relationship with the mother, ought to be encouraged and supported in having positive, productive relationship with their children.

Fortunately, there are organizations already engaged in addressing the fatherlessness epidemic with innovative programs that are reconnecting fathers with their children, and solidifying relationships between men and their children. I ask the Subcommittee to indulge me as I tell you about one such program in my District. As it is often the case—a picture is worth a thousand words.

The Father Resource Program, a part of Wishard Health Services, in Indianapolis, Indiana has been serving young fathers for over five years now. The primary objective of the program is to enhance the capacity of young fathers to become responsible and involved parents, wage-earners and providers of child support. A secondary objective aims to assist both fathers and mothers in developing the skills and behaviors necessary to cooperate in the care of their children, regardless of the character of their relationship.

In its recent five year report, the Father Resource Program describes its success with one of its participants as follows:

Thomas Crowell heard about the Father Resource Program on the radio, came in and signed up for the six-week Job Readiness and Fatherhood Development class. At that time he was lacking regular employment, did not have a high school or GED

diploma and had substantial health problems. He was the father of one child with another on way, both by the same woman. While enrolled in the program, Thomas worked on his GED, tested and earned his diploma. Thomas better prepared himself for employment, fatherhood and college/vocational training. He established paternity. Thomas had an older brother in the Navy who recommended military service. He joined the Army and became a Private First Class and served in Kosovo. As soon as his assignment allows, he plans to begin enrolling in college classes through the Armed Services.

Madam Chairwoman, your bill would provide the opportunity for more success stories such as Thomas'. The successes at the Father Resource Center, and with other programs around the country, are proving that young men need only be given the guidance and the opportunity to better themselves, and to improve the lives of their children.

While I believe this bill is an excellent step in the right direction, I do have a few concerns I hope you will be mindful of as further development of the legislation takes place.

My first concern is one I know I share with Dr. Jeffrey Johnson about the eligibility requirements. Consideration ought to be given to simplifying the eligibility requirements for receipt of services. We cannot lose sight of the goal of getting resources and opportunities to fathers devoted to playing a role in the lives of their children. I am afraid that the eligibility requirements of the drafted bill will defeat the overall objective here—reconnecting fathers with their children. I ask the Subcommittee to seek the advice of those individuals operating successful fatherhood programs on how best to balance the limited financial resources with the compelling need of our Nation's children for father participation in their lives.

Another issue that has been raised with me is fathers' access to visitation with their children. Madam Chairwoman, responsible fatherhood, in my mind, is not just writing a check for child support. Fathers cannot fully participate in the upbringing of their children if they do not have access to their children. Young fathers in my District have expressed concern and dismay over visitation problems they have with their children's mothers. They tell me they have no rights in an expensive and time consuming legal system. They are often prohibited from seeing their children as a result of trespass statutes or protective orders.

In my judgment, a key to increased successful father involvement is access to visitation. Where visitation is increased, child support payments are increased. Conversely, in cases involving visitation disputes, child support arrears increase. I want to make it clear that I am not advocating that we should buy into the notion that child support payments are made for visitation privileges. I just don't think we can ignore the trend that fathers, who have access to their children, are more inclined to keep their child support payments current. I, therefore, recommend that the Subcommittee be mindful of the difficulty some fathers have in getting visitation. I will defer to the experts on how best to do this but I would suggest that fatherhood programs should, at a minimum, be encouraged to support fathers seeking visitation.

In Marion County in my District, there is a visitation coordinator assisting non-custodial parents with getting visitation through a process of mediation with the custodial parents. Getting parents to work out a visitation arrangement will only benefit the child in the long run by opening the lines of communication between the parents. I know, somehow, this will have to be a part of the effort to reconnect fathers with their children.

Lastly, I am concerned as to whether we will invest enough in the future of children with this bill. Too many children in this country desperately need their fathers' financial and emotional support. I encourage the Subcommittee to be as financially supportive as possible to this measure. We must use every available resource to inspire men to be committed, loving, and responsible fathers.

With that, Madam Chairwoman, I conclude my testimony. I trust I have made the case for this very important legislation. I thank you and the Subcommittee for your time.

Chairman JOHNSON of Connecticut. Thank you.

Actually, your comment about the suspension law is a useful one. Because one of the things we have to do, and we have talked about this extensively with arrearages, how do you create a certain amount of protection from that kind of possibility for fathers who indeed are in arrearages or haven't being paying their child sup-

port but who clearly haven't been doing it because they don't have a decent job and they can't meet their responsibilities and they are filled with fear, frustration and paralysis? So we are going to in the arrearages area, and it might be worth it in every other area, to protect them from some of these other penalties that we have put in place as long as they are participating in a program and taking their responsibility and beginning to make payments and so on. So we thought about that in some areas but not in all.

Let me just say, because we are going to have these votes, that the thing that I find most difficult in writing this legislation, so I hope you will kind of look at the wording of the legislation and share it with anybody in your territory that you want to, but we know we have a lot of resources out there. The Work force Investment Act made, for instance, our job training moneys far more flexible and thereby making a much greater difference in the lives of the unemployed and in the lives of women trying to move from welfare to work. It is easy to say you have to coordinate with that program.

I am concerned about how do we get this program to latch into the fact that basically 80 percent of the fathers of the babies born out of marriage are actually there and part of the relationship for a year or two, at least, I mean, statistically about a year or two, and this is particularly important in terms of black young people. They are there. They lose interest, they become disheartened, they become discouraged. I mean, there are lots of reasons why it begins to fade away. So how do we coordinate with paternity identity? How do we get that going right at that very first minute?

And one of the things—it is easy to see certain things, but as you talked, Clay, you mentioned, and you have all referred to the fact that they haven't grown up with the model of someone working: and you certainly did, Julia. But many of them aren't growing up not only with the model of someone fathering but also with the model of someone working.

But there is something else that has come to our attention, and I think it is very important, and we are going to really have to grapple with. They aren't growing up with any example of what a male-female relationship is. They don't know what fighting is OK between people and what isn't. They don't know how to disagree. They don't know how to come back together. And so how can they do that with their children?

And I think it was in your testimony, Senator, where the young man said, this has been so helpful to me in my relationship with the mother. And that is what we have in this bill, put some emphasis on—we have got to talk about marriage. We have got to talk about it not as a moral imperative and you are good if you do it and you are bad if you don't, but what are the skills you need in a marriage, just like what are the skills you need in a workplace. If you don't know that intuitively you can't do it.

So how do we develop, how do we make sure that these programs talk about some of those things? Because they are difficult. And what are the programs that you had exposure to that think they are doing this? Because they are out there. And so what can we learn from them to make sure we write the legislation properly? For instance, I am very interested in a child support enforcement

agency sending the fathers a statement at least every quarter about their payments, so they get some tangible sense of, look, I did this, just like with a bank account.

So let me yield to my friend Ben for his comments, and then we will resume the next panel as soon as the votes are concluded.

Mr. CARDIN. Well, Madam Chair, let me agree with your observations and again thank our three witnesses.

I think to a large extent the pass-through of child support to the family will help very much the noncustodial father to feel and be part of the family, and that is one of the reasons why in the draft legislation we emphasize that point, as we think that can help.

Julia, in regards to the driver's license issue, there has been a lot of good initiatives at the State level. The State of Maryland, we have that right to withhold the driver's license from the father who was not paying child support, and we use that tool very, very effectively. We rarely suspend a license, but the ability to be able to suspend a license if the person who is in arrearage of child support doesn't come forward with a workable plan has been a very valuable tool, and we had a hearing on that recently.

Clay, I agree with you. We need to proceed in a bipartisan way. And welfare reform, that you were very instrumental in, it may have been extremely controversial and it was extremely controversial, but there was a sense, a bipartisan sense that we had to move forward with changing our welfare system, and I think the same thing is true on the fatherhood initiative. We do have a bipartisan agreement that we haven't finished our work yet.

I just wanted to underscore the fact that there are many States that are doing some really great things on fatherhood initiatives, including my own State of Maryland. They are able to do that under some of our existing programs, whether it is TANF or welfare to work.

But what we want to do is underscore this need—I think, Senator Bayh, you said it best in your testimony—we want to make sure that we don't lose sight of encouraging States to come forward with new creative initiatives in this area, and we think this grant program can do that. We need to proceed on a very direct, bipartisan way to see that we stay within the parameters, so that the bill not only can pass the United States House of Representatives but that we also get it through the U.S. Senate.

So, Senator, we are going to be looking upon you to give us good advice on how we can steer this bill through in a way that we can get it passed and signed into law.

Mr. SHAW. Mr. Cardin, if I might comment briefly, this is new ground. There are some programs that are out there. I see some of them represented here by the witnesses seated in back of us here at the table.

We are going to have to try a lot of things. We are going to have to monitor a lot of things to see exactly what works. But the basis of any program has to be one of trying to get self-esteem in the person that you are dealing with. If someone has no respect for themselves, as many of these people don't, they are not going to be able to succeed. So you have got to, first of all, believe in yourself, and this is something that I think has to be the basis of all—do you

feel good about yourself, do you feel good about the fact you have a child, and there is a bonding there that takes place.

The only difference in these people that we need to reach out to and you and me is that we got a head start. We were exposed to family and to love and we had some self-esteem and we were not put down all the time. But these people are just as good as we are, but they just come from different backgrounds and different levels of learning, and this is where the breakthroughs have to be made, but we have got to make them. We are training these young mothers to, go into the workplace, and we are creating an imbalance by doing that if we don't reach out to the fathers, too. So we need to work very, very hard on this, and we will see some programs that aren't going to work, but that doesn't keep us from trying to do a better job.

Chairman JOHNSON of Connecticut. I think we have about 1 minute left, and so we are going to adjourn. We have two 5-minute votes after that, and then we will resume our hearing.

[Recess.]

Chairman JOHNSON of Connecticut. The Subcommittee will start. I understand Ben will be with us momentarily.

I welcome this panel to the hearing and appreciate your input. I know you have all seen the bill and will have some comments for us, and I appreciate your participation here today.

We will start with Mr. Ballard.

STATEMENT OF CHARLES A. BALLARD, PRESIDENT, INSTITUTE FOR RESPONSIBLE FATHERHOOD AND FAMILY REVITALIZATION

Mr. BALLARD. Thank you, Chairman Johnson, for this opportunity to be here today and for your leadership in moving this part of the agenda forward.

Before I get into my comments, I would like to introduce my staff. We have our members here from the district.

Why don't you just stand, all the institute staff, and my wife is here, Mrs. Ballard, who is my partner, the one in the brown suit there.

Chairman JOHNSON of Connecticut. Welcome, all of you.

Mr. BALLARD. You place a lot of emphasis on marriage and we certainly concur with that, and not just concur with that, but we actually take married couples and we place them back into the community that are in disrepair. And you indicated earlier that they don't see marriage, they don't see men, and so we are answering that by taking men and women back to the community to be the kind of model that were missing over the past few years.

When I grew up down south, you saw mostly two—homes that had two parents back in the fifties and today less than 40 percent of our homes have two parents in them. So marriage, good, loving marriage, not just marriage itself, but good, loving, compassionate marriages are the key to any type of programming. And so we applaud your efforts to really put this whole idea of marriage back into the family.

I want to just respond to some of the parts of the bill that I believe that if we can work with and correct, we can create better communities. You mentioned in your comments that as a con-

sequence of the failure of fathers to play a major part in a family, children, especially boys, repeat the cycle, school failure, delinquency and so on; we call that the sins of the fathers.

So we believe that in order to work with young fathers, we must also work with adult fathers. It is not just enough to help him get the job, but the older father who could work in the first place needs to have a sense of healing in his life.

You also indicated at least in the bill that we should work with the IV-Ds and the TANF and the like, and last year we got a grant from Labor of \$4.3 million, and we immediately went to the cities and States to work with TANF, to work with IV-D and so on.

I will give you three experiences that we had in trying to work with them. In one city the director refused to give us any names, I mean just outright refused. They changed since we wrote a letter to them, and some people got involved in them. In another city, the local agencies that were contracting with the State say we will give you names if you pay for the names. So they were put there for the purpose of helping families out, we have to pay them to get the names from them.

From the last one, we finally got some names, 257 names. We went out into the community knocking on doors and we only found 152 real names, the rest of them were duplications, people were dead and addresses were wrong. So even though they give us these names, many on the caseload didn't exist. Now we sent the names into the State explaining to them what we had done. That was over a year ago and they have not responded.

So it says how many of these cases are really real cases that we are paying people to manage. So we believe that if we are going to work with the IV-Ds and the like, we need to make sure it is not a coercive experience because some smaller agencies will have a hard time trying to get through the paperwork.

Now we made it because of our tenacity, and what we did, we went to the streets, gone to the community. We went outside of that area, so we knock on doors. And I would like to give you some stats in terms of what happened since October 1st of last year through June 30th.

We knocked on 7,000 homes around the country in our sites. We had 2,931 face-to-face contacts with individuals with these services, 1,695 individuals agreed to participate in our welfare-to-work program. 1,067 qualified based upon the welfare-to-work status. We enrolled because of our limited staff 755 in our company's assessment. Since October 1 we have placed in full-time employment, 402 individuals, we call proteges, and these are the hard to place, ex-convicts, ex-alcoholics, ex-drug addicts.

But the reason we were to do it is because we live in the community, and they see us. You made a comment earlier about the idea of the young men seeing the sermon in action. That is what I call it, the sermon. And I think what we have been able to do through our program is not just have success, but the success is based upon individuals, men and women, who are married to each other and they are living next door to those that they serve.

Chairman JOHNSON of Connecticut. Mr. Ballard, if I may, I forgot to mention at the beginning that especially with a large panel, the lights are unfortunately important, so if you could just—

Mr. BALLARD. Am I finished now?

Chairman JOHNSON of Connecticut. You are technically finished, but since I didn't tell you at the beginning, if you want to just use a couple of sentences to finish. I notice in your testimony, you have 5 recommendations for us to strengthen our legislation. And I think pretty much they are self-explanatory, although you might want to mention the Federal match, and we will get to that more in questioning anyway.

Mr. BALLARD. Yes. My concern when I first started 17 years ago, it was very difficult for us to qualify for Federal grants because we had to get the match, and even the match that was in kind was very difficult. I think if we are going to go into the inner city community and the grass roots organization, requiring a match that in many cases is cash and in kind may be foreboding. I would suggest a minimum of 15 percent, which will be mostly in-kind services.

Thank you.

[The prepared statement follows:]

**Statement of Charles A. Ballard, President, Institute for Responsible
Fatherhood and Family Revitalization**

Chairman Johnson, thank you for the bipartisan leadership you and Congressman Cardin, from my home state of Maryland, are providing to empower the fathers of America to build more loving and compassionate homes in which to raise their children. You have correctly noted that this agenda is the next and most challenging phase of welfare reform.

I commend you for the approach and objectives you have set forth with regard to uplifting marriage and parenting as a central goal in Fathers Count. This is a most welcomed development after more than three decades of federal policies that punished marriage and asset accumulation. These federal policies helped to create a 'miasma of fatherlessness' in America for our children. Fatherlessness a condition of violence, neglect and abandonment created when there is no loving, compassionate and nurturing father who is willing to care for and protect his children and their mother.

I also commend you for the attention given to the attendance of fathers at the birth of their first child, (I want to see the language expanded to birth of their children), and presume this to mean involvement by the father during pregnancy from the first trimester forward. If the man is loving and compassionate toward his child's mother during this critical stage of development, our research indicates it will have a tremendous effect on the outcome of the pregnancy, including reduced infant mortality.

I come before you today with more than 22 years of hands-on experience working with fathers of all ages, creeds, races and social status. Our organizational experience includes management, over the past 4 years, of the only national multi-site demonstration placing married couples in high risk communities, and providing intensive in-home services on a "24-7" availability basis, while living a risk-free life style. Request for our services have come from more than 70 communities. Your bill will help to catapult this movement to its full potential along with sound evaluation.

The following are five (5) recommendations that we believe would strengthen the proposed legislation:

1. Marriage:

Promoting good loving, nurturing marriages is a very good idea. Perhaps, no message coming out of Congress is so important as "promoting marriage and two parent families; and aggressively helping men become responsible parents." This, if appropriately funded, will do much to build sturdy communities, while reducing violence, poverty, educational failure, crime, child abuse and neglect, and a host of other problems.

Some will argue "just give the man a job and he will get married and care for his family." If a young, poor, uneducated father gets his education and gets a job, he will pay child support. In 1959, I walked out of a Georgia prison, a high school dropout, with a chronic stuttering problem, an undesirable discharge from the Armed Forces, and going back to segregated Alabama. Although, all of these strikes

were against me, I voluntarily went to the court with my former girlfriend and my mother to take legal responsibility for my abandoned five-year-old son.

My mother and others tried to talk me out of it. They told me that because of my prison record, dropping out of school and my undesirable discharge, I would not be able to get a job and care for my son, alone. However, I felt that since I had abandoned my son for nearly 5 years, no matter what, I should take full responsibility for his care. So, my son and I left Besseman, Alabama and moved to the Huntsville area. For the next year, I could not find a good paying job. However, we were never homeless or hungry, and most of all we had each other. Finally, in 1961, I went to work as a dishwasher at a local restaurant making \$21.00 a week! Two years later, I worked at a laundry making \$40.00 a week!

In 1964, I received my GED; and, in 1970 a BA degree in Sociology and Psychology. In 1971, I sent my son to a private Christian School; and in 1972 I received a Master's Degree from Case Western Reserve University in Cleveland, Ohio. Today, my son is 44 years old, is married, and has four children and two grandchildren. He has a Master's Degree and works at a Human Service Agency.

Today, I am happily married to the former Frances Hall, and we have three children, Jonathan (14), Lydia (12), and Christopher (5). My wife and I manage the Institute for Responsible Fatherhood and Family Revitalization together. Why do I tell you this story? Well, my heart was changed in prison. From that point on I said to myself, "I want to father my son, differently. I want to do more than pay child support—I wanted to make a difference."

There are many young and old men who have good paying jobs. However, they avoid getting married and paying child support. There are many men who are well educated, have good paying jobs and are married. Many of these men divorce their wives and children and refuse to pay child support, sending their children into poverty. So just having a job doesn't mean that a man will get married or if he is married, will care for his family. What is missing in these men's lives is a change of heart, a change of attitude. Then marriage, fidelity, love, affection, nurturing and compassion will have real meaning.

We must promote marriages that are made up of this kind of good stuff. Then men will get married and care for their families until death. This is a relatively new area for the American welfare reform system, and there needs to be clear curriculum regarding marriage and dealing with the economic situation of fathers. If we do not invest in the most promising practices with demonstrated track records and clear-cut performance measures, I am concerned that an unintended consequence could be to replicate the failed experience of major federal expenditures in the area of teen pregnancy and similar programs.

2. Projects of National Significance:

I believe that in order to give the national fatherhood programs real significance, we must provide real resources so that they can reach a larger number of fathers. Therefore we recommend that the \$5 million level presently set aside for "Projects of National Significance" be extended for each of the four years of the demonstration. This would allow national projects to reach critical mass of greater depth and further impact across five cities instead of only three. Multi-site data on marriage, employment, paternity, and other indicators could help generate best practices for the newer programs. By following this recommendation the lives of thousands of fathers and many more thousands of children will be positively affected, not only would the approach reduce welfare rolls, but would create healthier economical outcomes for children.

3. The Fathers Presence At Birth Of All Children:

The enrollment of 50 percent of participants at the time of the child's birth should not be conditioned to just "the first child." Whether it is the first or third child, father presence is equally needed. "Responsible fatherhood" to many men is a new concept, when you expand it beyond paying for the rent, food, clothing and similar house related expenses. Some fathers may already have one or two children for whom they were not present at the birth. This will be a new and rewarding experience for them to be a part of, even if this is their third or fourth child.

4. Non-Federal Funding Match:

Regarding the non-federal funding match, we are concerned that smaller grassroots organizations may have difficulty achieving this requirement. Reducing this to a 15% match would ameliorate this concern, since the match appropriately includes both cash and in kind contributions.

5. Need For Improvement Regarding Welfare To Work Amendments:

The greatest area of needed improvement in this fine legislation is not in the Fathers Count title but in the second title regarding Welfare to Work Amendments. We strongly oppose the proposed requirement to mandate personal responsibility contracts that government has used throughout its conventional poverty programs. Mandating enforcement and rigid governmental oversight through the state 4-D child support agencies would be an anathema to grassroots operations, such as ours, and like entities. I believe that the requirement that projects be coordinated with the child support enforcement agency, the TANF agency, and the agency conducting Workforce Investment Act Programs will reduce the success of this project. Case in point, in 1998 the Institute received a 4.3 million-dollar grant from the Department of Labor. We went to the above agencies across the country and the results were less than encouraging. If we had to wait on these agencies, our success would have been greatly diminished. Instead, we took to the streets, knocking on doors to find fathers to work with. Note the results below. Since October 1, 1998 the Institute for Responsible Fatherhood and Family Revitalization has had the following results with the very difficult to place fathers:

1. Out of 7,000 homes reached through door to door efforts we had 2,931 face to face interview with proteges (recipients of service).
2. 1,695 proteges agreed to participate in the program.
3. 1,067 proteges qualified for the Welfare to Work program.
4. 755 were enrolled through our comprehensive assessment.
5. 402 proteges were placed in full-time, unsubsidized employment.
6. The average hourly rate is \$7.17
7. The average hourly wage in Washington, DC is \$8.14
8. Our national retention rate is 70%

The most important parts of this legislation are:

1. That men and women see good, healthy marriages as good for the children mothers and fathers.
2. That men show their children how much they love them by respecting and honoring the children's mother;
3. That men find and retain gainful employment and provide financial support to their children through the courts;
4. That men eliminate violence and child abuse in their homes;
5. That all fathers whether married, single, or divorced, addressed by this legislation spend nurturing, loving and quality time with their children, while providing them with a sense of security.

All organizations applying for these funds, who agree to reach these objectives will meet the goal of this legislation. We do support the bill's encouragement of voluntary paternity acknowledgment. In our program, fathers volunteer to pay through the courts, so that the child's mother gets credit. Case Western Reserve University and the University of Tennessee, in two independent evaluations, documented this markedly increased child support by fathers enrolled in our program.

We applaud the very positive changes regarding pass-through of child support arrears, that would create an incentive for responsibility, rather than another stifling hand of the state that would drive more fathers underground.

Across America, we have engendered a new movement of responsible fatherhood. And, we are ready for the challenge of assisting this Congress in ushering in a new era. We strongly promote the premise that a loving and compassionate marriage is the most successful home environment to break this vicious cycle of fatherlessness.

Thank you for your leadership in empowering grassroots community-based organizations to meet this challenge.

Chairman JOHNSON of Connecticut. Thank you, and we will get back to some things in discussion hopefully.

Ms. Turetsky.

**STATEMENT OF VICKI TURETSKY, SENIOR STAFF ATTORNEY,
CENTER FOR LAW AND SOCIAL POLICY**

Ms. TURETSKY. Chairwoman Johnson, and Members of the Subcommittee, I very much appreciate the opportunity to testify today about the proposed Fathers Count Act of 1999. I am a senior staff

attorney at the Center for Law and Social Policy, or CLASP, and before working at CLASP, I was employed by MDRC, where I helped implement the Parents' Fair Share pilot project for unemployed noncustodial parents of AFDC children.

In particular, I helped design and implement the child support features of that project. I saw firsthand how challenging and yet how worthwhile it is to develop strong collaborative relationships among community-based organizations, child support offices, TANF agencies and job training agencies; all mobilized to help fathers. Sometimes those collaborations were more successful than others, and sometimes the States were able to bring funding into the project in a way that enhanced services for noncustodial parents.

And I also heard directly from many noncustodial parents, mostly dads, about their affection for their children, their hope for getting good work and their suspicion of the child support system.

My testimony today won't focus much on the vision of the Fathers Count Act. We compliment the Subcommittee on its bipartisan approach to fatherhood and we especially appreciate the focus on low-income fathers, the emphasis on child support distribution policies, and the demonstration and evaluation aspect of the legislation. We also appreciate the increased flexibility of welfare-to-work provisions.

Instead of focusing on vision today, my focus will be more prosaic, identifying ways to strengthen the policy and technical aspects of the proposed legislation.

My primary recommendation is to increase the flexibility of the program to encourage innovative, well-designed projects and to encourage States to participate in those projects. As Wendell Primus described in his written testimony, the name of the game here is collaboration. Projects which are designed to require collaboration among community-based organizations, State agencies and local agencies will produce better, more responsive State policies and practices.

In this light, it is important to include the State child support program as a demonstration partner. Under the proposed legislation, the State TANF agency and work force investment board must be formal project partners. The State child support agency should also be made a formal partner.

There are two reasons why. First, implementation of the child support component of the project will require a substantial commitment by the child support program. Second, the Parents' Fair Share demonstration findings indicate that the most successful programs were those where the child support agency was actively involved.

My second recommendation is that the legislative language limiting participation to fathers be expanded to allow for participation by mothers and custodial parents. A number of innovative fatherhood programs, including, I believe, Mr. Ballard's program, include the joint participation of the mothers of the fathers' children, in other words, the custodial mothers, to help those fragile families strengthen those relationships, share parenting responsibilities, reduce conflict and consider marriage.

Yet the statutory language would appear to preclude joint participation by both parents in a coparenting or marriage component.

In addition, noncustodial mothers may be in exactly the same boat as noncustodial fathers, depending upon the particular circumstances and services offered by the project. Projects should be allowed to provide services for this range of individuals depending upon the project's design and purpose.

Third, project eligibility rules should be clarified and harmonized with welfare-to-work requirements. There are two points here. First, the legislation ties the father's eligibility to his child's current public assistance status and there is a 24-month lag allowed. But if the child loses eligibility—no longer qualifies under the terms of the law—the project has to stop serving the father mid-stream as it were. The language should be clarified to allow for the father's continuing project participation even once initial eligibility has been established.

Second, a community-based organization running a fatherhood program might operate with a variety of funding streams, and it is easier for those programs to have more flexible funding streams that allow for similar eligibility requirements.

My fourth recommendation is to expand the flexibility of projects and States to test child support innovations and to clarify the legal support to pass through child support to families in the project. The legislation should include more flexibility as well, particularly passing through support while the family is still receiving assistance.

Current family first distribution rules generally allow for post-TANF distribution, so the language in the proposal needs to be tweaked.

Fifth, the legislation should be clarified and include more project flexibility concerning cancelation or suspension of arrearages. There are a number of good approaches here in addition to outright cancelation and a number of policy considerations.

In sum, we think the legislation is headed in the right direction, and we recommend for the longer term, across the board changes in the distribution laws to allow for full distribution of child support to families.

Thank you.

[The prepared statement follows:]

Statement of Vicki Turetsky, Senior Staff Attorney, Center for Law and Social Policy

The proposed legislation creates demonstration grant projects that focus on low-income fathers and their children, increases the flexibility of the Welfare-to-Work program, and provides needed penalty relief to states that failed to meet the deadline for implementing the State Disbursement Unit (SDU) for child support payment processing.

The goals of encouraging marriage, promoting good parenting, and improving the economic status of low-income parents are shared by CLASP. CLASP supports a demonstration project approach to new fatherhood funding. In addition, CLASP supports the focus of the Subcommittee on distributing more support to families. However, we have a number of recommendations regarding the proposed legislation:

- It is important to include the state child support program as a demonstration partner.
- Project participation should not be restricted to fathers.
- The language should expressly allow states to spend TANF MOE funds as the 25 percent non-Federal match.
- Project eligibility should be clarified and harmonized with Welfare-to-Work requirements.
- The legislation should increase the flexibility of projects and states to test child support innovations designed to help low-income parents and their children.
- State authority to pass through support to families should be clarified.

- Distribution of arrears paid by project participants may be difficult to implement on a small scale.
- The language should clarify whether projects should cancel or suspend payment of arrearages.

Chairwoman Johnson and Members of the Subcommittee:

Thank you for this opportunity to testify today about the proposed “Fathers Count Act of 1999.” I am a Senior Staff Attorney at the Center for Law and Social Policy. CLASP is a nonpartisan, nonprofit organization engaged in analysis, technical assistance and advocacy on issues affecting low-income families. We do not receive any federal funding. My focus at CLASP is child support. Before working at CLASP, I was employed by Manpower Demonstration Research Corporation (MDRC), and helped implement the Parents’ Fair Share (PFS) pilot project for unemployed non-custodial parents of AFDC children.

The Subcommittee’s proposed legislation creates demonstration grant projects that focus on low-income fathers and their children and increases the flexibility of the Welfare-to-Work program. The goals of encouraging marriage, promoting good parenting, and improving the economic status of low-income parents are shared by CLASP. CLASP supports a demonstration project approach to new fatherhood funding. Research results from the Parents’ Fair Share and other demonstration projects suggest that there is much to learn about helping the poorest fathers improve their economic and parenting prospects. The child support provisions of the proposed legislation recognize the negative impact of current child support assignment and distribution policies on low-income parents and their children, and aims to increase the amount of support distributed to families.

The proposed legislation creates a federal competitive matching grants program available to public and private entities for projects designed to promote marriage, to promote successful parenting, and to help fathers improve their economic status. To participate in a project, an individual must be (1) a father of a child receiving (or previously receiving) TANF, Medicaid, or Food Stamps, or a father (including an expectant father) with income below 175 percent of poverty. The proposed legislation includes a \$36.356 million appropriation for the grants program (including project grants, evaluation, and federal administration) and an additional \$15 million appropriation for three grants to national non-profit fatherhood promotion organizations.

The legislation also amends the Welfare-to-Work program and provides penalty relief for states failing to meet the State Disbursement Unit (SDU) deadline under the child support program. We generally support these changes.

My testimony today will focus on a number of recommendations to strengthen the policy and technical aspects of the proposed legislation creating a fatherhood grants program under title I of the bill. My primary recommendation is to increase the flexibility of the grant program to encourage innovative, well-designed projects and to encourage states to participate in those projects.

It is important to include the state child support program as a demonstration partner (Sec. 442(a)(2).) Grant applications are required to include a written commitment by the state TANF agency and the local Workforce Investment Board to assist in providing employment and related services. Grant applications also should include a formal commitment by the state child support agency.¹

There are two main reasons why the state child support program should be included as a formal demonstration partner. First, demonstration projects must include a child support component requiring the substantial commitment and cooperation of the child support program. Second, Parent’s Fair Share demonstration findings indicate that the most successful programs included an active child support program. The sites with strong child support agency partners were among the most successful in obtaining high participation rates, implementing on-the-job training, and increasing child support payments.² According to MDRC’s interim evaluation report, “Sites in which the child support agency played a leading role in PFS showed flexibility in developing new approaches to monitoring the status of cases and encouraging participation in program services.”

Project participation should not be restricted to fathers. (Sec. 442(a)(2)(A) and (B).) Clearly, the majority of low-income noncustodial parents are fathers, and grant projects will be aimed primarily at low-income fathers. However, the statutory language limits participation to fathers. It may be useful for the Subcommittee to con-

¹Sec. 442(c)(4) provides that not less than 75 percent of the aggregate amounts paid as grants shall be awarded to entities whose applications include written commitments by the entity and the state child support program to coordinate the project.

²Doolittle, F., Knox, V., Miller, C., and Rowser, S., *Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents’ Fair Share* (New York: MDRC, Dec. 1998), ES-16-17, ES-24, and 93.

sult with legal counsel to assure that the limitation does not impair Constitutional protections. As a policy matter, the language should be expanded to authorize projects to provide services to (1) low-income noncustodial parents, including fathers and mothers, and (2) custodial parents when the projects include a co-parenting component. Like noncustodial fathers, noncustodial mothers often have very low income levels and face multiple barriers to employment, parenting and marriage. About 2 percent of Parents' Fair Share participants are noncustodial mothers.

In addition, a number of innovative fatherhood programs include the joint participation of the partner or former partner of a noncustodial father—the custodial mother of his child—to help those fragile families strengthen their relationships. Many poor fathers and mothers are capable of building workable partnerships to help each other support and raise their children. These programs can help couples share parenting responsibilities, reduce conflict, and consider marriage. Yet, the statutory language would appear to preclude joint participation by both parents in a co-parenting or marriage component.

Project eligibility should be clarified and harmonized with Welfare-to-Work requirements. (Sec. 442(a)(2)(A)). Under the current language, a father must have a child who is currently receiving TANF, Medicaid or Food Stamps. This language should be clarified to allow for the father's continuing project eligibility once initial eligibility has been established, even if his child's public assistance status changes.

Potentially, an entity operating a fatherhood program might operate with a crazy-quilt of participant eligibility requirements from at least three separate federal funding streams. The Subcommittee should consider whether to harmonize or coordinate the eligibility rules for fatherhood project grants, Welfare-to-Work services under section 301, and TANF funds. For example, only fathers are eligible under the fatherhood project, while projects for noncustodial parents could qualify for Welfare-to-Work and TANF funds. Under the fatherhood projects, the child has to be a recipient of TANF assistance or services, Medicaid, or Food Stamps, or has to have received such assistance within the past 24 months. By contrast, under the Welfare-to-Work provision, the child has to be (1) a recipient of benefits under the TANF program within the past 12 months, or (2) currently eligible for or receiving Medicaid, Food Stamps, Supplemental Security, or child health assistance under title XXI.

In addition, the Welfare-to-Work program requires the noncustodial parent to comply with a personal responsibility contract, while the fatherhood project program does not have a similar requirement. The Welfare-to-Work program allows for job skills training, vocational educational training and basic education, while TANF participation rates exclude these activities.

The language should expressly allow states to spend TANF MOE funds as the 25 percent non-Federal match. (Sec. 442(a)(4)). This would improve the ability of project entities to meet the matching requirement and encourage state participation by helping states meet their maintenance of effort (MOE) obligation under the TANF program.

The legislation should increase the flexibility of projects and states to test child support innovations designed to help low-income parents and their children. (Sec. 442(c)(2).) CLASP endorses the concepts behind the proposed legislation: to distribute child support arrears to families and to compromise state-owed arrears that are not based on the noncustodial parent's ability to pay. As I testified before this Subcommittee on April 27, 1999, new public investments in fatherhood programs may be met with only limited success unless we begin to treat child support as part of the family's own resources, rather than as an offset to public welfare costs.

However, there are some practical difficulties raised by the proposed legislation which would require the commitment of significant resources by the child support program and create inflexible project designs. This inflexibility may discourage states from committing to the grant projects. In addition, those child support policies given preference under the grants program are unduly limited, and could preclude testing other innovative approaches to child support that would help noncustodial parents and their children.

Instead, the legislation should be written more broadly and flexibly to require projects to take actions designed to encourage or facilitate the payment of child support, without prescribing a specific type of action. The following actions might be listed as examples in the statute: (1) full distribution of pre-and post-TANF arrears to families, (2) distribution of support while the family is receiving TANF, (3) incentives for paying support, such as TANF disregards and matching payment policies, (4) setting the initial orders of project participants based strictly on ability to pay, (5) expedited review and modification procedures for orders and arrears, (6) compromising, forgiving, or suspending arrearages upon project participation or when the parents marry; (7) dispute resolution mechanisms, (8) dedicated child support staff

assigned to project participants, and (9) community-based outreach and “house call” policies.

State authority to pass through support to families should be clarified. (Sec. 442(c)(2); sec. 101(b)) The legislation requires the Secretary to give preference in awarding grants to projects which will be “carried out in jurisdictions that have the authority to pass through all child support arrearage payments” made by project participants to mothers with earned income and who do not receive TANF assistance. A conforming amendment would amend the child support distribution statute, 42 U.S.C. 657, to require the state to distribute arrearages to the family if the father is participating in a funded fatherhood project.

As a technical matter, the conforming distribution amendment does not mirror the grant preference language, creating contradictory authorities. The grant preference section implies that states have the discretion to distribute all arrearage payments to former TANF families, while the conforming distribution amendment requires full distribution to the children of project participants. In addition, the grant preference section allows full distribution to the children of project participants only if the mother is not receiving TANF cash assistance and has earned income, while the conforming distribution amendment requires full distribution to the children of project participants regardless of the mother’s current TANF and earnings status. In addition, state child support programs will have a difficult time ascertaining whether a post-TANF custodial parent has earnings.

Distribution of arrears paid by project participants may be administratively difficult to implement on a small scale. Under existing federal laws, states are required to follow a complex automated distribution regimen for arrearage payments made after the family leaves TANF. While the “families first” child support distribution policy is an important first step in allowing families to treat child support as family income, it is extremely complicated and costly to administer in practice. When fully implemented, the federal law will require states to maintain ten accounting “buckets:”

- Once a family leaves TANF, current monthly support and arrears accruing after the assistance period (post-assistance arrears) are paid to the family.
- However, arrearages that accrued while a family received AFDC or TANF (during-assistance arrears) belong to the state.
- Arrears that accrued before the family went on TANF (pre-assistance arrears) may belong either to the state or the family, depending on time period and subsequent receipt of assistance.
- Arrearage payments collected through federal tax offset program are applied to the state’s debt before the family’s debt, while arrearage payments collected through other means are applied to the family’s debt first.

State child support administrators and advocates are generally supportive of simplifying post-TANF distribution rules by distributing all arrears paid by noncustodial parents to their children. However, piecemeal and small scale changes to the distribution rules will further complicate an already difficult-to-manage scheme. It may not be affordable or feasible to make changes to the state’s automated child support computer in order to accommodate project policies that can not be implemented on a statewide basis. This means that participating states would probably assign staff to manually distribute child support for project families. This may be something a state is willing to do in a project context, but the need to assign dedicated staff does argue for greater state flexibility, particularly in light of the high caseloads and constrained staffing resources normally experienced by child support program.

It is unclear whether projects should cancel or suspend payment of arrearages. (Sec. 442(a)(2)(B) and (3)). There are a number of approaches a state could take to relieve noncustodial parents of high arrearage debts. For example, a state could review participants’ support order, reducing both the monthly support obligation and accumulated arrears. It could suspend the support obligation, preventing further accumulation of arrears during project participation. It could suspend collection activities during participation. It could cancel all state debt charged to the noncustodial parent that is unrelated to his ability to pay (such as Medicaid birthing costs). It could offer an amnesty deal, canceling outright all state-owed arrears.

However, the statutory language is not completely clear about the treatment of arrears during participation. One section requires the Secretary to give preference to projects in which the state child support agency has committed to canceling outright all state-owed arrears. Another section requires that 75 percent of grant funds be spent on projects where the state child support agency has committed to a policy of suspending state-owed arrears owed by a project participant so long as he is making timely payments or is married to the custodial parent. In addition, the outright cancellation of all state-owed arrears may not always be appropriate for all fathers

whose children received assistance. For example, a state may be unwilling to cancel all arrears when the noncustodial parent had the ability to pay some or all of the support order, but failed to pay.

In sum, while we think Subcommittee is headed in the right direction by creating a fatherhood demonstration grants program that includes a focus on distributing child support to the children of noncustodial parents, we encourage the Subcommittee to include child support programs as demonstration partners, to broaden the flexibility of projects to test a range of child support innovations, and to better harmonize participant eligibility requirements among the grants program, Welfare to Work, and TANF programs.

Chairman JOHNSON of Connecticut. Thank you very much for your instructive suggestions. We will get back to some of them.

Mr. Henry.

STATEMENT OF RONALD K. HENRY, PARTNER, KAYE, SCHOLER, FIERMAN, HAYS & HANDLER, ON BEHALF OF MEN'S HEALTH NETWORK

Mr. HENRY. Thank you. I would like to begin by thanking the Chair and the Subcommittee Members for the opportunity to testify on behalf of this important legislation. I am Ron Henry, with the Men's Health Network.

For too long Congress ignored fatherhood or punished it with burdens like the "old man in the house rule" where we told low-income fathers that they weren't just useless, they were worse than useless, because only by leaving would we then render their children eligible for any assistance.

Well, beginning with the 1996 welfare reform legislation which passed with the strong support of both parties, Congress has returned to a recognition that fathers are important to children and, instead of driving fathers away, the States are now permitted to use their block grants for any purpose which encourages two-parent family formation or preservation.

But the States need some guidance because they haven't really understood how to use that new authority and that is why the Fathers Count Act of 1999 is so important, not only for the projects that it will fund, but also because those programs can become models for the second round of welfare reform that the States are only now beginning to understand.

We know that the Federal Government currently spends billions of dollars each year in its effort to enforce child support collection and, although the Fathers Count Act of 1999 is only a few drops compared to that flood of funding, I believe that these drops will be disproportionately effective in creating benefits for children and will result in an important increase in the well-being of children for one simple reason. This is the first piece of legislation, the first Federal program that views fathers as parents with needs and limitations and concerns, rather than merely as debtors or deadbeats.

