# OVERSIGHT OF THE CHILD SUPPORT ENFORCEMENT PROGRAM

## HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

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# OVERSIGHT OF THE CHILD SUPPORT ENFORCEMENT PROGRAM

**THURSDAY, SEPTEMBER 23, 1999**

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

The Subcommittee met, pursuant to call, at 11 a.m., 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
September 15, 1999
No. HR–10

CONTACT: (202) 225–1025

## Johnson Announces Hearing on Oversight of the Child Support Enforcement Program

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 implementation of 1996 reforms of the Child Support Enforcement Program. The hearing will take place on Thursday, September 23, 1999, in room B–318 Rayburn House Office Building, beginning at 11:00 a.m.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. Witnesses will include a representative from the Clinton Administration, researchers, program administrators, and advocates. However, any individual or organization not scheduled for an oral appearance may submit a written Statement for consideration by the Committee and for inclusion in the printed record of the hearing.

**BACKGROUND:**

In 1996, Congress enacted major reforms of many of the nation's welfare programs (P.L. 104–193, the Personal Responsibility and Work Opportunity Reconciliation Act). Among the programs reformed was the Child Support Enforcement Program. This joint Federal-State program was enacted by Congress in 1975 to increase the amount of child support noncustodial parents pay to help meet the expenses of rearing their children. Although the collection of child support payments by the program increased over the years, by 1995 many interested parties were dissatisfied with the program's performance. As a result, sweeping reforms were included in the 1996 welfare reform law with bipartisan support.

The implementation of these reforms has raised four issues. First, perhaps the most important reform in the 1996 legislation was the creation of a directory of basic information on every person hired in the United States. This new hire information is reported by employers to a centralized data repository in every State; States in turn report their data to the Federal Government. Thus, child support agencies now operate data bases that permit rapid wage withholding in an increasing number of child support cases, including interstate cases. Second, every State is now operating a hospital-based program aimed at establishing paternity for births outside marriage. States are finding that up to 70 percent of fathers are present in the hospital around the time of the birth and are willing to voluntarily sign paternity acknowledgment orders at that time. Third, States are organizing programs that systematically search financial institutions for the assets of noncustodial parents who owe past-due child support. Finally, the welfare reform law created a new program to improve relations among separated, divorced, and never-married parents in order to facilitate access to, and visitation of, children by noncustodial parents. States have now awarded funding from this grant program to a variety of governmental and nongovernmental organizations to conduct these access and visitation programs.

In announcing the hearing, Chairman Johnson Stated: "The child support reforms we passed in 1996 were by far the most extensive and important in the history of

the program. Taken together, the reforms should greatly increase paternity establishment, creation of child support orders, and collection of child support payments. I am especially hopeful that we can increase child support payments for poor and low-income mothers, particularly those leaving or avoiding welfare. This hearing gives us the opportunity to review program information and actual data on program performance to see if our 1996 reforms are being aggressively implemented and whether collections are improving."

**FOCUS OF THE HEARING:**

The Subcommittee will examine four major issues raised by implementation of the 1996 child support reforms. Witnesses have been invited to provide the Subcommittee with detailed information about how each of these provisions is being implemented in the States and whether there is solid evidence that they are improving program performance. The Subcommittee will also hear from an advocacy group representing noncustodial parents, from the administrator of a State program, and from a representative of a State court system that is directly involved in the program about whether the access and visitation grants are achieving the goal of facilitating access and visitation by noncustodial parents.

**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*, Thursday, October 7, 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/".

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. Good morning. Though we are going to have to adjourn shortly for a couple of votes, we will get started and see how far we can get before we need to take a short break. But it is a pleasure to welcome you all here today for this hearing on child support enforcement.

In 1996, for the third time in little more than a decade, Congress enacted substantial reforms to the Child Support Enforcement Program. The 1996 reforms were widely regarded as the most extensive. Among the more important reforms were the creation of the new hire database, a host of requirements on paternity establishment, the provision on financial institution data matches, and the requirement that States have laws permitting the revocation of driver's licenses for parents who are delinquent in paying their child support.

Now, 3 years after enactment of the reform, we are beginning to have information on whether reforms are having impacts on collections and other important outcomes of the Child Support Program. The major purpose of today's hearing is to review this information.

After the administration provides us with an overview of progress in implementing the reforms, and a review of information on outcomes achieved so far, we will hear from several States who have implemented some of the major reforms. We will also learn about the effects of these new provisions, especially on child support collections.

Along with the provisions designed to increase child support payments by parents who don't live with their children, the 1996 law also included a provision designed to help parents who live apart from their children gain the thing they seem to want the most—access to their children. I believe this provision reflected Congress' concern with the plight of parents who do not live with their children. We also realize that custody and visitation are exclusively under State and local jurisdiction.

On the other hand, we were convinced that local programs could be mounted that would help resolve disputes between divorcing and never married parents and pave the way to smooth and regular contact between nonresident parents and their children.

Let me say that, in my opinion, continuing and frequent contact between fathers and their children is of immense importance. In fact, Ben Cardin and I will soon introduce legislation that will fund local projects aimed at improving relations between parents themselves and between fathers and their children.

We are very fortunate to have three witnesses today who will provide us with testimony on the access and visitation projects funded in our 1996 legislation. Based on their written testimony, I was very encouraged that some good projects are being conducted around the country.

I am also pleased that Judge Robert Leuba from my home State of Connecticut will present testimony on behalf of the Conference of State Court Administrators. Let me congratulate the Conference of State Court Administrators for their very important role in implementing these access and visitation programs in a number of States.

I close with the speculation that, as suggested by today's hearing, the Child Support Program is entering a new phase. In the past, the Child Support Program focused on collecting money from nonresident parents. As important as is economic support, emotional support of parents, healthy ties, are more important.

We are now beginning a new, more mature phase in which both at the Federal and local levels we realize that the interest of the child requires that we facilitate communication, cooperation, and mutual accommodation between parents who live apart, just as we do amongst between parents who live together.

Of course, fathers must pay child support. We are now coming to realize that public programs must not view fathers or mothers simply as payors. Above all, we must base our programs on the understanding that most nonresident parents are willing to provide financial support, and that a system that works with fathers or nonresident mothers, and treats them with respect and dignity, will, in the long run, be better for children, better for parenting, and better for our society.

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

Mr. CARDIN. Well, thank you, Madam Chair. First, let me start by applauding you for not only holding this hearing but also for your work in authoring and creating many of the reforms that we are looking at today on child support enforcement. I think we are all going to be very pleased by the fact that many of these reforms are starting to pay off major dividends in our community.

While many of the welfare proposals of the 1996 act were contentious and controversial, the child support provisions, from the very inception, were bipartisan, we worked together, and we created, we think, some major improvements in the child support process in our Nation. There was a clear recognition that asking more from mothers on welfare, without doing more to enforce the moral and legal obligations for the noncustodial parent to support their children, would have been a clear inequity.

Unlike much of the welfare laws, the child support reforms focus on centralization rather than devolution. The reason for this is quite simple. To have an effective track, collect, and distribution system for child support payments required some degree of centralization. It leads to economies of scale and makes it easier to enforce child support orders when parents move from one place to another.

I am not suggesting that the child support enforcement system is now perfect, since far too much still goes uncollected. However, I am hopeful that some of the reforms put in place in 1996 will lead to more resources for children.

For example, I expect our witnesses to tell us whether the National Directory of New Hires has been helpful in tracking down delinquent parents. Furthermore, I am looking forward to hearing about other reforms now required by Federal law, such as sus-

pending driver's licenses for individuals who refuse to meet their parental obligations.

My home State of Maryland has utilized this procedure to collect more than $100 million in past-due child support since 1996, and I am glad that Teresa Kaiser is here from my State of Maryland to talk about that.

In addition, I hope there is a discussion about the State disbursement unit or SDU requirements, which mandates a central collection and distribution point for child support payments. This provision benefits both employers who are withholding child support obligations from workers' checks and the families who are waiting for the money.

Nevertheless, I agree with my colleague from California, Mr. Matsui, and others who suggest we need to reevaluate the Federal financial penalty for noncompliance with the SDU requirement. I believe this Subcommittee will and should address this issue before Congress adjourns.

Madam Chair, raising children is the responsibility of both parents. A strong and effective child support enforcement system is our best tool to deal with individuals unwilling to meet their basic obligations. However, there is a difference between deadbeat fathers and dead-broke fathers. Therefore, I hope we will continue to work together on proposals to help noncustodial fathers find employment so they can support their children.

And, finally, I believe child support payments made by low-income fathers should go to their families, not the State welfare agency. Such a passthrough policy would not only provide more financial resources to low-income families, but would help the noncustodial parent be more the family unit in raising the child.