We know that many fathers are overwhelmed by the legal system. We know that many child support orders are entered in default judgment proceedings and result in unsustainably high child support awards because the court simply assumes a level of income that really doesn't exist. We know that almost none of the low-income obligors are represented by counsel but nobody has been talk-

ing to these men as fathers who want to do the best they can for their children. Doing the best they can means more than simply increasing the flow of child support dollars.

Regardless of the social pathology that is under consideration, whether it is teenage pregnancy, suicide, drug abuse, low self-esteem, school dropout, or any of our other social problems, we know from research that every one of them is causally linked to father absence. Children need their fathers and the Fathers Count Act of 1999 gives us the opportunity to fill that need.

To maximize the effectiveness of the act, please let me respectfully offer a few suggestions. First, the act needs to be specifically geared toward promoting and rediscovering the social importance of fatherhood. As Professor Mead of New York University so eloquently expressed it, “it doesn’t matter so much what your father does, but whether you have a father.” We know from the research that Professor Mead is right. Every problem we have looked at is so closely linked to father absence as you heard earlier from the other Members of Congress who testified.

The Fathers Count Act of 1999 can help, but it needs to be directed to the social dimension of reconnecting fathers and children. We know that the planned grants don’t have enough money in them to create another broad-based jobs program or training program. We do, however, have enough money available to us to raise the flag of fatherhood in communities all over this country and give these men a reason—the love of a child—to improve their education and their economic status through the training and employment programs that Congress has created and funded over the years such as the Work Force Investment Act that was earlier mentioned.

What the programs under the Fathers Count Act of 1999 need to do first is to connect the fathers to the children and then use that connection to further connect the fathers to economic improvement programs. To do this we need peer counseling. We need mentoring, parenting training, case management support, child development training, custody and visitation counseling, and assistance in obtaining access to other social services.

I want to emphasize that last point for a moment because it is probably the area where there is the greatest need right now. We have a great many social programs in place for which fathers are lawfully eligible but for which fathers are not welcomed to participate.

Take, for example, the Head Start program. Until about 2 years ago, Head Start simply didn’t acknowledge the existence of fathers. In the last 2 years, some of the Head Start programs have started to say, “hey, you know, these kids have got fathers” and the programs are starting to bring these fathers in with remarkable results. The fathers are volunteering, the fathers are at the centers, the fathers are helping the children with their developmental tasks. It is good for the children, it is good for the fathers, it is good for the country. We know that we need to use the Fathers Count Act of 1999 to develop and demonstrate specific strategies for success with fathers that will accelerate the trend toward the inclusion of fathers in social services programs.

Second, in keeping with the desire to encourage two-parent family formation and preservation, there is a small change that is needed regarding the child support arrearage language.

We need to address arrearages not only where child support is being paid by a nonresidential parent, but also in situations where that parent has come to reside with the child. You had written testimony presented in writing to you just 2 weeks ago about a gentleman in Texas who is living with his child, and is taking care of all of the needs of the child, but who is still being pursued by the Texas child support enforcement people for an arrearage that arose years earlier. When there is not enough money to go around, we need to make sure that, first, we are putting food into the mouth of the child and not taking food away by worrying about accounting or statistics for arrearages.

Third, please don't be overly proscriptive about grant eligibility. There are a number of things in the statute, and we have prepared specific proposed markups for your consideration, where the prescriptive provisions in the legislation will deter participation and make it difficult for some of the most innovative programs to be utilized.

Fourth, with respect to the welfare-to-work program, we again need to avoid being unduly restrictive or prescriptive. I believe, and we have prepared markup legislation to help with this, that a small adjustment to current legislative language will remove barriers and will result in more father participation simply by allowing mothers and fathers to participate on a nondiscriminatory basis.

In closing, let me again thank the Chair and the Subcommittee for initiating this most important and long overdue legislation. The fathers of America will thank you, the mothers of America who regret the loss of fatherhood will thank you, and most of all the children of America will thank you.

[The prepared statement follows:]

[Attachments are being retained in the Committee files.]

Statement of Ronald K. Henry, Partner, Kaye, Scholer, Fierman, Hays & Handler, on behalf of Men's Health Network

I would like to begin by thanking the Chair and Committee Members for the opportunity to testify in support of this important legislation. For too long, Congress ignored fatherhood or punished it with burdens like the old "man in the house rule." Under that rule, we told low income fathers that they were worse than useless because only by leaving the family could a father gain any form of assistance for his children. Beginning with the 1996 Welfare Reform legislation, Congress has returned to the recognition that fathers are important to children and, instead of driving fathers away, the states are now permitted to use block grants for any purpose which encourages two parent family formation or preservation.

The "Fathers Count Act of 1999" is important not only for the programs that it will fund but also because those programs will become models as the states move into the second round of welfare reform and begin their efforts to encourage two parent family formation and preservation.

The federal government currently spends billions of dollars each year in its efforts to enforce child support collection. Although the Fathers Count Act of 1999 is only a few drops compared to the flood of federal funding in child support enforcement, I believe that the programs under the "Fathers Count Act of 1999" will have a disproportionately large impact for the benefit of children and for the reconnection of fathers with their children. The reason for this disproportionately large impact is that the "Fathers Count Act of 1999" is the first federal program that views fathers as parents with needs, limitations and concerns rather than merely as debtors and deadbeats.

We know that many fathers are overwhelmed by the legal system. We know that many child support orders are entered in default judgment proceedings and result in unsustainably high child support awards because the court assumes a level of income that does not really exist. We know that almost none of the low income obligors are represented by counsel. No one has been talking to these men as fathers who want to do the best they can for their children.

Doing the best that they can for their children means much more than simply increasing the flow of child support dollars. Regardless of the social pathology under consideration, whether it is teenage pregnancy, suicide, low self-esteem, drug abuse, poor academic performance, school dropout, or any of the other social problems on which we spend billions of dollars each year, social science research shows that every one of these problems is causally linked to father absence. Children need their fathers and the "Fathers Count Act of 1999" gives us an opportunity to help fill that need.

To maximize the effectiveness of the Act, please let me respectfully offer a few suggestions.

First, the Act needs to be specifically geared toward promoting and rediscovering the social importance of fatherhood. As Professor Mead so eloquently expressed the problem for children, "it does not matter so much what your father does but whether you have a father."

The "Fathers Count Act of 1999" needs to be directed to the social dimension of reconnecting fathers and children. The planned grants do not have enough money to simply create another jobs program. We do, however, have enough money to raise the flag of fatherhood in communities all over America and give these men a reason—the love a child—to improve their education and economic status through the various training and employment programs that Congress has created and funded over the years. Programs under the Fathers Count Act of 1999 should first connect fathers to children and then use that connection to further connect fathers to economic improvement programs.

To do this, we need peer counseling programs, mentoring, parenting training, case management support, child development training, custody and visitation counseling, and assistance in obtaining access to other social services programs which can help these men become better fathers.

In some ways, providing assistance in obtaining access to other social services may prove to be the most important part of the Fathers Count Act of 1999. All of us at the witness table have heard too many stories of fathers turned away from social programs not because they were ineligible but simply because program administrators were used to dealing with mothers and did not know how to deal with fathers. For example, it has only been within the past two years that the Head Start program has begun to show any willingness to include fathers in its activities. There has never been any legal impediment to father participation but local Head Start offices simply never thought of fathers being connected with or interested in their children. The "Fathers Count Act of 1999" will develop and demonstrate specific strategies for success with fathers and will accelerate the trend toward the inclusion of fathers in social services programs.

Second, in keeping with the desire to encourage two parent family formation and preservation, a small change in the language regarding adjustment of child support arrearages is also needed. We need to address the question of arrearages not only when the father is making current child support payments, but also when the father is living with the child. Just two weeks ago, for example, this Committee received written testimony from a Texas father who is being pursued for child support arrearages even though he is living with the child and is providing for all the child's needs on a current basis. In other words, we have a situation where the bureaucracy is working to take food out of the child's mouth today in order to recover the cost of welfare assistance in prior years. Where there is not enough money to go around, we need to recognize that it is more important to use the available money to encourage marriage and to support the child today rather than just generate good statistics on the collection of arrearages.

Third, we must not be overly prescriptive about the conditions for grant eligibility. If grant eligibility is unduly conditioned on concessions and commitments made in advance by state bureaucracies, many worthwhile programs will not be funded. The "Fathers Count Act of 1999" should conduct demonstrations that will show state bureaucracies why they should change their procedures and should recognize that many states will be reluctant to change their procedures prior to the demonstration.

Fourth, the welfare-to-work program already provides eligibility for non-custodial parents. To the extent that non-custodial parent participation is not already occurring, it is because state agencies are not used to thinking about fathers on an equal footing with mothers and have had no encouragement to enroll fathers on a non-

discriminatory basis. We must not exacerbate this problem by making it appear that finding and qualifying fathers will be more trouble than it is worth. A better solution requires only a simple amendment to existing law to make it clear that welfare-to-work program eligibility applies "to both mothers and fathers on a nondiscriminatory basis." Child support will automatically be withheld from any program participant's earnings just as is the case with any other obligor. Any other administrative or qualifying requirements will only add burden that will diminish agency cooperation.

In closing, let me again thank the Chair and Committee Members for initiating this most important and long over due legislation. Fathers of America will thank you, the mothers of America who regret the loss of fatherhood will thank you and, most of all, the children of America will thank you.

Chairman JOHNSON of Connecticut. Thank you.
Dr. Primus.

STATEMENT OF WENDELL PRIMUS, PH.D., DIRECTOR OF INCOME SECURITY, CENTER ON BUDGET AND POLICY PRIORITIES

Mr. PRIMUS. Chairman Johnson and Members of the Subcommittee, thank you for the opportunity to testify on this fatherhood legislation. The center supports the basic goals of this proposed legislation. We believe that further steps can and should be taken by the Federal Government to promote the development of effective strategies for encouraging marriage, strengthening fragile families and increasing the likelihood that children will benefit from the financial support as well as the personal involvement of two parents.

Research shows that children reared in single-parent families are at greater risk of adverse outcomes than those raised in two-parent families. At the same time, we recognize that many children will continue to be raised in single-parent households. Efforts to promote financial support and personal involvement of noncustodial parents in the lives of these children are likely to be successful only if they reflect a comprehensive approach that includes a broad array of employment services for such parents, including publicly funded jobs when necessary to help them make the transition into unsubsidized employment.

I commend you for this bill in sending the message that government policy should acknowledge the importance of noncustodial parents, primarily fathers, assuming financial child rearing and emotional responsibility for their children.

Given the unavailability of financing for broader efforts to promote fatherhood or assist noncustodial parents in meeting their parental responsibilities, this bill represents a good first step, although much more remains to be done. There is much we need to learn about how government policy should be structured and coordinated in a way that succeeds in assisting noncustodial parents.

Let me just briefly mention the other provisions in the bill. We support the provision reducing the State child support penalty for not having a State disbursement unit fully operational. We also believe that your amendments to the welfare-to-work program are necessary. We are somewhat concerned that the section on employment appears in looking at the provision regarding personal responsibility contracts for noncustodial parents, we are concerned

that this only emphasizes unpaid work activities, perhaps to the exclusion of subsidized employment strategies.

I would also urge you to put within this title an amendment to IV-D, a conforming amendment, to ensure that information on noncustodial parents is shared from the IV-D program to the welfare-to-work program. And I would also believe that you should allow spending under this act to continue through 2002, even if you don't have any—additional financing is available.

My primary concern with the bill as currently drafted is that it defines the problems with the current employment welfare and child support systems for low-income families too narrowly. The bill needs to recognize that the problem of financial and emotional lack of support by noncustodial parents of their children extends beyond child support arrearages. As a result, the pilot project should be encouraged to test a broader and bolder range of solutions. The model described in the legislation emphasizes one of many options although many other options are available. In general I think this title is too prescriptive.

Based upon my work over the last 2 years, I am convinced that if fragile families are to be strengthened and if noncustodial parents are to be more involved in the lives of their children, employment, child support and welfare policies together need to be considered comprehensively. The provision of fatherhood services, an underlying premise of this bill, is a critical component of any effort to strengthen fragile families. But fatherhood services alone cannot do the job.

What is needed and what these pilot projects should build on is the recognition that child support policies for low-income, noncustodial parents needed modification as well, and these policies need to be coordinated with the provision of employment services, and various economic incentives to encourage the payment of child support should also be tested.

The language in the draft bill does not sufficiently recognize, in my opinion, the degree to which the child support system does not work for low-income noncustodial parents. The issue extends beyond arrearages. The orders are large. We need to test approaches that orders are lowered. We also need to make sure that there is flexible modification. The orders go up and down as earnings change, and we also need to make sure that when dads paid, their children are actually better off, and just as we believe that low-wage work should be subsidized through the EITC, earned income tax credit, for custodial parents, we need to at least test the provision of subsidizing the payment of child support by low-income, noncustodial parents.

I go on in the bill and suggest five changes that I think you ought to make. I think the Secretary in the panel that is going to be making recommendations should be provided more guidance. Awards should be based upon an assessment about which grants would best achieve the purposes of the act, which are the most creative, bold and innovative proposals in terms of the policy changes and integration across program boundaries.

I would also argue that the 75-percent requirement that goes to community-based organizations is too proscriptive. I fully applaud the notion that we need to encourage the provision of fatherhood

services, but I am concerned that community-based entities will not have the clout to give government policy changes or receive the necessary cooperation of government agencies if all the grants or most of the grants are awarded to community-based organizations.

In conclusion, I think this bill is a right first step in assisting NCPs and meeting their parental responsibilities, and I think the effort could be strengthened if you made certain modifications. And thank you for the opportunity to testify.

[The prepared statement follows:]

Statement of Wendell Primus, Ph.D., Director of Income Security, Center on Budget and Policy Priorities

Thank you for the opportunity to testify on fatherhood legislation, specifically the proposed "Fathers Count Act of 1999." My name is Wendell Primus and I am Director of Income Security at the Center on Budget and Policy Priorities. The Center is a nonpartisan, nonprofit policy organization that conducts research and analysis on a wide range of issues affecting low-and moderate-income families. We are primarily funded by foundations and receive no federal funding.

OVERVIEW

The Center supports the basic goals of this proposed legislation. We believe that further steps can and should be taken by the federal government to promote the development of effective strategies for encouraging marriage, strengthening fragile families, and increasing the likelihood that children will benefit from the financial support as well as the personal involvement of two parents. Research shows that children reared in single-parent families are at greater risk of adverse outcomes than those raised in two-parent families.¹ At the same time, we recognize that, despite these efforts, many children will continue to be raised in single-parent households. Efforts to promote financial support and personal involvement of non-custodial parents in the lives of these children are likely to be successful only if they reflect a comprehensive approach that includes a broad array of employment services for such parents, including publicly-funded jobs when necessary to help them make the transition into unsubsidized employment.

I commend you for this bill and compliment you for addressing these issues—and sending the message that government policy should acknowledge the importance of non-custodial parents (primarily fathers) assuming financial, child-rearing and emotional responsibility for their children. Given the unavailability of financing for broader efforts to promote fatherhood or assist non-custodial parents in meeting their parental responsibilities, this bill represents a good first step, although much more remains to be done. There is much we need to learn about how government policies should be structured and coordinated in a way that succeeds in assisting non-custodial parents. That is why Title I, which funds a series of fatherhood grants to launch and evaluate pilot programs in order to improve non-custodial parents' ability to pay child support, to make child support policies for those parents more responsive and more appropriate for low-income families, to improve the parenting skills of non-custodial parents and to increase contact and interaction with their children, is the right place to begin.

SDU PENALTY PROVISION

Let me briefly comment on the other aspects of the bill, and then make several additional comments about Title I. The provision reducing the state child support penalty for failure to have a state disbursement unit fully operational is reasonable. For whatever reason, some states are unable to meet the requirement on a timely basis. Completely withdrawing all federal funding for the child support enforcement program for failing to meet this requirement is too large of a penalty and would be extremely disruptive to the critically important task of enforcing child support orders. As a result, states do not really believe this penalty will be levied and they act accordingly.

A more prudent and effective approach to improving state compliance with child support program requirements is a series of gradually increasing penalties for fail-

¹ Sara McLanahan and Gary Sandefur, *Growing Up with a Single Parent: What Hurts, What Helps*. Harvard University Press, 1994.

ure to comply, as outlined in Title III of the draft bill. These penalties are reasonable and provide a strong incentive for a state to comply as soon as possible. This is the same structure that the Subcommittee adopted two years ago for enforcing the child support system requirements of the 1988 Family Support Act. Those requirements are having their intended effects.

WELFARE-TO-WORK AMENDMENTS

The Center also believes the Welfare to Work amendments incorporated in this bill are necessary. The eligibility requirements defining which adults in low-income families can receive services need to be modified. Providers of services have found that many low-income adults with high school degrees lack basic reading, writing and math skills and are very much in need of employment services. Services for these individuals could be financed by the welfare-to-work program except for the fact that their high school diplomas now render them ineligible under the targeting requirements that apply to 70 percent of the welfare-to-work funding.

Many states have recognized that Welfare-to-Work funds can be an important source of funding for non-custodial parents. The Department of Labor estimates that approximately \$375 million of the Welfare-to-Work dollars awarded to date will serve low-income NCPs and their families. However, very few of these programs address child support issues, and even fewer address child support issues in a way that integrates them with fatherhood and employment services.

Paid employment opportunities for non-custodial parents are an important element of efforts to develop this integrated approach to child support, fatherhood, and employment issues. As a recruitment tool and as a practical step that bolsters the ability of non-custodial parents to meet their child support obligations, a number of cities already have crafted programs that include subsidized employment options as “stepping stones” into unsubsidized jobs. Unpaid community service or work experience is less likely to be successful with this population, in part because non-custodial parents are not receiving cash assistance under TANF or other programs that would enable them to meet their basic needs while enrolled in such activities.

In reviewing the bill’s language regarding personal responsibility contracts for non-custodial parents, I am concerned that the section on employment appears to emphasize unpaid work activities, perhaps even to the exclusion of subsidized employment strategies (Section 403(a)(5)(C)(iii)(III)(cc)). I assume the subcommittee’s intent is not to narrow the range of allowable activities available in programs serving non-custodial parents, and I encourage you to revise this language so that temporary subsidized employment is recognized as an option as personal responsibility contracts are developed for participants.

I would recommend one other addition to this title of the bill to increase the effectiveness of the welfare-to-work program. Within title IV–D, (section 454A(f)) there needs to be a conforming amendment that ensures that information on non-custodial parents can be shared with the welfare-to-work programs funded under Part A and with the fatherhood grantees funded under Part C. Because of the need to protect the confidentiality of the state data systems, the IV–D statute is very restrictive in identifying “with whom” and “for what purposes” data can be shared. This conservative approach is generally appropriate, and we must continue to ensure that IV–D data is not misused, with particular attention to our responsibility to protect the interests and the safety of custodial parents. Within these constraints, however, I believe it is possible to allow the child support program to share limited information about non-custodial parents with WtW agencies for the purposes of WtW recruitment and implementation. Based on the language in this draft bill, it also appears that the subcommittee envisions a similar sharing of limited information between IV–D and Part C grantees. In order for that sharing to occur, Title IV–D will have to be amended.

I also believe this program should be reauthorized through fiscal year 2002, and spending under the Act should be allowed through fiscal year 2002, even if no additional financing is provided.

FATHERHOOD GRANTS SHOULD BE MORE FLEXIBLE

Now let me make some more detailed comments about Title I of the bill. The Center supports the pilot project structure for two reasons: 1) it will encourage some states, child support agencies, employment service providers, TANF agencies, and not-for-profit organizations to work together to overcome their bureaucratic boundaries and propose expanded and integrated policies for promoting fatherhood and assisting non-custodial parents in meeting their parental responsibilities; and 2) it will

enable other states and localities (and the federal government) to learn from these projects.

However, the main concern with the bill as currently drafted is that it defines the problems with the current employment, welfare, and child support systems for low-income families too narrowly. The bill needs to recognize that the problem of financial and emotional lack of support by NCPs of their children extends beyond child support arrearages. As a result the pilot projects should be encouraged to test a broader and bolder range of solutions—the model described in the legislation emphasizes only one of many options, although other options are available. In general, this title is too prescriptive.

There is increasing awareness that welfare, employment and child support policies are not achieving their objectives, particularly for low-income fragile families. Only a modest fraction of poor children in single-parent families currently receive child support income from their non-custodial parents. The proportion of never-married mothers whose children receive child support payments is especially low—around 20 percent. Research indicates that more than \$34 billion in potential child support income goes unpaid each year and that almost two-thirds of single mothers receive no support.²

There are many reasons why low-income non-custodial fathers often fail to pay child support on their children's behalf. Unemployment and underemployment are key factors limiting the ability of low-income fathers to meet their child support obligations. Some non-custodial parents choose not to pay because of strained relationships with the custodial parents, conflicts over visitation rights, or concerns that custodial parents will not spend the funds wisely.³ Others no doubt refuse to pay simply because they do not care about their children or reject the notion that they have a responsibility to provide financial support for their children.

Within this range of explanations, however, considerable evidence also supports the view that many non-custodial fathers are able to pay child support and would be willing to do so if they believed the child support system was fair and designed to improve the well-being of their children. The provision in the bill to pass-through arrearage payments to the custodial family once it has left welfare is a step in the right direction in this regard, although several additional steps, such as disregarding a larger proportion of child support paid to families on TANF or subsidizing the payments through a matching program should be considered as well.

Some fathers view the system as unfair because it is difficult to modify or adjust child support orders and to prevent the accumulation of large arrearages when their economic circumstances change and they are truly unable to meet their support obligations.⁴ For example, in most states, arrearages continue to accrue while NCPs are unemployed through no fault of their own and payment of child support orders is typically impossible. In some cases child support orders are unrealistically large—in these cases, a more realistic order might result in a higher rate of compliance.

Many non-custodial fathers (and custodial mothers) are discouraged and frustrated by the fact that child support payments in many instances yield no benefits for their children. Under current law, when children live in households that receive public assistance, most or all of the child support paid by non-custodial parents is typically kept by state and federal governments as reimbursement for the cost of that assistance. The 1996 federal welfare law repealed a requirement that states "pass-through" the first \$50 per month in child support payments to custodial parents and their children rather than retaining the full amount as reimbursement for cash assistance. In the 33 states that have eliminated the pass-through completely, child support payments are counted dollar for dollar against TANF benefits, effectively resulting in a 100 percent tax rate on those child support payments. Under these circumstances, fathers have no economic incentive to pay child support to their children because no matter how much they pay, their children are not economically better off. Furthermore, these NCPs currently do not benefit from the EITC and other work-based benefits focused on custodial families.

While every low-income non-custodial father should be expected to comply with federal and state laws and to cooperate with child support enforcement efforts, the fact that children often derive little or no benefit from child support payments made

² See Elaine Sorensen, "The Benefits of Increased Child Support Enforcement," in *Welfare Reform: An Analysis of the Issues*, Urban Institute, 1995, pp. 55–58 and "A National Profile of Nonresident Fathers and Their Ability to Pay Child Support," in *Journal of Marriage and the Family*, November 1997, pp. 785–797.

³ Dan Bloom and Kay Sherwood. *Matching Opportunities to Obligations: Lessons for Child Support Reform from the Parents' Fair Share Pilot Phase*. Manpower Demonstration Research Corporation, April 1994, pp. 70–73.

⁴ Bloom and Sherwood, p. 74.

by non-custodial parents undermines both the moral authority of those laws and the motivation of parents to obey them. As one observer noted, “to many low-income non-custodial parents of children on public assistance, the biggest incentive for making regular and timely payment of child support (assuming that they actually had income from which to pay such support) would be knowing that their paying child support makes a real difference in their children’s lives.”⁵

Based upon my work over the last two years, I am convinced that if fragile families are to be strengthened and if non-custodial parents are to more involved in the lives of their children, employment, child support, and welfare need to be considered comprehensively. The provision of fatherhood services, an underlying premise of this bill, is a critical component of any effort to strengthen fragile families. But fatherhood services alone will not do the job. Furthermore, these services can be funded by the TANF monies states currently have. What is needed—and what these pilot projects should build on—is the recognition that child support policies for low-income non-custodial parents need modification as well. These policies need to be coordinated with the provision of employment services. Various economic incentives to encourage the payment of child support should also be tested. These incentives plans are described in more detail later in this testimony.⁶

Fathers who are employed will be better able to pay child support, while the changes to the system’s structure will ensure that child support orders and arrearages are treated reasonably and appropriately. Ensuring that custodial families in fact benefit from these payments will provide an additional incentive for fathers to pay their child support orders. Finally, fatherhood services can emphasize that fathers play a role in their children’s lives that goes much beyond bread-winning and facilitate building relationships. Because each of these elements builds on the others, it is important that they be well-integrated; a project that provides one component but not others will probably fail both to meet the program’s objectives and to fulfill its potential.

In light of these and other issues with the current child support system, pilot projects offer an ideal opportunity for testing an improved child support system and determining how different components need to change to increase both the amount of child support collected and the involvement of fathers in the lives of their children. The language in the current draft bill does not sufficiently recognize the degree to which the child support enforcement system does not work well for low-income non-custodial parents.

The issue extends beyond arrearages. The size of the order can be a substantial problem. Many orders are so large that they are impossible for low-income non-custodial fathers to meet. We need to test approaches under which orders are lowered to a more manageable level and child support orders are subject to more flexible modification, both upward and downward, so they are more representative of the NCP’s ability to pay. In some cases this may require a suspension of the current order as well as arrearages when a father is unemployed and engaged in activities that should subsequently increase earnings and, ultimately, child support payments. We need to learn whether changes in the size of the order or different arrearage policies would affect the payment of current child support obligations. This area is ripe for experimentation to see whether these policies can be made to work better for low-income parents. The proposed bill should be modified somewhat so that the programs funded by the grants could address some of these issues as well.

In addition, entities receiving grants be able to serve non-custodial parents who are women. Some of the social services provided may be father-specific, but the unavailability of the economic benefits of participation, such as suspension of child support arrearages for timely payment, the provision of WIA employment services, and the economic incentives for female NCPs on the basis of gender is troubling. The arrearage distribution issue especially raises considerable equal protection problems.

⁵ Margaret Stapleton. *The Unnecessary Tragedy of Fatherless Children: Welfare Reform’s Opportunities for Reversing Public Policies that Drove Low-Income Fathers Out of Their Children’s Lives*. Clearinghouse Review, January-February 1999, p.499.

⁶ Wendell Primus and Kristina Daugirdas, *Several Suggestions for Improving the Work-Based Safety Net and Reducing Child Poverty*, presented at Joint Center on Poverty Research Conference, September 16, 1999.

SPECIFIC SUGGESTIONS FOR TITLE I

There are five changes to the bill that should be made:

(1) The Secretary and panel charged with making recommendations about which proposals should be awarded grants should be given more direction and guidance. Awards should be based upon an assessment of: which grants might best achieve the purposes of the Act; which are the most creative, bold and innovative proposals in terms of policy changes and integration across program boundaries; and which projects are designed in a way that yields the best chance of learning something from that grant. In addition, the panel should select a variety of different approaches and entities. I would fold the projects of national significance into Title I and say that at least one award should be a grantee that involves several cities/counties. The grant applications should contain a clear description of what policies would be changed, and should include a clear description of who is going to deliver the services and what services will be delivered. Because integration of the different components is critical to success, the level of coordination among relevant governmental and neighborhood-based organizations should be a primary factor in choosing which proposals to fund.

(2) The requirement that 75 percent of the money go to community-based entities is too high. Every grant should involve community-based (which can include faith-based) organizations in the delivery of the services—but the 75 percent requirement is too prescriptive. The intentions of the subcommittee with respect to stimulating the provision of fatherhood services can be achieved through guidance and direction in the grant selection process. The bill should focus on integration of services rather than mandating that a particular portion should be paid to a specific type of organization. I am concerned that community-based entities will not have the clout to get government policies changed or receive the necessary cooperation of government agencies if most grants are awarded to community-based organizations.

Furthermore, community-based fatherhood organizations should be funded primarily by state and local governments. Awarding fatherhood grants primarily to community based organizations through the federal government sets a bad precedent. I recognize that this subcommittee wants to stimulate the provision of these services, a goal which I applaud. But that can be accomplished by requiring each grant to incorporate fatherhood services in a significant manner through a community based organization. More importantly, this subcommittee should be concerned with how these services are integrated with economic incentives for the payment of child support, with how child support policies affect low-income NCPs, with the provision of employment services and how all of these services are integrated.

(3) Recruitment is another factor that requires some consideration. Applications should also contain a clear description of how fathers will be recruited for the project. Incentives for participation are critical to a successful project. Changes in child support policies and the presence of economic incentives to pay child support should act as an incentive for non-custodial parents to participate. In addition, some localities may want to provide NCPs with a small stipend during any time they are not receiving wages or possibly provide the NCP with health insurance coverage.

(4) One of the primary reasons for these pilots is to learn what policies work. Thus, evaluation funding may need to be increased somewhat. These projects would build upon what we learned from the Parents Fair Share Demonstration, a nine-site national demonstration. If the above suggestions are taken, these pilot demonstrations would go further by adding economic incentives for the payment of child support, by integrating child support and employment services, and by providing publicly funded jobs for the most difficult to employ, in addition to recognizing that child support policies must change for these fathers. Additional monies for evaluation are needed to determine the combined impact of the various changes in policy upon child support collections, the level of interaction between the NCPs and their children, and the overall income of the custodial parent. Ideally, one should allow the new policies to be in place or fully implemented for a period of time before expecting changes in behavior as a result of the policy change. In addition, it would be extremely useful if for one policy change—for example the addition of economic incentives, the change in arrearage policy, or a specific employment service—there would be an evaluation using more rigorous statistical methods.

(5) Some guidance should also be given to the panel and the Secretary about the number and size of the pilot demonstrations. I would rather have several well-funded and carefully designed pilots conducted in a manner that enhances policy innovation, on a scale that the projects can be replicated, in a way that one can learn from these pilots. The alternative approach is to scatter the money so broadly that one does not learn much from the projects. The draft language suggests that \$100 mil-

lion be dedicated to these grants. Those monies can be supplemented substantially by state and local dollars, TANF dollars and welfare to work dollars. What these monies primarily provide is the incentive or catalyst to overcome bureaucratic boundaries and for governmental and non-governmental resources to be pooled in such a manner that learning can take place.

ADDITIONAL RATIONALE FOR CHILD SUPPORT POLICY CHANGES

As I stated earlier, this bill is a good first step in recognizing that governmental policies need to be changed significantly to assist NCPs in meeting their parental responsibilities. However, several other policies ought to be considered next year in the context of a longer, broader bill.

Under current law, states have considerable authority to change child support policies regarding the size of the order, how often and when orders are modified and how child support policies are integrated with welfare-to-work programs. I will argue briefly that additional federal incentives and policy changes are needed to encourage low-income NCPs to pay child support. In addition, the level of state investment of resources needs to be examined periodically. At some later date, I would urge the subcommittee to examine three additional policies that would encourage NCPs to pay child support. These are:

- passing through all child support payments (this would have little federal cost),
- encouraging states to disregard a greater portion of child support payments when TANF benefits are calculated, and
- instituting a system of child support matching payments.

By subsidizing child support payments and ensuring that those payments actually benefit the children of non-custodial parents, the intent is simultaneously to encourage low-income fathers to provide support on behalf of their children and to improve the well-being of those children.

In addition to creating economic incentives for the payment of child support, there are also administrative reasons for increasing the pass-through. Outside of perhaps Medicaid eligibility rules, nothing is more complicated than the rules surrounding the distribution of child support collections. To function properly, the system requires constant, immediate, and substantial flows of information in both directions between the TANF/Medicaid eligibility and benefit determination processes and the child support office. For example, in most states, the child support office must withhold all child support collections while the family is on TANF and send a portion of those collections to the federal government. But the moment the family leaves TANF, child support must send all current child support collections to the family. In cases where the child support payment repays an arrearage, the amount the custodial family gets depends upon when the arrearage was accumulated—specifically whether it occurred while the family was receiving AFDC. In some cases it also depends upon how the child support office got the collection—collections through federal income tax withholding are treated differently than collections by other methods.⁷

To determine benefit levels accurately, the TANF and food stamp offices must know whether the custodial family has cooperated (in terms of establishing paternity and assigning child support rights to the state), as well as the amount of child support that has actually been collected. A related problem is that families receiving cash assistance may actually have current child support payments that would make them ineligible for cash assistance if the payment was passed-through. This has adverse consequences for the family—it uses months of time-limited assistance when it should not have.

There is substantial anecdotal information and reports from state non-profit organizations that this system is not working well because the child support office is unaware of when families no longer receive TANF. Many times a family that leaves TANF does not receive current child support collections to which it is entitled until 3 to 6 months later. (Further evidence of this phenomenon is that child support TANF collections remain quite high despite the enormous decline in TANF case-loads.)

State Child Support Directors and non-profit organizations could probably agree upon adopting a simple rule—collect from the non-custodial parent (NCP) and pass-through the entire amount to the family. This would eliminate the need to have any information flow from the TANF office to the child support office about changes in

⁷For a complete description of assignment rules and distribution of child support, the readers is referred to pages 587, 591–594 of the 1998 Green Book as well as OCSE Action Transmittals of (October 21, 1997 and August 19, 1998).

TANF case status. It would also mean that families would no longer experience delays in getting child support when they leave TANF. In addition, it would promote better government budgeting in the sense that TANF expenditures currently include money actually paid by NCPs. The cost would be relatively modest. The administrative savings from straightening out mistakes, explaining and defending these incomprehensible rules to both custodial and non-custodial parents and reducing information flows would offset a corresponding portion of additional payments to custodial parents that would occur under this policy.⁸

To increase collections and improve child well-being, states should significantly expand their child support disregards. In calculating the TANF payment, the state could establish a fixed flat amount to be disregarded (e.g., \$100 or \$200 per month), provide a disregard equal to a specified percentage of the monthly child support collections (e.g. 50 percent), or combine these two approaches. States also could choose to treat payments received from non-custodial parents in the same manner as they now treat the earnings of custodial parents.

Expanded child support disregards would do a great deal to restore incentives for payment of child support and to improve children's well-being. At the same time, this approach by itself has substantial limitations. Child support disregards will improve the well-being of children in TANF households but they have no effect on the income available to support low-income children living in non-TANF households. This leads to another recommendation—that consideration be given to subsidizing child support payments from low-income non-custodial fathers. This, in conjunction with a change in disregard policies, would encourage low-income non-custodial fathers to provide support on behalf of their children. This policy also holds promise for significantly improving the well-being of these children.

Economists argue that some positive incentives—i.e., some subsidies provided directly or through the tax system—can influence individual behavior and encourage desired activities. The federal tax code contains a number of provisions that promote work effort by custodial parents and help them meet the basic needs of their children (including the Earned Income Tax Credit, dependent exemptions, and child tax credits. Federal benefit programs also offer help to low-income custodial parents to improve the well-being of their children. No similar incentives currently exist to promote work effort and encourage child support payments by non-custodial parents.⁹

There would be little policy rationale or political support for extending similar tax incentives or earnings subsidies to non-custodial parents in circumstances in which they fail to meet their legal obligations to pay child support. However, a plan to match or subsidize child support payments could be effective in increasing the amount of child support paid by low-income non-custodial parents and serve as an important complement to current public policies designed to improve children's well-being. While there are many alternative designs that states might consider, the basic elements of such an approach would include:

- A structure of matching payments to be made by the state to custodial families for every dollar of child support paid by low-income non-custodial parents, with matching rates reduced for non-custodial parents with higher incomes and subsidies phasing out completely for non-custodial parents with incomes above a modest level;
- Administrative arrangements (most likely within state or county child support enforcement agencies) for verifying child support payments by eligible non-custodial parents and issuing matching payments to custodial families in an accurate and timely manner; and
- Provisions within the state TANF program to ensure that a substantial portion of child support payments are passed through to custodial families.

There are a myriad of possible subsidy levels and phase-out rates that could be used as a structure for child support matching payments. The key decisions to be made by the state in establishing this structure are: (1) the maximum rate at which matching payments will be provided; (2) the range of non-custodial parent income over which this maximum rate will be applied; and (3) the phase-out rate, or how quickly the matching rate will be reduced as the income of the non-custodial parent increases. These parameters will then determine the income level beyond which non-custodial parents will no longer qualify for matching payments. Decisions also would be needed on how the matching rate would interact with means-tested benefits. While economic theory suggests that these plans would increase child support

⁸There would be some additional costs because families receive all the child support payments to which they are entitled in a more timely manner and because more child support collections from IRS refunds would go to the custodial family.

⁹Only families who live with their children receive the family EITC. Parents who do not live with their children do not qualify for the family credit, although they may be eligible for the small EITC for workers without a child in the home if their income is below \$10,030 for 1998.

payment, this has not been tested empirically nor does theory tell us the extent of which child support payment might increase. Consequently, these subsidy plans should be demonstrated and evaluated.

CONCLUSION

In conclusion, the proposed fatherhood bill is the right first step in assisting NCPs in meeting their parental responsibilities. This bill, by encouraging state and local communities and community-based organizations to undertake integrated efforts to improve services to non-custodial parents through competitive grants, should act as an important catalyst for policy innovation. This effort could be strengthened if certain modifications in the bill were made. Again, thank you for the opportunity to testify this afternoon.

Chairman JOHNSON of Connecticut. Thank you very much, Dr. Primus.

Dr. Horn.

STATEMENT OF WADE F. HORN, PH.D., PRESIDENT, NATIONAL FATHERHOOD INITIATIVE

Mr. HORN. It is good to see you again, Madam Chairman. It is also nice to be back here discussing fatherhood again. I believe the following five principles should be used in crafting Federal legislation aimed toward encouraging responsible fatherhood. First, Federal legislation must promote married fatherhood as the ideal. All available evidence suggests that the most effective pathway to an involved, committed, and responsible father is marriage.

This doesn't mean that local programs should not work with unmarried or divorced fathers. Of course they should. We don't have a father to spare. But at the same time we need to be clear that the best situation is for a child to grow up with a real life, in the home, love the mother, married father. Federal legislation should support this goal.

Second, while recognizing the importance of child support enforcement, Federal legislation must emphasize positive father engagement, not simply economic support. Since the fifties, the father's role in public policy has been mostly about paternity establishment and child support enforcement. This, of course, is not without merit. Any man who fathers a child ought to be held financially responsible for that child.

But Federal and State governments already spend billions of dollars on child support enforcement. What is needed now is not more funds to enforce child support orders, but more resources to help fathers become engaged in positive ways in the lives of their children.

Third, Federal legislation should be flexible, providing support for a range of fatherhood programs and initiatives, rather than providing support for only one or two programmatic models. While setting certain priorities, Federal legislation should not hamstring local programs into one particular fatherhood intervention model or working with only one type of father. In particular, Federal legislation should be careful not to condition services on having fathered a child out of wedlock.

Fourth, Federal legislation must encourage the involvement of faith-based efforts to promote responsible fatherhood. Over the past

decade, faith-based fatherhood interventions have shown an extraordinary capacity to motivate men to be better husbands and better fathers. Federal legislation must recognize the extraordinary power of faith to transform men's lives and ensure that Federal funds can be used to support faith-based fatherhood activities as well as secular ones.

Fifth, Federal legislation should encourage the development of community-wide initiatives, not merely individual programs. Fatherlessness is a big problem; big problems can't be solved by little solutions. While individual fatherhood support, outreach, and skill-building programs will always be the backbone of efforts to motivate and equip men to be more responsible fathers, they are, by themselves, insufficient to address today's crisis of fatherlessness.

What is needed is the mobilization of entire communities in which every sector of American society is enlisted to help address the issue of fatherlessness. Federal legislation should be crafted so that fatherhood promotion activities do not become just another funding stream competing with every other funding stream for finite resources.

When judged against these five principles, the Fathers Count Act of 1999 fares very well indeed. The act makes clear that grants are to be made available to promote marriage and successful fathering, as well as to improve the economic condition of noncustodial fathers so that they are in an enhanced position to pay child support. The act also commendably makes it clear that faith-based organizations are eligible for support.

Nevertheless, I do have several recommendations for the consideration of this Subcommittee. First, an explicit preference should be added to Title I, for those fatherhood programs which set married fatherhood as the ideal and which strive to move as many unwed fathers toward marriage as possible or, at the very least, help unwed fathers understand the necessity of becoming married before fathering any additional children.

Second, while recognizing that one way to strengthen marriage is to expand participation in welfare-to-work employment programs to include the broader population of low-income males, we must be careful not to condition receipt of such services upon having fathered a child out of wedlock. To do otherwise would be to introduce perverse incentives for men to father children out of wedlock. Careful attention should be paid in both Titles I and III to ensure the act does not create these perverse incentives.

Third, both Titles I and II should make clear that grants could be used to support broad-based, community-wide efforts to support responsible fatherhood and marriage, and not just individual, single-site programs.