I look forward to the testimony of our many distinguished panelists. I think this is an extremely important subject, a very important hearing, and I think we can continue to work in a very constructive, bipartisan way.

Chairman JOHNSON of Connecticut. I think we will go vote and then come back and start your testimony afterward. Thank you.

[Recess.]

Chairman JOHNSON of Connecticut. It is a pleasure to welcome Hon. Olivia Golden, Assistant Secretary for Children and Families at the U.S. Department of Health and Human Services, to our hearing today.

**STATEMENT OF HON. OLIVIA A. GOLDEN, PH.D., ASSISTANT SECRETARY FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Ms. GOLDEN. Thank you very much. Madam Chairman and Subcommittee Members, thank you for giving me the opportunity to testify on child support enforcement and to share the promising results we are beginning to witness from the changes that you helped to make possible.

In fiscal year 1998, a record $14.3 billion in child support was collected, an increase of nearly 80 percent since 1992. The number of child support cases in which collections were made rose to $4.5 million, compared to $2.8 million in 1992. In addition, the number

of paternities established or acknowledged reached a record 1.5 million in fiscal year 1998, almost triple the 1992 figure.

The Personal Responsibility and Work Opportunity Reconciliation Act, PRWORA, provided new tools that promise our Nation's children the emotional and financial support they need and deserve. While it is still early, these tools are already making an important difference. For example, using the expanded Federal Parent Locator Service, we were able to provide States with information on double the number of interstate cases from the year before. And using the Passport Denial Program, we have collected over $2¼ million in lump-sum child support.

Today, as you have requested, I will focus my testimony on some of the most recent child support enforcement tools—the National Directory of New Hires, Federal Case Registry, financial institution data matches, State disbursement unit activities and paternity establishment, and, as you mentioned, Madam Chairman, Grants to States for access and visitation.

First, the National Directory of New Hires and the Federal Case Registry give States unprecedented ability to track noncustodial parents across State lines. These interstate cases represent approximately 26 percent of all families in the child support enforcement system. The National Directory of New Hires was implemented on time, as required, on October 1, 1997, and, as of August 1999, all 50 States, the District of Columbia, Puerto Rico, and 146 Federal agencies are reporting employment data.

Last fall, I had the opportunity to meet a parent who spoke about how this program had made a difference in her life and the lives of her two sons. Their father was hard to keep track of, and, even after hiring a private collection agency that promised to find him, she received no support. Suddenly, she began receiving regular checks through the mail, and she soon learned that her sons' father had been found through new hire reporting.

She told us that her dream of buying a new home for her family could one day be a reality. I cannot think of a better endorsement for the work we have been doing.

In addition, I am delighted to report that last year the National New Hire Reporting Program was a finalist in the 1998 Innovations in American Government Awards Program, which is jointly sponsored by the Ford Foundation and Harvard University. In tandem with the New Hire Directory, a Federal Case Registry was included in the Federal Parent Locator Service beginning October 1, 1998.

The Federal Case Registry contains over 12 million child support cases, and we automatically compare cases in the registry with the employment data in the National Directory of New Hires. Successful matches go back to the appropriate State for enforcement, including the initiation of wage withholding.

In fiscal year 1999, as a result of these matches, the home address or employer of 2.8 million noncustodial parents owing child support was identified. Together, the National Directory of New Hires and the Federal Case Registry comprise a complete automated system for locating noncustodial parents that is already having an effect on child support collections.

For example, using data from the National Directory of New Hires, Massachusetts found one of its most egregious child support evaders who was arrested in Idaho for owing his two children over $45,000 in back child support. He is now paying support through wage withholding from his new job.

Even with the speed of this system, there are some noncustodial parents who are able to stay one step ahead. In cases such as these, the other remedies created by PRWORA are having an impact. One of these is the Passport Denial Program. Under this program, noncustodial parents with arrearages of at least $5,000 can be denied U.S. passports upon application.

The program was implemented jointly with the State Department in June 1998 and is currently denying 30 to 40 passports per day. One obligor working overseas returned to the U.S. to renew his passport, and his application was denied. The next day he brought in a $33,000 cashier's check which covered all of the child support that he owed.

Another new activity for us, also emanating from welfare reform, is the financial institution data match, which requires States to match delinquent obligors against account records in every financial institution doing business in their State. To ease the burden on multistate financial institutions, Congress included a provision that allows these institutions to deal with a single point of contact—the Federal Office of Child Support Enforcement—rather than with each State separately.