And, finally, it should be made clear in Title I that hospital-based programs can serve married fathers as well as unmarried ones.

The good news is we are starting to see for the first time in over 30 years a leveling off of the number of children growing up in father absent households. I am convinced that with concerted effort we can actually reverse the trend toward fatherlessness and in-

crease the number of children growing up in two-parent, intact, married households.

Public policy can help by encouraging more skilled fathering, more work and more marriages. In this regard, I believe the Fathers Count Act of 1999 is a very significant, positive, and much welcomed step in the right direction.

Thank you.

[The prepared statement follows:]

Statement of Wade F. Horn, Ph.D., President, National Fatherhood Initiative

My name is Wade F. Horn, Ph.D. I am a clinical child psychologist and President of the National Fatherhood Initiative, an organization whose mission is to improve the well-being of children by increasing the number of children growing up with an involved, responsible and loving father. Formerly, I served as Commissioner for Children, Youth and Families within the U.S. Department of Health and Human Services, and served as a member on the National Commission on Children, the National Commission on Childhood Disability, and the U.S. Advisory Board on Welfare Indicators. Currently, I serve as a member of the U.S. Advisory Board on Head Start Evaluation and Research. I greatly appreciate this invitation to testify today on the "Fathers Count Act of 1999."⁵

THE SCOPE AND CONSEQUENCES OF FATHERLESSNESS

Fatherlessness in America today is an unprecedented reality with profound consequences for children and civil society. In 1960, the total number of children in the United States living in father absent families was less than 10 million. Today, that number stands at *24 million*.¹ Nearly four out of ten children in America do not live in the same home as their father. By some estimates, this figure is likely to rise to 60% of children born in the 1990s.²

For nearly one million children each year, the pathway to a fatherless family is divorce.³ The divorce rate nearly tripled from 1960 to 1980, before leveling off and declining slightly in the 1980s.⁴ Today, 40 out of every 100 first marriages now end in divorce, compared to 16 out of every 100 first marriages in 1960. No other industrialized nation has a higher divorce rate.⁵

The second pathway to a fatherless home is out-of-wedlock fathering. In 1960, about 5 percent of all births were out-of-wedlock. That number increased to 10.7 percent in 1970, 18.4 percent in 1980, 28 percent in 1990, and nearly 33 percent today.⁶ In the United States, the number of children fathered out-of-wedlock each year (approximately 1.2 million annually) now surpasses the number of children whose parents divorce (approximately 1 million annually).

No region of the country has been immune to the growing problem of fatherlessness. Between 1980 and 1990, non-marital birth rates increased in every state of the Union.⁷ During this time period, ten states saw the rate of nonmarital births increase by over 60 percent. Furthermore, births to unmarried teenagers increased by 44 percent between 1985 and 1992.⁸ In fact, 76 percent of all births to teenagers nationwide are now out-of-wedlock. In 15 of our nation's largest cities, the teenage out-of-wedlock birth rate exceeds 90 percent. Overall, the percent of families with children headed by a single parent currently stands at nearly 28 percent, the vast majority of which are father absent households.⁹

Although African-Americans are disproportionately affected by the problem of father absence (sixty-two percent of African-American children live in father absent homes), fatherlessness is by no means a problem affecting minorities only. Indeed, the absolute number of father absent families is larger—and the rate of father absence is growing the fastest—in the white community. Currently, over 13 million white children reside in father absent homes, compared to 6.5 million African-American children.¹⁰

The absence of an involved, committed and responsible father has profound consequences for children. Almost 75 percent of children in the United States living in single-parent families will experience poverty before they turn eleven-years-old, compared to only 20 percent of children in two-parent families.¹¹ Children who grow up absent their fathers are also more likely to fail at school or to drop out,¹² experience behavioral or emotional problems requiring psychiatric treatment,¹³ engage in early sexual activity,¹⁴ and develop drug and alcohol problems.¹⁵

Children growing up with absent fathers are especially likely to experience violence. Violent criminals are overwhelmingly males who grew up without fathers, including up to 60 percent of rapists,¹⁶ 75 percent of adolescents charged with murder,¹⁷ and 70 percent of juveniles in state reform institutions.¹⁸ Children who grow up without fathers are also three times more likely to commit suicide as adolescents¹⁹ and to be victims of child abuse or neglect.²⁰

If ever there was a problem in need of a solution, it is this one, for the evidence suggests that improvements in the well-being of children will necessarily be limited without a restoration of responsible, committed, and involved fatherhood.

FIVE PRINCIPLES FOR CRAFTING FATHERHOOD LEGISLATION

The following five principles should be used in crafting and evaluating federal legislation encouraging responsible fatherhood.

First, federal legislation must clearly promote married fatherhood as the ideal. All available evidence suggests that the most effective pathway to involved, committed and responsible fatherhood is marriage. Research consistently documents that unmarried fathers, whether divorced or unwed, tend over time to become disconnected, both financially and psychologically, from their children. Indeed, forty percent of children in father absent homes have not seen their father in at least a year. Of the remaining 60 percent, only one in five sleeps even one night per month in the father's home. Overall, only one in six sees their father an average of once or more per week.²¹ More than half of all children who don't live with their fathers have never even been in their father's home.²²

Unwed fathers are particularly unlikely to stay connected to their children over time. Whereas 57 percent of unwed fathers are visiting their child at least once per week during the first two years of their child's life, by the time their child reaches 7½ years of age, that percentage drops to less than 25 percent.²³ Indeed, approximately 75 percent of men who are not living with their children at the time of their birth never subsequently live with them.²⁴

Even when unwed fathers are cohabiting with the mother at the time of their child's birth, they are very unlikely to stay involved in their children's lives over the long term. Although a quarter of non-marital births occur to cohabiting couples, only four out of ten cohabiting unwed fathers ever go on to marry the mother of their children, and those who do are more likely to eventually divorce than men who father children within marriage.²⁵ Remarriage, or, in cases of an unwed father, marriage to someone other than the child's mother, makes it especially unlikely that a non-custodial father will remain in contact with his children.²⁶

The inescapable conclusion is this: if we want to increase the proportion of children growing up with involved and committed fathers, we will have to increase the number of children living with their married fathers. Unmarried men, and especially unwed fathers, are far less likely to maintain contact with their children over the long term.

This does not mean that local programs should restrict their efforts to working only with married fathers. We must, and should, work with unwed and divorced fathers to help them become and remain involved in their children's lives. We don't have a father to spare. But at the same time, it does children no favor to pretend that unwed or divorced fatherhood is the equivalent of married fatherhood. We need to be clear that the best situation is for children to grow up with a real live, in the home, love the mother, married father. Federal legislation should support this goal.

Second, while recognizing the importance of child support enforcement, federal legislation must emphasize positive father engagement, not simply economic support.

Since the 1950's, the fathers' role in public policy has been mostly about paternity establishment and child support enforcement. This is not, of course, without merit. Any man who fathers a child ought to be held financially responsible for that child. But as important as paternity establishment and child support enforcement may be, they are by themselves unlikely to substantially improve the well-being of children for several reasons.

First, paternity establishment does not equal child support. In fact, only one in four single women with children living below the poverty line receive any child support from the non-custodial father.²⁷ Some unwed fathers, especially in low-income communities, may lack the financial resources to provide economically for their children. These men may not be so much "deadbeat," as "deadbroke."

Second, even if paternity establishment led to a child support award, the average level of child support (about \$3400 per year²⁸) is unlikely to move large numbers of children out of poverty. Some may move out of poverty marginally. But, absent changes in family structure or workforce attachment, moving from poverty to near

poverty has not be found to be associated with significant improvements in child outcomes.²⁹

Third, an exclusive emphasis on child support enforcement may only drive these men farther away from their children. As word circulates within low-income communities that cooperating with paternity establishment but failing to comply with child support orders may result in imprisonment or revocation of one's driver's license, many may simply choose to become less involved with their children. Thus, the unintended consequence of an exclusive focus on child support enforcement may be to decrease, not increase, the number of children growing up with an involved father.

Finally, a narrow focus on child support enforcement ignores the many non-economic contributions that fathers make to the well-being of their children. While the provision of economic support is certainly important, it is neither the only nor the most important role that fathers play. If we want fathers to be more than just money machines, we will need a public policy that supports their work as nurturers, disciplinarians, mentors, moral instructors and skill coaches, and not just as economic providers.

Given that federal and state government already spends many billions of dollars on child support enforcement, what is needed most from federal legislation is not more money to enforce child support orders, but more resources to help fathers become engaged in the lives of their children in positive ways.

Third, federal legislation should be flexible, providing support for a range of fatherhood programs and initiatives, rather than providing support for only one or two programmatic models.

Fathers come in many varieties. What works with one kind of father in one type of situation, may not work with another kind of father in a different situation. While setting certain priorities, federal legislation should not hamstring local programs into one particular fatherhood intervention model or working with only one type of father. Federal legislation should be especially careful not to condition services to having fathered a child out-of-wedlock.

Fourth, federal legislation must encourage the involvement of faith-based efforts to promote responsible fatherhood.

Over the past decade, faith-based fatherhood interventions have shown an extraordinary capacity to attract men. Millions of men have attended Promise Keepers rallies. Tens of thousands of others have been involved with Dad: The Family Shepherd, Dad's University, and Legacy Builders. One needn't be an adherent to any particular faith tradition to recognize that no secular intervention has been able to attract the numbers of participants that routinely attend faith-based fatherhood promotion seminars, workshops, rallies, and retreats.

I believe the attractiveness of faith-based fatherhood promotion to men lies in their ability to provide meaning to men in ways that more secular approaches can not; for faith-based approaches give men a transcendent understanding of why they ought to be good fathers. Most men long for personal meaning and significance. They want their lives to count for something; they want their lives to matter. Faith-based fatherhood interventions answer this most basic of yearnings by saying to men that they matter to God.

When men come to believe that they matter to God, their work as earthly fathers is given a transcendence that no social scientist or secular fatherhood enthusiast can ever hope to provide. Indeed, what faith-based interventions say to men is this: when you are an involved, loving father to your children, you give your children a glimpse of the Heavenly Father's love, and in so doing, you provide both you and your children with a cosmic connection that transcends earthly experience. Federal legislation must be crafted in such a way as to recognize the extraordinary power of faith to transform men's lives, and to ensure that it allows support for faith-based fatherhood promotion activities as well as secular ones.

Fifth, federal legislation should encourage the development of community-wide initiatives, not merely individual programs. Fatherlessness is a big problem. Big problems can not be solved with little solutions. While individual fatherhood support, outreach, and skill building programs are the backbone of efforts to motivate and equip men to be responsible fathers, they are, by themselves, insufficient to address today's crisis of fatherlessness.

Rather, what is needed is the mobilization of entire communities in which every sector of American society—both public and private—is enlisted to help address the issue of fatherlessness. This means that in addition to funding local fatherhood programs, we must also mobilize the media, hospitals, schools, the philanthropic sector, existing social services, and the judicial system, to name but a few, to help combat the rising problem of fatherlessness. Federal legislation should be crafted in such a way that fatherhood promotion activities do not become seen as just another funding stream, competing with every other funding stream, for finite resources.

THE FATHERS COUNT ACT OF 1999

When judged against the aforementioned five principles, the “Fathers Count Act of 1999” fares very well indeed. Titles I and II make it clear that grants are to be made available to promote marriage and successful fathering, as well to improve the economic condition of fathers so that they are in an enhanced position to pay child support. Title II of the Act also provides funds for a broad-based public awareness campaign promoting the importance of responsible fatherhood and marriage to the well-being of children and communities. The Act is also commendable in its explicit support for faith-based fatherhood and marriage promotion activities.

Nevertheless, I do have several suggestions for the Committee’s consideration. First, I recommend adding to the “Preferences” section of Title I, an explicit preference when awarding grants under this section to those fatherhood programs which set married fatherhood as the ideal and which strive to move as many unwed fathers toward marriage as possible or, at the very least, help these fathers understand the necessity of becoming married before fathering any additional children out-of-wedlock.

Second, while recognizing that one way to strengthen marriage, especially within low-income communities, is to expand participation in welfare-to-work employment programs to include the broader population of low-income males, we must be careful not to condition receipt of such services upon having fathered a child out-of-wedlock. To do so may only serve to introduce perverse incentives for men to father children out-of-wedlock, in much the same way that AFDC provided perverse incentives for women to bear children out-of-wedlock. Careful attention should be paid in both Titles I and III to ensure that such perverse incentives for unmarried fatherhood do not exist.

Third, the Act would be enhanced by making it clear that grants could be used to support broad-based, community-wide efforts to support responsible fatherhood and marriage, and not just individual, single site programs. This should be clarified in both Titles I and II of the Act.

Fourth, it should be made clear in the section of Title I entitled “Minimum Percentage of Grants for Projects Coordinated with Paternity Establishment” that programs which serve married fathers at the time of the child’s birth are eligible under this section. Otherwise, one could interpret this section to mean that 50 percent of the funds under Title I can only be used to support fathers who have established legal paternity, but who are not married to the mothers of their children. Such a reading of the Act could potentially provide perverse incentives for unwed fatherhood.

Finally, it is admirable that the Act sets aside \$6,000,000 for evaluation of the fatherhood programs funded by this legislation. It appears, however, that the first year any evaluation funds become available is in FY 2006, four years after the first fatherhood program funds are made available. The best evaluations are those which are fully integrated into programs when first implemented, rather than tagged on after the fact. I recommend that the Committee clarify that the evaluation efforts must begin at the point of program implementation, rather than four years after the programs have already begun.

CONCLUSION

There exists today no greater single threat to the long-term well-being of children, our communities or our nation, than the increasing number of children being raised without a committed, responsible and loving father. This tide will not be turned easily, and certainly not by changes in public policy alone. But public policy can have a significant effect upon how potential parents view marriage and parental responsibilities.

The good news is that we are starting to see, for the first time in over thirty years, a leveling off of the number of children growing up in father absent homes. I believe that with concerted effort we can actually reverse the trend toward fatherlessness within the next five years. Not simply stop the rise in fatherlessness, but reverse it. Doing so will require that we stand firm on the issue of marriage, for marriage is the most likely—not perfect, but certainly the most likely—pathway to a lifetime father.

Simply put: children need their fathers, and men need marriage to be good fathers. Effective public policy means encouraging more skilled fathering, more work, and more marriages. The “Fathers Count Act of 1999” is a very significant, positive and much welcomed step forward in this regard.

I thank you for the opportunity to provide you with this testimony, and would be pleased to answer any questions you might have concerning my testimony.

ENDNOTES

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Chairman JOHNSON of Connecticut. Thank you very much, Dr. Horn.

Mr. Rector, nice to have you.

**STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH
FELLOW, HERITAGE FOUNDATION**

Mr. RECTOR. Thank you, Chairwoman. I appreciate the opportunity of being back here today to testify about this most important issue. The central problem in our society today is that marriage is dying. A third of all children are born out of wedlock. There is a child born out of wedlock roughly every 25 seconds across the United States. Among minority children, 70 percent are born out of wedlock.

The death of marriage is the root cause of crime, of child poverty, of welfare dependence, of school failure, of drug addiction, and most of the other social problems that we are concerned with.

Yet in the United States today, the government spends about \$1,000 subsidizing single parenthood for every single dollar it spends trying to reduce illegitimacy and promote marriage.

This bill I feel straddles the fence between those two issues. When we use the term fatherhood, it is in some sense an ambiguous term. We must ask what is the goal of fatherhood programs. As we look at the range of fatherhood programs, we see that there are basically two polar goals here. A lot of programs focus on collecting child support and providing job training. Other programs, the minority, focus on the much more important issue of restoring marriage.

I would simply like to ask the question, what do we expect the effect of collecting child support to be on child outcome? Do we expect that if we collect child support today, it will reduce juvenile crime in the future? Do we expect it will reduce future out-of-wedlock births as girls become teenagers? Do we expect it will reduce the rate of school failure? Do we expect it will increase the rate of psychological health or reduce the rate of child abuse? No.

No credible researcher could tell you that collecting child support is expected to have any of those positive outcomes on children. In fact, as a researcher, I would say to you that collecting child support is such a weak variable that when I do regressions and things, very few people would use it as a variable because it does not affect those outcomes that we are concerned with. But on the other hand, marriage does, marriage affects them profoundly and positively and marriage is key to the well-being of children.

Now, we could spend the next decade emphasizing the collection of child support, and after that was over, we would ask, have to ask ourselves exactly what did we do for these children, or we could spend a decade working on programs that focus on restoring loving marriages, and we would find that we would have then defeated the culture of the underclass.

One of the problems that I find with the Fathers Count bill as it is currently configured is that it waits until an out-of-wedlock pregnancy has occurred to begin an intervention. I think, in fact, the bulk of effort should be put at a much earlier stage, in particular, going into high school with marriage education programs that explain to at-risk, young people that what marriage can do for them and what it will do for their children to create the expectation and the idea of marriage. In other words, what I want to do is to prevent Humpty Dumpty from falling off the wall rather than trying to glue him back together again after he has fallen.

Let us go back, let us go to the very beginning of the problem and try to prevent young men and women from falling into these problems, falling into the problem of illegitimacy, rather than waiting until one or two children have been born, the mother and father have fallen into a broken relationship and now we are trying to patch it together again for an emphasis on child support. That is not the place to put our emphasis. The place to put our emphasis is on disaster prevention rather than disaster relief, and the prevention of disaster is a focus on the restoration of marriage in these communities.

I am also concerned under this act of the very large role that it gives to the professional Washington bureaucracy in the selection of grantees. I have worked in this field for 20 years, and I must say to you that there is, although this issue is changing slightly, I experienced 20 years of indifference or hostility to the question of marriage within the professional bureaucracy here in Washington and many of the State capitals, and, therefore, expecting this bureaucracy to allocate funds to grantees that have a strong pro-marriage goal and posture is very, very unlikely.

I do think that the issue is changing slightly, but I have been in this field so long that I can remember over and over again being told by the very people that will be making the decisions about this funding that marriage is essentially obsolete, it is not important.

And this bill I believe wants to break from the status quo, a break from the status quo. I believe the most important thing that you could do would be to go into Title II of the act, which is a very well-designed title and is in fact I think the beginning of a pro-marriage initiative in the Federal Government, find those organizations that have a historic track record in support of marriage and directly put the funds on those organizations and see what they can do.

I believe that across the Nation in the communities that we are concerned with, there is an appetite for hope. There is an appetite for the message of marriage. They are waiting for us to tell them what to do and how to lead their lives properly. We need to put an emphasis on giving that message out at the appropriate time before the girl has become pregnant, before the out-of-wedlock child birth has occurred or at least at that very point rather than waiting 6 or 7 years until a boy has had 2 or 3 children out of wedlock, the relationship between the man and the woman have collapsed and now we are trying to paste the whole thing back together again.

Let us start and prevent the problem from emerging in the first place. I believe we can do that if we have a will and a goal of that in mind.

[The prepared statement follows:]

Statement of Robert Rector, Senior Research Fellow, Heritage Foundation

INTRODUCTION

I wish to thank the sub-committee for the opportunity to testify on the Fathers Count bill. The views I will express are my own and do not necessarily reflect those of The Heritage Foundation.

Marriage in our society is dying. Today, a third of all births occur outside of wedlock. Among blacks the rate is nearly 70 percent. The collapse of marriage lies at the core of underclass culture and is the root cause of a vast array of overlapping social problems including crime, welfare dependence, child poverty, drug use, eroded work effort and school failure.

Yet rather than seeking to combat marital collapse the government subsidizes it. At present, the federal and state governments spend around \$150 billion a year on means-tested subsidies to single parents. These subsidies promote single parenthood and undermine marriage. By contrast, the government spends some \$150 million a year on programs designed to reduce illegitimacy and increase marriage. Thus the government spends \$1,000 subsidizing single parenthood for every \$1.00 it spends to restore marriage and reduce illegitimacy. Moreover, obtaining even the \$150 million in pro-marriage funding was severe up-hill struggle.

This \$1,000 to \$1.00 ratio is no accident, but reflects the value system which pervades the welfare and social service establishment in this nation. Since the fervent assault on the Moynihan Report in 1963, the professional welfare industry has regarded the institution of marriage with indifference or contempt. William Ryan in his influential book *Blaming the Victim* expressed this view most clearly, saying that "only a few old diehards cling to old myths [concerning the value of marriage]."

When pressed, the welfare and social service industry may now pay weak lip service to marriage but the underlying attitude of indifference or hostility remains. This attitude explains why, despite the fact that the welfare reform legislation of 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), identified reducing illegitimacy as a paramount goal, few if any states use TANF surplus funds in active programs aimed at reducing illegitimacy and increasing marriage.

The "Fathers Count" bill, like PRWORA, identifies restoring marriage as a paramount goal, but once again this lacks operational teeth. The structure of the programs and the role of formal bureaucracies in selecting grantees ensure that only a tiny fraction of these funds will go to organizations with a strong commitment to marriage. Instead nearly all on the funding will be devoted to providing job training to absent fathers and collecting child support.

TITLE ONE OF THE ACT

Title One of the bill contains the bulk of funding with \$150 million over four years. It is true that one of the stated goals of title one is to promote marriage. However, none of the six active preference criteria to be used in selecting grants relate even remotely to marriage. Instead the emphasis is on job training, cooperation with child support enforcement, and paternity establishment.

Moreover, the eligibility criteria of title one are incompatible with a focus on reducing illegitimacy and increasing marriage. Young men may receive services under the bill only after they have fathered a child out-of-wedlock or made a married girl pregnant, generally out-of-wedlock. By contrast, a pro-marriage strategy would focus on preventing out-of-wedlock pregnancies from occurring and would encourage marriage before the pregnancy and non-marital birth happen.

If the overall goal is to reduce illegitimacy and to increase and strengthen marriage then we need to realize that interventions may be planned at many different stages in the individual's life cycle. These stages include:

Stage One: Before the initiation of sexual activity in teen or early adult years.

Stage Two: During the early stages of non-marital sexual activity.

Stage Three: While a young woman is cohabiting with boyfriend.

Stage Four: When a young woman cohabiting with boyfriend becomes pregnant and intends to bear the child.

Stage Five: When a young unmarried mother with new-born infant is cohabiting or in a relationship with child's father.

Stage Six: When the mother and father's relationship has broken down, and the father leaves household.

Stage Seven: When the absent father fails to pay child support.

Stage Eight: When the absent father fails to pay child support, and the mother is involved with other men.

A comprehensive strategy to increase marriage and reduce illegitimacy would provide an overlapping series of interventions with an emphasis on stages one through five. These interventions could involve marriage education, skills building, mentoring, ad campaigns, and programs to reward marriage and the avoidance of illegitimacy. Education programs concerning the value of marriage targeted to at-risk youth in high school and middle school are particularly important.

By contrast, nearly all so called fatherhood programs focus on stages seven and eight. But these are precisely the points which have the least likelihood of producing a stable married home environment for the child. This is no accident. These programs were explicitly designed with the goals of providing job training to absent fathers and collecting child support. Most of the organizations involved share the mindset of most of the social service industry ranging from indifference to overt hostility towards marriage. Many of these organizations have been reluctant even to mention the word marriage.

While the interventions most likely to increase marriage and reduce illegitimacy will occur in stages one through five, title one of Fathers Counts prohibits funding to any interventions in stages one through three. Title one does depart from conventional practice by requiring some programs to recruit participants in stage four (during pregnancy of the mother). However, the fact remains that nearly all the activity funded under title one will occur after an illegitimate birth has occurred; the bulk will focus on providing largely ineffectual job training to absent fathers long after the relationship with the mother has collapsed. By focusing its efforts after an out-of-wedlock pregnancy or birth has occurred, Fathers Count bill provides disaster relief when what is needed is disaster prevention.

MISSTATING THE OBJECTIVE

Thus nearly all of the activities funded under Title one will focus on preparing and assisting absent fathers to pay more in child support. Why this inordinate focus on child support? What better outcomes for the child born out-of-wedlock can we expect if more child support is collected? Will the child's rate of future criminal activity and incarceration drop significantly? Will child's mental health and psychological stability improve? Will the school drop-out rates and rates of drug and alcohol abuse decline? Will the child's prospects of giving birth out-wedlock herself as an adult drop?

Of course, improved child support collection will have a nugatory effect on all of these crucial life outcomes. In other words, child support has, at best, and a marginal effect on the well-being of the child. By contrast, restoration of marriage will have the most profound beneficial effects on the child's life outcomes and on the culture of the underclass. Why then, the pre-occupation with child support and the neglect in fostering marriage? The answer lies in the institutional hostility to marriage I alluded to earlier.

BUREAUCRATIC SELECTION OF GRANTEEES

Another substantial problem with Title one is the dominant role it gives the federal bureaucracy in selecting grantees. There is no group of people with greater hostility to the institution of marriage of than the professional bureaucracy to the U.S. Department of Health and Human Services. Yet the Washington bureaucratic class will have a huge role in selecting grantees. Funding conservative pro-marriage groups would represent an enormous break the social service status quo. This departure from the status quo will not occur if the allocation of funding and selection of grantees is controlled by either federal or state welfare bureaucracies. Instead funds must be directly targeted to pro-marriage groups.

TITLE TWO AND TARGETED FUNDING

However, Title Two of the bill is substantially different than title one. Title two actually targets funds to two groups with a historic commitment and track record in support of marriage. Assuming that the HHS bureaucracy actually allows these

funds to flow to the targeted groups, title two will fund critically needed pro-marriage activities. Thus the title two funding could provide the first significant step in a national campaign to restore marriage and save the underclass.

Unfortunately, the funds allocated to pro-marriage groups under Title two will constitute only \$5 to \$10 million over four years. By contrast, total funding under the Fathers Counts bill, including title three will be around \$230 million. Thus the funds which will actually flow to pro-marriage activities and pro-marriage groups will be only two to four percent of the total.

This is simply insufficient. If the bill is to have a substantial pro-marriage component, this can only be accomplished by increasing the funds allocated to the committed pro-marriage groups targeted in title two. Pro-marriage groups and activities should receive at least a quarter of the funding under this bill, or roughly \$50 million over four years, rather than the current \$5 to \$10 million.

TITLE THREE

Title three of the act provides \$65 million to provide more job training. At a time when state governments are sitting on nearly \$6 billion in surplus TANF funds this expenditure is simply a waste of the taxpayers money.

CONCLUSION

The most pressing goal facing our nation is strengthening marriage and reducing illegitimacy. The collapse of marriage is at the center of the problem of the underclass. Any policy, which seriously seeks to redeem the underclass, must begin by restoring marriage.

Unfortunately, the Fathers Count bill will not strengthen marriage. Although some 2 to 4 percent of its funds will probably flow to groups with a historic track record of fostering marriage, the remaining bulk of the funds will be used to provide job training of marginal effectiveness and to increase child support payments. Nearly all of the organizations which will receive funds will share the ethos which has characterized the U.S. social service industry since the denunciation of the Moy-nihan report in 1963. That ethos ranges from complete indifference to outright hostility toward marriage as an institution.

Even worse, the Fathers' Count bill will undermine efforts to restore marriage for two reasons. First, the bill will decisively draw attention and scarce funds away from the real issue of marriage. Second, because of its emphasis on child support pass through, the bill is likely to result in an indirect increase in welfare benefits flowing to single mothers. This will increase rather than reduce illegitimacy.

Regrettably, those policy makers truly interested in a restoration of marriage should seek a substantial alteration to the Fathers Count Act.

Chairman JOHNSON of Connecticut. Thank you very much, Mr. Rector.

Dr. Johnson.

STATEMENT OF JEFFREY M. JOHNSON, PH.D., PRESIDENT AND CHIEF EXECUTIVE OFFICER, NATIONAL CENTER FOR STRATEGIC NONPROFIT PLANNING AND COMMUNITY LEADERSHIP

Mr. JEFFREY JOHNSON. Good afternoon. I want to thank you, Chairman Johnson, Mr. Cardin and Members of the Human Resources Subcommittee for this opportunity to testify on the proposed Fathers Count Act of 1999. As you know, Madam Chair, for 20 years, I have been involved with the programs concerned with the plight of poor families from a lot of different positions, from a corporate executive, from a nonprofit executive, a college professor and a practitioner.

I try to bring that knowledge to my work at the organization I represent, and that is the National Center for Strategic Nonprofit

Planning and Community Leadership. Simply put, NPCL works with communities and families to help themselves.

With the passage of the Fathers Count Act of 1999, it will be a first step in providing the general public support needed to move closer to the day when fatherlessness is no longer a major American social issue. Since before the passage of the Personal Responsibility and Work Opportunities Reconciliation Act of 1996, NPCL through the Strengthening Fragile Families Initiative sponsored by the Ford Foundation has been working toward the objectives set by welfare reform.

The major provision of that legislation the temporary assistance for needy families, or TANF, had four goals. Along with my colleagues, Dr. Elaine Sorensen of the Urban Institute and Dr. Ronald Mincy of the Ford Foundation, who joined me in this statement, strengthening family grantees has been focused especially on the fourth goal, which is to encourage the formation and maintenance of two-parent households.

In our opinion, this legislation is intended to begin its work where welfare reform ended. That means, not only extending the employment gains made by mothers of children on welfare to fathers, but also helping young, low-income fathers and mothers to develop the personal employment and relationship skills they need to jointly support their children.

In our view, this will go a long way toward meeting the fourth goal, especially in communities where most children are born to unwed parents. Strengthening fragile families initiative research shows that many young fathers are highly involved with their children and their children's mothers at the birth of the child and during the early childhood years; therefore, the image of mothers raising their children born out of—outside of marriage by themselves is not totally accurate.

I would like to draw your attention to the charts on my right. And, Madam Chairperson, they are attachments 1 and 2 in my prepared written testimony. These findings bolster the evidence provided by Professor Sara McLanahan during the Subcommittee's previous hearing on fatherhood of high father involvement at the time of the child's birth. We believe that this legislation must more clearly make provisions for interventions that support and strengthen the bond between younger and low-skilled and low-income fathers, mothers and their children, a group we referred to as fragile families.

So, first, we ask you to broaden the purpose of the legislation to look at fragile families as an appropriate point of intervention.

A fourth goal might be added as follows: To promote the long-term collaboration of unwed parents in their child's development through interventions that serve both parents during the early years of a child's life. The Fathers Count Act should also seek to coordinate the service requirements of moms and dads and make eligibility requirements more gender or custody neutral so that dad can receive assistance as needed to bolster his self-sufficiency and capacity to care for his family.

There are some additional points I would like to bring to your attention. First is that MPCL has developed an expertise to coordinate amongst a variety of agencies serving low-income, low-skilled

parents. Much of the work that we are doing is done in collaboration with the Department of Labor, programs at the local level, the worker force investment boards, with Head Start, with Healthy Start, with Runaway Services, with the TANF program. We have a national demonstration project operating in 10 cities, and we have been able to pull it off, and so some of the suggestions about a community-wide initiative does make sense to us, and I can point very specifically to these types of projects in those communities we are working in.

Also, the Partner for Fragile Families demonstration project, a 10-city demonstration, is the first comprehensive initiative that is designed to focus on both moms and fathers as they try to pull themselves out of poverty and build stronger links with their children and to develop the bonds necessary to provide worthwhile role models to their children.

The Fathers Count Act provides a broad programmatic framework for reengaging fathers with families. The Partners for Fragile Families project is already in the process of conducting the work recognized necessary by the bill. The PFF project also emphasizes team parenting, meaning that parents work together for the benefit of their children regardless of their marital status.

Let me address the question of marriage here by stating that we support it. However, the crucial question for us is not whether but when. A young father without a job or prospects is a poor candidate for marriage. He is not, as we phrase it, marriageable, but that does not mean that he abdicates his role as daddy. The Fathers Count Act of 1999 needs the support and to cultivate marriageability with a fervor equal to that expressed commitment to support and cultivate marriage.

Finally, it is imperative that any new or revised policy initiatives toward supporting fragile families be enacted. That is where the Fathers Count Act of 1999 can make a real difference. We need to shape guidelines that focus efforts where we can and to maximize results now that welfare reform has become operational. We need to intervene now and cutoff the supply of children who require public assistance because their families are unable to provide their basic needs. Research strongly suggests that the best way to ensure that children do not need public assistance is to ensure that their parents have the wherewithal to support their family.

For many young fathers, the heart is indeed willing but the ability is lacking. Multiple, flexible strategies will be necessary to address the challenges these men and their families face. Part of that response we believe is the Fathers Count Act of 1999, as well as our Partners for Fragile Families project.

Although I have several other recommendations that I would like to discuss, time will not permit, and so Madam Chairperson, I would just like to offer those as part of my written testimony, and I would be happy to answer any questions that you and the Subcommittee might have at this time.

[The prepared statement follows:]

Statement of Jeffrey M. Johnson, Ph.D., President and Chief Executive Officer, National Center for Strategic Nonprofit Planning and Community Leadership

Good Afternoon, first my thanks to Chairman Johnson and members of the Human Resources Subcommittee of the House Ways and Means Committee for this opportunity to testify on the proposed Fathers Count Act of 1999. I applaud your wisdom, foresight, tenacity and commitment to fathers, families and children as indicated by this proposed legislation and these hearings aimed at addressing father involvement in the lives of their children. I know first hand the importance of fathers in families and I try to bring that knowledge to my work as President and CEO of the National Center for Strategic Nonprofit Planning and Community Leadership. The mission of NPCL is to enhance the capacity of community-based organizations to address identified local needs, primarily through family and neighborhood empowerment. Simply put NPCL works to help communities and families help themselves. I am Dr. Jeffery M. Johnson, and on behalf of the board and staff of NPCL, the ten Partners for Fragile Families Demonstration Sites, over 3,000 fatherhood professionals that we have trained over the past few years, representatives from the faith based community and an array of non-governmental organizations, I thank you for squarely addressing this long-neglected aspect of family social policy. If you are successful at passing the Fathers Count Act of 1999, it will be a first step in providing the general public support needed to move us closer to the day when fatherlessness is no longer a major American social issue. This bill also has implications for the greater success of child support collections and welfare-to-work initiatives and calls for coordination between service providers at all levels which everyone agrees will enhance services to families. We applaud your attempt to ensure the integration of the services authorized under welfare reform.

Since before the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, NPCL as part of the Ford Foundation's Strengthening Fragile Families Initiative (SFFI) has been working towards the objectives set forth by welfare reform. The major provision of that legislation, Temporary Assistance to Needy Families or TANF, had four goals. States were required to use funding to:

- decrease welfare dependency by providing enhanced job opportunities;
- provide cash assistance and other services to needy families;
- reduce the rate of out-of-wedlock pregnancies;
- encourage the formation and maintenance of two parent households.

Along with my colleagues Dr. Elaine Sorensen of the Urban Institute and Dr. Ronald Mincy of the Ford Foundation, who join me in this statement, SFFI grantees have been focussed especially on the fourth goal. In our opinion this legislation is intended to begin its work where welfare reform ended. This means, not only extending the employment gains made by the mothers of children on welfare to fathers, but also helping young, low-income unwed fathers and mothers to develop the personal, employment, and relationship skills they need to jointly support their children. In our view, this will go a long way toward meeting the fourth goal, especially in communities where most children are born to unwed parents.

SFFI research shows that most young fathers are highly involved with their children and their children's mothers at the birth of the child and during their early childhood years. Therefore, the image of mothers raising their children born outside marriage by themselves is not totally accurate. According to chart 1, attachment 1,* a large nationally representative survey conducted by the Urban Institute in 1997, for example, 30 percent of children under the age of two who are born outside of marriage live with both of their biological parents. Another 32 percent lived with their mother and saw their father at least once a week. Thus, according to this survey, the majority of young poor children born outside of marriage have highly involved fathers. Chart 2, attachment 2, shows that just over a quarter of poor children spend their first two years in a fragile family, but as children get older, this family type declines. As you can see, for poor children under the age of two, 38 percent of them live with their two natural, married parents; 27 percent live in a fragile family; 29 percent live with their mother and their father is not highly involved; and 5 percent live in other arrangements. By the time poor children are in their teens, however, only 5 percent of them live in a fragile family; 59 percent live with their mother and their dad is not highly involved. Thus, most poor children end up in a single mother family with an uninvolved father, but when poor children are young, both parents are more likely than not to be involved.

*The National Survey of America's Families is a large nationally representative survey of the non elderly population (under 65 years of age) conducted in 1997 for the urban Institute.

These findings bolster the evidence provided by Professor Sarah McLanahan, during the committee's previous hearings on fatherhood, of high father involvement at the time of the child's birth. Professor McLanahan's preliminary findings are from the Fragile Families and Child Wellbeing Survey, which was initiated through a Ford Foundation, SFFI grant. This survey is in the process of interviewing unwed mothers and fathers in 21 cities across the country. While the current findings are preliminary, the final survey results will doubtlessly show levels of father involvement of a similar order of magnitude, which is much higher than most experts would have anticipated based upon previous research.

These findings suggest that a new family type has emerged—it consists of poor children and their young, disadvantaged, unwed parents who want to work together on behalf of their offspring. This is where the Fathers Count Act can and should focus its work. Thus, we believe that this legislation must more clearly make provisions for interventions that support and strengthen the bond between young low-skilled, low-income fathers, mothers and their children, a group we refer to as “fragile families.”

So we first we ask you to broaden the purpose of this legislation to look at “fragile families,” as an appropriate point of intervention. A fourth goal might be added as follows:

(4) to promote the long-term collaboration of unwed parents in their child's development through interventions that serve both parents during the early years of a child's life.

The Fathers Count Act should also seek to coordinate the service requirements of moms and dads and make eligibility requirements more gender-or-custody neutral so that dad can receive assistance, as needed, to bolster his self-sufficiency and capacity to care for his family. We are not suggesting that fathers be provided the same level of services as mothers, nor are we challenging the presumptive custody that the mother has under current law. Instead, we would modify the eligibility criteria in the Fathers Count Act to make it easier for fathers to receive employment, counseling, and related services under the Act. I would suggest that the mere inclusion of so many different factors for eligibility will make the implementation of the various program elements difficult “on the ground” when states and localities attempt to operationalize these programs. In that regard, for the sake of consistency, the bill should also raise the personal eligibility criteria to 200 percent of the poverty guideline for fathers. Similarly, we should streamline eligibility requirements and do away with any criteria that are not absolutely necessary to maintain the integrity of programs.

NPCL has developed the expertise to coordinate among the various agencies serving low-income, low-skilled parents and their children, because we have discovered that fathers and mothers in fragile families have very similar need profiles. Our primary project, Partners for Fragile Families (PFF), includes a ten-city demonstration project that is the first comprehensive national initiative designed to help poor, single fathers join the mothers of their children in pulling themselves out of poverty and building stronger links to their children and their children's mothers. Thus, we believe that we are focused on a specific segment of families that the Fathers Count Act should target in order to maximize its effectiveness.

PFF fathers are not “deadbeat dads” but men we call “dead-broke dads.” These are men likely to qualify themselves for food stamps, men who look statistically much like mothers who are long-term welfare recipients. The difference between “deadbeat dads” and those we refer to as “dead-broke dads” is that the former can pay child support but will not. “Dead-broke dads” cannot pay child support but would if they were able.

As it streamlines eligibility requirements, the Fathers Count Act should also require that organizations eligible to receive funds have two additional kinds of experience:

offering national technical assistance and training to programs that target fragile families; and

working in partnership with programs under the aegis of the Department of Labor, the Department of Health and Human Services, (including Head Start and Child Support Enforcement) Department of Education,, and other child well-being initiatives.

Such coordination is not always necessary to serve mothers and fathers separately, but it is essential to help mothers and fathers jointly support their children, which is consistent with the fourth goal.

The Partners for Fragile Families Site Demonstration is a collaborative effort funded by grants from NPCL and operated in the ten test cities by public and private groups, grass roots community-based organizations, federal and state child support enforcement agencies, private employers and others to help men take financial,

emotional and legal responsibility for their children. The operative idea here is a partnership that leverages resources in a broad working coalition toward the goal of strong, independent families where children are well-cared for by both mother and father.

The Fathers Counts Act provides a broad programmatic framework for re-engaging fathers with families. Thus, PFF is already in the process of conducting the work recognized as necessary by the bill. PFF addresses a range of interlocking issues, including the type of systemic policy change suggested by the Fathers Counts Act.

All PFF grantees are required to use the Fatherhood Development Curriculum co-authored by myself and Pamela Wilson to teach values, manhood, parental accountability, anger management, self-sufficiency, health, sexuality and pregnancy prevention and conflict resolution. These lessons are emphasized by a peer support component of the program which means that young fathers who have successfully become responsible help teach those who are trying to become good parents. We also emphasize what we call team, T-E-A-M parenting, meaning that parents work together for the benefit of their children regardless of their marital status. And let me address the question of marriage here by stating that we support it. However, the crucial question for us is not whether but when. A young father without a job or prospects is a poor candidate for marriage—he is not as we phrase it, marriageable, but that does not mean he abdicates his role as “daddy.” Whether or not they are married, the child needs food, clothes, care, love and two supportive, nurturing parents. As he becomes self-supporting and an integral part of his child(ren)s lives, hopefully, marriage is a result if that is something the couple seeks for themselves.

The Fathers Counts Act of 1999 needs to support and cultivate marriageability with a fervor equal to its expressed commitment to support and cultivate marriage.

Toward that goal, our program helps these men to establish legal paternity, learn their legal rights and responsibilities, and negotiate the formal child support system. Child support enforcement agencies, in turn, may modify child support orders to give fathers time to secure training and a job, then gradually increase the order to match the father’s ability to pay. The Fathers Count Act speaks explicitly to this kind of proportional relief. The bill’s expansion of the provision that would allow for true forgiveness of child support arrearages, where it is apparent that fathers are making a good faith effort to pay what they can afford, is another major move in the right direction. We welcome the legislation’s recognition of the necessity of having a simple, straightforward methodology for addressing this issue, which presents a monumental roadblock for many good dead-broke dads. The low-skilled labor market is unstable. Fathers (and mothers) are, therefore, at risk of losing their jobs, which would cause an interruption in the father’s child support payments. We would suggest that the legislation include a provision to allow fathers, who rapidly seek a modification of their child support orders, when they become involuntarily unemployed, to qualify for some level of relief from arrearages. It should also require that applicant organizations have experience working in partnership with Child Support Enforcement at the national, state and local level. NPCL and its PFF grantees developed these relationships during the planning phase of the demonstration. Therefore, we believe that we are prepared to take advantage of the current language providing for relief from child support arrearages or of the expanded language, which suggested here.

The Parent’s Fair Share (PFS) Demonstration recently conducted by the Manpower Demonstration and Research Corporation, was able to achieve higher child support compliance rates for fathers in the treatment group, but the child support payments of fathers in the treatment group did not exceed those of fathers in the control group. This occurred because workforce development efforts in the PFS demonstration did not focus on wage growth. In line with the goal of promoting marriageability and increased child support, all PFF grantees are required to institute or provide access to intensive career and personal development-skills training in preparation for placement in family-sustaining, wage-growth jobs. We are talking about boot-camp-job-readiness programs. PFF grantees are also urged to perform long-term follow-up for clients to maximize the chances for job retention.

The program has an excellent prognosis and we are preparing to expand to more cities and accept greater numbers of fathers. Evaluative reports suggest that young fathers are indeed becoming responsible workers, adept at mediating the relationship between themselves and the mothers of their children as well as good parents.

Early research data show that PFF grantees are succeeding in training and job placement with a difficult population. Of 567 participants enrolled in the Boston and New York Access Support and Advancement Partnership (ASAP) intensive job training programs for example, a total of 308 were placed in jobs after two years. The average salary of ASAP graduates in Boston was \$22,308 and \$20,301 in New York.

In 1990, 61 percent of dead-broke dads had incomes below poverty level (about \$6800) and 86 percent had personal incomes below the poverty level for a family of four (about \$13,000).

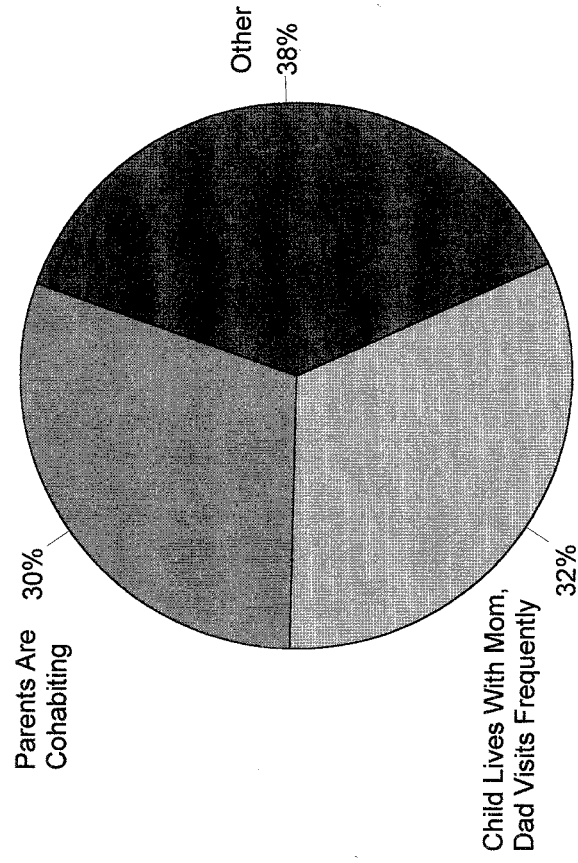
Unlike past publicly funded programs, PFF is concentrating on young, low-income, low-skilled men early enough to ensure that we can make a difference in the family outcome, before he drifts away from his responsibilities, or accrues large child support arrearages, or goes to jail multiple times, or disappears. This represents a new approach to anti-poverty, pro-family programs, one that we believe is most effective in promising the outcomes we seek. Any evaluation efforts mandated by the Fathers Count Act should focus on development of accurate documentation. This documentation can then provide a firm foundation for future evaluation efforts. This field is in an early stage of development and evaluation requirements need to recognize that by targeting specific programs as opposed to random assignment for evaluation of all programs on the ground.

Finally, the Act should include a provision to provide support to organizations that have proven to be both effective in their outreach to fathers in fragile families (or fragile families) and effective in their attempts to educate the public, service provider community, policymakers and the target population itself about our objectives.

It is imperative that any new or revised policy initiatives work towards supporting the above-mentioned efforts to assist fragile families in addition to educating young parents on the benefits of marriage. That's where the Fathers Counts Act of 1999 can make a real difference. We need to shape guidelines that focus efforts where we can maximize results now that welfare reform has become operational. We need to intervene now and cut off the supply of children who require public assistance because their families are unable provide the basic needs. Research strongly suggests that the best way to ensure that children do not need public assistance is to ensure that their parents have the where withal to support their family. For many young, fathers, the heart is indeed willing but the ability is lacking. Multiple, flexible strategies will be necessary to address the challenges these men and their families face. Part of that response, we believe, is the Fathers Count Act of 1999 and Partners for Fragile Families.

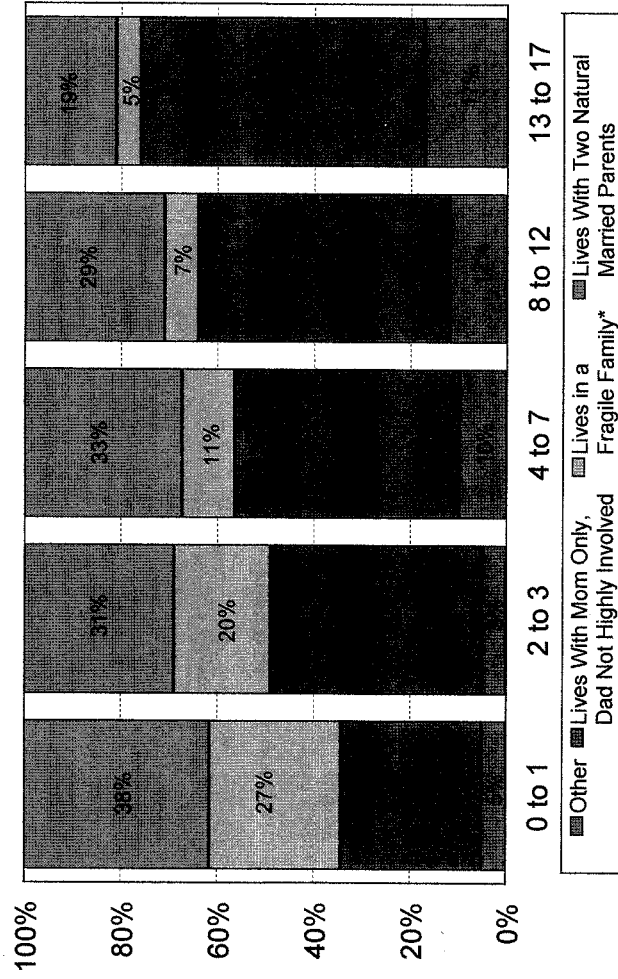
CHART 1

Father Involvement Among Children Born Outside of Marriage Under the Age of Two



Source: National Survey of America's Families, 1997

CHART 2
Family Types Among Poor Children By Child's Age



* Children Living in Fragile Families Are Born Outside of Marriage and Live With Both of Their Natural Parents or Live With Their Mom and Have a Father Who Visits Frequently.
 Source: National Survey of America's Families, 1997

Chairman JOHNSON of Connecticut. I thank the panel for their excellent input. The point you raised, Mr. Rector, about the importance of marriage is one that we have talked a lot about, and I don't think we would be here with this legislation if we didn't think it was important, and it is the first time that we have ever had in Federal law any effort to focus on marriage.

I don't think we know a lot about how to teach about marriage. We do absolutely nothing in our high schools to talk about relationships, how men think, how women think, how you settle conflicts. I am very pleased that in most of the grammar schools in my district now they are now teaching mediation and dispute resolution in the third, fourth and fifth grade and the kids are solving their own disputes, and all that helps, but I don't see how in good conscience when we have methodically ignored our failure to provide the quality education we need in just personal development, child development, human development in our schools or colleges, we can disregard the, in a sense, catastrophe we face.

It is true, we need to put better resources in to prevent this from happening, and I would be interested in talking with you about how you think we can do that. I have been very impressed with the pregnancy prevention program in my hometown—it does not qualify for the abstinence money but has 100 percent abstinence success. Very few programs in America can claim that, and it is because they are real, and they are really talking about sex education and why you don't do sex and so on and so forth as well as relational things, school, mentoring, career opportunities. Really, it is very holistic, but you see it doesn't qualify because it isn't pure in a sense, and that is a problem.

But I think when we see how many young men, when you look at those charts and see that, you know, 62 percent are attached, we have to strike now to say if you are attached, we will help you work and pay child support, we will help you learn how to manage money, we will help you learn how to relate to the mother of this child. We will also help you understand why marriage is a good thing, even though you have probably never seen a good model of a good marriage in your growing up years.

So I don't want to give up the opportunity or the responsibility to do a better job toward fathers. In welfare reform too, we are telling these women you have abilities, and we are going to help you figure out what those are and get in the job force, and we really don't even teach them anything about either money management to speak of, parenting skills, some plans do, some don't, but notice, we talk about parenting skills. We don't talk about interparent skills.

So we are really just coming to this realization that kids need two parents, and the parents need to know how to relate to the child, but they also need to know how to relate to each other, and I think the better job we do on that, the better groundwork we will lay for an understanding of marriage. It constantly amazes me that young married people do not understand and have no place to turn

if they can't figure out how to resolve significant differences in their marriage, and these are stable kids and stable marriages.

So I think we have such a long way to go in this area that I would hate to lose this opportunity to start.

Mr. RECTOR. I think that we have a very long way to go because we basically have ignored this issue for so many years.

Chairman JOHNSON of Connecticut. Right, we have.

Mr. RECTOR. One of the problems with abstinence programs that most abstinence providers would recognize is that it is basically a negative message. It says don't do this, and then there is a kind of a blank spot after that.

My vision is of marriage education which would be to go into young, at-risk women in high school and to explain to them exactly if you love the child that you are going to have, and most of these young women do love their children, these are the things that if you really love this child, the child that you are going to have, wait. If the best thing that you can possibly do for a child is not have it out of wedlock, find the right man, develop a marital commitment and then have that child. And these are the things, you know, the poverty rate will drop by 80 percent, crime rate drop, and all of those things which you on this Subcommittee understand, but to these young men and women, they have never heard that message at all, and they will say the most strange things like we believe in marriage but we don't have enough money or we don't have a proper church.

I mean, there is just a huge, huge market there, if we were to go in and say this is what marriage, if you want to understand, if you are a young black person, you want to understand why there is black poverty, the main reason for black poverty is that you are not married, and this is the way you can fix it and set that goal for them long before that pregnancy occurs so that when the pregnancy occurs you have already sown the field, so to speak, that they understand that this is important.

Chairman JOHNSON of Connecticut. I would certainly agree that that is true. I do think the whole emphasis on eliminating the marriage penalty reflects a certain amount of superficiality in our attitude toward what makes marriage worth it.

Let me just move on because there are a couple of questions I want to ask. I will yield to Ben and then we will see how much time is left because we do have another panel.

I did want to say, Dr. Johnson, since you have had so much experience in coordinating services at the local level, I hope you will look carefully at that, the effort we have made in the wording of this bill, because it is very important to me that we do build on what is there and not create another level or another group, and that is hard to do because the tendency has been the opposite.

Mr. JEFFREY JOHNSON. I think you are right, Madam Chairperson. I think what we have been able to establish is a common vision with multiple missions and that we are all striving toward the same goal and that is to improve the quality of life for young people, and I have partners right here from child support from the State of Massachusetts as an example of a working partnership that has been conceived in the idea, in a planning process that we all kind of can live with, and we are a work in progress, but I think

that the point that we can all work together toward the end of trying to create the conditions for child well-being is critical. I think the key is getting involved early. I think it is creating forums where people can dialog and to resolve conflict and to understand that there are going to have to be some changes in attitude, some changes in some cultural patterns, on the part of these organizations to really get at some of these issues. So I think that is a critical issue, and again, I just wish I had an opportunity to bring many of these communities before you so you can see that it really works.

Chairman JOHNSON of Connecticut. Those of you who have had experience, and I invite all of you to do this, if you look at the wording—is there any way we can strengthen that collaboration, if there are any sort of things we should say you can't do so that we don't create another center of power and bureaucracy, I would be interested to know.

Last, I would just want you to comment on this issue of the 25 percent local match. I have a lot of reservation about using TANF moneys for matching because I believe that we are about to figure out the dimensions of the need for day care in TANF, and we have really not begun to address the mental health and substance abuse problems among the TANF population. So I don't want to really open up that money for something else. I want to incentivize the infusion of new money into the system, but I am open both in the percentage and the flexibility, whatever you want to comment in that regard.

Ms. TURETSKY. Well, the use of Federal funds, Madam Chairman, to match the fatherhood demonstration funds may not be appropriate. It may be appropriate to use the State's own maintenance of efforts funds and be able to count them both as maintenance of effort and draw down—

Chairman JOHNSON of Connecticut. That is not new money.

Ms. TURETSKY. It is not new money, but it is a way both to fund these projects and solve the matching problems that Mr. Ballard brought up and to get significant State investment and interest in these projects, because if the States turn their backs on these projects, the community-based organizations cannot run the projects required by the legislation.

Chairman JOHNSON of Connecticut. I see that, but Mr. Horn put it well in his testimony, community-wide. You know, talk about preferences, maybe we should have—I don't mind a little United Way money, but when I see that pregnancy prevention program I mentioned, Pathway Cinderos, I can't believe what they have done. They started a nonprofit business to help support themselves. I really want you to know I am not hot on reusing existing money in the system. So I can hear that you might have troubles. The other part of me wants to be sure little programs that are creative and that can fit together everybody in the community so they are using a lot of existing money, but that those guys won't find the barriers too high to apply is a problem.

So I am interested in any thoughts you might have about this.

Mr. PRIMUS. I guess I would just share the following comment. I share your concerns about not using Federal dollars to match a Federal program. I think in general I very much agree with that

principle, Madam Chairman, but in this case, it is such a small amount of moneys and I think what you are really doing, I mean there is enough money in the system between the welfare work grants, the TANF surpluses and the State surpluses, that the hundred million dollars here for this act I think should be thought of as dangling some Federal money so that you get some bureaucracies that normally don't like to talk to one another to come together and put a proposal together with a community-based organization. And as a sign of commitment to that project, they ought to, and I think your bill language suggests this, they ought to identify the TANF dollars and the welfare work dollars and state all the moneys along with this grant that they are hoping to get from the Federal Government so that you can see the totality of the projects, so that this is a catalyst to provide the incentive for these bureaucracies to talk to one another because that is what I think is crucial.

Mr. HORN. If I could add something here. At the National Fatherhood Initiative, we have worked with hundreds if not thousands of local fatherhood programs. Let me describe the typical program to you because I think this match requirement will prove very difficult for them. Mostly, they are inner-city churches, and individual churches in the suburbs. They are also community-based organizations who have been operating for the last 2 or 3 years with no budget or very, very small budgets. The idea that they can come up with hard cash as a match requirement is going to be very difficult for a lot of these programs.

I believe the great genius of this bill is that it will infuse into the fatherhood field much needed resources so that these little programs that are now operating on shoestring budgets, or no budget at all, will have the opportunity to increase their capacity by accessing grants of \$5,000 or \$6,000 or \$7,000. It would worry me if the recipients of these grants become instead traditional social service delivery systems because they can write good grants and are better able to meet the match requirements.

That would worry me greatly because they are not the ones with the passion and the heart for this work. The people that have the passion and the heart for this work are the community-based organizations who are working at this very moment with practically no money. I hope that this money will filter down to those folks because they are the ones that are in such need of it.

Chairman JOHNSON of Connecticut. It would just even require coordination, and it is hard for those folks to actually work that out.

Mr. HORN. Yes. I understand what you are saying.

Chairman JOHNSON of Connecticut. We are on a clock here. So should we set aside some money that is governed by different rules? You don't have to answer this now. I think the national models are fine, and there are some others that could be these sort of collaborative projects, but somehow we have to make sure they are really sort of frontline. You know, the church of the north end of Hartford who actually knows the people and have got the contacts, you know, make sure they have that little money to do better.

Mr. HORN. One of the ways that one does that is by front loading some technical assistance so that those organizations which that are out there doing fatherhood are not at a disadvantage because they don't have a staff of fifty or seventy people, and don't have a

grant writing office. They may not have access to United Way funds or other sources of funds that could satisfy the match requirement.

Chairman JOHNSON of Connecticut. We have another panel. I am going to yield to Ben. I know that you would all like to chime in. You can do that in the course of the next 48 hours particularly and then gradually thereafter.

Mr. CARDIN. Thank you, Madam Chair.

Dr. PRIMUS, I want to follow up on one of Chairman Johnson's inquiries but in a somewhat different way. The competitive grant funds will not be available until fiscal year 2002 and then it is \$36 million a year, and then the grants of national significance also is not available until fiscal year 2002, and it is \$3.7 million a year. I just would like to get your view as to whether we couldn't get this started earlier. It seems to me to wait—it is not a large sum of money. We are going to get the advantage of it and be able to leverage the other activities, particularly where there are larger sums of money. Isn't it possible to get this out earlier than fiscal year 2002? Can the mechanisms be put in place?

Mr. PRIMUS. I think they can be put in place and should be put in place, and I would argue that the award should be made on January 1, 2001, and all of the grant awards at that time. I mean, this is a small amount of money, and if the next administration, should it change, believes that these awards weren't entirely appropriate, then I think there is plenty of things to learn here, and the Subcommittee can come back and reauthorize another hundred million or something.

So I think you should get these grants out as soon as possible. I think we have so much to learn, and also you have States sitting with surpluses right now. They have the money and the interest, I think the Subcommittee is leading the way, and you should capitalize on that.

Mr. CARDIN. I see most of you nodding your heads that you would like to see this money out earlier than that period. We will see if we can't work on that.

I was interested in listening to all of your testimony. Some of you think we are too proscriptive. Others of you think we are not proscriptive enough, so I guess we did it right. I think we have got the right balance here. It is interesting. What we are trying to do, and we were talking a little bit during Chairman Johnson's questioning, is that we are trying to give incentive for activity, and there are other sources of funds available. We have other sources of Federal funds available through TANF and welfare to work.

But we want to underscore the importance of fatherhood programs, and we want to provide maximum flexibility, as we did of course under the welfare reform proposals that we have had and we want to give the direction. So we were trying to balance that, and I see that to a certain degree all of you are happy and unhappy by that. So let me at least try, on a couple of the provisions in the suggested bill, get your views on it.

One deals with promoting fatherhood. That is something that we all believe in—promoting marriage, something that we all agree on. It is clearly something we would like to see more in our society where children are parented. The question is, how do you do that

in these programs? How do you balance this welfare of the child? We know that in some households, if we bring the mother and father together, there could be physical violence. On the other hand, we want to encourage skills to the father, particularly a noncustodial father that makes that type of conduct less likely. So how do you balance the goal that we have established in this bill and still carry out the underlining practicalities in our community and making sure that we are not creating a dangerous situation but encouraging marriage?

Mr. BALLARD. I have been doing this work for 22 years and largely in the inner city. I came from the same environment. I was a single father coming out of prison in 1959 when I couldn't even buy a job, but my heart changed for my son. Wanting to raise him myself caused me to go and adopt him and before I could get a full-time, good paying job making \$18 a week we were never hungry, we were never homeless, but being, having the attitude that marriage was crucial, was important, I went back into the community. Now, that same spirit that I came out of prison with, a change of heart, change of mind, I now have instilled in programs around this country, and what we discovered is that in 1965, when integration came about and people moved out of the community, the good models, the good strong families, we began to see these families left behind coming apart.

And so in order to answer that, we have taken the young married couples that I have demonstrated here today, and they go back into the community and not only do they model marriage, but they teach the importance of relationships, how do you raise a child in a loving, compassionate way without hitting the child and those kind of things, how do you support the mom. We have said to our fathers the best way to show your child that you love and respect him is to honor the child's mother, and so we have seen child abuse, we have seen domestic violence crash in those communities where we work.

So they are segregated but the jobs and the decisions are not made by the residents. They are made by us up here, and so we must go into those communities with a good, young, loving married couple who live a risk-free lifestyle, no drugs, no alcohol, and they become the models we are looking for, and then they begin to work with these families door to door.

I indicated earlier before you came in that we went to almost 7,000 homes since October 1, and we have placed in full-time employment 402 individuals, good paying jobs who are taking care of their kids, and so I think we need to collaborate. In many cases, I find that collaboration still has the old system in place.

Mr. CARDIN. Mr. Ballard, I very much appreciate that response, and that is one of the reasons I think we cannot be more proscriptive on this issue, on this bill because what you have said makes a lot of sense, and there might be programs in other parts of the country that are going to be totally different than that that makes sense for that community, promoting marriage but not trying to tell us how we are going to get there. We all understand the underlining skills of self-esteem and how to respect a child and how to respect a parent and how to have the skills to be part of the economic fiber of a family and to carry out your responsibilities, all

will lead to marriage, but that to be so proscriptive as to it becomes very, very difficult, particularly from the Federal Government's point of view.

One last comment, and then I know we do have another panel. We have other Members that are here. The same thing I see, I think it was Wendell who raised the concern on the passthrough issues on child support, whether we have done enough here. I would like to be much more direct about that, but it seems to me that the goal of encouraging or actually requiring that preferences be given to applicants who encourage or facilitate the payments of child support, that that allows for the use of passthroughs in order to get more child support collections because it is a proven tool. You know that if a father knows the money is going to the family, there is much more willingness to comply with child support.

So I think it is covered in the legislation, not as well as, quite frankly, I would like to see it covered, and I hope that there will be creative applications coming in using this tool to help us in child support collections.

If the gentleman wants to respond, very quickly, fine.

Dr. Johnson.

Mr. JEFFREY JOHNSON. I want to say, first of all, I do think it is important that child support passthroughs, the part that is in this bill works in the sense that I think it is a recognition that fathers want to know that their child support is going directly to their child. I talk to any number of fathers who say one of my problems with child support is that it goes into government hands and only a percentage goes to my child. I want my money to go to my child, and so I think that is critical.

I think the other part of it is that another way of looking at this marriage promotion issue is working with these families and these moms and these dads and creating the conditions where they can talk about it and really begin to, for the first time, explore marriage as something very viable. I recall just last week I was with a couple from our Baltimore Partners of Fragile Families site. It was a couple who was turned off to the system. She qualified for TANF. The social worker told the father he shouldn't marry mom because they were going to be committing welfare fraud, and the program put in place in Baltimore allowed them to talk about it, allowed them to negotiate a relationship with the TANF office and the child support people, and I am happy to report to you, Mr. Cardin, that that couple got married all of 30 days ago, and it was because the conditions were created for them to talk about their relationship, talk about the responsibility to the child and to really begin to talk with other folks who had more positive views of marriage and had something to communicate to them, a way of thinking about it that they never had before, but they came to that conclusion themselves.

Mr. CARDIN. Thanks for bringing up the Baltimore connection. I always appreciate that.

One last comment on the passthrough. I have talked to some noncustodial fathers who are paying child support arrearages, and it goes to the State, not to the family, and they sort of look at it as a tax. Now, you can argue it is not, but they look at it as a tax,

and I know the Republican leadership is interested in reducing taxes, so this might be a very good way to do it.

Chairman JOHNSON of Connecticut. Mr. Stark.

Mr. STARK. Thank you, Madam Chairman. I must say I have mixed emotions about this bill. My suspicion, my instinct is that it is an area in which we probably should not be legislating. We have done some horrendous things. I take this on a bipartisan basis. We created a system many years ago when we emasculated most young men in poverty, forcing them to leave home, be able to support their kids, and they were mostly not able to avail themselves of whatever psychological or psychiatric counselling they might need to make them think that, but that was because of a bill we created that you said you don't get AFDC if the pop is at home.

And I just think I have watched in the past when some of us entered into this area of seeing the change in the birth control, which led people to be sexually more active. We didn't have much of this problem in the thirties and forties. I know my colleagues on the dais don't remember that, but we didn't, largely because there was this huge fear of sexual relations due to the possibility of pregnancy.

And then you are apt to get into the definition of marriage, and I don't think you want to do that, as my colleague has suggested here earlier. We get this on the floor, and you are going to have every whacko who disagrees with your concept—I have a coven of witches in my district, literally, of which I am an honorary warlock, and they had a case in the issue of whether they could as a religious organization get funds under an educational voucher, and you get into these kinds of issues. You don't want to get into that and you may.

And all I am suggesting, I think Wendell brings up the area of strengthening the families. In California, it is easier to get married than to get a driver's license, buy a case of beer or buy a handgun, and it is easier to get divorced than it is to find your way through a coin-operated car wash and almost as fast. So I mean, do you just want people to sign up some place, at the local lottery sales counter and say we are married? Do you want them to go to these guys who are handing out ministerial certificates in the Central Valley of California—you can get them over the Internet now—and become a preacher and marry people in the State?

And I am just suggesting that the underlying basis of strengthening our commitment to one another as humans and to our children is wonderful, but I just am nervous, Madam Chair, about the idea of our defining faith and marriage. The Federal Government gets awfully ham-handed when we do that, and I would just hope we could find a way to fund—I don't mind funding faith-based organizations. Let us let the matching funds, I understand it is legal for sweat equity, so you hustle up a bunch of volunteers. I understand Wade Horn is going to apply for this. He is going to contribute his entire salary to this when he gets his grant, and that ought to go to the matching funds. Maybe you will get Wendell to contribute a little free consulting, and we could add that in it. There is no end to how this could go and how we could help.

We get families, what was that, Wendell, where we tried to coordinate social services, the Family Preservation Act, and this

smacks of an attempt to do that, but I would hope that all the people here I know are well-intended, but I am afraid that the devil will arise in the details here and that what comes as a well-intended move might—maybe it is just the current atmosphere here and I say that again on a bipartisan basis—that this might not be the climate for us to get into the issue of defining marriage, of suggesting whether we can support faith-based organizations with Federal dollars. Those become very hot button issues in this climate, and they have got to be either finessed or addressed.

And I think your intentions are marvelous and I would like to help, and I hate to be the skunk at the picnic, but I have this sort of reservation, and I know the Chairlady will be able to resolve all my concerns.

Chairman JOHNSON of Connecticut. I would just point out that the language in terms of faith-based organizations is the same that we used in welfare reform. So we aren't actually breaking new ground on that.

Mr. STARK. I didn't like the welfare reform bill.

Chairman JOHNSON of Connecticut. It was a lot better than it started out being.

I do want to make one closing comment before we go to the other panel. I must say I had an opponent who used to say "same old, same old," so I know the sting of that comment, but there is also a problem with how do you get beyond the past. So I would very much oppose all these grants being out by January 1. I think we will get "same old, same old." We will get the good grant writers. We will get the parts of the country where we already have the best coordination doing the best grants. So I tell you, my mind is really way out on this grant stuff. So you should consider this wide open.

I am not even sure we shouldn't take some portion of the money and let the cities as entities compete for this and show that they have neighborhood groups who can show you that in this part of town, if we get all these churches together and then there is this landlord who has this job training, we have day care, I think we have to think outside the box on some of this money because the most creative initiatives on fatherhood have come from outside the system because the system doesn't think about this. So I don't want it to be just system grants.

Mr. CARDIN. Would the gentlewoman yield just on that point, because we share the common desire to think out of the box, and quite frankly, I have been impressed by what I have seen in my own State of Maryland, some very creative programs, some of which were locally initiated, some of which used Federal funds in order to move forward, and it has been in the area of fatherhood and other areas that we have been extremely successful, so much so that some of the Federal agencies have actually come to Maryland to learn how we have done things in parts of my State.

I guess my concern is, and the reason I asked the question on the timing of the grants, is that as currently drafted, there could be no money, no grants on the first issued until October 1, 2001, and my concern is that people might and organizations may think that is so far off they might not take this seriously, and it isn't a lot of money. So I want to get people thinking today.

Wendell's point about January 1, that is over a year from now. That is certainly a lot of time for organizations to get their thoughts together and to come forward. It is going to be extremely competitive with the amount of dollars that are available here. We know we are going to get many more applications than we are going to be able to finance. So I think we are going to, and the mechanism to be put in the bill to evaluate it, I think we are going to get a lot of interest in these funds, and I would just like to get it started as early as possible.

I thank the gentlelady for yielding.

Mr. PRIMUS. Can I make one last comment in response to what all three of you have said? I think you ought to look upon this process, even if an organization doesn't get a grant but you have had at the State level Charles Ballard or Jeffrey Johnson's group and the child support people and the welfare-to-work people sit down and say we can do a better job by State policies, and even if that grant is rejected, there is enough money in the system now so that the State could use that and move forward.

So I think that is another reason I would argue that you ought to move forward and that this bill could be, again, a very good catalyst for initiating these policy discussions.

I guess I would say to Congressman Stark, the way I would think about this bill, and there is plenty of ethnographic research that says marriage isn't on the horizon here among mothers in inner cities. I mean, that is not on the radar screen, and I think promoting marriage, that if we get dads employed and get them less engaged in deviant behavior and better parents, that is also promoting marriage, and in my world, you know, I think that may be the most effective way.

So I see this bill and the reason I think it is still a little too prescriptive on the 75 percent, I think every grant should have fatherhood services, and it should be provided by a community-based organization. I see the primary problem as a lack of coordination between child support and welfare to work, and even though the bill says there has got to be coordination, that unless they are heavily involved and maybe the grant goes to the State government or local government and then to the fatherhood group, I just don't think you are going to get the collaboration and the policy change to affect noncustodial parents and get them more involved in the lives of their children.

Mr. HORN. Thirty seconds, please. Wendell just said something which I think is wrong. What he said was that there is plenty of evidence that in low-income communities, marriage is not on the radar screen. But data from the fragile families initiative clearly shows that at the point where the child is born to an unwed mother, 80 percent of the couples are romantically involved with each other, and when asked the question what is the likelihood you are going to get married, two-thirds say certain, near certain or fifty-fifty. Fifty-two percent say either certain or near certain. Marriage is on their radar screen.

What we need to do is to support their desire to get married, not by saying get thee to the altar and get married, but rather to talk with them, find out what challenges they face, what are the obstacles to marriage, and then move these couples, where you can, clos-

er to marriage, hopefully to marriage. But the idea that somehow marriage is not on their radar screen, at the least at the point when the child is born, that is incorrect.

Chairman JOHNSON of Connecticut. That is certainly what has been driving us.

Ms. Turetsky.

Ms. TURETSKY. Thank you. I think we are all interested in getting the traditional social services agencies, both private and public, to think out of the box, and the way to get community-based organizations and governmental agencies alike to think out of the box is, first of all, to encourage and require multiorganizational collaboration. That has been done in the domestic violence area where the Federal grant terms required the grantee to go out and prove that they had good collaborations going, not just paper collaborations, but real ones. That forced people to come to the table and really kick around some ideas.

The second way to get the organizations to think out of the box is to increase the flexibility around project ideas and not be overly prescriptive about what a project can or cannot do, but instead, put the focus on well designed, multiorganizational collaborations that really look like they have got the possibility of helping and of changing the environment.

Chairman JOHNSON of Connecticut. Thank you very much. We really do have to move on to the other panel in fairness. Thank you for your thoughts, and we look forward to working with you as we refine this legislation.

If we could start as soon as you can get seated. We will start with Kathleen Kerr. Next panel, please. If we could please have the next panel, promptly. I am afraid we are going to get into voting again and won't have the same conversation with this panel that we did with the preceding one.

Kathleen Kerr, the Vice President of Operations for Supportkids.com, from Austin, Texas. Welcome.

**STATEMENT OF KATHLEEN KERR, J.D., VICE PRESIDENT,
SUPPORTKIDS.COM, AUSTIN, TEXAS**

Ms. KERR. Thank you, Chairwoman Johnson, Representative Cardin and other distinguished Subcommittee Members. I am Kathleen Kerr, vice president of Supportkids.com, a private child support enforcement organization.

I feel uniquely qualified to offer testimony on how to enhance the Nation's child support program. Until just 6 weeks ago, I was the IV-D director for the State of New Hampshire, a position I held for 2½ years. Twelve years ago, my first day on the job as a staff attorney, I was shown a wall full of file cabinets that contained my cases and then was told the entire state was my jurisdiction. It did not take me long to figure out that this was a system that needed change.

Today, New Hampshire is recognized as a top program, and yet we still collect in only one out of three cases. Consequently, there were thousands of complaints, and sadly, when I read those files, it was readily apparent to me that with enough personnel we could have helped many of these families. The reality is we didn't have the personnel, and we never would.

Today, we are offering a solution to this problem that is possible when you consider the significant and powerful tools authorized by you, the Congress, through the PRWORA, Personal Responsibility and Work Opportunity Reconciliation Act. With the success of this legislation, it is important not to forget that one-third of all child support cases in the country are not even part of the Title IV-D program and, therefore, did not benefit from significant and important provisions of PRWORA. I urge you to take the next step and let all families benefit from your efforts in passing PRWORA by expanding access to some of those PRWORA provisions.

Forty agencies have done an admirable job in meeting a diverse set of expectations with significant limitations. Reality sets in, however, when you hear that more than 15 million children receive not one penny of child support and no collection was received in four out of five cases.

State IV-D agencies would clearly benefit from local government programs in the private sector working together on behalf of these children. The benefits will be significant if everyone who wants to work on behalf of children have all of the tools that exist available. By doing this, we will support an effective collaboration of the Title IV-D program with public and private enforcement entities and a concerted attack upon the problem of nonsupport.

My vision is the creation of an enforcement partnership. I want to be very clear, I am not talking about the privatization of the IV-D program. Instead, what we would create is a true partnership of the IV-D program with public and private child support enforcement entities sharing the work and sharing the tools. This would be a partnership to complement the program, not supplant it.

The limited proposal that I urge you to adopt today has just three major provisions which are set out in the written testimony of Judy Fink, who you will hear from shortly. Number one, the use of IRS and passport revocation procedures for public non-IV-D agencies. Second, authorizing the attachment of unemployment compensation benefits in both non-IV-D and IV-D cases, just like we do all wage withholding for all employers. And finally, requiring that IV-D programs honor any request for an address change received from someone like a child support mother, Susan Williams.

Please note that this limited proposal avoids significant privacy concerns as there is no request in this limited proposal for information. In the future, as we look toward a full partnership, it would be important to build sufficient protections in to avoid the misuse of information. I urge you to consider adding this limited proposal to your Fathers Count bill. We cannot rest on the successes to date. There are too many Susan Williams still waiting for their child support.

Thank you, and for the remainder of my time, I would like to turn to Susan Williams, who is a child support mother.

[The prepared statement follows:]

Statement of Kathleen Kerr, J.D., Vice President, Supportkids.com, Austin, Texas

Chairwoman Johnson, Representative Cardin, and other distinguished Subcommittee members, I am Kathleen Kerr, Vice President of Supportkids.com, the nation's largest private child support enforcement organization helping custodial parents collect unpaid child support. I appreciate the opportunity to testify today about ways in which Congress can enhance the nation's child support enforcement

program through greater involvement by “non IV–D” public and private child support enforcement agencies.

I feel uniquely qualified to offer testimony on this subject. Until just six weeks ago, I was the Title IV–D Director for the State of New Hampshire, a position I held for two and half years. Prior to that, I was an attorney with the New Hampshire program for ten years. I am also a member and officer of the National Child Support Enforcement Association (NCSEA).

I am testifying today to urge you and your colleagues in Congress to pass legislation that will provide custodial parents more effective options for collecting the unpaid child support owed them.

My first day on the job 12 years ago as a staff attorney for the New Hampshire child support enforcement program, I was shown a wall full of file cabinets. I was told that these files contained my cases and, furthermore, that that the entire state was my jurisdiction! It did not take me long to figure out that this was a system badly in need of change. Today, with the help of laws passed by Congress, the New Hampshire child support enforcement program is recognized as one of the best in the country, and yet we are still able to collect in only one out of every 3 cases. Each time a constituent complaint from a legislator was brought to my attention, my reaction was visceral. The reality of our situation was apparent to me almost immediately: with adequate resources we could have helped these clients. But we didn’t have adequate resources—and the consequences for these families whose enforcement needs were not fully met were severe.

The situation in New Hampshire is, of course, not unique. Nationally, a child support collection is made in only one out of every five cases in the IV–D caseload. Despite significant and powerful tools authorized by Congress—including, most recently, those contained in the 1996 Welfare Reform Act—Title IV–D agencies simply cannot adequately and timely serve all the millions of custodial parents needing enforcement services. Absent increases in federal and state funding, the IV–D program will continue to collect on only a small percentage of its child support enforcement caseload.

While I wholeheartedly support the need for additional funding for the IV–D program—and have been outspoken about my position in that regard—I understand the fiscal realities facing Congress and state legislatures. Difficult decisions must be made in allocating limited government dollars among the many worthwhile programs competing for those funds.

Fortunately, there are steps that Congress can take immediately to help more custodial parents receive effective child support enforcement services. Best of all, these steps will not cost the federal government a significant amount of money—if any. Indeed, they could end up saving federal and state tax dollars.

As a former IV–D program director—and someone committed to the success of the IV–D program—I urge this subcommittee, and the Congress, to support legislation to allow more extensive sharing of some of the most effective child support enforcement tools that Congress has created in recent years. Specifically, I am urging that the use of certain enforcement tools currently available only to IV–D agencies be extended to non-IV–D government child support enforcement agencies, operated by counties and courts, and to responsible private attorneys representing clients attempting to obtain their child support. These non-IV–D governmental child support enforcement agencies operate without federal and state IV–D funds. Instead, they rely on county funds, court fees, private grants and other revenue sources. Private firms—such as Supportkids.com—provide enforcement services without using any government funds.

The IV–D program does not—and should not—constitute the only child support enforcement enterprise in the country. There is a great wealth of enforcement resources outside the IV–D program in the form of public, locally funded enforcement agencies and private enforcement entities that use attorneys. But regrettably we have not yet brought those non-IV–D resources fully into our national child support enforcement efforts. Public and private non-IV–D child support enforcement organizations can significantly augment the IV–D child support enforcement program, without added federal and state IV–D program costs. The intent of the legislation I am urging you to adopt is not to supplant the IV–D program—or even to change its scope or responsibilities in any way. The intent of this legislation is to provide custodial parents child support enforcement options if the government program is unable to help them fully and effectively.

Many custodial parents know that, because of its caseload size, the state IV–D agency cannot always offer personalized attention. These parents should have a choice of child support enforcement services outside the IV–D program. To provide families with a true choice of enforcement services, tools now limited to use in the IV–D program need to be extended to other public enforcement agencies and to

members of the private bar. The IV-D program, public non-IV-D enforcement agencies, and the private entities enforcing support are, after all, committed to a common purpose and goal—getting support to the families owed and urgently needing that support. Everything should be done to facilitate the implementation of that purpose and the attainment of that goal.

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

It is important to stress that, in urging the involvement of the private sector in the enforcement partnership, I am not talking in this particular context about the privatization of the IV-D program or about contracts between private sector entities and the state IV-D agency. Those are issues completely apart from my proposal today. Instead, what I have in mind is a true partnership of the IV-D program with public and private child support enforcement entities—sharing the work and sharing the tools—without, however, having to enter into contracts. This is a partnership to supplement, not supplant the Title IV-D program. I cannot stress this too greatly. The government child support enforcement program is indispensable—but, in spite of the dedicated efforts of its staff members, it is not able to serve fully and effectively every family needing enforcement services. Non-IV-D public and private enforcement entities could be invaluable partners with the IV-D program if they could share the use of all the tools Congress has authorized.