So on a quarterly basis, we send names and Social Security numbers of delinquent noncustodial parents to participating financial institutions. The system responds to privacy concerns by ensuring that the data match only includes account information of known delinquent noncustodial parents. Successful matches are returned to us, and we pass them on to the State.

Over the past year, agreements have been successfully negotiated with over 2,300 financial institutions, and there are early indications that the program will be a significant step forward for children. As of September 7, 1999, with only 6 institutions reporting, 77,000 matched accounts with a value of $93 million have been distributed to 45 States, the District of Columbia, and the Virgin Islands.

As one example, the State of Florida has begun to process over 2,000 account matches, with cash balances totaling $2.8 million. The total amount of child support owed by those individuals exceeds $12 million.

In conjunction with better systems for locating noncustodial parents and pursuing delinquent obligors, the law requires all State child support programs, as Mr. Cardin highlighted, to establish a State disbursement unit, SDU, for the collection and disbursement of child support payments. SDUs ensure that there is no delay in getting child support to children.

Successful State experiences with centralized disbursement units preceded their inclusion in welfare reform. These States discovered that SDUs increased the number of payments that could be processed, allowed for faster processing, and resulted in administrative cost savings.

In addition, the employer community strongly supported the SDU requirement, due to the efficiency and simplicity of having each State provide just one place to send income withholding collections.

About half the States were required to establish an SDU by October 1, 1998, and the remaining States, under the law, have until October 1, 1999. As of today, 21 States, the District of Columbia, and three territories have successfully implemented SDUs. We are working closely with the remaining States and continuing to monitor progress.

While it is too early to report on results, successful implementation of SDUs by all of the States will play a significant role in providing our Nation's children with support collections more quickly and efficiently.

I would like to turn now to what may be considered the foundation of the Child Support Program, paternity establishment. Paternity establishment is a crucial step toward securing a long-lasting emotional and financial connection between a father and his child. For the first time ever, in each of the last 2 years there were more paternities established per year than children born out of wedlock. So now we are making progress in reducing the total number of children who do not have a father legally established in their lives.

A major factor in the increase in paternities established has been the success of the In-Hospital Paternity Acknowledgement Program. The success of voluntary acknowledgment requires the cooperation of the parents. The enormous increases in this program show that many, many parents want to do the right thing for the child they brought into the world.

Under welfare reform, these programs and the results they produce have expanded as States were required to streamline their legal processes for paternity establishment and increase their voluntary outreach efforts. We worked closely with States by providing technical assistance, such as a training video and access to other State best practices.

Finally, strengthening the FPLS and improving paternity establishment and child support collections are important, but support for children goes beyond financing. The grants to States for access and visitation initiative provides for an annual funding level of $10 million to support and facilitate noncustodial parents' access to, and visitation of, their children. Access and visitation services are crucial to ensuring that both parents provide not only financial but also emotional support to their children.

There are a range of activities States may fund under the law, including mediation, counseling, education, the development of parenting plans, visitation enforcement, and the development of guidelines for visitation and alternative custody arrangements. To date, every jurisdiction except Guam has participated in the program.

We are now starting to see the first reports of the State activities and efforts utilizing these funds. Based on preliminary information from the first year, fiscal year 1997, the program serves almost 20,000 individuals, with the most prevalent activities being mediation, development of parenting plans, supervised visitation, and parenting education. We are pleased with the program's progress

to date and look forward to learning valuable lessons on how best to involve both parents in their children's lives.

In closing, let me say how much I appreciate our partnership with this Subcommittee and the Congress, and our partnership with the States, which have been critical to strengthening the Child Support Enforcement Program.

Thank you for the opportunity to testify, and I would be pleased to answer any questions that you may have.

[The prepared statement follows:]

**Statement of Hon. Olivia A. Golden, Ph.D., Assistant Secretary for Children and Families, U.S. Department of Health and Human Services**

Madam Chairman and distinguished members of the Subcommittee, thank you for giving me the opportunity to testify on the child support enforcement program. Welfare reform made dramatic changes in our ability to collect child support and I am especially pleased to share today the promising results we are beginning to witness given this Subcommittee's direct involvement in making these changes possible.

In FY 1998, a record $14.3 billion in child support was collected under the leadership of the Office of Child Support Enforcement (OCSE). This represents an increase of $6.3 billion, or nearly 80 percent since 1992. In addition, the number of child support cases in which collections were made rose to 4.5 million, a 59 percent increase over the 2.8 million cases in 1992.

The number of paternities established or acknowledged reached a record 1.5 million in FY 1998, almost tripling the 1992 figure of 512,000. Of these, over 614,000 paternities were established through in-hospital acknowledgement programs. An additional 844,000 paternities were established through the Child Support Enforcement program. Engaging fathers in the lives of their children can create the emotional bonds and financial security that are crucial to their children's health and well being. I'll speak more to our efforts in this area later in my testimony.

Through enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), President Clinton and Congress have provided unprecedented tools to the Child Support Enforcement Program, tools which promise to secure for many of our nation's children the emotional and financial support that they need and deserve. While it is still early, these tools are already making an important difference. For example, using the expanded Federal Parent Locator Services we were able to provide States information on double the number of interstate cases from the year before. And using the Passport Denial program, we have collected over $2.25 million in lump sum child support payments.

We are excited about these dramatic achievements, and are convinced that the future of child support enforcement will continue on this successful path. Today as requested by the Subcommittee, I will focus my testimony on some of the most recent support enforcement tools, like the National Directory of New Hires, the Federal Case Registry and Financial Institution Data Matches, as well as State Disbursement Units, activities in paternity establishment and Grants to States for Access and Visitation.

EXPANDED FEDERAL PARENT LOCATOR SERVICE: THE NATIONAL DIRECTORY OF NEW HIRES AND FEDERAL CASE REGISTRY

Prior to enactment of the PRWORA, the Federal Parent Locator Service (FPLS) was a conduit for the exchange of locator information between individual State Parent Locator Services and several large Federal databases, such as that of the Social Security Administration and the Internal Revenue Service. This system was vital to addressing the interstate nature of the program but was limited by its reactive nature, protracted turnaround time, aged information and multiple systems requests. PRWORA addressed these weaknesses and included significant enhancements of State and Federal data systems. Under the law, States are required to have a State Directory of New Hires and a State Case Registry for child support enforcement. Parallel to these State data bases, the FPLS was expanded to include a National Directory of New Hires and a Federal Case Registry.

Together, the National Directory of New Hires and the Federal Case Registry give States the unprecedented ability to track non-custodial parents across State lines, which historically is one of the most difficult tasks in collecting child support payments. These "interstate" cases, where non-custodial parents live and work in a State other than where their children reside, represent approximately 26 percent of

all families in the child support enforcement system but account for only approximately 8 percent of IV–D child support collections.

*National Directory of New Hires*

The National Directory of New Hires, which was implemented on October 1, 1997, is a centralized repository of employment information that is administered the OCSE. Under the law, all employers must report information on newly hired employees to a designated State agency within 20 days. The States then transmit the data to the National Directory, along with quarterly wage and unemployment insurance claims data. Federal agencies report new hire and quarterly wage data on their employees directly to the National Directory of New Hires.

As of August 1999, all 50 States, the District of Columbia, Puerto Rico and 146 Federal Agencies are reporting employment data to the National Directory of New Hires. During the first year of implementation, the National Directory of New Hires responded to daily requests from State child support enforcement agencies searching for non-custodial parents in order to establish paternities, establish and enforce child support orders, and initiate wage withholdings.

Last fall, I had the opportunity to meet a custodial parent who spoke publicly about how the Child Support Enforcement program had made a difference in her life and in the lives of her two sons, whom she had supported alone for almost nine years. Their father was hard to keep track of and even after hiring a private collection agency—that promised to find him—she still received no support. Then all of a sudden she started receiving regular checks in the mail and soon learned that her sons' father had been found through New Hire Reporting. Now she told us, her dream of buying a new home for her family could one day be a reality. She was grateful for the work of our program and the hope it will bring for other single parents who have been struggling to support their children on their own. I cannot think of a better endorsement for the work we have been doing, or a better reason to continue to work toward its success.

Also, we have been mindful of the privacy issues that information sharing can raise and, accordingly, have built privacy protections and security safeguards into all data sharing arrangements.

I am pleased to inform you that last year, the National New Hire Reporting Program was a finalist in the 1998 Innovations in American Government awards program. The program is administered by the John F. Kennedy School of Government in partnership with the Council of Excellence in Government and is a joint program of the Ford Foundation and Harvard University. We are proud of this achievement with the New Hire Directory and were pleased to be recognized in this manner, but as indicated by the previous personal story, the real winners are children, on behalf of whom all of our programs strive for excellence.