Congress has already started down the road in extending to public and private non-IV-D organizations access to highly effective child support enforcement tools. For example, nearly 15 years ago, Congress provided for “universal” wage withholding in the collection of child support. As a result, this enforcement tool may be used in all child support cases—both IV-D and non-IV-D. This means that my own company, Supportkids.com, is able to use wage withholding to help custodial parents receive the child support owed them. Without the use of this tool, the effectiveness of our enforcement efforts on behalf of these parents and their families would be greatly reduced.

Unfortunately, however, not all child support enforcement remedies authorized by Congress are available beyond the IV-D program. I believe that this has occurred not so much by design or intention, but simply by omission. This has led to the frustration and anger of custodial parents—which I have often witnessed—who are forced to use the services of an already overworked state IV-D agency in order to have access to all the enforcement remedies Congress has provided and their tax dollars have paid for. It simply does not make sense to them that they have to wait month after month—sometimes year after year—to receive support collections which they might more expeditiously receive through the services of non-IV-D enforcement entities, if those entities also had use of all the tools Congress has authorized. Congress is to be commended for taking bold steps towards the improvement of child support enforcement. This proposal is just the next step in the continuum of significant improvements to the child support program begun with the passage of the 1996 Personal Responsibility and Work Opportunity Act (PRWORA).

UNEMPLOYMENT INSURANCE BENEFITS

Although Congress made wage withholding available for child support enforcement in both IV-D and non-IV-D cases, it failed to extend withholding from unemployment compensation except in cases enforced by IV-D program. There was no logical reason for omitting this remedy for use by non-IV-D enforcement agencies and may even have been an error in drafting. The consequence, however, is significant and leaves some custodial parents with no option other than a IV-D agency that may not get to their case for months or even years.

To illustrate this point, suppose a custodial parent decides to use Supportkids.com for assistance in collecting past-due child support. Our company locates the non-paying parent, finds out that he is employed and serves the non-paying parent's employer with a court order for income withholding. Child support payments from the wage withholding now start coming in for our client. Now, suppose the non-paying parent quits his job and goes on unemployment compensation. Although federal law permits withholding on unemployment compensation, it does so only when it is a IV-D case. That means Supportkids.com can no longer help our client in this situation.

This loophole—and others like it in federal law—needs to be corrected. In this illustration, federal law should provide that the state employment security agency honor the withholding order on unemployment compensation (just as every employer must honor a withholding order for wages), regardless of whether it is a IV–D or non-IV–D case. This relatively simple change in federal law would comport with the change Congress made under the 1996 Welfare Reform Act in redefining “wage withholding” as “income withholding” to include any form of periodic payment made to non-custodial parent, regardless of source.

PASSPORT REVOCATION

Similarly, Congress in the 1996 Welfare Reform Act required all states to have laws to provide for denial or suspension of various kinds of licenses—including professional and driver’s licenses—for individuals who ignore their child support obligations. The federal statute was written in a manner making this legal enforcement remedy available in all cases, not just those being enforced by a state IV–D agency. As a result, non-IV–D public child support agencies and private attorneys can pursue this remedy by seeking a court order.

The 1996 Act also required state Title IV–D agencies to implement procedures for reporting to the Secretary of Health and Human Services the names of non-custodial parents who owed past-due support amounting to \$5,000 or more for the purpose of denying or revoking a passport. As written, however, the law [42 U.S.C. 652(k); 654(31)] appears to restrict access to this highly valuable tool to the state Title IV–D agency alone, with no opportunity for its use in a non-Title IV–D case. Federal law should be amended so that, with appropriate due process and other safeguards, this remedy may be used to compel any delinquent non-custodial parent to pay support arrears amounting to \$5,000 or more, regardless of whether the case is being enforced by the state IV–D agency.

LEGISLATIVE PROPOSALS

Last year, following congressional testimony similar to what is being presented here today, Senator Kay Bailey Hutchison introduced legislation that would open up access to federal child support enforcement tools. This legislation would offer custodial parents some effective options for obtaining enforcement assistance. She is preparing similar legislation for introduction again in the current Congress.

There is also another legislative draft that has been provided to the Human Resources Subcommittee staff, which focuses on just a few of the issues contained in Senator Hutchison’s more sweeping proposal. I respectfully urge this subcommittee to include this legislative proposal as an amendment to any child support related legislation being considered this year by the subcommittee. The more limited version of the Hutchison proposal has four major points. It would provide public non-IV–D agencies with the ability, as IV–D agencies have, to request that the U.S. Department of the Treasury intercept personal income tax refunds for payment of child support arrears. It would enable these public non-IV–D agencies to request that the U.S. Secretary of State impose passport sanctions for unpaid child support amounting to \$5,000 or more. It would make unemployment compensation benefits attachable in both non-IV–D and IV–D cases. Finally, it would require state child support disbursement units and IV–D programs to honor a custodial parent’s request for change of address in the process of support collections.

If Senator Hutchison’s legislation is enacted, or if this subcommittee will incorporate the proposed amendment into child support legislation being considered now by this subcommittee, custodial parents in Broward County, Florida and the millions of Susan Williams’ throughout the United States will be the beneficiaries of the enhanced enforcement services that non-IV–D public and private child support enforcement entities would be able to provide them.

Each day, the amount of unpaid child support in this country increases. Currently, more than 40 billion dollars in past due child support remain uncollected in the national IV–D program.¹ With the passage of this legislation, local governmental and private enforcement agencies would be able to provide custodial parents with all the remedies Congress has provided for the enforcement of child support. To the extent that enforcement tools available to the Title IV–D program are not also available to other public and private enforcement entities, they are being un-

¹ All IV–D program data cited in this testimony are taken from the *Preliminary Child Support Enforcement FY 1998 Report*, Office of Child Support Enforcement, Washington D.C., August 29, 1997 and the 22nd Annual OCSE Report to Congress.

derutilized, and non-IV-D entities are limited in their ability to contribute fully to the national child support enforcement effort.

As we move into the new century, we need new strategies and a new vision of possibilities—which fully embrace the realities of limited resources—in order to ensure that the millions of families in this country owed child support receive that support fully and in a timely manner. Therefore, I respectfully urge Congress to enact the legislative proposal to which I have referred. Without additional cost to the taxpayer, the implementation of this legislation can, I believe, make a significant difference in our efforts to provide all families with options and to secure the well being of millions of our children.

Thank you.

Chairman JOHNSON of Connecticut. Ms. Williams, welcome.

**STATEMENT OF SUSAN B. WILLIAMS, CHILD SUPPORT
MOTHER, CYPRESS, TEXAS**

Ms. WILLIAMS. Madam Chair, distinguished Members of the Subcommittee, thank you for the opportunity to testify today on the importance of enforcement options for custodial parents who need help in collecting past due child support. I was and am one of those custodial parents. I worked with an attorney, I tried to help myself and I pursued my case with my State agency before finally getting help from a private child support enforcement company.

My name is Susan Williams. I am a first grade teacher from Cypress, Texas, which is a suburb of Houston. My former husband left home when our daughter Jennifer, who is now a sophomore in high school, was seven. A month after we divorced in 1992 my former husband quit his job and left the State of Texas. After the divorce, Jennifer's father moved from State to State and job to job. He would accept a signing bonus, begin a new job in computer programming and stay until there was pressure on him from me or someone else, then he would quit and move on.

I could have hired an attorney again, but it is expensive and since they work on retainer, you have to pay them before the work is done. So I opened a case with my State child support enforcement office. They made it clear that they could make no promises of being able to help. Because my case was an interstate case, it was especially difficult to pursue. The State agency was able to help me in a single instance when they intercepted my former husband's income tax return and turned it over to me. After I got the IRS check I never heard another word from the government.

I was constantly anxious, working and worrying about money and the effects of all this on my daughter, when I heard about a private child support enforcement company that was based in Texas, Supportkids.com. A friend mentioned the company to me at a baby shower we were both attending. I contacted Supportkids.com in 1997 and decided to fill out an application and authorize them to pursue my case. It was a hard decision to make, but when I finally decided that one parent shouldn't have to do the work of two, I put the application in the mail.

Supportkids.com found my former husband and got payments started. Eventually, Supportkids.com negotiated a lump sum payment of the past due amount. My former husband borrowed the money from his parents and paid almost \$16,000 to me and my

daughter. This concluded my contract with the company. However, when the payments later stopped coming again, the company reopened my case, tracked him down and got the monthly checks coming in again. They had the focus and the tenacity to stay with it.

I would advise other custodial parents not to hesitate to work with a good private company. They have the resources and the time to really pursue cases. They do take a percentage of what they collect on your behalf, but they earn it. I would urge Congress to change Federal law so that private attorneys, including those working with firms like Supportkids.com, will have access to all enforcement tools that have already been made available to the State's child support enforcement agencies.

[The prepared statement follows:]

Statement of Susan B. Williams, Child Support Mother, Cypress, Texas

Mr. Chairman, distinguished members of the Subcommittee: thank you for the opportunity to testify today on the importance of enforcement options for custodial parents who need help in collecting past-due child support. I was, and am, one of those custodial parents. I worked with an attorney, tried to help myself, and pursued my case with my state agency before finally getting help from a private child support enforcement company.

My name is Susan Williams. I am a kindergarten teacher from Cypress, Texas, which is a suburb of Houston. My former husband, who I met in college, and married after we'd both graduated, left when our daughter, Jennifer, was seven. She is now a sophomore in high school.

My former husband's decision to leave the marriage caused me a lot of pain and grief, as you might expect in a situation like that. It never occurred to me that he would also be leaving Jennifer, however. He had always been a good father to her, and while I came to accept that our relationship could end, I never expected him to walk away from her, too.

And yet, a month after we divorced in 1992, he quit his job and left the state of Texas. Although I began teaching in 1980, it was in a private setting, and after my divorce, I made plans to work full-time in the public school system. Switching to the public sector meant that I was essentially starting over in terms of building my seniority. The news of my former husband's disappearance filled me with anxiety and concern.

The terms of my divorce seemed Ok at the time, but as my attorney pointed out, it's one thing to look good on paper, and another to enforce the court order. You've probably heard the stories of other parents whose experiences are similar to mine.

After the divorce, Jennifer's father moved from state to state, and job to job. He's a conservative and professional looking person, a quiet man who sells himself well. He would accept a signing bonus, begin a new job in computer programming and stay until there was pressure put on him, from me or from anyone else. Then he'd quit and move on.

You can hire an attorney, but it's expensive and since they work on retainer, you have to pay them before they will work on your case. So I made an appointment to open a case with my state's child support enforcement office, and arrived that day to take a seat in a very small waiting room. I waited for some time, until I was shepherded into a conference room with several other women for a backgrounding session, and became a number, right before my own eyes. They were very clear that they could make no promises of being able to help. Because my case was an interstate case, with Jennifer and I living in a different state from her father, it would be more difficult to pursue. I was not optimistic that I would get help.

I felt totally alone. I learned then, and it's still true today, that child support is a hard topic to discuss with other people. The state agency was able to help me in a single instance, when they intercepted my former husband's income tax return and turned it over to me. After I got the IRS check I never heard another word from the government. It was as though they had filed away my information forever. I could only keep leaving messages.

During this time, I actually got fairly good at personally delivering the wage withholding information to my former husband's employers. When I knew where he was working, once he'd returned to Texas, I would drive down to the courthouse, and for \$15 I would file the paperwork requesting that the new employer set up wage

withholding. I did this four or five times. And no employer failed to cooperate. But I could expect an angry phone call from him, and once it came, he would eventually quit the job. There was also a two year period when I had no idea where he was.

I was in constant anxiety mode, working and worrying about money and the effects of all this on my daughter, when I heard about a private child support enforcement company that was based in Texas—Supportkids.com. A friend mentioned the company to me at a baby shower we were both attending. I contacted Supportkids.com in 1997 and decided to fill out an application and authorize them to pursue my case. It was a hard decision to make, and I really agonized over it. I knew that I met the criteria that Supportkids.com looks for in a new client: I wasn't on welfare, I had a court order for support, and I was owed over \$5000. But I still went back and forth over confronting the situation so directly. When I finally decided that one parent shouldn't have to do the work of two, I put the application in the mailbox.

The minute I signed up with Supportkids.com I felt a huge sense of relief. It was almost instantaneous. I felt like I had some control again, after years of feeling alone and like I was only able to react.

And they found my former husband, and got payments started. So even though I was still getting angry phone calls, I knew I could rely on them to keep things on an even keel—that they had the resources to pursue my daughter's child support. Eventually Supportkids.com negotiated a lump sum payment of the past-due amount. My former husband borrowed the money from his parents and paid almost \$16,000 to me and my daughter.

This concluded my contract with the company. However, when the payments later stopped coming again, the company reopened my case even before I had accrued \$5000, tracked him down, and got the monthly checks coming in again. They had the focus and the tenacity to stay with it.

I can't even describe to you how this felt. I know that at some level, I will never feel totally safe about this. I will always be wondering how far I can trust that these resources will continue coming for my daughter. Will that fear ever go away? Probably not.

But I have regained a certain amount of my self-esteem. I asserted myself and I persevered throughout this roller coaster ride. I couldn't give up, even though there were times before I got to Supportkids where I didn't think I could do it anymore. I've gained a lot of courage, and I've sent a good message to my child.

I am thankful that I have a job. Even though I lost the house as a result of his not paying, I am proud that I have been able to provide stability for Jennifer. We've only moved once in seven years, and she was able to stay in the same schools. As a teacher, I see the impact of uprooting on kids all the time. It affects them long-term. I have tried to help my daughter build relationships where she can talk about her dad, apart from me, and the struggle we've been through. My fear is that she might seek out a father figure in a mate.

I would advise other custodial parents not to hesitate to work with a private company or a private attorney, once they've done their homework and know it's a reputable firm. A good private company like Supportkids.com has the resources and the time to really pursue cases. They do take a percentage of what they collect on your behalf, but they earn it. Parents have always had the choice of working with a private attorney, but we need to be able to choose to work with a private company that uses attorneys if that is a better solution financially for our families. Everyday people just don't have the tools to pursue missing parents on their own.

In closing, I'm also happy to say that several months ago, Jennifer's dad wrote her a letter apologizing for his behavior. The three of us were able to meet for lunch eventually, and my daughter saw her parents getting along.

This wasn't easy for me to do, but it was in my daughter's best interest. It gave her a sense of family again. Her dad now calls her every week, and she is pursuing her own relationship with him.

He continues to pay his child support.

Chairman JOHNSON of Connecticut. Thank you very much, Ms. Williams.

Ms. Fink.

**STATEMENT OF JUDITH FINK, DIRECTOR, BROWARD COUNTY
SUPPORT ENFORCEMENT DIVISION, FORT LAUDERDALE,
FLORIDA**

Ms. FINK. Chairwoman Johnson and distinguished Members of the Subcommittee, good afternoon and thank you for the invitation to testify on the issue of child support enforcement in the non-IV-D arena. My name is Judith Fink, and I am the Director of Broward County Support Enforcement Division in Fort Lauderdale, Florida. We are funded completely through the county's property tax dollars. Through the local funding of a separate child support program in Broward County we are able to assist our IV-D counterparts, thus reducing the need for additional Federal dollars. Our services are completely free to the residents of Broward County.

Although we are a non-IV-D, local government-funded agency with an active caseload of more than 5,500 residential parents and over 20 years of enforcement experience, we work very closely with the local IV-D agency. All of our child support clients qualify for IV-D services. However, they choose to place their cases in our hands because we are effective, responsive and more easily accessible. Last year alone we had a collection rate of 77 percent.

Due to the diligence of Congress and in particular the work of this Subcommittee, some very effective child support tools have been created and are in use throughout the United States. One very notable example is wage withholding. This process is one of the primary methods by which child support is now collected. What is very significant is that wage withholding was first enacted by Congress as an enforcement tool available only to IV-D agencies. States were then given the option of whether to extend the use of this tool to non-IV-D cases. Eventually, Congress required immediate wage withholding for child support in all cases.

Another very effective enforcement tool to which we have received access in recent years is the ability to revoke driver's licenses. Through this program we have been able to convince people to meet their child support obligations who previously ignored all other enforcement attempts. Unfortunately, non-IV-D enforcement agencies are not able to utilize passport revocation procedures. Unlike driver license revocation, for some reason passport revocation has been limited for use only by IV-D agencies. Congress should enact legislation making it clear that passport revocation as an enforcement tool should also be available in non-IV-D cases.

The national directory of new hire programs has proven to be a very successful tool for the IV-D program. The fatherhood legislation proposes providing access to this directory to assist in collection of defaulted student loans. Today I am requesting that our non-IV-D child support program also be given access to new hire directories so that we can help our clients in the collection of child support.

While the IV-D child support agencies have rightfully been given access to a well-balanced variety of enforcement tools, the non-IV-D agencies continue to operate in their shadow. This has meant that our clients give up opportunities for access to some effective enforcement tools because they would rather work with a local agency that reports to county government and is more responsive to community needs. This choice should not be necessary.

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

As a government agency, the Broward County Support Enforcement Division should be able to share in the same information and enforcement tools as the state IV-D agency. We are both organizations employing staff dedicated to public service. Just as the IV-D agency is dedicated to serving the residents of the State, we are also dedicated to serving the residents of our county.

In the eyes of our clients, we are both the government and as such should provide the same services. Every year when it is IRS intercept season, our clients feel left out. They truly do not understand why we are not allowed access to this program. It is easier to say they should apply for IV-D services, but the truth of the matter is the IV-D program is already overburdened. If we had the same tools, we could relieve the burden even further.

As you are no doubt aware, last year Senator Kay Bailey Hutchison introduced Senate bill S. 2411 that addresses many of the concerns mentioned here today. We support this bill and expect that the Senator will refile it in the future.

There are more immediate steps that can be taken to provide non-IV-D agencies with the powerful enforcement tools that will be beneficial to our neediest clients. An amendment has been drafted that many of you have already seen. Today I am asking for your help to make this amendment a reality by including it in any legislation that you consider and pass this year. The amendment would be a modest step with potential for great rewards in the war on child support. If it were to become the law of the land, every child support case would have access to wage withholding from unemployment insurance benefits. Non-IV-D government agencies, like the Broward County Support Enforcement Division, would be allowed to submit qualifying cases for IRS intercept and passport revocations.

The changes that I am asking of you today all boil down to a matter of choice for parents who are owed child support. They should never ever have to give up access to even one enforcement tool merely because they choose to exercise their right to ask for help from a non-IV-D enforcement agency rather than unwillingly enter the overburdened IV-D program.

Chairwoman Johnson, thank you for the invitation and opportunity to testify before this distinguished Subcommittee. The leadership exhibited by you and the Members of this Subcommittee has truly made a difference in the lives of the children of this Nation who rely on child support.

Thank you.

[The prepared statement follows:]

[An attachment is being retained in the Committee files.]

Statement of Judith Fink, Director, Broward County Support Enforcement Division, Fort Lauderdale, Florida

Chairwoman Johnson and distinguished members of the Subcommittee: Good afternoon and thank you for the invitation to testify on the issue of child support enforcement in the non-IV-D arena. I am grateful for the opportunity to discuss the valuable contributions made by non-IV-D government funded enforcement agencies in the partnership of helping our nation's children collect the child support they so desperately need and deserve.

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

The responsibilities of the Broward County Support Enforcement Division are simple: (1) we enforce current orders of support for Broward County residents and (2) we serve as the central depository for all child support and alimony payments in Broward County, regardless of whom serves as the enforcing agent. Although we are a non-IV-D, local government funded agency, with an active caseload of more than 5,500 residential parents, and over 20 years of enforcement experience, we work very closely with the local IV-D agency. As the local depository, we maintain the financial records for all child support and alimony cases in our County. We collect and disburse the payments, certify arrears and payment records and provide the IV-D agency with a variety of reports and services that are helpful to them in their enforcement efforts. All of our child support clients qualify for IV-D services; however, they choose to place their cases in our hands because we are effective, responsive and more easily accessible. Last year alone, we had a collection rate of 77%.

Due to the diligence of Congress, and in particular the work of this subcommittee, some very effective child support enforcement tools have been created and are in use throughout the United States. One very notable example is wage withholding, sometimes also known as income deduction. This process is one of the primary methods by which child support is now collected. Through this process, residential parents can count on receiving child support on a regular basis. Much of the financial stress is relieved because they know "the check is in the mail." They can plan for back to school expenditures and holidays. Nonresidential parents are freed from the regular worry of financial support and can spend their energies on the emotional support of their children. In other words, parenting becomes the priority because the financial obligations are automatically deducted from earnings and forwarded, through the depositories (soon to be the State Disbursement Unit), to the residential parents and the children. What is very significant, is that wage withholding was first enacted by Congress as an enforcement tool available only to IV-D agencies. States were then given the option of whether to extend use of this tool to non-IV-D cases. Eventually, Congress required immediate wage withholding for child support in all cases.

Another very effective enforcement tool to which we have received access in recent years is the ability to revoke drivers' licenses. We have found the threat of drivers' license revocation to be even more effective than the threat of incarceration. It is common for a delinquent parent to rush to the depository to pay thousands of dollars to avoid the suspension of a driver's license. Apparently this privilege is even more dear to some people than personal freedom. Through this program, we have been able to convince people to meet their child support obligations who had previously ignored all other enforcement attempts.

Unfortunately, however, non-IV-D enforcement agencies are not able to utilize passport revocation procedures. Unlike drivers' license revocation, for some reason passport revocation has been limited for use only by IV-D agencies. Congress should enact legislation making it clear that passport revocation as an enforcement tool should also be available in non-IV-D cases.

These two examples illustrate the importance of Congressional action to create a level playing field by which non-IV-D child support enforcement agencies are able to access important enforcement tools. I am here today to ask for your help in leveling the playing field that is child support enforcement. While the IV-D child support agencies have rightfully been given access to a well-balanced variety of enforce-

ment tools, the non-IV-D agencies continue to operate in their shadow. This has meant that our clients give up opportunities for access to some effective enforcement tools because they would rather work with a local agency that reports to county government and is more responsive to community needs. This choice should not be necessary. Residential parents who choose to work with the non-IV-D agencies should have access to the same variety of enforcement tools as the IV-D clients. After all, every child support case is different. Each case requires a different mix of enforcement techniques in order to attain the ultimate goal of successful collection of child support dollars.

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

INCOME WITHHOLDING FOR UNEMPLOYMENT INSURANCE BENEFITS:

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

NEW HIRE DIRECTORY:

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

FEDERAL CASE REGISTRY:

Under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, all non-IV-D cases established or modified on or after October 1, 1998 must be maintained on a state and federal case registry. Federal matches will be run on all cases included in the registry; however, the non-IV-D enforcement agencies will not be given access to any matches that occur. Even though non-IV-D case information will be maintained, the non-IV-D client will receive no tangible benefit. The information matched through the Registry would be extremely valuable and helpful in our ongoing enforcement efforts. Access to the matched information would be especially useful in our attempts to collect support from the most difficult delinquent parents. More specifically, the self-employed who are paid under the table or maintain businesses or assets in the new spouse's name.

FEDERAL PARENT LOCATOR SERVICES:

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

PASSPORT REVOCATION:

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

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

BANKRUPTCY:

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

ENFORCEMENT OF ALIMONY ONLY CASES:

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

CONCLUSION

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

As a government agency, the Broward County Support Enforcement Division should be able to share in the same information and enforcement tools as the state IV-D agency. We are both organizations employing staff dedicated to public service.

Just as the state IV-D agency is dedicate to serving the residents of the state, we are also dedicated to serving the residents of our County.

In the eyes of our clients, we are both “the government,” and, as such, should provide the same services. Every year when it is IRS Intercept “season” our clients feel left out. They truly do not understand why we are not allowed access to this program. It’s easy to say they should apply for IV-D services, but, the truth of the matter is that the IV-D program is already overburdened. If we had the same tools, we could relieve this burden even further.

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

As you are, no doubt, aware, last year Senator Kay Bailey Hutchison introduced S2411 that addresses many of the concerns mentioned here today. We support this bill and expect that the Senator will refile it in the future.

There are more immediate steps that can be taken to provide non-IV-D agencies with powerful enforcement tools that would be beneficial to our neediest clients. An amendment has been drafted that many of you may have already seen. (Attached) It addresses some immediate concerns that we believe should become law as a matter of policy. Today I am asking for your help to make this amendment a reality by including it in any legislation that you consider and pass this year. The amendment would be a modest step with potential for great rewards in the war on child support. If it were to become the law of the land, every child support case would have access to wage withholding from Unemployment Insurance Benefits. Non-IV-D government agencies like the Broward County Support Enforcement Division would be allowed to submit qualifying cases for IRS Intercept and passport revocations. Custodial parents would have the right to notify central depositories and State Disbursement Units of their address of choice to which all of their child support payments should be mailed. As you can see, these simple steps would grant non-IV-D enforcers access to tools that have the potential for reaping great benefits for some of our toughest cases to enforce.

The changes that I am asking of you today all boil down to a matter of choice for parents who are owed child support. They should never have to give up access to even one enforcement tool merely because they choose to exercise their right to ask for help from a non-IV-D enforcement agency, rather than unwillingly enter the overburdened IV-D system.

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

Chairman JOHNSON of Connecticut. Thank you.
Ms. Smith, welcome back.

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

Ms. SMITH. Madam Chairman, Members of the Subcommittee, thank you for the opportunity to testify on proposals to extend child support information and remedies to entities outside the State child support agencies. My name is Marilyn Ray Smith. I am Chief Legal Counsel at the Massachusetts Department of Revenue, Child Support Enforcement Division.

While the child support program has come a long way, it still has a long way to go. We need to continue to look for creative solutions and keep an open mind about new ways of doing business. But we must not let our search for innovation lead us to embrace ideas that sound good but have unintended consequences.

Before I get to the heart of this debate, I want to say at the outset that I am a friend and colleague of the proponents of these proposals. Nevertheless, I must also say that I am in respectful disagreement. These proposals will have an impact far beyond the individuals here today. I do not intend my remarks to question their commitment to the child support program, but in my view, these proposals in their current form will not get us where we want to go.

My purpose here is to identify the tough political and practical issues that should be addressed before Congress decides to move in the direction of expanding access to child support remedies and information.

I have three key questions for you to consider today:

First, should the child support program use tax dollars to act as bill collectors for private collection agencies when the work for which the fees are sought was performed by State and Federal employees?

Second, should the child support program turn over to unregulated public entities, collection agencies and private attorneys who are not realistically subject to privacy and other safeguards the vast array of confidential information and enforcement remedies we have assembled?

Third, should we create another parallel administrative structure, computer communication network, set of forms and procedures outside the IV-D system that will result in additional operational burdens, not only for the child support program but also for its collaborating partners.

There are two proposals being advanced; one is relatively modest, and the other quite extensive. Both proposals require the IV-D agency to send any payments it collects to any entity or person designated by the custodial parent. I would like to discuss this provision first, and then come back to an analysis of the other proposals.

Requiring the IV-D agency to forward support payments as a directive of the custodial parent seems like a benign and reasonable mandate. You have already heard that some custodial parents become frustrated with their IV-D child support agency and turn to private collection companies for assistance.

In their desperate need for child support, they sign contracts with these companies which require them to pay 30 to 40 percent of any collection made from that day forward, regardless of how, or by whom, the collection was made. Collection agencies justify these high fees by saying "66 percent of something is better than 100 percent of nothing." But is it better than 100 percent of something?

Suppose the week after the custodial parent signs the contract, one or more of the following things happen after years of little or no action on the case by the IV-D agency:

The IV-D agency's data match with the State or national directory of new hires suddenly locates the noncustodial parent's em-

ployer and a wage assignment issued by the IV-D automatically kicks in.

The Federal tax refund intercept, prepared and submitted by the IV-D agency, finally scores.

The financial institution data match negotiated by the IV-D agency with local banks gets underway. A bank account is located and the IV-D agency issues a levy to seize it.

The noncustodial parent wins the lottery and the IV-D agency's lien that has been patiently sitting there catches the winnings.

The IV-D agency sends a notice threatening driver's license revocation and the noncustodial parent decides to enter into a payment plan.

Or the noncustodial parent goes to one of the fatherhood programs that you heard about earlier today, embraces their message of responsibility, and starts to pay voluntarily.

By now the point is clear: The new systems that you mandated and that we set up are starting to pay off. The collection agency did nothing to earn its fee, yet it claims the right to a substantial cut of the child support check.

We have to ask ourselves the tough question of what public policy is served by taking money intended to keep children out of poverty and diverting it to profit-driven private companies?

How can we bring fathers back into the fold, when so much of their child support check would never reach their children?

I would like to turn now to the proposal for extensive access to IV-D child support information and remedies. This bill was filed in the Senate last year. Reportedly a modified version will be filed this year, and sooner or later you will likely hear more about it.

The enforcement remedies include Federal and State tax refund intercepts, passport sanctions, access to new hiring reporting and financial institution data matches and more. The information sought consists of all the information in the Federal and State parent locator services, including names, addresses, Social Security numbers, dates of birth, health insurance coverage, assets and liabilities and employer information of both custodial and noncustodial parents.

It also includes information from all other State agencies the child support program deals with, such as vital statistics, public assistance, corrections, tax and financial institutions.

All that is necessary to get access to this gold mine is to register with the Secretary of Health and Human Services by filling out a simple application. The entities and individuals potentially eligible to apply for registration could encompass literally hundreds of private collection agencies, thousands of local county clerks of courts, district attorneys, sheriffs and other State and local government entities, as well as tens of thousands of private attorneys practicing family law.

HHS would have no authority to deny an application that discloses all the requested information. There is no approval process to evaluate qualifications. Nor would HHS have authority to regulate performance and services.

Although this proposal purports to advance "privatization" to streamline government at no cost, in fact, it would require significant taxpayer dollars to expand the bureaucracy.

It is a far cry from the privatization contracts that are in operation in most States. Unlike this scheme, those contracts operate under State and Federal law. They are subject to audit and they must meet clearly defined measures of accountability.

There are also very real privacy concerns, which I will just have to summarize in the interest of time, but we believe that it would be virtually impossible to prevent fly by-night operators from using this information for other purposes.

There are also problems of private law enforcement raised by giving quasi-law enforcement powers to seize income and assets to private collection agencies.

Finally, having said all of this, is there something that could be done to extend some tools of the child support programs to responsible government entities? This brings us to this more modest proposal which both of my colleagues have mentioned already. Typically, we would expect it would be clerks of court who would participate, but it could include district attorneys, attorneys general, sheriffs and others.

My written testimony analyzes the proposal in some detail but there seem to be several ways to proceed. For the Federal and tax refund intercept and passport sanctions, clerks could submit cases directly to the Treasury or the State Department or they could go through the Federal Office of Child Support Enforcement, which could conduct the data exchanges with Treasury and State, or they could submit cases to the local IV-D agency for transmission to Washington.

As for unemployment compensation benefits, they could send the income withholdings order directly to the agency for the unemployment agency to sort out.

However, all of these routes raise questions about computer connections, arrears certifications and due process rights of noncustodial parents.

The final alternative is that clerks of court could simply enter into a cooperative agreement with the IV-D agency and make the case for which the remedy is sought an IV-D case. Ms. Fink and the clerks could continue to provide the services that they do so well in Broward County, and at the same time those remedies would be available to their clients.

The millions of little details have been worked out between the IV-D agencies and these other entities over the last 15 or 20 years. We built computer systems to conduct the data matches and we dealt with all the permutations of calculating arrears. Moving in this direction keeps us on our 20-year path of consolidating the child support functions rather than fragmenting them.

In my view, it would be far cheaper and easier for all concerned to build on the existing structure rather than create a whole new parallel process.

In closing, I respectfully recommend that much more work needs to be done to assess the impact of these proposals on computer systems and the operational constraints of the affected agencies. We have barely scratched the surface on the ramifications of releasing confidential data and giving broad enforcement powers to unregulated entities.

The child support community appreciates the attention to detail that this Subcommittee consistently shows and your willingness to engage us in these discussions. By working together we can craft laws that translate into workable programs for the children who need our support. Thank you.

[The prepared statement follows:]

Statement of Marilyn Ray Smith, Associate Deputy Commissioner and Chief Legal Counsel, Massachusetts Department of Revenue, Child Support Enforcement Division

Madam Chairman, distinguished Members of the Human Resources Subcommittee: Good afternoon, and thank you for the opportunity to testify on proposals to make available certain child support remedies and information to entities outside state child support enforcement agencies.

My name is Marilyn Ray Smith. I am Chief Legal Counsel and Associate Deputy Commissioner for the Child Support Enforcement Division of the Massachusetts Department of Revenue. Before joining DOR in 1987, I was a family law attorney, and continue to be active in local, state, and national bar associations.

As you heard two weeks ago, the nation's child support program has made great improvements in recent years. This progress is a result not only of the bold and innovative reforms that you sponsored as part of welfare reform, but also of years of hard work by dedicated child support professionals that are beginning to bear fruit. However, we still have a long way to go. Too many American children still do not get the child support that they are due, on time and in full. We need to continue to look for innovative, creative solutions and keep an open mind about new ways of doing business that maximize use of limited resources for an ever expanding caseload. But we must also make sure that further innovations are introduced in a way that does not derail our current forward movement. Expanding access to child support enforcement remedies and information to entities outside the IV-D system raises many concerns about costs and fees, operational burdens on state and federal agencies, upsetting computer systems that are finally beginning to work, and safeguarding confidential information, as well as changing the direction of the nation's child support program.

In my testimony today, there are several questions in particular that I wish to discuss: Should federal and state tax dollars be used to collect fees due under private contracts, when the work for which the fees are sought has been performed by federal and state employees at taxpayer expense? What administrative and operational burdens will these proposals, as drafted, present to federal and state agencies? Who is going to pay for the computer modifications and increased personnel costs that these proposals will require? Will these costs be eligible for the federal match as IV-D costs, even though the services may be for non-IV-D cases? Will we be starting down a slippery slope that erodes our commitment to protect confidential information?

I also want to say at the outset that I am a friend and colleague to the proponents of these proposals. Nevertheless, there are areas where I am in respectful substantive disagreement. My remarks are not intended to question their commitment to the child support program. However, any legislation enacted in this area would have an impact far beyond the individuals here today. There are hundreds of private collection agencies; thousands of local county clerks of courts, district attorneys, and governmental entities; and tens of thousands of private attorneys practicing family law, all of whom would be potentially eligible to participate in these proposed programs. My intention here is to identify the tough political and practical issues that should be addressed if Congress decides to move in this new direction.

TWO PROPOSALS TO EXPAND ACCESS TO CHILD SUPPORT INFORMATION AND REMEDIES

There are at least two proposals being advanced that would extend child support information and remedies to cases that are currently not in the IV-D system.¹ One

¹A child support enforcement agency is operated by each state as a condition of receiving federal financial support both for the child support program and for the cash assistance program, Temporary Assistance to Needy Families (TANF). The child support agency is often referred to as the "IV-D agency," whose services include locating noncustodial parents, establishing paternity, and establishing, modifying, and enforcing child support obligations in "IV-D cases." IV-D cases consist of cases of families who currently receive TANF, who formerly received TANF

proposal (“the limited proposal”) would make the federal tax refund intercept and passport sanction programs available to certain public agencies—usually county clerks of court—that handle cases outside the state IV–D child support agency, the so-called “public non-IV–D cases.” It would also require state unemployment compensation agencies to accept income withholding orders to collect child support from unemployment benefits in all cases, not just those being enforced by the state IV–D child support agency, as is currently the case.

The second proposal is considerably more expansive (“the expanded proposal”). One version was filed last year in the Senate by Senator Kay Bailey Hutchison as S.2411, and a revised version is expected to be filed in the Senate in a few weeks. It would permit state and local non-IV–D public child support enforcement agencies, private attorneys, and private collection agencies who employ attorneys to have access to virtually every enforcement remedy and every source of information about custodial and noncustodial parents currently available to state IV–D child support agencies. To obtain this access, these agencies and attorneys would be required to register with the U.S. Department of Health and Human Services (HHS) by filing an application that discloses certain specified information.

Both the limited proposal and the extended proposal would require IV–D agencies’ state disbursement units to send any child support payment collected by the IV–D agency in any case, including IV–D cases, to any address designated by the custodial parent, unless the court had specified in the order the address to which the payment should be sent.

There are many controversial provisions in both of these proposals, but perhaps none is more so than the proposal to require state disbursement units to redirect payments to entities or individuals other than the custodial parent. I will discuss this provision first, and next turn to an analysis of the more limited proposal relating to federal tax refund intercept, passport sanctions, and income withholding for unemployment benefits in all cases. I will then follow with a review of the proposal for extended access to information and remedies, looking particularly at concerns about safeguarding confidential information. Finally, I will close with a recommendation that much more work needs to be done to root out the proverbial “devil in the details” before we embark on this path.

REDIRECTION OF PAYMENTS AT THE REQUEST OF THE CUSTODIAL PARENT

Requiring the state disbursement unit to forward any support payments due a custodial parent—whether or not a IV–D case—to any address or in care of any person or entity that the custodial parent specifies seems on its face to be a benign and reasonable mandate. It could include, for example, a bank for electronic or direct deposit of funds into the custodial parent’s account. Or perhaps a custodial parent wishes to receive mail at the address of a friend or relative, because her mailbox is not secure or she wishes to avoid disclosing her address because of domestic violence.

Why then is this legislation being sought, and what is the objection to it? Some custodial parents, frustrated at not getting child support through the IV–D agency or through their own efforts, have turned to private collection agencies for assistance. Under the contracts for services used by many private collection agencies, the custodial parent must agree to pay the collection agency a specified fee which ranges from 30 to 40 percent of the collection, regardless of how the collection is made. The custodial parent must further agree to pay the percentage fee on any child support payment made either directly to her, through the court, through the IV–D agency, or through any other means. It may also include a percent of current support collected by income withholding. Some contracts appear to remain in effect as long as a child support arrearage is owed, even if the private collection agency

or Aid to Families with Dependent Children (AFDC), or who applied for child support services from the state. State IV–D agencies are administered pursuant to detailed federal law and regulations, and involve cooperative agreements with courts, district attorneys, and a variety of other state agencies including vital records agencies, licensing agencies, and registries of motor vehicles. Some states have contracted with private vendors to provide specific services, including operating local child support offices. Public agencies entering into cooperative agreements and private vendors working under contract with state IV–D agencies are required to comply with the same federal law and regulations that govern State IV–D agencies and are subject to audit by state and federal officials.

has not been successful, and even if an income withholding order remains in effect for many years.²

The apparent purpose of this proposal is to permit collection agencies, private attorneys, and non-IV-D public entities collecting child support to receive the child support collections made by the IV-D agency, and then deduct their fees before sending the money to the custodial parent. Some state IV-D agencies have received instructions to forward collections made by the IV-D agency to a private collection agency purporting to be under retainer from the custodial parent, without any direct communication from the custodial parent to the IV-D agency. Other states have received these requests directly from the custodial parent.³

The proponents of this measure argue that its opponents are refusing to allow custodial parents other options to collect child support, especially when the child support agency is not doing an effective job. This is simply not the case. There is no provision in the IV-D statutory or regulatory scheme that prohibits custodial parents from entering into contracts with collection agencies or prevents them from hiring a private attorney. Nor is there anything that prevents a custodial parent from writing a check to pay any valid contractual fees. Moreover, the cases at issue in this debate are those where the IV-D agency has been successful in collecting support. The argument that “60 or 70 percent of something is better than 100 percent of nothing” does not hold up, because the IV-D agency is prepared to deliver 100 percent of the collection, minus any minimal fees. The collection agencies do have an alternative if a custodial parent enters into a valid contract and then breaches it by refusing to pay the fees specified in the contract. The civil courts of every state are open for redress for the collection agency and private attorney just like they are for every other creditor.

The heart of the matter is that this proposal would take away from children money collected at taxpayer expense by federal and state employees and divert it to profit-driven private collection agencies and attorneys. Some state IV-D child support agencies do not want to be bill collectors for private collection agencies in circumstances where the IV-D agencies feel they have done the work to make the collection.⁴ To be perfectly frank, they particularly balk at the notion that the collection may have come from actions taken exclusively by the child support agency, such as an execution of income withholding through the new hire data match, a seizure of a bank account from the financial institution data match, or an intercept of a federal or state tax refund. These are all automated remedies that have taken years to put into place and are just now producing impressive results. It frustrates child support professionals to think that their efforts to pass tough federal and state legislation and to sweat through the trials and tribulations of building the auto-

²These contracts are not subject to federal rules relating to timely distribution of funds to families. Some contracts specify that the agency will forward to the custodial parent the balance of the payment within 30 days of receipt, after deduction of the agency’s fee. By contrast, federal law requires the state disbursement unit to send collections to the custodial parent within two days, unless there is an appeal pending related to an arrearage collection.