*Federal Case Registry*

In tandem with the New Hire Directory, the statute required a Federal Case Registry to be included in the FPLS beginning October 1, 1998. The Federal Case Registry is a centralized repository of child support data. Currently, 48 States and Puerto Rico are reporting cases to the Federal Case Registry, which now contains over 12 million child support cases.

With the implementation of the Federal Case Registry, the OCSE has set up a system that automatically compares child support cases in the Registry with the employment data contained in the National Directory of New Hires. As a result of this automatic matching process, every day State caseworkers receive current locator and employment information without having to make a locator request. Successful matches are returned to the appropriate States, which can then undertake various enforcement activities, including the initiation of wage withholding orders, through which approximately 60 percent of child support is collected.

In fiscal year 1999, as a result of matching the Federal Case Registry with the National Directory, 2.8 million non-custodial parents owing child support have had their home address or employer identified. This is in addition to individuals located through in-State new hire and quarterly wage reporting. Together, the National Directory of New Hires and the Federal Case Registry comprise a complete, automated system for locating non-custodial parents that is already impacting child support collections.

While these numbers are substantial and impressive improvements, we are currently conducting site visits to States to develop more accurate estimates as to the benefits of using the data. We have learned that while some States are still in the process of re-engineering their business practices and fully automating the use of this data, others are already showing results from these new tools. For example, using data from the National Directory of New Hires, Massachusetts found one of

its most egregious child support evaders, who was arrested in Idaho for owing his two children over $45,000 in back child support. He spent 16 days in jail awaiting a hearing, pleaded guilty to criminal non-support, received a suspended one-year jail sentence and 6 years probation. He is now paying his current and past due support via wage withholding from his new job in Idaho. In Washington State, our analysis of the 705 non-custodial parents found showed that over 44 percent of those cases eligible resulted in a wage withholding order, 50 percent of which resulted in an actual collection. Cases not eligible for wage withholding included those where another State was involved in the enforcement action, no support order had been established yet, or other action was being taken.

Before the implementation of the National Directory of New Hires, it could typically take a year to locate employment information on a non-custodial parent, especially if an interstate case was involved. Now we can locate a non-custodial parent and initiate wage withholding within one month of employment. Even with the speed of this system, there are still some non-custodial parents who are able to stay one step ahead of us. In cases such as these, the other remedies created by PRWORA are having an impact.

One of these additional remedies is the Passport Denial Program. Under the Passport Denial Program, non-custodial parents with arrearages of at least $5,000 can be denied U.S. passports upon application. The program was implemented jointly in June 1998 by the OCSE and the Department of State, and is currently denying 30 to 40 passports per day. One obligor working overseas returned to the U.S. to renew his passport and his application was denied; the next day he brought in a $33,000 cashier's check which covered all the child support that he owed. Another obligor paid his $17,000 arrearage in order to get his passport so he could visit extended family in another country.

As I indicated previously, since its inception this program has collected over $2.25 million in lump sum payments. This total does not include those obligors who set up payment plans and wage withholding as a result of being submitted for passport denial. Collection of lump-sum payments can be a significant contributor to the collection of support as we have seen under the Federal Offset Program which intercepts tax refunds and other Federal administrative payments to collect back child support. Since its inception in 1981 the offset program has collected over $9.2 billion. In this calendar year through August 23rd, over $1.2 billion has been collected.

In addition to the direct collections that result from the various tools provided by the welfare reform law, these tools also generate ancillary benefits. The new system allows States to automate many previously time-consuming procedures, freeing up caseworker time to work on more problematic cases. The ability of a caseworker to get addresses that are only weeks old from the National Directory of New Hires and to access several different tools to enforce child support obligations is a dramatic change from the past. Some States are also beginning to use matches provided by the system to locate custodial parents to distribute child support payments. We are on this path to success because of our partnership with States in helping to design the system, and the resources the Administration and Congress have provided us to guarantee technical support and outreach. We continue to work with States individually to optimize their use of the data and take best advantage of these tools. The speed, efficiency, and effectiveness of this new system are changing the landscape of child support enforcement.

### MULTISTATE FINANCIAL INSTITUTION DATA MATCH

Another new activity for us, also emanating from 1996 welfare reform law, is the Financial Institution Data Match Program, which we are in the early stages of implementing. The Financial Institution Data Match Program requires States to match delinquent obligors against account records in every financial institution doing business in their State. Once identified, these accounts may be subject to liens and levies, allowing State or local child support enforcement agencies to "freeze and seize" assets. To ease the burden on Multistate Financial Institutions that do business in two or more States, Congress in 1998 included in the Child Support Enforcement Performance and Incentive Act a provision that these institutions have the option of dealing with a single point of contact—the Federal Office of Child Support Enforcement—rather than dealing with each State separately.