³IV-D agencies have responded in a variety of ways. These include requiring an affidavit from the custodial parent stating that she is aware of the scope of child support services offered by the IV-D agency, requiring her to close the IV-D case, or requiring a power of attorney authorizing another entity or person to receive the payments. Other states have required the custodial parent to seek a court order to change the payee, on grounds that the court expects the child to receive the full amount due. Finally, some child support agencies have administrative or system constraints against keeping more than one address for the custodial parent in the state case registry, which is the source of address information for the state disbursement unit. They are mindful of the federal requirement that the state case registry contain the residential addresses of custodial and noncustodial parents for purposes of service of process, and are concerned that important notices and copies of actions taken that are required by federal law to be sent to the parents will not reach their destination if they pass through a collection agency or other entity.

⁴To be sure, some collection agencies use creative investigative and “gumshoe” strategies to successfully track down income and assets of delinquent obligors, and some private attorneys are particularly effective in using contempt actions to compel payment. In some situations, these strategies are more effective than the mass case processing tools employed by IV-D agencies. Those collection agencies and private attorneys have arguably earned their fees, though one might still ask whether 30 to 40 percent of the collection is an appropriate amount, particularly of ongoing collections. Most child support agencies recognize their own limitations and are receptive to cooperating with reputable firms and attorneys in those cases which require labor-intensive, individualized case work. However, the code of professional conduct or bar rules in many states prohibit private attorneys from charging contingent fees in child support cases, on public policy grounds that the money should go to the children. In addition, in some states, members of the bar have opined either formally or informally that an attorney has an ethical obligation to disclose to a client who is a custodial parent that IV-D services for enforcing child support are available at no or low cost, and that an attorney who charges a fee without giving the client the opportunity to pursue the IV-D option may be committing malpractice or an ethical violation.

mated computer systems will be harvested by unregulated entities in the private sector just as these innovations start to bear fruit. And while the collection agencies may well have individual satisfied customers that they can produce, it is noteworthy that advocacy groups for custodial parents do not support this proposal.

ACCESS TO FEDERAL TAX REFUND INTERCEPT AND PASSPORT SANCTIONS

The limited proposal would make federal tax refund intercept and passport sanctions available to cases being enforced by a state or local government child support agency not providing IV-D services. Before deciding whether to make these remedies available, it makes sense to look at how this could be done. First, who decides what is a “state or local government child support agency”? The Department of Health and Human Services? The state legislature? The agency itself? This description could include county clerks of court, district attorneys, attorneys general, sheriffs, and any other state or local government entity that decided to start providing child support enforcement services. Presumably the intent is to permit local county clerks of courts to continue to provide child support services to non-IV-D cases currently in their caseloads. In some states, long before the advent of the IV-D program, county clerks of courts provided collection, disbursement, and enforcement services to families needing assistance in collecting support. The clerks of court wish to continue to do so even as the IV-D program has grown in scope and complexity. For some reason, they have not entered into cooperative agreements with the state IV-D agency, as is the case in most states where county clerks have historically been involved in collecting child support (e.g., Michigan, Ohio, Pennsylvania, and New Jersey).

Any legislation in this direction should pay attention to the details and include specific authority for HHS and Treasury to issue federal regulations. There must be procedures for certifying the amount of arrears claimed to be owed, including notice and opportunity for a hearing for the noncustodial parent, with specific timeframes for each step in the process so that it moves in an orderly fashion. Otherwise, the Departments of HHS or the Treasury will have to examine hundreds of different procedures from hundreds of different agencies to see if due process requirements have been met. Or noncustodial parents may have no recourse to raise legitimate challenges. What will be the decision rules when there are multiple tax refund intercept submissions from different states, with some from IV-D agencies and some from non-IV-D agencies, in cases where the noncustodial parent owes past support to several custodial parents? Finally, would the referrals be made through a case-by-case individualized paper process, or submitted through electronic, automated means?

Passport sanctions raise similar issues to federal tax refund intercept, which would need to be resolved before broadening availability of this remedy. There are also a few differences, in addition to the amount of qualifying arrears (\$5,000 instead of \$500). The timeframes for resolving disputes must be much quicker for passport sanctions. While funds from the tax refund intercept can be held for many weeks pending resolution of disputes, passport sanctions must be addressed expeditiously. The delinquent noncustodial parent may be eager to settle his debt so that he can get his passport and go abroad. The State Department will need a clear point of contact to resolve any questions that may arise. Multiple referral sources beyond the IV-D agencies will complicate this process.

There appear to be at least four ways for the state or local non-IV-D child support agency to move these cases through the system to their final destination at either the Department of the Treasury or the Department of State:

- Send the cases directly to the Treasury or to the State Department. All communications would take place with those entities, without involving the Federal Office of Child Support Enforcement (OCSE) or the state child support IV-D agency.
- Send the cases to OCSE. OCSE would review the submissions to determine compliance with necessary requirements and assemble all the referrals from around the country and send one package each to the Treasury and the State Department, without involving the state IV-D agency. OCSE would then be responsible for transmitting the “hits” or other communications back to the state or local non-IV-D child support agency.
- Send the cases to the state IV-D agency. It would then be responsible for reviewing the submissions to ensure that the requisite procedures had been followed. It would also be responsible for serving as the conduit between the state or local non-IV-D agency and the appropriate federal agency.

- Make the cases IV–D cases by entering into a cooperative agreement with the state IV–D child support agency. This route is already permitted under federal law, and would require no additional Congressional legislation. The IV–D agency would incorporate the referred cases into the existing system for notice and opportunity for hearing and for transmission of information in both directions with OCSE. The cases could be either eligible for the full range of IV–D services or designated as “tax refund and passport sanction only” cases, similar to the “locate only” and “non-IV–D income withholding only” cases that the IV–D agency currently tracks.

Although states are probably not going to be enthusiastic about yet another category of cases, it is easier and cheaper to go this last route and fit them into existing processes. It would certainly require additional work for the IV–D agency to set up arrearage histories on the IV–D computer system, to issue notices and process appeals. However, some or all of this work can be delegated to the referring non-IV–D agency for work-up and resolution as part of the cooperative agreement. The transmission of data to OCSE would also be simpler, as state IV–D agencies have direct telecommunications connections with OCSE, used to transmit data several times a week for the Federal Case Registry and the National Directory of New Hires. All in all, this approach would provide for more control and consistency. States, of course, will want assurance that these cases will be eligible for the federal financial institution data match and for inclusion as IV–D collections for purposes of calculating incentives and other program measures. These cases will bring increased work, regardless of how much is contracted out to the non-IV–D agency under the cooperative agreement.

Moreover, such an approach is consistent with the evolution of the child support program since its inception. In contrast, setting up separate computer connections and procedures for non-IV–D state or local government entities to get into the business of child support enforcement is a step backwards. Since 1975, in response to consistent and widespread criticism that one of the major weaknesses of the program has been its historic fragmentation, the thrust of federal law has been to push states to consolidate child support functions under a single entity within state government. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), Congress put into place the remaining necessary requirements to achieve the goal of consolidating the program at the state level. States are in the midst of accomplishing these mandates, ranging from automated computer systems and state case registries that contain information on all IV–D cases as well as information on non-IV–D cases with a support order, to state disbursement units where employers in the State can send all payments subject to wage withholding orders to a single entity in the State. Consolidation has been a critical component of automated case processing, which relies on automated data matches that can take enforcement action on thousands of cases at a time through issuance of wage withholding orders and asset seizures. This process has been made more efficient for all concerned by the use of standardized forms and uniform procedures. This may not be the optimal time for upsetting the applecart just as it gets rolling.

Rather than encouraging more state and local government agencies to enter the child support enforcement business independent of the IV–D agency (and not subject to federal regulations), it would be more economical to encourage those few remaining clerks of courts providing child support services outside the IV–D system to convert their cases to IV–D cases. The cases would then be eligible for the IV–D remedies and information sought by these proposals and would be subject to the well-developed rules, regulations, and procedures that currently exist for the IV–D program.

ACCESS TO UNEMPLOYMENT COMPENSATION BENEFITS

Under current law, state unemployment compensation agencies are required to honor income withholding orders against unemployment compensation benefits only in IV–D cases being enforced by the state IV–D child support agency. By contrast, since 1994, all child support orders, whether IV–D or not, have been required to have presumptive income withholding from wages and salaries. There is now a proposal to extend income withholding to unemployment compensation benefits in all cases as well.

Current law, section 303(e) of the Social Security Act (42 U.S.C. 503(e)), requires the unemployment compensation agency to require each applicant for unemployment benefits to disclose whether or not the applicant owes child support in a IV–D case. The unemployment compensation agency is then required to notify the IV–D agency of such disclosure and to withhold from unemployment benefits the amount of child support owed and send it to the IV–D agency.

The proposal under consideration would require the applicant for unemployment benefits to disclose any child support obligation (not just IV-D cases), as well as the identity and location of the entity, individual, or person enforcing the obligation, to the extent known. The unemployment compensation agency would then be required to notify the entity, individual or person of the applicant's disclosure, and then deduct the amount of child support owed from the unemployment compensation and send it to the non-IV-D entity, individual or person disclosed by the applicant. This proposal would in essence require the unemployment compensation agency to run a mini-child support program for processing individual non-IV-D cases, requiring it to deal with a multitude of clerks of court, private collection agencies, private attorneys, custodial parents, and whoever else decided to "enforce" an order. Meanwhile, the IV-D cases are handled through automated data matches with all the casework performed by the IV-D agency, and little involvement of the unemployment compensation agency.

Rather than requiring the unemployment compensation agency to do all this work, it makes more sense to fashion a proposal that minimizes the burden on the unemployment compensation agency. To do so would require a complete overhaul of the existing statute, as it does not reflect current practice. State IV-D agencies and unemployment compensation regularly conduct automated information exchanges to determine who owes child support among those receiving benefits. Once a hit is made, the IV-D agency issues an income withholding order, and the unemployment compensation agency sends amounts withheld from the benefits to the state disbursement unit for distribution. This is similar to the way IV-D agencies work with employers. We do not require employers to ask new employees if they owe child support. Instead, we require them to tell us when a new hire occurs, and we check it against the database of those owing child support and issue an income withholding order if appropriate. Nor do we require employers to send lots of individual checks in lots of different directions to the hundreds of custodial parents who are beneficiaries of the income withholding. Instead, we permit the employer to send one check to the state disbursement unit. The state disbursement unit then identifies who is owed support in both IV-D and non-IV-D cases, and it sends the checks to the individual custodial parents owed support.

As in the case of federal tax refund intercept and passport sanctions, the easiest method for the unemployment compensation agency is for the cases to be incorporated into the data match conducted by the IV-D agency. The agency will then have only one process every two weeks or so, rather than receiving individual requests from dozens of clerks of court, collection agencies, private attorneys, and even custodial parents, without any method for verifying the validity of the withholding orders. However, to be included in the data match, the cases must be IV-D cases, for reasons similar to those set forth in the discussion on federal tax refund intercept and passport sanctions.

EXTENDED ACCESS TO CHILD SUPPORT INFORMATION AND REMEDIES

Because a version of the extended proposal was filed last year in the Senate and a modified version may be filed this year, I would like to elaborate on a few of its key provisions. As noted earlier, it would permit state or local non-IV-D public child support enforcement agencies, private attorneys, and private collection agencies who employ attorneys to have access to enforcement remedies and information that are currently available only for IV-D cases. The enforcement remedies include federal and state tax refund intercepts, data matches with information from new hire reporting, income withholding from unemployment compensation benefits, denial or revocation of passports, reporting of child support delinquencies to consumer credit reporting agencies, data matches with information from financial institutions, and administrative transfer of income withholding orders.

The information sought by this extended proposal would include all the information in the Federal Parent Locator Service, such as names, addresses, telephone numbers, Social Security numbers, dates of birth, income, group health insurance coverage and other employment benefits, and types, status, location and amounts of assets and liabilities of custodial and noncustodial parents, as well as the name, address, telephone number, and employer identification number of their employers. In addition, the proposal would include access to all the information in the State Parent Locator Service, such as vital statistics records (including marriage, birth, and divorce records); state and local tax and revenue records, (including information on residence address, employer, income and assets); real and personal property records; occupational and professional license records; records concerning the ownership and control of corporations, partnerships, and other business entities; employment security records; records of agencies administering public assistance programs;

motor vehicle records; corrections records, customer records of public utilities and cable television companies; and information on assets and liabilities held by financial institutions.

The process of registering with HHS to gain access to the remedies and information involves filling out an application that would request information about the entity or attorney, such as name and address, the kinds of child support enforcement services provided, the amount of fees and other costs charged to a client, copies of their standard contracts or agreements with clients, and number and kinds of legal actions or professional grievances brought against the entity. HHS would not have any specific authority to deny registration to an applicant that disclosed all the information requested on the application form, nor would HHS have any specific authority to regulate the performance and services provided by these entities, other than periodic monitoring to determine if the information or enforcement remedies were being used for purposes other than child support enforcement.

Even if additional oversight powers were granted to HHS, however, properly monitoring all these attorneys and private collection agencies would be a huge undertaking. HHS would need to develop mechanisms to regulate, oversee and perhaps investigate up to thousands of private companies and attorneys nationwide. While this proposal purports to advance "privatization" of government functions, it would in fact require significant federal taxpayer resources to expand the bureaucracy. This proposal is profoundly different from the successful privatization contracts that are in operation in most states. Those contracts operate under federal and state law, they are subject to audit, and there are accountability measures in place.

PRIVACY CONCERNS RAISED BY EXTENDED PROPOSAL

This proposal also raises serious concerns about privacy and the safeguarding of confidential information maintained by federal and state agencies. Congress, in enacting the child support provisions of welfare reform, gave state IV-D agencies broad access to a wide range of sensitive data. In weighing privacy concerns against the duty to support one's children, Congress tilted the balance in favor of strong child support provisions. However, even as these provisions are being implemented, concerns have been raised in state legislatures, in the press, and elsewhere about ensuring that appropriate privacy safeguards are in place, and that IV-D agency staff are trained and monitored to protect confidentiality of personal data. This proposed legislation would essentially give unregulated public and private entities, private attorneys, and private collection agencies wide-open access to all the records and databases available to the child support enforcement program, without any realistic ability for HHS to monitor its use. It simply would not be feasible for HHS to oversee each private entity and attorney closely enough to ensure that information is used solely for child support purposes. Furthermore, these entities are not accountable to the public in the same way IV-D agencies are.

Because the proposed legislation does not have any effective mechanism for imposing or enforcing confidentiality safeguards in the private context, expanding access to FPLS as proposed is ripe for abuse. The wealth of information in FPLS will be a tempting target for unscrupulous investigators and other individuals, who might well pose as entities eligible for registration under this bill. Many private collection agencies collect for a range of debts, not just child support. It will be virtually impossible to prevent "fly-by-night" operations from using this data for other purposes. While this is an unsettling prospect in any instance, it is of particular concern when a family has fled domestic violence and their safety could be compromised by disclosure of their whereabouts.

Giving law enforcement powers to seize income and assets to private collection agencies also raises the specter of private law enforcement, a concept of questionable constitutionality. Law enforcement, of which child support is a part, is a public function, not one delegated to private citizens or private entities. This too presents opportunities for abuse of power. In fact, some collection agencies have "issued" income withholding orders on their own stationery, ordering the employer to withhold child support and threatening to impose sanctions that can only be imposed by IV-D agencies or the courts if the employer doesn't comply.

Because they are driven by the profit motive, private collection agencies are all too likely to take actions for which the state IV-D child support agencies will ultimately pay the price. Custodial and noncustodial parents alike may be mistreated through harassing collection strategies or unfair contracts. It will be up to the state IV-D agency to straighten out the mess later, when things go wrong. The real danger is that there will be an effort to retract the information and remedies given to the IV-D agency. When all is said and done, state IV-D agencies answer to the pub-

lic—to the taxpayers, to the elected public officials, and to the courts. There is no comparable accountability for these private entities.

WHO WILL PAY FOR THESE CHANGES AND EXPANDED CASELOAD?

Proponents of these changes have asserted that there will be no cost to the federal taxpayer for these innovations. This is simply not the case, even with the limited proposal, and certainly not with the expanded proposal. There are computer systems to change, procedures to develop, communication paths to create, and a host of other minutiae to iron out that will take staff time and resources for personnel at both OCSE and the state IV-D agencies. This will hold true, whether the cases are designated as IV-D cases or some other special non-IV-D category. Any revenue neutral proposal will mean diversion of resources from other priorities, just as OCSE and state IV-D agencies are in the midst of implementing the extensive reforms of 1996.

As noted above, if Congress decides to encourage non-IV-D public entities to get into the business of enforcing child support (after spending years encouraging them to relinquish the business), the most efficient way to do so is to convert the cases to IV-D cases through cooperative agreements. This approach avoids unfunded mandates for states. It also builds on the existing structure by incorporating a few thousand more cases into the pipeline, rather than investing in new computer systems and procedural structures that parallel the ones that are working for the IV-D system.

CONCLUSION

Madam Chairman, I do not know the answers to all the questions that I have raised today for your consideration, nor do I believe that there is a consensus on these issues. Much more work needs to be done to assess the impact of these proposals on computer systems, as well as the state IV-D child support agencies, OCSE, the Treasury, the State Department, and the unemployment compensation agencies. And we have only scratched the surface on the ramifications of releasing confidential data and giving broad enforcement powers to unregulated private entities. Massachusetts has had a long history of successful innovation in child support reform that has involved collaboration with other public and private entities. Our success has resulted in large part because we worked out the details with our collaborators before we passed legislation, rather than handing them a finished package that did not adequately take into account their operational needs, requiring us all to scramble to push a round peg into a square hole.

Thank you for inviting me to comment on this complex area. The child support community appreciates the attention to the details of the child support program that this Committee has consistently shown throughout welfare reform. One of the reasons that the reforms of 1996 have been so successful so quickly is that you involved the state child support agencies at every step of the way. Working cooperatively with you will enable us to craft workable laws that translate into workable programs to serve the children and families who depend on us for support.

I look forward to continuing to work with you on behalf of the nation's children to come up with practical solutions to the problems of nonsupport.

Chairman JOHNSON of Connecticut. Thank you.
Ms. Entmacher.

STATEMENT OF JOAN ENTMACHER, VICE PRESIDENT AND DIRECTOR, FAMILY ECONOMIC SECURITY, NATIONAL WOMEN'S LAW CENTER

Ms. ENTMACHER. Chairman Johnson, Congressman Cardin, thank you for this opportunity to testify on behalf of the National Women's Law Center. We appreciate the Subcommittee's continuing commitment to explore new ways of increasing support for children; however, we have several concerns with the proposals de-

signed to expand the powers of private collection companies and separate non-IV-D agencies.

First, we are concerned that such proposals would divert much of the child support intended for and desperately needed by children into the hands of for-profit companies even when that child support actually had been collected by the IV-D program.

Second, we are concerned that such proposals would undermine rather than enhance the IV-D program on which low- and moderate-income families particularly rely, just as it is beginning to move forward toward the automated integrated child support system envisioned by Congress.

Finally, we are concerned that key protections for custodial and noncustodial parents that are part of IV-D would be missing outside of the IV-D system.

I understand that this Subcommittee at this point is only considering a limited expansion in these non-IV-D powers, so I will focus my remarks on that. We are particularly concerned that the provision requiring IV-D agencies to send child support payments directly to private collection agencies or others could increase the potential for exploitation of custodial parents and deprive children of badly needed support.

This provision would give con artists who already prey on desperate custodial parents a direct pipeline to all of the money collected by IV-D. Mom might not be aware for some time that the father was even making payments to IV-D that weren't reaching her. By the time she realized it, the company and the money could be gone.

But the Center's concern is not simply with outright fraud. We also are concerned that under this provision requiring mailing the checks to any address designated by the custodial parent, many children and their custodial parents could lose 25, 33, 40 percent of already inadequate child support payments to private collection agencies, even when IV-D did all of the work.

This problem already exists under current law, but this proposal would make the problem vastly worse by, as Marilyn Smith said, turning IV-D into a collection agency for for-profit companies, not children.

One of the most misunderstood features of many private child support collection contracts is that the company will take its cut out of current support payments, even though the company advertises that it is only collecting past due support. How can it do this? By redefining in the contract boilerplate what current support is and what past due support is, and saying that all amounts received by the company, however they are designated by a court or by the NCP, will be first credited to reduce past due support.

What does this mean to a child owed support? Consider a child who is owed \$6,000 in arrears, who is currently receiving \$600 a month in current payments. Mom signs a contract with the collection agency that charges a one-third fee to collect past due support. Mom thinks she is offering to pay the agency \$2,000, if it succeeds in collecting the \$6,000 arrearage, thinking that two-thirds of something is better than 100 percent of nothing.

She is probably not thinking that her daughter could end up losing a third of her current support every month or that she could

end up paying, for example, \$10,000 to collect \$6,000. Here is how. As soon as Mom signs the contract, the collection company takes the current support payments and applies them first to the arrearage. To the company, each \$600 current support payment becomes a past due support payment. So the agency takes a third and the child gets \$400 a month instead of \$600. And each month, since the company said that was a past due support payment, the arrearages increase by another \$600.

If dad doesn't have enough money to pay off the arrearage, this situation can continue indefinitely. According to complaints on file with the Texas Attorney General, some custodial parents believe this is just what happened to them under their contracts with CSE, the former name of Supportkids.com.

Ms. B. of Forth Worth, Texas wrote the collection agency, "It was my understanding that you all would take 30 percent of the part that he was in arrears. It certainly was not my understanding that you would take away what I was getting currently. This is ridiculous."

Ms. W.F. of Plano, Texas complained, "They have only managed to help themselves and pay themselves for services with money I would have gotten without their help. I am worse off financially now with their so-called help."

As the example in my written testimony shows, even if Dad increases his monthly support payments to pay down the debt, say from \$600 to \$750 a month, Mom would still only be getting \$500 a month-less than she was getting in current support. By the time the debt was fully paid off, 40 months later, the collection agency would get \$10,000 and Mom would get \$20,000, when she could have gotten \$24,000 in support. Bottom line, mom has paid \$10,000 to collect a \$6,000 debt. It turns out that sometimes two-thirds of something can be less than nothing at all.

I have just a few comments about the remaining provisions of the proposal. The provision concerning unemployment benefits would require the unemployment agency to withhold child support from unemployment benefits in non-IV-D cases and send it directly to the non-IV-D agency or collection agency. In this particular provision, there isn't even a requirement that the custodial parent request this arrangement. This is not analogous to the way wage withholding in non-IV-D cases is handled. Those payments go to the State disbursement unit so the SDU can maintain a record of payments and ensure that they are properly disbursed.

Similarly, with the invocation of passport sanctions and tax intercept, the IV-D statute contains a variety of protections to ensure that the arrearages actually exist and that funds are properly disbursed and those protections are not part of this proposal.

I thank you again for your commitment to find ways to help children get more child support, but we are concerned that this proposal would be a step away from, not toward that goal. Thank you.

[The prepared statement follows:]

**Statement of Joan Entmacher, Vice President and Director, Family
Economic Security, National Women's Law Center**

Chairwoman Johnson and Members of the Human Resources Subcommittee, thank you for this opportunity to testify on behalf of the National Women's Law

Center concerning proposals to expand access to government child support enforcement procedures.

The National Women's Law Center is a non-profit organization that has been working since 1972 to advance and protect women's legal rights. The Center focuses on major policy areas of importance to women and their families including employment, education, women's health, and family economic security, with special attention given to the concerns of low-income women and their families. Most relevant to this hearing, the Center has worked for more than two decades to improve the child support enforcement system. On several occasions, Center staff have presented testimony on child support issues to Congress, commented on child support regulations of the Department of Health and Human Services, litigated child support cases and met with officials in the Administration, Congress and the states in furtherance of the Center's efforts to improve child support enforcement. The Center also provides information to women across the country on how to exercise their rights to child support through state child support offices, and assists low-income women in the District of Columbia with child support and family law issues.

Since the creation of the child support enforcement program under Title IV-D of the Social Security Act in 1975 (the "IV-D program"), the National Women's Law Center has been a strong advocate of improved child support enforcement. We recognize all too well that although progress has been made, it has been painfully slow and uneven throughout the country, and that millions of children still are not receiving the child support they desperately need. We appreciate this Subcommittee's commitment to continue to explore ways of increasing support for children.

We are concerned, however, that proposals designed to encourage the use of private collection agents and separate, non-IV-D agencies would make child support enforcement worse, not better. We are concerned that such proposals would undermine, rather than enhance, the IV-D program on which low and moderate income families particularly rely for child support enforcement services.¹ We are concerned that such proposals would increase the historic fragmentation of child support enforcement services just as the IV-D program is beginning to move toward the automated, integrated, nationwide child support enforcement system envisioned by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. We are concerned that key protections for custodial and noncustodial parents would be missing outside of the IV-D system. Perhaps most of all, we are concerned that such proposals would divert much of the child support intended for, and desperately needed by, children into the hands of for-profit collection agencies, even when that child support actually had been collected by the IV-D program. One custodial parent complaining about a child support collection agency to the Texas Attorney General wrote:

They have only managed to help themselves and pay themselves for their services with money I would have gotten without their help... I am worse off financially now with their so-called help.² (Emphasis added)

It is my understanding that the proposal currently being considered by the Subcommittee to expand access to government enforcement procedures, which has not yet been introduced in Congress, is more limited than, for example, S. 2411 introduced in the last Congress. On the assumption that the Subcommittee is not considering allowing private attorneys, private collection agencies and non-IV-D agencies access to the sensitive information in government child support data bases, this testimony will not address the serious privacy concerns such a proposal would raise, including safety concerns for battered women, nor the burdens and costs for the IV-D system that would be involved in arranging for such access. And I understand that the Subcommittee is considering a more limited expansion in the enforcement tools available to non-IV-D agencies, and in particular to private collection agencies, than some other proposals would authorize. Therefore, this testimony will not address all of the concerns about possible abuse, inefficiency, confusion of payment and case records, and diversion of resources from the IV-D program that more extensive proposals to promote the use of private and non-IV-D collection agencies would raise.

However, even the more limited proposal currently being considered poses serious problems which are discussed below. Of greatest concern to the Center is the provision that would give largely unregulated private collection agencies direct access to child support payments.

REQUIRING IV-D AGENCIES TO MAKE CHILD SUPPORT PAYMENTS
DIRECTLY TO PRIVATE COLLECTION AGENCIES COULD INCREASE
THE POTENTIAL FOR EXPLOITATION OF CUSTODIAL PARENTS AND
DEPRIVE CHILDREN OF BADLY NEEDED CHILD SUPPORT

In the draft proposal, this section is entitled, "Expeditious Payment of Child Support Collections." It would be more appropriately titled, "Expeditious Payment of Child Support Collection Agencies." The purpose of this provision is to ensure that private collection agencies, private attorneys, other individuals, and non-IV-D agencies can take their often large cut of child support, including child support collected by IV-D, before it gets to the child. Under this provision, instead of sending child support payments to the custodial parent, the State Disbursement Unit would be required to send support payments due a custodial parent to any entity specified by the custodial parent, including a collection agency, even if the obligation is being enforced by IV-D.

This provision poses very serious risks to children and custodial parents, mostly mothers, owed support.

First, it would greatly increase the potential for fraud and abuse. The private child support collection field is almost completely unregulated.³ And the population these agencies target—custodial parents struggling to make ends meet—is a vulnerable one. Some custodial parents have lost money to scam artists who collect application fees then vanish into the night. Others have dealt with agencies that collected some money, but have not forwarded any of it to the custodial parent.⁴ It is a field in which, Better Business Bureau records show, companies quickly start up and almost as quickly disappear, leaving behind frustrated custodial and noncustodial parents and no forwarding address or telephone number.⁵

The proposed provision allowing payments to go directly from IV-D to private collection agencies would make this problem worse. It would greatly increase the potential for getting easy money out of child support—agencies could have 100% of the money collected by IV-D sent directly to them—and probably would attract more con artists to the field. Custodial parents could sign up with these fraudulent agencies or individuals, and, as required, give the collection agency's address to IV-D for payment. It might take quite some time for the custodial parent to realize that the noncustodial parent was making payments which were not reaching her at all. By the time she realized there was a problem, and got IV-D to redirect the payments to her, considerable child support could be lost forever.

But the Center's concern is not simply with outright fraud. We also are concerned that under this provision, many children and their custodial parents could lose substantial portions of already inadequate child support payments to private collection agencies, under confusing if not deceptive contract provisions, when they could be receiving all of it through IV-D. This problem already exists under current law, but this proposal would make the problem vastly worse by effectively turning IV-D agencies into agents for the private collection agencies—not children.

Under this proposal, private collection agencies would be assured of getting their cut of child support collections—and the one-third collection fee charged by CSE Child Support Enforcement Co. is fairly typical⁶—even when the IV-D agency did all the work of securing the wage withholding order, tax refund intercept, or bank match.

Moreover, the collections that many agencies would take a percentage of—their 25, 33, or 40% cut—would include current support payments, under contract provisions that cleverly redefine what is "current" and what is "past-due" support. This is one of the most misunderstood and disturbing aspects of some private child support collection agencies' practices. Some agencies emphasize in their advertising and contracts that they are collecting "past-due child support,"⁷ and that they take their fees out of these "past-due" collections. But then some contracts—in standard form agreements that few, if any, custodial parents can negotiate—go on to redefine a "past-due" support payment. Under some contracts, any payment—including a designated current support payment—becomes a "past-due" support payment in the eyes of the collection agency as long as it is received while an arrearage exists, because it is applied to the arrearage first.⁸ This permits the collection agency to claim its cut of even designated current support payments.

For example, the CSE (Child Support Enforcement, Co.) contract in use in 1998 states:

"Past-Due Support Owed" is defined throughout this agreement as the sum of all past-due child support and any other monetary obligation, including any interest, due and owing from the NCP [non-custodial parent] as of the date the NCP's first payment is received by CSE. "Past-Due Support Owed" also includes any support

and interest that become past-due after the first payment is received. Regardless of how payments are designated by the NCP, payor, court records, or other documents, all amounts received by CSE will be first credited to reduce “Past-Due Support Owed.” (Emphasis added)

Similarly, the contract used by Child Support Network, Inc. states: “All money collected will be applied against the arrearage balance, until the arrearage balance is paid in full.” Other provisions of the CSN contract state that its fees apply to any money paid after the agreement is signed, including any money previously paid to any court or government agency.

What do obscure provisions like these mean to a child owed support? They mean that a child may not receive the full child support payment she is due each month—even if the noncustodial parent is making regular child support payments that equal or exceed the current support obligation. They also mean that a child and custodial parent may end up paying much more in child support to collect an arrearage than the entire arrearage is worth.

Consider a child owed \$6,000 in past-due support, who is currently owed and receiving \$600/month in current support payments. The custodial mother signs a contract with a collection agency that charges a one-third fee to collect “past-due support.” Mom thinks she’s offering to pay the agency up to \$2,000 if it succeeds in collecting the \$6,000 arrearage, thinking that 2/3 of something is better than 100% of nothing. (She may not be aware of the progress some IV-D agencies are making in using tax refund offset, bank matches, and other tools to collect arrearages, which would get her 100% of the collection, minus at most minimal fees.) What she is probably not thinking is that she and her child could end up paying more than \$6,000 in lost child support to collect the \$6,000.

Here’s how. As soon as mom signs the contract with the collection agency, it begins applying the support payments first to the arrearage—which means it takes \$200 of the \$600 current support payments as “past-due” support under its definition. This situation can continue throughout the duration of the child support obligation, because under the bookkeeping rules of the collection agencies, no current support is ever received. Each month, the current obligation defaults and is added to the “unpaid support” total. Even if the collection agency, or IV-D, manages to collect part of the arrearage in a lump sum, if the payments are insufficient to pay off the arrearage, the agency can take its cut indefinitely. This is particularly a risk for low-income noncustodial parents, who can least afford to make large child support payments to pay off arrearages quickly, and for low-income custodial parents, who can least afford to lose any part of the child support payments made.

Suppose the collection agency, or IV-D, arranges for an increase in monthly payments from \$600 to \$750 to pay down the \$6,000 arrearage. And suppose Dad regularly makes the increased payments. Most people would think that Dad is paying \$600/month in current support, and \$150 a month in past-due support. But under the contracts used by many child support collection agencies, the entire \$750 is treated as a past-due support payment. If they take a one-third fee, this creative bookkeeping allows them to take \$250 per month instead of \$50/month. This leaves the child \$500/month: *\$100 less than the \$600 current support the child had been receiving*, even though the father paid the full amount of current support, and an additional \$150 toward the arrearage.

In addition, under this arrangement, the arrearage is paid down no faster than it would be if only \$150/month were credited to the arrearage. The reason is that as each month’s entire payment is applied to the arrearage, the current month’s obligation defaults, increasing the arrears balance by \$600. If Dad makes every payment in full, ignoring interest, it still will take 40 months to pay off the unpaid support.

The bottom line is that at the end of 40 months, the custodial parent—and the child—would have paid \$10,000 in child support to collect \$6,000 in arrears. Dad would have paid \$30,000 ($\750×40); the agency would have received \$10,000, the child \$20,000. But if the mother had written off the \$6,000 arrearage completely, she would be better off than she would be under the “successful” completion of her contract with the agency. She would have received \$24,000 in current support instead of \$20,000. It turns out that 2/3 of something—when that something is cleverly redefined by some child support collection agencies—can be less than nothing.

Some may think that while it is unfortunate that consumers enter into unwise contracts—especially when children owed child support pay the price—that the best solution is to let the buyer beware, and cancel contracts that aren’t working for them. In this field, however, that solution may not work. Another disturbing feature of some child support collection agency contracts is that they purport to restrict the ability of the consumer to terminate the contract, frequently requiring the custodial parent and child to give the agency its cut of all child support collected until the

arrearage is paid in full—which, as the discussion above shows, can take a very long time.

For example, the CSE contract in use in 1998 stated that “this agreement shall only terminate in any one of three ways.” (1) CSE collects all “Past-Due Support Owed.” (2) Written cancellation within seven days of signing. (3) If twelve consecutive months go by with no payment received, the client may cancel. However, this option is qualified. If CSE has hired an attorney to place a lien against the non-custodial parent’s property, or the client has assigned the right to CSE to pursue the claim—which another provision of the contract requires the client to do if CSE decides to take legal action—then the contract may not be terminated under this clause. Similarly, the contract used by Child Support Network, Inc. (CSN) in 1998 stated that the agreement is valid for two years from the date of signing. However, the contract continued, “[i]f payments are being made by or on behalf of the non-custodial parent, or if your case has been referred to an attorney for collection, this Agreement will be valid until your arrearage has been paid in full.”⁹

Complaints filed with the Consumer Protection Division of the Texas Attorney General’s Office concerning CSE indicate the deep frustration of some custodial parents with what they allege is the company’s taking its 33% cut from current support payments, especially payments being collected by IV–D, and their inability to cancel the contract. Some examples:¹⁰

Ms. WF of Plano, Texas, complained that she had asked CSE for help in collecting *past due* child support from her ex-husband who was living in Hawaii. (Emphasis in original) She already had applied for IV–D services. She said that before signing the contract with CSE, she asked if their contract meant that CSE could intercept payments that the IV–D agency in Hawaii had already intercepted, and was told they could not. She said she thought CSE would be making additional efforts to get unpaid child support from her ex-husband directly or at least from his insurance company. However, she said, CSE simply took its percentage out of wage withholding payments and other payments made to the Hawaii IV–D agency. Ms. WF wrote: “If they continue to take current support being paid to [the Hawaii IV–D agency] and putting it towards arrears he owes, which is over \$11,500 at this point, he will *never* catch up and they CSE of Austin will continue indefinitely to take out their cut first which they have not earned at all.”

Ms. B of Fort Worth, Texas said she had written CSE in an attempt to terminate her contract: “It was my understanding that you all would take 30% of the part that he was in arrears. It was certainly not my understanding that you would take away what I was getting currently. This is ridiculous. So cancel the proceedings.” She said CSE refused to cancel the contract. “They even had an attorney call me to, I believe, intimidate me by explaining, in legal terminology, why I could not back out of my contract.” “I feel that this company is really taking advantage of people like me. While I realize that I should have made sure that I totally understood the contract, which I thought I did, I believe that they misrepresented themselves. I believe that the entire agreement is very deceptive.” She asked, “They’re stating that they’re getting the amount that’s late, but what I want to know is: if they are currently collecting the late part of what he owes me, what happens to the portion that he should *actually* be paying me now....?”

Ms. G of Seagoville, Texas said that she had sought the help of CSE in collecting \$7,130 in child support arrears. She wrote the Attorney General, “The contract states...[o]nce total amount owed was collected then I would receive 100%. However that was not done—In the 4 years time I was on this contract they collected \$16,000, which means they went ... over the amount. I would like to have that money back. Can you help? Please help us. Please help us. Please, Please help us.”

Ms. L of Red Oak, Texas complained that she had tried, repeatedly and unsuccessfully, to cancel her contract with CSE. She said she had an open case with the IV–D agency when she signed a contract with CSE. She complained that now that she is receiving child support payments, “They [CSE] take the check. They shouldn’t be taking my money. They have not done anything on this case like they said.” She asked that they “drop this like I had requested 6 different times.”

Other complaints were similar. Custodial parents also complained about difficulties getting information from CSE about their account and the amount of arrearage remaining: a critical piece of information since the legitimacy of the fee collection depends on the existence of an arrearage. Some custodial parents, as well as non-custodial parents, complained about inaccurate collections and unfair treatment of the noncustodial parent. Some complainants indicated that they had asked the IV–D agency to send future child support payments to them, not CSE; at least one had experienced difficulty getting the change put into effect.

The issues raised by these and other custodial parents strongly suggest that increasing the ability of collection agencies to get direct access to child support payments would not be in the best interests of parents or their children.

THE PROVISION FOR INCOME WITHHOLDING FROM UNEMPLOYMENT INSURANCE BENEFITS BY PRIVATE COLLECTION AGENCIES AND NON-IV-D AGENCIES LACKS IMPORTANT PROTECTIONS FOR CUSTODIAL AND NONCUSTODIAL PARENTS

The provision under consideration purports merely to require that state unemployment agencies honor income withholding orders in non-IV-D cases as well as IV-D cases, just as employers honor income withholding orders in non-IV-D as well as IV-D cases. It would, in fact, operate very differently. Under current law, non-IV-D wage withholding is governed by specific requirements designed to ensure that deductions from income are properly made and properly disbursed to custodial parents. These protections are lacking in this proposal concerning withholding from unemployment payments.

Current law requires states to provide for income withholding in most child support orders, including orders not being enforced by IV-D agencies. However, the law also requires that withholding of income in non-IV-D cases be carried out in full compliance with procedural due process (42 U.S.C. 666(a)(8)(B)(iv)). Many of the procedures applicable to withholding in IV-D cases are also applicable to non-IV-D withholding (42 U.S.C. 666(a)(8)(B)(i) and (ii)), including the requirement that employers must be given notice on a form prescribed by the Secretary and that all amounts withheld from wages in both IV-D and non-IV-D cases be sent to the State Disbursement Unit (SDU).

Having payments flow through the SDU provides important protections to both custodial and noncustodial parents. The SDU is responsible for accurately identifying payments and promptly disbursing payments to custodial parents. It maintains payment records and must furnish to any parent—IV-D and non-IV-D—timely information on the current status of support payments (42 U.S.C. 654B).

Currently, unemployment offices electronically match their case records against child support obligations submitted by IV-D, and forward the payments to IV-D. This proposal would redefine “child support obligations” in the unemployment law to include obligations which are being enforced by private collection agencies and State and local agencies not associated with IV-D. It would require applicants for unemployment to disclose whether they owe such obligations, identify the entity or individual enforcing the obligation, and then would require the unemployment office to deduct the obligations from the unemployment check and forward them directly to the collection agent—private or public—not to IV-D, not to the SDU and not to the custodial parent. There is no requirement that the unemployment office even check with the custodial parent before diverting the child support payment.

It is unclear in this proposal how disputes about the amount or validity of the withholding would be resolved; there are no due process or standard notice requirements. It is unclear that the \$5 per case per month that the statute would authorize the unemployment office to charge would cover the administrative costs of unemployment agencies of processing these cases, which cannot be handled as efficiently as data matches with IV-D; it is not even clear who would pay it. Most of all, it is unclear what will happen if the payments sent to a private collection agency never reach the custodial parent. But it seems very likely that at some point, the burden will fall on a IV-D agency to sort it out and deal with two frustrated parents: a custodial parent who didn’t receive child support and a noncustodial parent who paid it, but not, it turns out, to the child.

THE PROVISION ALLOWING PASSPORT SANCTIONS BY NON-IV-D AGENCIES LACKS DUE PROCESS PROTECTIONS

Current law allows IV-D agencies, through the Secretary of HHS, to ask the Secretary of State to deny, revoke, or restrict a passport if an individual owes over \$5,000 in child support. However, before invoking this sanction, IV-D agencies must comply with explicit due process protections (42 U.S.C. 654(31)): an individual must be given notice of the arrearage, its consequences, and an ability to contest it, and, to ensure accuracy, the IV-D agency must comply with documentation requirements established by the Secretary of HHS.

Under the proposed provision, non-IV-D state or local government child support enforcement agencies that certify that arrearages exceeding \$5,000 are due may in-

voke passport sanctions from the Secretary of State. However, the requirements of section 654(31) would not apply to non-IV-D agencies. It is unclear who, then, would be responsible for affording the necessary due process protections and resolve any disputes about arrearage amounts: the Secretary of HHS? the Secretary of State?

Non-IV-D agencies that seek to use the powers of IV-D agencies should be held to the same standards as IV-D. Congress has—not without controversy—granted IV-D agencies the use of tough new enforcement tools, including passport denial and revocation. It is important that they be used fairly. Misuse, even by non-IV-D agencies, is likely to undermine support for their use generally.

THE PROVISION ALLOWING FEDERAL INCOME TAX REFUND INTERCEPT BY NON-IV-D AGENCIES LACKS PROTECTIONS AND WOULD BE LESS EFFICIENT THAN THE CURRENT SYSTEM

Current law requires the Secretary of the Treasury to intercept federal tax refunds upon receiving notice from a IV-D agency that a child support arrearage of a certain amount is owed. However, before the refund can be intercepted, the statute requires the IV-D agency to notify the individual owing support that a tax refund intercept will occur, explain the procedures for contesting the amount owed, and explain the procedures that may be followed to protect the share of a refund based upon a joint return. It also requires the IV-D agency that receives money through the tax refund intercept to distribute it to or on behalf of the child in accordance with the statutory distribution rules. (42 U.S.C. 664(a)(3)(A)).

Under the proposal being considered by the Subcommittee, these requirements would not apply to non-IV-D agencies seeking to intercept tax refunds. All the proposal says is that the Secretary of the Treasury shall develop procedures to enable a non-IV-D agency to request the Secretary to withhold tax refunds. There are no provisions concerning due process, or the distribution of the funds.

The current process for intercepting tax refunds through IV-D is both fair and efficient. The names of obligors owing child support and taxpayers due refunds are matched electronically, through a system that can identify cases in which past-due support is owed to more than one family. There is no apparent rationale for encouraging the development of procedures that would appear to provide fewer protections and be more costly to implement.

CONCLUSION

Proposals to increase the powers of private collection agencies and non-IV-D agencies, and to allow collection agencies greater direct access to child support payments, raise serious concerns for the IV-D program, noncustodial parents, and most of all, millions of custodial parents and children who need every penny of the child support due them. On behalf of the National Women's Law Center, I urge this Subcommittee not to adopt this proposal.

ENDNOTES

¹A recent analysis by the Assistant Secretary for Planning and Evaluation, "Characteristics of Families Using Title IV-D Services in 1995" (May 1999), found that 63% of custodial parents eligible for child support used the IV-D system. Only 23% of custodial parent families in the IV-D system had family incomes of 250% of poverty or above (in 1995, 250% of poverty was \$30,395). Over half (53%) of the custodial parent families not using the IV-D system had incomes of 250% of poverty or greater.

²Complaint of Ms. FW of Plano, Texas to the Texas Attorney General, Consumer Protection Division, concerning Child Support Enforcement (CSE) of Austin, Texas, July 9, 1997. To illustrate some concerns of custodial parents, this testimony quotes from several complaints on file with the Texas Attorney General. The National Women's Law Center takes no position on their validity.

³See, e.g., *Mabe v. G.C. Services Limited Partnership*, 32 F.3d 86 (4th Cir. 1994)(child support is not a "debt" within the meaning of the Fair Debt Collection Practices Act, 15 U.S.C. 1692-1692o, therefore the practices of child support collection agencies are not governed by the FDCPA which regulates other debt collection agencies.)

⁴Testimony of Geraldine Jensen, President of Association for Children For Enforcement of Support, Inc. (ACES) to the Human Resources Subcommittee of the House Government Reform and Oversight Committee, Nov. 7, 1997.

⁵Information from Better Business Bureau files in the National Information System compiled by Amy Collins and Vicki Turetsky, Center for Law and Social Policy, 1999.

⁶The website of Child Support Enforcement Co. (CSE), supportkids.com, currently says that it charges a 34% fee. (A CSE contract in use in 1998 required payment of a \$475 administrative

fee, which would come out of collections, in addition to a service fee of 33% of collections.) Legal services are included in the CSE fee. The contract of Child Support Network, Inc. (CSN) offers two payment plans. Under Plan A, the client makes an initial payment of \$850 plus 15% of all collections. If CSN refers the case to an attorney, the fee increases to 20%. Under Plan B, the application fee is \$35, plus 35% of collections. If CSN refers the case to an attorney, the fee increases to 40%. The National Child Support Network (NCSN) contract includes a \$49.95 processing fee, and 25% of collections. The agency does not provide legal representation, and filing fees incurred with the client's consent must be paid by the client.

⁷See, for example, the CSE website, supportkids.com: "Founded in 1991, Supportkids.com has achieved unprecedented success in collecting past-due child support..." The CSE contract in use in 1998 stated, "I am asking CSE to enforce and collect "Past-Due Support Owed..."

⁸Under Title IV-D, collections are first applied to current support obligations. 42 U.S.C. 657.

⁹At least one agency is making a selling point of its cancellation policy. The website of the National Child Support Network, Inc. (NCSN), childsupport.org, states: "YOU MAY ELECT TO DISCONTINUE YOUR CONTRACT AT THE END OF THE CONTRACT PERIOD AND OWE NOTHING MORE.... Most collection agencies require a contract that is binding while there is ANY arrears balance, which means they will take a percentage of your money FOR AS LONG AS YOU ARE ELIGIBLE FOR CHILD SUPPORT..." (Emphasis in original)

¹⁰I appreciate the work of Amy Collins and Vicki Turetsky, Center for Law and Social Policy, in obtaining copies of these complaints. Some spelling errors have been corrected in the excerpts.

Chairman JOHNSON of Connecticut. Well, thank you all for your testimony. Ms. Williams, what percentage of the collections did the agency require you to pay them?

Ms. WILLIAMS. It was the 34 percent.

Chairman JOHNSON of Connecticut. Thirty-four percent. Well, I really appreciate your testimony, because you are laying out a problem that I have a lot of interest in. It almost certainly will not be part of the fatherhood bill, but we do expect to do a child support bill in the course of events thereafter, perhaps in the beginning of next year.

I personally am very uncomfortable with the fact that we are doing such a bad job of collecting for so many children. And I do hear what Ms. Kerr is saying; there is no State government and there is no Federal Government that is going to fund this properly.

The reason welfare reform has succeeded is not because we were smart; it is because the Federal Government guaranteed that the States would continue to get the money they had been getting, regardless of the number of people on welfare. So for the first time they actually had money to pay for day care.

I was here on this Subcommittee when in 1988 we reformed welfare, a great plan on paper. We never funded day care. So we aren't going to fund child support enforcement in a way that is going to serve all the kids, IV-D and non-IV D, it is just not going to happen.

And we are also now a sophisticated enough society so we ought to be able to develop a partnership, and the problems that you point to were very real and I appreciate that. But a lot of them are also rectifiable. Maybe we need to develop a system of licensed—where you have to get a license to be part of that system, and have certain agreements within IV-D agencies.

But I think to pretend that we can go ahead, I mean at least from the hearing we had before, it looked like the big gain in child support enforcement was that we are doing a much better job of getting the orders and enforcing the orders from the very beginning. We are just not doing a very good job of going back and cleaning up the mess behind us. So I think also there are different categories. I think the fact that Ms. Fink is a government employee

does make a difference, even though it is at the county level. That is very important, I think, tried and true agencies who have done a good job.

We may want to limit fees. But on the other hand, the limit in fees could be paired with certain kinds of contracts that would give access through you or develop certain partnerships. So we aren't going to solve this today.

But I hope you will think about how we can move forward, because the hearing that we had on child support enforcement and how profitable the new tools are, it is terrific. And the government-run system is going to do better and better because they have better tools. But we are a very, very big Nation, and I have never frankly seen a government agency in any area—even the motor vehicles department who is obliged to serve everybody that gets a driver's license, they have a really hard time doing it.

So I think we are really obliged to look at some of the partnerships that might help. And I can see that it is territory that we have to move carefully on. But I urge you and I hope that by hearing others' testimony you can hear what the problems are and how we need to do that and under what circumstances would private agencies be willing to limit their collection fees for what kind of help, so they cut down the time actually and your costs.

Let me yield to my friend, Ben.

Mr. CARDIN. Thank you, Madam Chair. And I want to thank all of our witnesses for their testimony. I certainly support the Chair's observations that this issue is not right for the legislation, the fatherhood legislation that is before us. It is—it has not yet gone through the vetting process in order to move forward with legislation.

Let me just express some of my concerns. If the IV-D agencies are overworked and don't have enough resources and are not effective in collecting child support, then we should work at that and get it the resources that it needs. I am very concerned about opening up particularly to private collection agencies. I know there is a difference between the government and nongovernmental agencies here, the tools that we have available for child support enforcement and the information that we have available for child support enforcement.

The hearing that we held 2 weeks ago in which Ms. Smith and others were present where we talked about some of the things that are happening around the Nation, the new higher information, how banks are matching up records, financial records, with the child support delinquency orders and employers are matching up, that is a wealth of information that is there, that I don't think we know how to control, if we start opening up this information potentially to private entities that are seeking to collect child support, tax records. And I think it is not difficult to see how that information could work its way into collections beyond child support or could work itself into information available that has nothing at all to do with collection of any funds, but valuable information concerning individuals that could be useful to other individuals.

So I have—we developed the tools for child support enforcement nationally and got the support for it because of its objective, using it for a specific purpose and having it well controlled in its super-

vision and use. And to now start to expand that beyond the governmental agencies that are charged specifically with that function, I think, is one that you are going to have to come over a heavy burden of proof before we move in that direction.

And I am as strong as anyone in this Congress about helping all families collect the child support that is owed, so let us figure out a way that we can do it that doesn't compromise some of these other concerns, or that you address some of these other concerns.

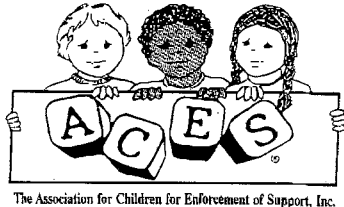
Thank you, Madam Chair. This has been an interesting hearing. I assume it will not be the last we have on this subject.

Chairman JOHNSON of Connecticut. I purposely laid this out early on because it is going to be a challenge, but I think the experience of Texas is frankly not one we can ignore.

Mr. CARDIN. If I might, I do have a statement from ACES that was addressed to us that deals with this issue, raises some of the concerns that I have just raised, and I would ask unanimous consent that I could put it into the record.

Chairman JOHNSON of Connecticut. Sure.

[The information follows:]



Honorable Benjamin L. Cardin
 U. S. House of Representatives
 104 Cannon Office Bldg.
 Washington, D.C. 20515

Dear Representative Cardin:

I am writing to you about the proposals that allow private collectors access to attachment of unemployment compensation, IRS Offset and other IV-D child support enforcement Services. I have also included some ACES recommendation concerning the Fatherhood Initiatives.

Private collection agencies are not the answer to child support enforcement problems. Private collection agencies for child support do not work any better than the government child support agencies. These agencies do not and should not have access to confidential IRS information. They should also not have access to state information; such as tax records, employment records, worker's compensation records, and any other protected government records. The private agencies collecting child support are currently not regulated. **In fact, The U.S. Supreme Court ruled that these agencies do not fall under the regulations of the Fair Debt Collection Act.**

Custodial parents who have used private collection agencies have encountered many problems:

- **Private collectors take huge fees on money they had no part in collecting. Private collectors literally get 30% of the children's money for merely mailing a piece of paper to the State IV-D agency.** They have taken no action to collect the money, they are not involved in selecting the cases to be submitted---states are required under federal law to submit all case with a \$500 or more arrearage. This is occurring in states like Texas where the private collector merely notifies the state IV-D agency that the family has given them permission to collect the support and request that all child support collected by the IV-D agency is sent to the private collector rather than on to the family. So after the State IV-D agency prepares the case for submission for IRS and State offset by verifying the arrearage, name, and social security numbers, preparing the documents to be sent to the Federal government, handing any issues that arise from the non custodial parent after they receive notice of the attachment such as a dispute as to the amount of arrears, new spouse claim, receive the check from the IRS, process it and send it on to the private collector.

If federal law requires State Disbursement Units to send child support collected from wage withholdings (interstate or local), attachment of unemployment compensation, attachment of bank accounts, etc., to private collectors, they will make windfall profits from the work of the state at the expense of the children. Private collectors are a bad solution to a hard problem. It is a better investment to fix the child support enforcement system.

If someone has an IV-D case open, federal law requires automatic submission via the new computer systems for attachment of most type of assets (unemployment, worker's comp., retirement, bank accounts etc.) upon a 30-day default. The proposal to require State Disbursement Units to send the child checks on to private collectors are merely a way of private collectors making a huge profit while doing no or little work.

If it is a non-IV-D case and a family signs up with a private collector and the private collector does the work of finding the employer, preparing an income withholding order and ensure collection they have earned a fee. **ACES recommends that if private collectors provide a service not part of the IV-D system they should be paid but not at the expense of the child. Instead they should be paid by the non custodial parent who failed to meet their obligations and caused the custodial parent to need to seek services to collect the support. The non custodial parent should be required to pay the fee, the 30% in addition to the child support.** The fee should only be allowed to be collected after child support due to the child has been paid.

- **Some private collection agencies collected payments from the non custodial parent but never sent the payments to the family.** This is literally stealing money from the children. Since private collection agencies are not required to follow the Fair Debt Collection Act, families have no recourse in dealing with agencies who act inappropriately. Most of the families who turn to private collectors out of desperation for support payments are in serious financial distress. They do not have money to hire a private attorneys, they have not received efficient services from the state IV-D agency, and then they get ripped off by a private collector.

Further, States have large amounts of undistributed child support payments on hand. Thirty-four states responded to our request for information about undistributed/unidentified funds. They reported that they are holding \$68,712,546 . This is very similar to the problems of private collectors not sending money on to the family. However, the difference is that citizens can call for a state auditor to check records of the state child support agency and state IV-D agencies can be required to follow federal regulations about payment distribution. Neither of these remedies is available for resolving problems with private collectors. **ACES recommends that language be added to the Fatherhood Initiative legislation which requires States IV-D agencies to use the Federal Parent Locator System and New Hire reporting system to find the addresses of families for whom payments are being held.**

- **Some private agencies have closed down and totally disappeared after custodial parents have paid application fees of hundreds of dollars.** Since there are no state or federal laws or regulations which govern the practices of private collectors on child support cases these problems continue to occur unanswered.

- **Contracts used by some private collector have hidden clauses which require families owed support to pay additional court costs and attorney's fees on top of the 30% fee taken**

from the child support collected. Also, some require contracts or power of attorney agreements that are binding for the entire childhood or are renewable for a full year if even one payment is received, such as an annual collection through the IRS Offset program by the State IV-D agency.

- **Some private collectors have violated contracts. Agreements were made for taking a percentage out of arrears; instead they took a percentage of current support.**

Here are some examples of what happened to families using private collectors:

A mother in Texas has one child that is owed over \$50,000 in unpaid child support. She signed a contract with Child Support Enforcement (CSE) in Texas more than one year ago. Since signing the contract, Phyllis had to go on Public Assistance. CSE did not close her case when she went on welfare and turn it back over to the state as they are supposed to do. When she asked CSE if the case should be turned back to the state, CSE told her it did not matter because this was an interstate case. CSE has taken 32% of the current support but has not collected any money on the arrearage of \$50,000.

A mother in California had a \$60,000 arrearage. She went to a private collection agency. Nothing was done on her case so she canceled her contract in writing. She came to ACES and learned how to collect the back support. When she was due to get the \$60,000, the private collector notified her that she owed them 30% of the arrearage, even though the contract had been canceled. The private agency even tried to foreclose on her house to get their portion of the \$60,000.

A mother in Virginia hired Blue Moon, a private collector who collected money from the non payor's mother. The company closed their doors and kept all of the child support they had collected and the children received nothing.

ACES recommends that State Disbursement Units be prohibited from changing the payee on cases unless they have a court order stating that the non-custodial parent is to pay all fees in addition to and separate from any child support obligation

Non- IV-D Agencies Having Access to IRS Offset

Several states have several different government child support agencies. In some communities these are the local Clerk of the Courts office or Court Trustees. Before Statewide Distribution Units, many of these offices had a cooperative agreement with State IV-D agencies for payment processing, income withholdings, and other services. These agencies were quick to refer families to State IV-D agencies in the past for services such as Parent Locator and IRS Offset

because the family still had a case open at their agency and they received federal funding via the cooperative agreement. Now they do not like to refer cases to IV-D because families chose full IV-D services rather than using both agencies. Because of the history of cooperative agreements, local offices hired staff and often used child support positions as part of the local political patronage system.

Since states moved to the State Disbursement Units, these offices have been looking for a way to continue to keep their staff and continue the local patronage system. One way to do this is to get access to the IRS Offset system so that families will keep their case on file with their office rather than change over to the State IV-D system. This is good for some families who have had success with collection by these non-IV-D government agencies, such as those where the mother, father, and child all live in the community and the non custodial parent has been making regular payments on their own through this agency. Since employers now send all income withholding payment to the State Distribution Unit so that they have only one government agency to deal with, since almost 40% of the cases are interstate and since contempt and criminal non-support actions are done by attorneys under contract by IV-D at no charge to families. In most states, it no longer makes sense for most case to be handled by these local offices.

For the few families where continuing to have open cases at local agencies it does not make sense to create a system where they can access the IRS Offset, it does make sense to set up a system where state IV-D agencies must accept cases referred from these offices and ensure that the cases are sent to the IRS for the Offset program. They can require these offices to provide the same information that they do of custodial parent opening cases for IRS Offset. This process includes a copy of an arrearage statement certified by court or, in an affidavit form, the name of the non custodial parent, their last known address and social security number.

If the case on file at the Clerk of Courts or Trustees's office is not receiving regular payments, these offices should be required to notify the custodial parents in writing that full collection services for locating absent parents, income withholding, attachment of bank accounts, unemployment, etc., are available at the state IV-D agency.

Fatherhood Initiative

Some Fatherhood Initiative programs have had minimal impact. For example, the Los Angeles Fatherhood Initiative told ACES in July 1999 that they had only 39 fathers enrolled in the program. There are 650,000 open child support cases in Los Angeles.

ACES recommends that Fatherhood programs be expanded to include more fathers so that more children benefit. However, provisions should be made to ensure that the programs are cost effective. Programs should be held to a standard that they produce

child support collections of at least \$5 for every \$1 spent. Establishment of paternity, if needed, should be a prerequisite to participation in the program since the goal is to provide fathers' job and parent training needed to successfully financially and emotionally support their children.

When parent see that the support paid actually benefits the children, it encourages parent to meet their child support obligations. **Passing child support collected onto families on welfare rather than keeping it to pay off welfare debt's help children and encourage non custodial parents to meet child support obligations. Child support payment passed on to families should be counted toward TANF eligibility in the same manner as earned income. Federal law should encourage states to establish amnesty programs for parent who owed the states welfare child support debts.** Parents should be allowed to make arrangements to pay current support obligations based on the state child support guidelines. These guidelines use actual parental income and cost of raising children to determine the amount to be paid. The non custodial parent should be allowed to enter into a legal agreement with the state that set up a process that if the non custodial parent meets current child support obligations and past obligations owed to the child, the state waives the arrears owed to them. If the parent violates their agreement, they become liable for the debt owed to the state.

ACES members are clients of State Title IV-D child support enforcement agencies. ACES has 40,000 members, and 390 chapters located in 48 states. We are representative of the families whose 30 million children are owed \$50 billion in unpaid child support. Thank you for consideration of ACES recommendations.

Sincerely,

Geraldine Jensen, President
Association for Children for Enforcement of Support (ACES)

Chairman JOHNSON of Connecticut. Thank you very much for being here, we really appreciate you, and thank you, Ms. Williams, for your testimony. Thanks.

[Whereupon, at 3:20 p.m., the hearing was adjourned.]

[Submissions for the record follow:]

Statement of Geraldine Jensen, President, Association for Children for Enforcement of Support, Inc., Toledo, Ohio

ACES members are clients of State Title IV-D child support enforcement agencies. ACES has 40,000 members, and 390 chapters located in 48 states. We are representative of the families whose 30 million children are owed \$50 billion in unpaid child support. We have banded together to work for effective and fair child support enforcement. ACES has surveyed our membership to gather information from families as they make the transition from welfare to self-sufficiency. We have asked welfare recipients about the actions taken or not taken by child support enforcement agencies that have assisted them to become self sufficient. Collection of child support when joined with available earned income allows 88% of our membership to get off public assistance. Collection of child support enables our low income working poor members to stay in the job force long enough to gain promotions and better pay. The collection of child support means our members can pay the rent and utilities, buy food, pay for health care, and provide for their children's educational opportunities. Lack of child support most often means poverty and welfare dependency.

PRIVATE COLLECTION AGENCIES NOT THE ANSWER TO CHILD SUPPORT PROBLEMS

Private collection agencies for child support do not work any better than the government child support agencies. These agencies do not and should not have access to confidential IRS information. They should also should not have access to state information such as tax records, employment records, worker's compensation records, and any other protected government records. The private agencies collecting child support are currently not regulated. In fact, The U.S. Supreme Court recently ruled that these agencies do not fall under the regulations of the Fair Debt Collection Act. Private collectors are a bad solution to a hard problem. It is a better investment to fix the child support enforcement system.

Custodial parents who have used private collection agencies have encountered many problems:

- Private collectors take huge fees on money they had no part in collecting. Private collectors literally get 30% of the children's money for merely mailing a piece of paper to the State IV-D agency. They have taken no action to collect the money, they are not involved in selecting the cases to be submitted—states are required under federal law to submit all cases with \$500 or more arrearages. They are not involved in preparing the case for submission, they are not involved in verifying arrearage, handing arrearage disputes etc., yet they still get 30% of the children's money. For example, private collectors got paid by taking their 30% fee from an IRS refund that the state government child support agency attached. This is occurring in states like Texas, where the private collector merely notifies the state IV-D agency that the family has given them permission to collect the support and requests that all child support collected by the IV-D agency be sent to the private collector rather than to the family. So, after the State IV-D agency prepares the case for submission for IRS and State offset by verifying the arrearage, name, and social security numbers, preparing the documents to be sent to the Federal government, handling any issues that arise from the non-custodial parent after they receive notice of the attachment such as a dispute as to the amount of arrears, new spouse claim, receive the check from the IRS, process it, and send it onto the private collector. The private collector then takes their fee, usually 30% of the amount of the check, and sends the remainder to the family.

If federal law requires state Disbursement units to send child support collected from wage withholdings, interstate or local, attachment of unemployment compensation, attachment of bank account, etc., to private collectors, they will profit from the work of the state at the expense of the children.

If someone has a IV-D case open, federal law requires automatic submission via the new computers for attachment of most type of assets upon a 30 day default. The proposal to require state Disbursement units to send the child support checks to private collectors are merely a way for private collectors to make a windfall profit while doing no or little work.

If it is a non-IV-D case and a family sign up with a private collector and the private collector does the work of finding the employer, preparing an income withholding order and claims they have a right to be paid for this service. If private collectors provide a service not part of the IV-D system they should be paid but not at the expense of the child. Instead they should be paid by the non custodial parent who failed to meet their obligations and caused the custodial parent to need to seek services to collect the support. The non-custodial parent should be required to pay the fee, the 30% in addition to the child support. The fee should only be allowed to be collected after child support due to the child has been paid.

- Some private collection agencies collected payments from the non custodial parent but never sent the payments to the family. This is literally stealing money from the children. Since private collection agencies are not required to follow the Fair Debt Collection Act, families have no recourse in dealing with agencies who act inappropriately. We have had reports that private collectors laughed at one custodial parent when she told them that the child's father said he had paid the money to the collector and she has not received it. The private collector told her, "sue us for it!" Most of the families who turn to private collectors out of desperation for support payments are in serious financial distress. They do not have money to hire a private attorney, they have not received efficient services from the state IV-D agency, and then they get ripped off by a private collector. Many give up and eventually end up on welfare, or working two or three jobs to support their children. The children suffer financially and emotionally because now they have lost both parents, the one who has abandoned them financially and emotionally and the other who cannot be home to nurture them because they are working all the time!

States have large amounts of undistributed child support payments on hand. Thirty-four states responded to our request for information about undistributed/unidentified funds. They reported that they are holding \$68,712,546. This is very similar to the problems of private collectors not sending money on to the family. However, the difference is that citizens can call for a state auditor to check records of the state child support agency, and state IV-D agencies can be required to follow federal regulations about payment distribution. Neither of these remedies is available for resolving problems with private collectors. ACES recommends that language be added to the Fatherhood Initiative legislation which requires States IV-D agencies to use the Federal Parent Locator System and New Hire reporting system to find the addresses of families for whom payments are being held.

- Some private agencies have closed down and totally disappeared after custodial parents have paid application fees of hundred's of dollars. Since there are no state or federal laws or regulations which govern the practices of private collectors on child support cases, these problems continue to occur unanswered.

- Contracts used by some private collector have hidden clauses which require families owed support to pay additional court costs and attorney fees on top of the 30% fee taken from the child support collected. Some private collectors require contracts or power of attorney agreements that are binding for the entire childhood or are renewable for a full year if even one payment is received, such as an annual collection through the IRS Offset program by the State IV-D agency.

- Some private collectors have violated contracts. Agreements were made for taking percentage out of arrears; instead they took a percentage of current support.

Here are some examples of what happened to families using private collectors:

A mother in Texas has one child that is owed over \$50,000 in unpaid child support. She signed a contract with Child Support Enforcement (CSE) in Texas more than one year ago. Since signing the contract, Phyllis had to go on Public Assistance. CSE did not close her case when she went on welfare and turn it back over to the state as they are supposed to do. When she asked CSE if the case should be turned back to the state, CSE told her it did not matter because this was an interstate case. CSE has taken 32% of the current support but has not collected any money on the arrearage of \$50,000.

A mother in California had a \$60,000 arrearage. She went to a private collection agency. Nothing was done on her case so she canceled her contract in writing. She came to ACES and learned how to collect the back support. When she was due to get the \$60,000 the private collector notified her that she owed them 30% of the arrearage, even though the contract had been canceled. The private agency even tried to foreclose on her house to get their portion of the \$60,000.

A mother in Virginia hired Blue Moon, a private collector who collected money from the non-payor's mother. The company closed their doors and kept all of the child support they had collected and the children received nothing.

A California mother hired Child Support Enforcement out of Austin, TX. She tried to cancel her contract because the agency had done nothing to collect the support. The company would not allow her to cancel.

A grandmother who has custodial care hired Blue Moon. She paid an up front fee of \$50, signed over her power of attorney and the company closed its doors, kept her money and kept her power of attorney.

Another California mother hired Blue Moon. The company harassed her rather than the non-payor, never answered any of her questions or calls, never collected money, and closed its doors.

Another family reports they hired Child Support Enforcement from Austin, TX, who did nothing to collect any money. The company sent her a notice that they were raising their percentage from 33 to 34% even though she had signed a contract for 33%.

ACES recommends that State Disbursement Units be prohibited from changing the payee on IV-D cases unless they have a court order certifying that all fees will be paid by the non-custodial parent in addition to and separate from any child support obligation.

NON-IV-D AGENCIES HAVING ACCESS TO IRS OFFSET

Several states have several different government child support agencies. In some communities these are local Clerk of the Courts offices or court trustees. Before State wide distribution, many of these offices had a cooperative agreement with State IV-D agencies for payment processing, income withholdings, and other services. These agencies were quick to refer families to State IV-D agencies in the past for services such as Parent Locator and IRS Offset because the family still had a case open at their agency and they received federal funding via the cooperative agreement. Now they do not like to refer cases to IV-D because families chose full IV-D services rather than using both agencies. Because of the history of cooperative agreements, local offices hired staff and often used child support positions as part of the local political patronage system.

When states moved to the State Disbursement units, these offices have been looking for a way to continue to keep their staff and continue the local patronage system. The newest method is to get access to the IRS Offset system so that families will keep their case on file with their office rather than change over to the State IV-D system. This is good for some families who have had success with collection by these non-IV-D government agencies, such as those where the mother, father, and child all live in the community and the non custodial parent has been making regular payment on their own through this agency. Since employers now send all income withholding payments to the State Distribution Unit so that they have only one government agency to deal with, since almost 40% of the cases are interstate, and since contempt and criminal non-support actions are done by attorney under contract by IV-D at no charge to families in most states, it no longer makes sense for most cases to be handled by these local offices.

For the few families continuing to have open cases at local agencies it does not make sense to create a system where they can access enforcement to the IRS Offset. It does make sense to set up a system where state IV-D agencies must accept cases referred from these offices and ensure that the cases are forwarded to the IRS. They can require these offices to provide the same information that they do of custodial parents opening cases for IRS Offset. This process includes a copy of an arrearage statement certified by the court or, in affidavit form, the name of the non-custodial parent, their last known address, and social security number.

ACES recommends that federal law require State IV-D agencies to accept and process these cases to ensure services to these families. This would enable these offices to provide services to the families who have cases on file where other collection services are working. If the case on file at the Clerk of Courts or Trustees' Office is not receiving regular payments, these offices should be required to notify the custodial parents in writing that full collection services for locating absent parents, income withholding, attachment of bank accounts, unemployment, etc. are available at the state IV-D agency.

FATHERHOOD INITIATIVE

Current federally funded Access/Visitation Projects fail to reach families most in need of help in solving visitation problems. States that have set up mediation/counseling programs to help families resolve visitation problems are often voluntary and therefore don't reach families with ongoing disputes. Voluntary projects have successfully helped families establish visitation orders and custody agreements at the time child support orders were entered. Programs such as the Fatherhood Initiative have had minimal impact. For example, the Los Angeles Fatherhood Initiative told ACES in July 1999 that they had only 39 fathers enrolled in the program.

There are 650,000 open child support cases in Los Angeles. Manpower of New York reviewed the fatherhood program by establishing a control group of non-custodial parents to determine the effectiveness of the program. The review showed that 30% of the fathers participating in the fatherhood programs and 30% of the fathers not enrolled in the program paid child support. The program did successfully "smoke" out those who were really working because, after the court ordered them to attend job training, they began paying child support to avoid losing their jobs!

ACES recommends that program be expanded to include more fathers so that more children benefit. However, provisions should be made to ensure that the programs are cost effective. Programs should be held to a standard that they produce child support collections of at \$5 for every \$1 spent. In the past, programs have spend millions of dollars to serve a few fathers, of whom only 30% paid child support. Establishment of paternity, if needed, should be a prerequisite to participation in the program since the goal is to provide fathers' job and parent training needed to successfully financially and emotionally support their children.

When parents see that the support paid actually benefits their children, it encourages them to meet legal child support obligations. Passing child support collected to families on welfare rather than keeping it to pay off welfare debts help children and encourage non custodial parents to meet child support obligations. Child support payment passed on to families should be counted toward TANF eligibility in the same manner as earned income.

Federal law should encourage states to establish amnesty programs for parents who owe the states welfare child support debts. Parents should be allowed to make arrangements to pay current support obligations based on the state child support guidelines. These guidelines use actual parental income and cost of raising children to determine the amount to be paid. The non custodial parent should be allowed to enter into a legal agreement with the state that set up a process that if the non custodial parent meet's current child support obligations and past obligations owed to the child, the state waives the arrears owed to them. If the parent violates their agreement, they become liable for the debt owed to the state.

In 1995, the U.S. Census study of children growing up in single parent households showed that 2.7 million children received full payments, 2 million received partial payments, and 2.2 million who had support orders received no payments. About 6.8 million children received no payments because they needed paternity or an order established. About 32% of the families who do not receive child support live in poverty. In single parent households, 28% of Caucasian children, 40% of Black children and 48% of Hispanic children are impoverished.

There are now 30 million children owed \$50 billion in unpaid child support according to the Federal Office of Child Support Enforcement's 1998 Preliminary Annual Report to Congress. If we are truly serious about strengthening families and promoting self-sufficiency rather than welfare dependency, by making parents responsible for supporting their children, it is time to get serious about setting up an effective national child support enforcement system. Taking care of the children one brings into the world is a basic personal responsibility and a true family value.

Preliminary statistical reports from the U.S. Department of Health and Human Services, Administration of Children and Families, Office of Child Support Enforcement show that the average state collection rate for 1998 is 23%. This is about the same rate as the 20% rate in 1995 (pre-welfare reform). The National New Hire Directory identifies information about where parents who owe child support live and work so that the state can process an income withholding or establish a child support order. For example, Ohio reports they have received information about where 98,437 parents who owe child support live and/or work. This would enable Ohio to issue income withholding orders to collect child support or establish a support order if needed. Ohio does not have a functioning child support enforcement computer system to match the data with the federal registries and has no manual system in place to distribute the data to counties that are responsible for acting on the cases. Other states with the same problems who do not have certified automated child support tracking systems include Alaska, California, District of Columbia, Indiana,

Kansas, Michigan, North Dakota, Nebraska, Nevada, Pennsylvania, South Carolina and the Virgin Islands. Thirty-five per cent of the child support caseload in the U.S. is in these states.

The National Directory of New Hires has sent more than one million matches to state child support agencies. Most states reported that they have no system in place to track the number of matches used to initiate income come withholdings, establishment of orders, establishment of paternity, administrative enforcement, or court enforcement. Nor could they identify the number of cases where payment resulted from use of data received from the National New Hire Directory. State directors told us during a meeting with them to discuss the issues that the data received from the National New Hire Directory is difficult to use because it contains previously sent data with new matches.

Problems persist with State Automated Child Support Tracking Systems. In addition to the states listed above, 23 states who are conditionally certified, have systems that are missing key capabilities, such as not being able to send payments out to families, not being able to distribute the correct amount of payments to families and pay off state welfare debts, not being able to process interstate cases, and not being able to communicate with existing welfare computer systems. Only Virginia, Washington, Wyoming, New Hampshire, Idaho, Colorado, Iowa, Maine, Kentucky, South Dakota, Arkansas, Massachusetts, Florida, Missouri and Hawaii have state-wide child support computers that are working. For example, California paid a private contractor more than \$200 million for a system whose design was so flawed it was unable to perform even basic required functions. With all of these problems experienced within the states, how can we expect these systems to be successfully linked nationwide?

Due to the 50% divorce rate and the fact that 25% of all births are to parents who were never married, 60% of the children born in the 1990's will spend part of their lives in a single-parent household. In its impact on children, the child support system is now only second to the public school system. We need a national enforcement system where support payments are collected just like taxes, instead of a 50 state bureaucracies full of loopholes and red tape.

ACES recommends that congress should enact, H.R. 1488, sponsored by Representative Henry Hyde (R) IL and Lynn Woosley (D) CA. It sets up a federal and state partnership to collect child support throughout the nation even when parents move across state lines. These interstate cases now make up almost 40% of the caseload and are the most difficult to enforce. State courts or government agencies through administrative hearings would establish orders within the divorce process or through establishment of paternity and would determine the amount to be paid based on parental income, modifying orders as needed. Enforcement would be done at the federal level by building on the current system where employers payroll-deduct child support payments. Instead of the state government agencies in each state having their own systems to do this, the new law would have payments paid just like federal income taxes. Withholding would be triggered by completion of a W-4 form, and a verification process. Self-employed parents would pay child support quarterly just like Social Security taxes. At year's end, if all child support due was not paid, the obligated parent would be required to pay it just like unpaid federal taxes, or collection would be initiated by the IRS.

For low income and unemployed fathers, states could continue to operate fatherhood programs. Such programs offer fathers, many of whom are young, an opportunity to develop parenting skills and job skills that will allow them to financially support their children. About 40% of the children who live in fatherless households haven't seen their fathers in at least a year. Census Bureau data shows that fathers who have visitation and custody arrangements are three times as likely to meet their child support obligations as those who do not. If collection of child support were through the tax collection system, local Domestic Relations Courts would have more time and resources to focus on visitation and custody issues.

The child support system was established in 1975 in the Social Security Act. When the children born in 1975 were age 9, Congress acted again by passing the 1984 child support amendments. They deemed it necessary because the collection rate for children with cases open at the state government agencies was only about 20% and 50% of the children still needed orders established. When the children were age 13 in 1988, Congress acted again and passed the Family Support Act. This law promised collection of child support via payroll deduction right from the time the order was entered in the divorce or paternity decree. It required the states to place a lien on the property of those who failed to pay support, and set up mathematical guidelines to determine a fair amount of support to be paid. In 1996, with the children grown (age 21), only 20% of them received child support and 50% never did get an order established to collect support. Congress, acted again through the

welfare reform laws. Unfortunately, this didn't solve the problem because the infrastructure for an effective state-based child support enforcement system does not exist.

State child support caseloads grow yearly and the amount of support collected increases, but the percentage of families receiving support remains at about 25%. We have now lost a whole generation of children because of a "broken system"—one that is state-based, different everywhere, and one where judges review cases one at a time in a slow, antiquated process designed for the 19th Century, when divorce or having children outside of the marriage was unusual. For example, in the State of Ohio, there are about 600 judges and more than 700,000 child support cases in need of legal action to establish or enforce a child support order. Even if every judge, Traffic Court to Supreme Court, worked day and night on child support cases they could not handle this caseload.

Further, privacy issues associated with passing sensitive social security and financial information between many agencies and a private contractor hired by government is worrisome. It is almost impossible to ensure confidentiality when states have county child support agencies and contracts with private collection companies. Literally, any child support worker in the county could gain access to sensitive financial information that is essential for successful child support enforcement. The IRS already has this information listing place of employment and income. They have a proven track record of maintaining confidentiality.

The child support agencies and courts throughout the county are already overburdened, and backlogged. They will not be capable of handling the new tools provided to them by the child support provisions in Welfare Reform. Please enact HR 1488, and make children as important as taxes!

Statement of Charles Bacarisse, District Clerk, Harris County, Texas

Ms. Chairman and distinguished members of the committee, I would like to submit this statement to lend my total support for this legislative proposal. Providing non-IV-D enforcement agencies with additional tools will make them more effective in ensuring that court-ordered child support is provided by non-custodial parents.

As the District Clerk of Harris County, Texas, I oversee a child support registry that processes more than \$240 million in child support payments per year. That sum translates to over 5,000 transactions and about 1 million dollars per working day. In fact, if Harris County were a state, it would rank 26th nationally in terms of child support payments processed. In my opinion, as the child support caseload continues to rapidly grow, child support enforcement agencies (including non-IV-D) must continue to enhance their enforcement methods. Assuring that deserving recipients receive their monthly checks is not just a duty of the child support community; it is a moral obligation.

As you examine and discuss this matter, please consider these facts. In Texas, the IV-D agency's child support caseload is over 1 million cases and it grows by about 20,000 cases per month. This growth pattern has created a backlog that is systematic and without help from the non-IV-D agencies, the IV-D agencies will never be able to adequately service every case.

In Texas, like every other state, IV-D collection rates are disappointing and frustrated parents are often provided service that is too slow to keep up with their needs. Often, enforcement information obtained by the IV-D agency on behalf of the custodial parent is 'stale' by the time it is received.

While the enforcement problem facing the child support community is monstrous by any standard, the solution, in my judgment, is not. A successful approach to addressing this problem requires the use of all available resources. By allowing local child support enforcement agencies to utilize tools currently only available to IV-D agencies, the local agencies could effectively handle cases that had previously overwhelmed the IV-D agencies. By absorbing these cases the non-IV-D agencies will provide custodial parents with responsive, local service. Not only is this a commonsense approach, it is also taxpayer friendly. Where federally funded IV-D agencies cost taxpayers over \$3 billion per year, at a cost-effectiveness ratio of less than \$4 in collected child support for every \$1 of administrative expenditures, locally funded enforcement agencies offer service at no cost to the federal taxpayer. In Harris County, the local enforcement agency is funded by fees paid by those who use its child support and visitation enforcement services. The user fees are based on income and ability to pay.

Unfortunately, non-IV-D agencies are not allowed to use certain enforcement tools. Because these tools are exclusively used by IV-D agencies most custodial par-

ents are forced to use their services. As mentioned above, this situation is partly to blame for the overwhelming caseloads currently being handled by IV-D agencies. Let's give custodial parents a choice.