On a quarterly basis under the Multistate Financial Institution Data Match, we send the names and Social Security Numbers of delinquent non-custodial parents to participating financial institutions. The system also responds to privacy concerns by ensuring that the data match only covers what it needs to—account information of known delinquent non-custodial parents. Any successful matches of such delinquent non-custodial parents and account information are returned to us and we

transmit the data to the appropriate State within 48 hours. The State can then place a lien on, and seize, all or part of the accounts identified.

Over the past year, with the cooperation of the financial industry and their associations, agreements have been successfully negotiated with over 2,300 financial institutions. In July 1999, we began sending the files of delinquent obligors to these financial institutions. Results from the first few financial institutions have just been returned to the States. While it's too early to measure the number of liens, levies, and collections resulting from the matches, there are early indications that this program will be a significant step forward in the effort to secure children the financial support that they deserve. As of September 7, 1999, with only six institutions reporting, 77,000 matched accounts with a value of $93 million have been distributed to 45 States, the District of Columbia and the Virgin Islands.

The State of Florida has begun to process over 2,000 account matches with cash balances totaling $2.8 million. The total amount of child support owed by these individuals exceeds $12 million, so nearly 25 percent of their arrearages could be collected through the Multistate Match alone. The State of Illinois has identified matched accounts for over 1,000 obligors who owe more than $13.9 million. Significantly, the children of 70 percent of these obligors receive or have received Temporary Assistance for Needy Families benefits. What is most dramatic about these statistics is without the Financial Institution Data Match, these funds might never have been identified. In addition, these numbers reflect a program in its infancy.

## STATE DISBURSEMENT UNITS

In conjunction with better resources and systems for locating non-custodial parents and pursuing delinquent obligors and improved partnerships, the welfare reform law requires all State child support programs to establish a State Disbursement Unit (SDU) for the collection and disbursement of child support payments. The SDUs must be able to receive payments in cases receiving services from the Child Support Enforcement program and in other child support cases with income withholding orders issued after January 1, 1994, and must be able to furnish information to parents regarding the status of the payments. Once payments are received, the SDU must disburse child support collections within two business days. SDUs ensure that there is no delay in getting child support to children.

Successful State experiences with centralized disbursement units preceded their inclusion in welfare reform. New York and Colorado discovered that SDUs increased the number of payments that could be processed, allowed for faster payment processing, and resulted in administrative cost savings. In addition, the employer community strongly supported the SDU requirement due to the efficiency and simplicity of having each State provide one place to send income withholding collections. In a recent letter to my office, Thomas Donohue, the President and Chief Executive Officer of the Chamber of Commerce of the United States of America wrote, "for business, the positive impacts (of centralized payment processing) include reduced administrative costs and more efficient operations."

About half the States were required to establish an SDU by October 1, 1998. The remaining States were granted an additional year, until October 1, 1999, to implement an SDU because they processed child support payments through the local courts at the time the welfare reform law was signed. States have made notable progress in meeting these dates. As of today, 21 States, the District of Columbia and three Territories have successfully implemented SDUs. We are working closely with the remaining States and will continue to monitor their progress in this area.

The law also contains a provision that allows a State to establish a State Disbursement Unit by linking local disbursement units, if the State can prove that there is a single location to which employers can send payments and that it would not cost more or take more time to establish than a fully centralized unit. Thirteen States have requested exemptions to continue to collect and disburse support through such local units. Of the thirteen requests, exemptions were granted to South Carolina, Michigan and Nevada and three requests are pending decisions.

While it is too early to report on results, successful implementation of SDUs by all the States will play a significant role in providing our nation's children with support collections more quickly and efficiently.

## PATERNITY ESTABLISHMENT

I'd like to turn now to what may be considered the foundation of the program—paternity establishment. To improve the lives of children, one of our major goals is to increase paternity establishment rates for those children born outside of marriage. Paternity establishment is a crucial step toward securing a long-lasting emotional and financial connection between the father and the child. Without this con-

nection, the child may not experience the emotional, psychological and economic benefits of a committed parent. Not only does a legal parental link open the doors to possible benefits, such as Social Security dependent benefits and health insurance coverage, it also provides less quantifiable benefits to the child such as the value of knowing his or her father cared enough to openly acknowledge his responsibility as a father, an opportunity for extended family ties, and access to medical history and genetic information.