The enforcement tools that I believe should be pushed down to the local level are income withholding for unemployment insurance benefits, passport revocation, and federal income tax refund interception.

All of these measures would require safeguards in regards to access to, and use of, confidential information maintained in federal databases. The legislation should require any non-IV-D enforcement agency to register with the Department of Health and Human Services. These measures would ensure that the use of these tools would be solely for the enforcement of child support. It goes without saying that the use of these tools would be helpful in closing the collections gap if they could be used by non-IV-D entities.

Ms. Chairman and members of the committee, I hope that I have clearly defined the gravity of this situation. While this legislation will not solve every problem faced by the child support community and those that depend on these payments, the need for it is great and it is now.

Thank you for allowing me to present this statement before your committee.

**Statement of Richard Bennett, President, Coalition of Parent Support,
Livermore, California**

INTRODUCTION

The Coalition of Parent Support is a California advocacy group representing divorced fathers and non-custodial mothers. We've been involved in the efforts recently undertaken in California to restructure the Title IV-D welfare reimbursement and child support and system, as invited speakers and members at several legislative committee hearings, commissions, and oversight boards. Some of the recommendations we've presented on child support reform have been adopted, and some have stimulated new dialog on aspects of the system that haven't received adequate attention in the past.

THE ROLE OF FATHERS

We're concerned about the tendency to view divorced and never-married fathers as nothing more than a source of income for the mothers of our children. Recently, some high-profile absent fathers have sought to deflect criticism about their lack of participation in the lives of their children by saying "But I paid all my child support." We don't accept such excuses. All of us who bring children into the world, mothers and fathers alike, have a responsibility to provide our children with financial support, and more. Children don't become healthy, responsible, happy adults unless they're provided with emotional support and guidance in their moral and academic development. Fathers are an indispensable resource for the development of children, and so are mothers.

THE VALUE OF MARRIAGE

We're pleased that the pendulum is shifting on the value of marriage to children and society. For too long, academics and certain interest groups went too far in understressing the value of this battered institution, celebrating the supposedly liberating value of divorce, especially for women, to an extraordinary degree. The point of view that marriage doesn't matter reached its zenith in an article recently published in the *American Psychologist* that essentially denied the unique benefits that good marriages hold for children. Fortunately, the article (by Louise Silverstein and Carl Auerbach of Yeshiva University) was soundly condemned by the media.

Thanks to researchers and social theorists like David Blankenhorn, David Popenoe, and Barbara Dafoe Whitehead, the pro-marriage perspective now has a voice at the public policy table where issues about children and families are concerned. This is a healthy development, but one that might also go too far in its direction if it's the only perspective in the debate.

In many ways, the marriage-boosters are even more down on fathers than those who devalue marriage. They claim that marriage has a "civilizing influence" on men

that binds us our children in a way that cohabitation doesn't. With all respect to these authors, this is a lot of romantic and bigoted hooley.

The only functional difference between a cohabiting couple committed to raising a child together and a married couple is that the married couple filed a piece of paper at the courthouse and paid a tax, while the cohabiting couple did not. The cohabiting couple enjoy certain advantages over the married couple: they don't have to pay the government's marriage penalty each April 15th, for one, and they don't face the possibility of California's lifetime alimony law that kicks in for both men and women after ten years of marriage, for another.

The notion that fathers are uniquely in need of civilizing is also offensive and in contradiction to the research. Since mothers commit more crimes of violence against children than fathers, including murder, we have to reject Blankenhorn and Popenoe's thesis that we're dangerous unless married, just as we reject Silverstein and Auerbach's claims that we cost more than we bring to the family.

INCENTIVES TO MARRY

Marriage is good for men, women, and children, and we wish that the Congress and our state legislatures would please repeal all of the legislation currently in place that discourages marriage. Then, the discussion of incentives to marry will have more positive effect.

In the meantime, we have to support the value and the participation of fathers in the lives of their children wherever we find fathers: in marriage, in committed relationships, and in divorce. Single fathers are rarely single by choice, and we love our children as much as their mothers do.

The first thing the government can do to support and encourage marriage is to remove the barriers that keep people out of it at present.

WHETHER CHILD SUPPORT ARREARAGES SHOULD BE GIVEN TO MOTHERS

Some, but not all.

Child support arrearages that accumulate while the mother was on welfare—welfare reimbursement arrearages—are largely uncollectable debts. To understand why this is so, it's necessary to understand how and why they accumulate.

In the vast majority of IV-D cases, child support orders are issued by default because the father was either not served with proper notice of the hearing, or he was too afraid of the system to show up. At the hearing, an order is issued without any consideration of his ability to pay, generally at a level far excess of his means. This order is made retroactive to some time on the past—three years under present California law, and one year if the governor signs a bill we put on his desk a few weeks ago—and the father is instantly carrying a debt that accumulates interest faster than he can pay it off.

Meanwhile, because mother is on welfare, any money he does pay on this order (except for the token passthrough) is seized by the government and does not benefit the children. So what happens in many of these cases is that the father makes cash payments to the mother under-the-table because he doesn't want to see his children go hungry. This puts him in a deeper hole with the IV-D system, which doesn't give him any credit for these payments.

So by the time mother's welfare time limits expire, father is in debt for two or three years' salary. Transferring this paper debt to the mother will not benefit the children, but it will ensure that father does not become a regular member of society, ever. He will still be paying child support to mother when the children are grandparents. This is a horrible idea, and one that has bizarre consequences if custody changes after mother leaves welfare. Then we have father supporting the children in his household, while paying all his disposable income to an absent mother. Changes of custody happen all the time in these families, by the way.

A better way to handle welfare reimbursement debt is to use it as leverage to encourage good behavior:

1. Waive the welfare debt if the couple marries.
2. Waive the welfare debt if the obligor makes current payments as he should.
3. Pass some of the welfare debt to the mother—a year's worth—provided she doesn't interfere with the father's parenting time with the children.
4. Pass any welfare debt remaining after the children reach majority directly to the children for education or vocational training.
5. Waive the welfare debt if there's a change of custody.

We'd like to clarify that don't like the practice of welfare reimbursement to begin with, however, but if you eliminate it, you have come up with a new formula for funding IV-D. Presently, the state of California makes a \$200 million profit from IV-D each year, and that's money our governor is not eager to give up. We tried to eliminate it this year, and when we learned that we couldn't, we tried to increase the passthrough from \$50 to \$75 per month, and we couldn't even do that. So good luck eliminating welfare reimbursement, our least favorite Reverse Robin Hood Tax.

WHETHER FATHERHOOD SERVICES SHOULD BE PROVIDED PRIMARILY
BY NONGOVERNMENTAL OR GOVERNMENTAL ENTITIES

Of course.

WHAT THE LEVEL OF COORDINATION SHOULD BE WITH CHILD SUPPORT
ENFORCEMENT AGENCIES, THE TANF AGENCY, AND THE
AGENCY CONDUCTING WORKFORCE INVESTMENT ACT PROGRAMS

California has just begun a major reorganization of our child support enforcement agency, and until the new organization is in place, we can't consider any new requirements for coordination with other programs. It's not practical. The other agencies should coordinate with Fatherhood programs, however.

WHETHER THE APPROACH OF EARMARKING FUNDS FOR PROJECTS
THAT EMPHASIZE THE ENROLLMENT OF FATHERS AT THE TIME OF
THE CHILD'S BIRTH IS A GOOD ONE

On it's face, this seems like a good emphasis. There are some problems with voluntary paternity programs, however. These programs are great when the man signing the paternity declaration actually is the father, but if he's not (and has merely been told he is), then they amount to an illegal adoption program. Paternity declarations by unmarried men should always be supported by a DNA test showing that the man is, in fact, the father of the child. Any program of voluntary paternity that ensures due process for the actual father and for the child is a good one, and should be supported, of course.

ON EXPANDING ACCESS TO GOVERNMENT CHILD SUPPORT
ENFORCEMENT PROCEDURES

We would not support this policy. IV-D tools are not sufficiently fool-proof to make available to the general public without tremendous outcry over mistaken identity, falsely calculated arrears, and mistakenly suspended licenses. This is a recipe for disaster.

CONCLUSION

We're pleased that this Congress has opened a dialog, for the first time, on the extra-monetary value of fathers. We hope that this dialog continues, and results in the creation and funding of policies and programs that support the efforts made every day by fathers in every situation to have a positive influence on our children. All of us, whether we are married, divorced, separated, or cohabiting, love our children. All of us want our children to become healthy, happy, productive adults. For too long, there has been a tendency to demonize fathers as deadbeats and abusers, for reasons that aren't entirely clear.

Certainly, there are some deadbeat dads, just as there are some abusive mothers and some dishonest politicians and biased reporters. Discarding this destructive rhetoric and focusing on our positive and constructive potential can make the world a better place for our children and the rest of society. Please continue down that path.

Richard Bennett,
President, Coalition of Parent Support
(408) 326-1845

Statement of Casey Hoffman, Founder, Supportkids.com, Austin, Texas

Madam Chair, Representative Cardin and distinguished members of the Subcommittee: Thank you for the opportunity to testify on expanding access to government child support enforcement procedures.

My name is Casey Hoffman. I am the founder of Supportkids.com, a private company that collects child support for custodial parents. Before founding Supportkids in 1991, I served for five years as Special Assistant Attorney General and Director of the Child Support Enforcement Division of the Office of the Texas Attorney General, the state's designated agency for the administration of the child support enforcement program under Title IV-D of the Social Security Act. During my tenure as Director of the nation's largest Title IV-D program, the Texas program was recognized by this subcommittee and by the National Child Support Enforcement Association of Washington, D.C. as the "Most Improved" in the nation. Prior to my heading the Texas Title IV-D program, I was an assistant district attorney, practiced family law in Massachusetts for eighteen years, and, in 1984, served as President of the Massachusetts State Bar Association as well as a member of the Massachusetts Governor's Child Support Commission. While I am currently serving as the immediate past president of the National Child Support Enforcement Association on its board of directors, I want to state for the record that I am not representing that organization here today nor presenting its viewpoint on any issue.

I last testified before this committee on May 19, 1998, and submitted written testimony as to the limitations of the Title IV-D community to work the caseload that has been mandated by federal legislation. It is inconceivable that any professional in the child support community would offer testimony that would suggest that we have made significant progress in working through the 20 million cases in the Title IV-D program. More importantly, a prognosis that we will significantly impact the caseload in the next few years would be an ungrounded assessment that would be met with skepticism especially by the dedicated people who actually work these cases everyday. In fact, each year, regardless of the millions of cases that are closed, we have fallen further behind and now additional billions of dollars in child support are owed to custodial parents. If I have the privilege of testifying before you any time within the next five years, I am positive that there will be billions more in unpaid child support on the books. Sadly, there are the very real faces of parents and children that speak much more powerfully to the need for more professionals to work on these important cases than does the adding up of all the statistics that prove beyond a reasonable doubt that the Title IV-D program is overwhelmed.

There is no need to repeat my previous testimony in 1998 and set forth updated statistics or put forth the very same proposals that were presented for your consideration and adoption on this very issue. It is all a matter of record. Congress must recognize the difference it can make today in the lives of millions of children at no cost to the federal taxpayer. Until that occurs, the specific proposals suggested in my earlier testimony may be considered good policy and adopted at some time in the future. With that in mind and with a sense of urgency, I would at this time respectfully ask you to listen to the testimony of Susan B. Williams who traveled to our nation's capital to assist this committee in understanding the impact of unpaid child support on the millions of custodial parents and children because there is no one to work their cases in the Title IV-D agencies. After hearing Susan Williams, I believe you will be convinced to act now rather than later.

Susan Williams is one of those 15 million-plus parents who have previously sought help from the Title IV-D program and did not receive a monthly child support check. Susan Williams refused to become a victim in despair and instead chose to seek help from professionals outside the Title IV-D community to work a case that if successful pursued would make a big difference in her daughter's life. I have attached the written testimony of Susan Williams as Appendix A at the end of my testimony.

I am here today to give testimony that asserts forcefully but respectfully that the parents who make the choice to use public and private sector services outside of the Title IV-D agency are not being treated fairly. Furthermore, it is that same government that promised them services and failed to deliver on that promise that now fails to provide their chosen representative with the same tools that the Title IV-D agency has a right to use. The parents who are not receiving child support and seek help from outside of the Title IV-D program should have the same rights and the same tools to meet their objective of collecting child support as a parent who is a customer of the Title IV-D agency. We must not forget that one third of all the child support cases in this country are not part of the Title IV-D program. Why

should those parents not have the benefit of important tools make available to the IV-D agencies.

Over the years the legislation that has been passed by Congress that amended Title IV-D of the Social Security Act created a taxpayer-subsidized legal services program that has promised everyone, regardless of ability to pay, free services to establish, enforce, modify, collect and distribute court ordered child support. The problem, of course, arises from the fact that the legislative mandates on the Title IV-D agencies have never been funded at the levels needed to keep the promises. In the published articles I have written over the last 15 years, I have freely admitted that we could not possibly work the millions of cases in the Title IV-D system. On each and every occasion, I urged more funding for the Title IV-D program. Unfortunately not only have we not been fully funded to help the millions of children in the Title IV-D effort, there are now proposals to cut the funding.

I have worked with this distinguished body for the past 15 years to support legislation that would allow parents and their children to be treated fairly as they sought to enforce the lawful orders of our judges. The efforts of Congress in ending welfare as we knew it deserves the highest praise and the success of the legislation to date is well documented. Child support enforcement is one of the cornerstones of welfare reform and in order for it to work in the long term the Title IV-D program will need to be fully funded and they will need to prioritize their caseload. In addition, other non IV-D professionals will have to complement their efforts by working unresolved cases. I know that the members of this committee and Congress would never intentionally want to treat a parent who sought help outside the government Title IV-D program in an unfair manner, especially for such a needed service. I think now is the time to ask ourselves how we can continue to say NO to the millions of parents seeking child support services that are in effect standing in the same place as Susan Williams but who are not able to collect the child support owed their children.

How can we say NO to parents like Susan Williams who ask that their private attorneys who are representing them be allowed to assert the same rights and use the very same tools that are currently being used by the IV-D agencies.

How can we say NO to parents like Susan Williams who ask that their non-Title IV-D government agency which is representing them be allowed to assert the same rights and use the very same tools that are currently being used by the IV-D agencies.

How can we say NO to taxpayers like Susan Williams who paid for the development and implementation of these same tools that the Title IV-D community uses and then deny her and her lawful representative access to them.

How can we say NO to taxpayers like Susan Williams who are not allowed to have their legal representative take advantage of and assert the rights that you legislated exclusively to the Title IV-D community.

How can we say NO to the Susan Williams who are committed to teaching their children that it is the responsibility of parents to stand up for their children and seek justice for them.

How can we say NO to the Susan Williams of this country who are committed to teaching their children that you obey the lawful orders of a court and if you do not there are consequences.

How can we say NO to all the Susan Williams who believe that their employers should not be burdened by the problem of unpaid child support. The Susan Williams of this country know that when you work two jobs you are probably not at peak performance at one or both of those jobs. Single custodial parents know the real effects on their health when they have to work two jobs to make ends meet and are under great pressure to meet the needs of their children. Lost time on the job for court appearances and meetings with attorneys reduces productivity and creates even more pressure on custodial parents.

As concerned, compassionate citizens, we can support the political leaders who were the proponents and architects of welfare reform, and we must take actions to make sure that those who have escaped poverty receive their child support check as well as their paycheck.

As taxpayers like Susan Williams, we need to support people in leaving public assistance by collecting a child support check as well as a paycheck. We must remain steady in our commitment to parents to ensure they receive effective child support services and make their way up the economic ladder.

As a concerned, compassionate citizen, Susan Williams knows that we need to collect the child support owed custodial parents so that they can avoid getting a second job that takes them out of the home at the end of school, at dinner time, at bed time or on the weekends. Lost time with your children is a heavy price to pay when you have to work two jobs to make ends meet.

As taxpayers like Susan Williams we know that every case worked by a professional in the private sector is one less case to be worked in the public sector and paid for with tax dollars. Working a case to a successful conclusion in the private sector in many cases requires access to the same enforcement rights and tools that the Title IV-D agency has in their programs.

As a concerned, compassionate citizen, Susan Williams knows that approximately 20 percent of our children in this country live in poverty and if adequate child support was paid they could be lifted out of poverty. Many of these cases could be worked if there were more services being provided by the private sector and non-IV-D child support agencies to complement the work of the IV-D agencies.

As a citizen, Susan Williams is concerned that she is living in one of the richest nations in the world where one out of every five children (and one out of every four in major cities) is living in poverty. The number one reason for this condition is the failure to pay child support. As a school teacher, Susan Williams knows the harm that befalls children living in poverty:

They are 4 times more likely to be involved in the juvenile justice system.

They are 5 times more likely to be hospitalized for accidents and injury.

They are 2 times more likely to drop out of school.

They are 1.3 times more likely to have learning disabilities.

They are going to have IQ scores 9 points lower than other children by age 5.

They are going to score 11 to 25 percent lower than other children on achievement tests.

In conclusion, I would urge you to provide more funding for the Title IV-D program and say YES to the good men and women who work hard in the Title IV-D agencies across the country. We should not forget that it is this same dedicated Title IV-D staff that has to say NO to millions of families that come to them for help with their child support problems. They have to say no in these situations because the reality is and will continue to be that they are overwhelmed by the size of their caseloads. These same cases could be worked effectively by private attorneys and non-Title IV-D government agencies the possibility of success increases if they are given the same rights and tools as the IV-D agencies. The burden can be lifted on the IV-D agencies if we support other professionals in working these important cases and support the parents in having a choice as to who will work their case.

I want to express my sincere thanks to this committee and their staff for once again inviting me to give oral testimony as well as submit written testimony on this important legislation. More importantly, after hearing Susan Williams, I hope that you will be able to vote YES to legislation that supports expanding access to the tools you have given to the Title IV-D government agencies. I respectfully urge you to vote YES on legislation that supports the efforts of private attorneys and non-Title IV-D government agencies in successfully working these important cases.

Statement of Tracie Snitker, Director, Government Relations Men's Health Network

The Men's Health Network again welcomes the opportunity to submit testimony on the issue of fatherhood. The Human Resources Subcommittee as well as the current Administration should be applauded for recognizing fathers as an integral part of their children's lives. As current fatherhood initiatives are being considered we must make efforts to reduce the barriers that keep fathers from becoming involved with their children.

We feel that the ultimate goal of any fatherhood legislation should be to engage the participating father in actively parenting his child(ren). Unfortunately, the current draft of this bill will not achieve that goal. We propose language which focuses the bill on successful parenting and insures that this goal is implemented on the state and local level. Our recommended changes are attached to this testimony. These changes are meant to insure the following outcomes:

- Fathers will know how to parent their children.
- Fathers will be actively involved in parenting their children.
- Fathers will have financial child support orders consistent with their ability to support their children.

Specific language changes address the following concerns:

DOMESTIC VIOLENCE PROVISIONS:

Domestic violence diversion courses are currently well funded and ubiquitous. Courts and administrators are expected to require attendance in such a course if evidence of domestic violence arises. A fatherhood bill should focus on possible parenting deficiencies rather than restate existing law.

PARENTING PLANS:

Arrangements for division of parenting time between the parents should be developed in a mediated atmosphere.

FATHERHOOD GRANTS RECOMMENDATIONS PANEL:

The Fatherhood Grants Recommendations Panel should consist of persons who can demonstrate a history of commitment to programs that promote positive father involvement and Section 442(b)(1) of the bill should be rewritten to reflect those qualifications.

CHILD SUPPORT OBLIGATIONS SHOULD REFLECT ABILITY TO PAY:

Most low income fathers have court ordered child support obligations which are inappropriate for the state's child support guideline and exceed their ability to pay. Those child support orders should be modified to comply with the state's guidelines.

STATE PLANS SHOULD EXPLAIN HOW THE PROGRAM WILL BE
IMPLEMENTED:

States should be required to submit a State Plan describing how the state intends to implement this legislation.

ELIGIBILITY SHOULD REFLECT THE LIFESTYLES OF THE POPULATION
SERVED:

The programs should be open to parents who are experiencing the birth of their first child even if either parent had children with another individual.

PERSONAL RESPONSIBILITY CONTRACTS SHOULD DEFINE THE
RESPONSIBILITIES OF BOTH PARENTS:

The Personal Responsibility contract entered into by the parent must outline the parenting time responsibilities of each parent and be binding on both parents. Non-custodial parents who are completing basic education or job training should have child support obligations cancelled during that period.

THE BRADLEY AMENDMENT IMPEDES PROGRESS:

This Committee invited testimony from a retired judge who explained that the Bradley Amendment unfairly restricts the court's ability to make decisions that are in the child's best interest.¹ Written testimony received by this Committee reflected the frustration that the Bradley Amendment causes state legislators when trying to design state programs that encourage parental participation in the child support system.²

Addendum 1. Suggested language changes to the Discussion Draft

Addendum 2. Bradley Amendment portends of failure for the programs.

Addendum 1

Proposed changes to the fatherhood bill Discussion Draft
(September 29, 1999 version)

Section 441. Purpose:

Section 441(1) should be rewritten to specify that fathers enrolled in these programs are to receive age-appropriate parenting training and disciplinary skills. (Beginning on page 2 of the Discussion Draft.)

2 SEC. 101. FATHERHOOD GRANTS.

. . .

6 ``PART C - FATHERHOOD PROGRAMS

7 ``SEC. 441. PURPOSE.

8 ``The purpose of this part is to make grants available

9 to public and private entities for projects designed to-

10 ``(1) promote marriage through counseling,

11 mentoring, disseminating information about the ad-

12 vantages of marriage, enhancing relationship skills,

13 enhancing parenting skills, teaching age-appropriate disciplinary skills,

and other methods;

~~13 teaching how to control aggression and violent im-~~

~~14 pulses, and other methods,~~

Testimony at earlier Committee hearings on this subject emphasized that these fathers wish to be a continuing part of their children's lives.³ Obviously, "encouraging regular visitation" is not the problem. Arrangements for division of parenting time between the parents should be developed in a mediated atmosphere.

Section 441(2) should be rewritten to reflect the following changes (Beginning on page 3 of the Discussion Draft.):

1 ``(2) promote successful parenting through

2 counseling, mentoring, disseminating information

3 about good parenting practices, training parents in

4 money management, encouraging child support pay-

5 ments, developing enforceable parenting plans that specify each parent's

financial and emotional obligations to the child and include provisions for

regular visitation ~~encouraging regular visitation~~ between fathers and their

children, and other methods; and

3. "...I want to say that the vast majority of unwed fathers are strongly attached to their families, at least at birth. These men want to help raise their child, and the mothers want their help." Sara S. McLanahan, Professor of Sociology and Public Affairs Princeton University, Center for Research on Child Wellbeing, Princeton, New Jersey, April 27, 1999.

Most low income fathers have court ordered child support obligations which are inappropriate for the state's child support guideline and exceed their ability to pay. Those child support orders should be modified to comply with the state's guidelines.

Section 441(3) should be rewritten to reflect the following changes (Beginning on page 3 of the Discussion Draft):

7 ``(3) help fathers improve their economic status
8 by providing work first services, job search, job
9 training, subsidized employment, career-advancing
10 education, job retention, job enhancement, child support modification if
the existing child support order is inappropriate for the person's income
level, and other methods.

Eligibility qualifications need to be defined in such a manner as to accurately reflect the person's economic status. Additionally, states should be required to submit a State Plan describing how the state intends to implement this legislation.

Section 442 should be rewritten to reflect the following changes (Beginning on page 3 of the Discussion Draft):

``SEC. 442. FATHERHOOD GRANTS.

(a) (2)

21 ``(A) a father of a child who is, or within
22 the past 24 months has been, a recipient of as-
23 sistance or services under a State program
24 funded under part A of this title, medical as-
25 sistance benefits under a State plan approved
1 under title XIX of this Act, or food stamp bene-
2 fits under the Food Stamp Act of 1977, a father who would qualify for such
services if he had been the residential parent; or

3 ``(B) a father, including an expectant fa-
4 ther, with income, after subtracting child support payments, that is below
175 percent of the pov-
5 erty line (as defined in section 673(2) of the
6 Omnibus Budget Reconciliation Act of 1981,
7 including any revision required by such section,
8 applicable to a family of the size involved).

9 ``(3) A written commitment by the State agency
10 responsible for administering the program funded
11 under part A of this title of the State in which the
12 project is to be carried out, and the Workforce In-
13 vestment Board of each locality in which the project

14 is to be carried out, that such agencies will assist in
 15 providing employment and related services, including child support
modification to create a child support order that conforms with the state's
child support guidelines, to partici-
 16 pating fathers, and how the services will be so pro-
 17 vided.

" (4) The development of a State Plan by the State agency responsible for
administering the program describing how the state will implement the
provisions of Section 441(a), (b), and (c) of this act.

' (5) (4) A written commitment by the entity that
 the entity will provide for the project, from funds ob-
 tained from non-Federal sources, amounts (including
 in-kind contributions) equal in value to 25 percent
 of the amount of any grant made to the entity under
 this section.

The Fatherhood Grants Recommendations Panel should consist of persons who can demonstrate a history of participation in programs that promote positive father involvement. Section 442(b)(1) of the bill should be rewritten to reflect those qualifications (Beginning on page 5 of the Discussion Draft):

' (1) ESTABLISHMENT.- There is established a panel to be known as the
'Fatherhood Grants Recommendations Panel' (in this section referred to as the
'Panel'). The Panel shall consist of individuals who have a history of
participation in programs that promote positive father involvement.

Section 442(c) should be rewritten to reflect the following changes (Beginning on page 7 of the Discussion Draft):

23 ' (2) PREFERENCES.- In determining which en-
 24 titles to which to award grants under this section,
 25 the Secretary shall give preference to-
 1 ' (A) entities whose applications describe
 2 projects which-
 3 ' (i) are to be carried out in jurisdic-
 4 tions that have the authority to pass
 5 through all child support arrearage pay-
 6 ments made by project participants, to
 7 mothers who have earned income and who
 8 do not receive cash payments under a

9 State program funded under part A of this
10 title; or
11 ``(ii) take other actions designed to
12 encourage or facilitate the payment of
13 child support including the modification of existing child support orders
to place them in compliance with the state's guidelines; and
14 ``(B) entities whose applications include a
15 written commitment by the agency responsible
16 for administering the State plan approved
17 under part D for the State in which the project
18 is to be carried out that the State will cancel
19 child support arrearages owed to the State in
20 proportion to the length of time that the father
21 maintains a regular child support payment
22 schedule, and a written commitment by the en-
23 tity that the entity will help participating fa-
24 thers who cooperate with the agency in improv-
25 ing their credit.

1 ``(3) MINIMUM PERCENTAGE OF GRANTS FOR
2 PROJECTS SUSPENDING PAYMENT OF CHILD SUP-
3 PORT ARREARAGES FOR FATHERS MAKING TIMELY
4 CHILD SUPPORT PAYMENTS OR MAINTAINING A MAR-
5 ITAL RELATIONSHIP WITH THE MOTHER OF THE
6 CHILD.- Not less than 75 percent of the aggregate
7 amounts paid as grants under this section in each
8 fiscal year shall be awarded to entities whose appli-
9 cations include a written commitment by the agency
10 referred to in paragraph (2)(B) that the agency will
11 help in the identification of fathers eligible to par-
12 ticipate in the project, and that the agency will sus-
13 pend all child support arrearages owed to the State
14 by any participating father for so long as the father
15 makes timely payments under a child support order
16 ~~or~~ and will cancel all child support arrearages if the father maintains a
marital relationship with the custodial parent involved until the child
reaches age 18 or is otherwise emancipated or if the father becomes the
residential parent and remains the residential parent until the child reaches
age 18 or is otherwise emancipated.

Section 442(c)(6) should be rewritten to reflect the following changes. (Beginning on page 10 of the Discussion Draft):

11 `` (6) MINIMUM PERCENTAGE OF GRANTS FOR
12 PROJECTS COORDINATED WITH PATERNITY ESTAB-
13 LISHMENT.- Not less than 50 percent of the aggre-
14 gate amounts paid as grants under this section in
15 each fiscal year shall be awarded to projects that en-
16 roll at least 50 percent of their participants in the
17 project at the time of the birth of the parents' ~~their~~ first child.

The Personal Responsibility contract entered into by the parent must outline the parenting time responsibilities of each parent and be binding on both parents. Noncustodial parents who are completing basic education or job training should have child support obligations cancelled during that period.

Section 301(b)(2)(iii)(III) should be rewritten to reflect the following changes. (Beginning on page 21 of the Discussion Draft):

19 `` (III) The noncustodial parent is
20 in compliance with the terms of a per-
21 sonal responsibility contract entered
22 into among the noncustodial parent,
23 the entity, and the agency responsible
24 for administering the State plan
25 under part D, which was developed
1 taking into account the employment
2 and child support status of the non-
3 custodial parent, which was entered
4 into not later than 30 (or, at the op-
5 tion of the entity, not later than 90)
6 days after the noncustodial parent
7 was enrolled in the project and which,
8 at a minimum, includes the following:

9 (aa) . . .

17 (bb) . . .

3 `` (cc) A commitment by the
4 noncustodial parent to participate
5 in employment that will enable
6 the noncustodial parent to make
7 regular child support payments,
8 which may include temporary em-

9 ployment in community service or
10 work experience provided under
11 this paragraph to assist in prepa-
12 ration for unsubsidized employ-
13 ment, and for such parents who
14 have not attained 20 years of
15 age, may include completion of
16 high school, a general equivalency
17 degree, or other education di-
18 rectly related to employment. Child support payment shall be cancelled
during the period the parent is enrolled full-time in a program that will
lead to completion of high school or a general equivalency degree, or other
education directly related to employment if the parent has not attained 20
years of age at the beginning of the enrollment period.
19 (dd) . . .
(ee) A parenting time arrangement which defines the times that each parent
will have with the child and a commitment by the custodial parent to allow
the noncustodial parent to exercise his parenting time with the child.

Addendum 2.

Bradley Amendment

We are concerned that any programs undertaken could be subject to fail due to problems caused by the Bradley Amendment.

Based on a brief survey which included responses from thirty-six states, fathers identified arrearages as a factor keeping them from becoming more involved with their children. Many of these arrearages accumulated due to illness, unemployment or underemployment. Such arrearages might be called "ghost arrearages," arrearages that would not exist if the child support order had been modified, based on the parent's actual income, to properly conform with the state's guidelines. These fathers want to be responsible and pay for their child support, but they simply do not have the means to pay. Once these fathers obtain a job that allows them to contribute to the upbringing of their children, they are already thousands of dollars in debt and financially ruined. The courts have recognized that child support often times needs to be modified in accordance with the father's ability to pay. Yet the court's ability to modify a child support order is hampered by the Bradley Amendment [PL 99-509 Subtitle B Sec. 9103].

Bradley Amendment Discourages Participation

Federal law requires that a child support ordered be adjusted (or modified) at the request of either parent, to match the parent's ability to pay either more or less child support. However, the Bradley Amendment passed Congress in 1986 and states that a child support order cannot be modified retroactively under any circumstances, except to the date that a modification was filed and the other party was served. In many circumstances, fathers are not aware that they can file to have their child support changed if they become unemployed or are unable to work due to a medical condition or injury. During an extended hospital stay, arrearages can accumulate to incredible levels. Unfortunately the court cannot modify these arrearages to the initial point a father's earning level is no longer adequate vis-à-vis his child support payment.

Amending the Bradley Amendment to allow judicial discretion would be strongly advised. Judges can determine the difference between a father that cannot pay his child support due to a legitimate reason and the father that willfully chooses to not pay his child support.

Child Support awards do not accurately reflect the obligor's ability to pay:

From Friend of the Court (FOC) records in Michigan, we know that a high percentage of fathers will not know that a court has established a monthly child support obligation, an obligation that far exceeds their ability to pay.

FOC records indicate that over 60% of the unwed fathers in an inner city area of Detroit do not appear at the court hearing that sets their child support obligation. Why? Because the court had inaccurate or insufficient information to notify them of the hearing -- but proceeded with the hearing anyway. When these men are discovered, it is usually found that the obligation was set way beyond their ability to pay and that horrendous arrearages have accumulated.

In order to recruit these men for fatherhood programs, courts need the ability to adjust the arrearage amount to reflect the person's real income and the state's guidelines. The 1986 Bradley Amendment forbids this, leaving the obligor with a debt he or she can never hope to repay. This encourages them to "drop out of the system" and, unfortunately, out of their children's lives.

State Legislators Ask for Relief

While our earlier testimony was appended with case samples from almost every state, the reader might wonder how state officials view the effects of the Bradley Amendment. Comments by state officials are quite clear and to-the-point. For instance, the Oklahoma State Legislature has found the Bradley Amendment to be impeding on their ability to effectively pass their own laws.

- ◆ Jim R. Glover, Speaker Pro Tempore Emeritus, of the Oklahoma House of Representatives, wrote:
 - “...the Bradley Amendment superceded legislation that was intended to allow finding and establishing of truth and being fair in paternity cases, specifically a marriage where a wife had an adulterous affair that resulted in a child being born that was not her husband’s.
 - “...similar situations...because of the Bradley Amendment. A temporary child support order cannot be retroactively modified after a paternity determination finds an accused man not to be the father of an out-of-wedlock birth. ...where a parent was given their children to raise by the other parent, who never modified a child support order, only to be assessed the unpaid child support...at a later date. ...citizens who have paid child support through a non-official process, where the parent is then forced to pay a second time. ...other instances where an injured parent does not or cannot modify child support, who loses income, and then becomes recorded as another nonpayer with arrearages.
 - “Apparently the intention of this Federal Law is that it is more important to collect money from anyone as child support than allowing the truth to dictate what is fair.”
- ◆ Fellow State Representative Bill Graves also expressed his displeasure with the Bradley Amendment:
 - “I am hopeful that the Congress will repeal the Bradley Amendment involving child support matters ... the Bradley Amendment is not only unconstitutional, it is unwise and unrealistic.
- ◆ Oklahoma State Senator and Family Law Attorney, James A. Williamson indicated his experience of how the Bradley Amendment adversely affects the modification of child support:
 - “In those cases, when a non-custodial parent has, by agreement, taken over physical custody and there is no formal change of the Court Order, the modification of the child support should be effective as of the date of the change of custody. The Bradley Amendment currently prohibits that effective date. I therefore respectfully suggest Federal Law be amended to allow for those circumstances.”

Suggested language change:

We offer language that would solve these perplexing problems while keeping the protection originally offered by Bradley for those instances where a person willfully tries to evade payment.

Sec. 666 (a) 1A) (9) :

(C) not subject to retroactive modification by such State or by any other State; except that such procedures may permit modification with respect to any period during which the obligor had diminished income, participated in an approved education or job training program, or lived with the child who is the subject of the child support order, there is pending a petition for modification, but only from the date that notice of such petition has been given, either directly or through the appropriate agent, to the obligee or (where the obligee is the petitioner) to the obligor.

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OFFICE OF THE ATTORNEY GENERAL
STATE OF TEXAS
CHILD SUPPORT DIVISION
January 20, 2000

Congresswoman Nancy L. Johnson
Chairwoman, Subcommittee on Human Resources
Committee on Ways and Means
2113 Rayburn House Office Building
Washington, D. C. 20515

Dear Congresswoman Johnson:

At the October Subcommittee on Human Resources hearing on "Fatherhood Legislation," your members heard testimony about access and visitation programs. I would like to provide your committee with information about Texas' experience with the federal grant that funds these worthwhile programs. I would also like to emphasize our keen interest in continued funding as this grant allows our agency to participate in the critical issue of fostering stronger parent/child relationships with non-custodial parents without overstepping the boundaries of federal and state mandates which disallow our intervention in visitation and custody issues.

As you know, the Access & Visitation Grant was created by Congress to "enable states to establish and administer programs to support and facilitate non-custodial parents' access to and visitation with their children." Eligible grant activities include mediation, counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pick-up sites), and development of guidelines for visitation and alternative custody arrangements. Federal law allows the states to either use allocated funds to carry out program objectives within the Title IV-D agency or to make subgrants to eligible entities in local communities. The Office of the Attorney General (OAG) determined that distributing grant funds to community-based programs would have a significantly greater impact on the citizens of those communities than would operating a centralized, state-run initiative. Therefore, we chose to allocate funding to those programs which would best fulfill the grant objectives.

Current law does not permit grant funding to be used to support the establishment of visitation orders. The OAG understands that Congress has established enforcement as one of the most critical components of the Access and Visitation grant, and has given preference to grant applicants with a focus on enforcement activities, as described in the enabling legislation, in all three years of the program's history.

The Texas Access & Visitation Program has a proven track record of successfully addressing the needs of non-custodial parents, and we are understandably proud of that record. As previously stated, the CSD provides financial support via subgrants to a broad range of community-based service providers, then carefully monitors the programs for performance and cost effectiveness. Texas' share of the \$10 million appropriation was set at \$704,262 for the first two years and \$624,429 for subsequent years, providing Congress does not alter the level of funding. Although modest in comparison to other federally-funded programs, this initiative provides non-custodial parents with viable avenues for developing meaningful relationships with their children. Prior to receiving financial awards from the Access & Visitation grant, these programs encountered limited resources for funding.

In order to ensure a fair, impartial and comprehensive review of applications, CSD management established a panel of experts from outside the OAG to determine the award recipients and funding amounts. The panel is routinely comprised of IV-D Masters, who preside over child support cases, and representatives from the Texas Office of Court Administration. In addition to the judicial segment of the panel, other members have represented the Texas Child Protective Services agency and The University of Texas School of Law. Each selection criterion is subject to a point system, and awards are made to those applications scoring the greatest number of points.

FFY97, FFY98, and FFY99 subgrantees reflected a broad spectrum of service delivery organizations. These entities are geographically dispersed across the state in both large and small communities. Most of the subgrantees are private, non-profit organizations, while a few subgrantees are divisions within county governments. Among the subgrantees are advocacy groups, social service organizations and legal service entities.

In keeping with the directives of Congress, subgrantees are restricted to those activities outlined in the enabling legislation. The primary, preferential element funded by the OAG is visitation enforcement. As defined by Congress, visitation enforcement includes "monitoring, supervision and neutral drop-off and pickup." The OAG refers to the neutral drop-off activity as "parental exchanges" to emphasize the true nature of the activity. As a supplement to these enforcement remedies, the OAG also gives preference to parental education programs.

During the FFY97 and FFY98 grant years, 13 programs provided a remarkable level of services in their respective communities. Building on the strengths that these local community organizations bring to the program, the OAG has enhanced its focus on performance-based programming for FFY99. Even with the reduction in federal funding for this period, the OAG estimates a significant return on the investment of federal and local dollars in this critical endeavor.

During the FFY99 grant period, grantees provided:

- approximately 23,400 hours of supervised visitation;
- over 3,500 neutral drop-offs;
- nearly 5,500 hours of parental education;
- over 800 hours of professional counseling/parenting plan development;
- grantee-sponsored community fatherhood summit;
- attorneys to assist non-custodial parents with enforcement of visitation orders;

and

- parenting plan development and enforcement.

As part of the OAG's effort to maintain program integrity and to support the subgrantees' efforts in delivering program services, a comprehensive monitoring initiative has been developed in accordance with the Final Rule on Monitoring, Evaluation and Reporting, promulgated by HHS, effective March 30, 1999. The OAG established an independent team of specialists who conduct field assessments of each subgrantee's performance, financial policies and practices, client record protection policies and practices, and adequacy of grant billing support documentation. Written assessments are provided to CSD management, thereby allowing the agency to take action or to enhance performance monitoring if warranted. These independently written reports are available to the application review panel as a tool for rating grantees' past performances.

In addition to formal monitoring, the CSD has designated a project team to oversee the day-to-day activities, respond to subgrantee inquiries, process and approve requests for reimbursement and monitor ongoing performance. This project team is charged with the responsibility of ensuring that subgrantee performance indicators are reported and to

intercede if performance falls below expected levels. By contract, the OAG reserves a substantial array of remedies to protect program interests and to ensure optimal performance.

In closing, I would like to reiterate that our agency is very pleased with the direction this program is taking and proud of the accomplishments to date. Should you have any questions or need additional information, please contact me. Thank you for your continuing support of this critical program.

Sincerely,

HOWARD G. BALDWIN, JR.
Deputy Attorney General for Child Support

HGB:pjf

cc: Mr. David Arnaudo, Access & Visitation Grant Program Manager, Office of Child Support Enforcement, Administration for Children and Families, U.S. Department of Health and Human Services

bcc: Mr. Ron Haskins, Subcommittee on Human Resources, U.S. House Committee on Ways and Means