I've already mentioned the tremendous work we are doing in terms of absolute numbers of paternity establishments but perhaps even more noteworthy is the fact that for the first time ever, in the last two years there were more paternities established than children born out of wedlock. We can now say we are making progress in reducing the number of children who do not have a father legally established in their lives.

A major factor in the increase in paternities established has been the success of the in-hospital paternity acknowledgement program. This program, first proposed early in the Clinton Administration, has been increasingly successful. The success of voluntary paternity acknowledgement requires the cooperation of the parents of new-borns and the enormous increases in this program show that many, many parents want to do the "right thing" for the child they brought into the world.

Under welfare reform, these programs and the results they produce have expanded as States were required to streamline their legal processes for paternity establishment, including mandating genetic testing in contested cases and expanding their voluntary paternity establishment outreach efforts. We have worked closely with the States to ensure implementation of PRWORA requirements and by providing technical assistance to States, including production and dissemination of a training video on some of the tools and technical assistance available from the OCSE, paternity resources and information via OCSE's National Electronic Resource Systems and, also through this system, access to other State best practices.

### GRANTS TO STATES FOR ACCESS AND VISITATION

Strengthening the FPLS and improving paternity establishment and child support collection efforts at the Federal and State levels is important, but we also recognize support for children goes beyond financing. This brings me to the final subject you were interested in having me discuss with you today, PRWORA's provision for Access and Visitation Grants. The Grants to States for Access and Visitation initiative provides for an annual funding level of $10 million, to support and facilitate non-custodial parents access to and visitation of their children. Access and visitation services are crucial to ensuring that both parents provide not only financial, but also emotional support to their children.

There are a range of activities that States may fund including mediation, counseling, education, the development of parenting plans, visitation enforcement including monitored and supervised visitation and neutral drop-off and pick up of children, and the development of guidelines for visitation and alternative custody arrangements. To date, every State and independent jurisdiction, with the exception of Guam, has participated in the program. The States and jurisdictions receive grants ranging from the statutory minimum of $100,000 to close to $1 million. States are not required to fund all of the allowable activities, enjoying flexibility in choosing which activities to fund and which organizations should operate these activities. One of the strengths of the program is that it gives States the ability to achieve their access and visitation goals through a range of activities and providers, as well as to experiment with a variety of approaches. State goals include increasing visitation between non-custodial parents and their children, improving child well-being and strengthening non-custodial parents as nurturers.

We are now starting to see the first reports of the State activities and efforts utilizing these funds. Based upon preliminary information from the first year, fiscal year 1997, the program served almost 20,000 individuals with the most prevalent activities being mediation, development of parenting plans, supervised visitation and parenting education. The never-married population represented 26 percent of the population served, while 25 percent were separated and 48 percent were divorced. The service providers were about evenly divided between courts or non-profit agencies, with some local governments operating the programs. Services were provided both on a mandatory and voluntary basis, and most referrals were either self- or court-referral.

We are pleased with the program's progress to date, and look forward to its continuing service of children and families and to learning valuable lessons on how best to involve both parents in their children's lives.

The Administration is also working to help committed low income fathers increase their employment so they can better support their children. Already, the Welfare to Work program administered by the Department of Labor has invested an estimated $100 million in State, local, community and faith-based initiatives to help increase the employment of certain non-custodial fathers of children receiving welfare. The Administration's proposal to reauthorize the program, reflected in legislation introduced by Representative Cardin and several other members of this committee, will help even more low income fathers in every State work, pay child support, and get involved with their children. We urge your support for this important legislation.

CONCLUSION

In closing, let me say that it is only through our partnership with the Congress and the States that we have been so successful in strengthening the Child Support Enforcement program. The many new tools provided by the Personal Responsibility and Work Opportunity Reconciliation Act are helping to improve the lives of our nation's children. Ultimately, helping families remain self-sufficient is a big part of what child support is all about. We look forward to continuing our work with you and the States to keep parents engaged in the lives of their children and to ensure that the program remains highly successful.

Thank you. I would be pleased to answer any questions you may have.

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Chairman JOHNSON of Connecticut. Thank you very much for your testimony, and, indeed, it is encouraging to know that when we pass legislation something actually happens——

Ms. GOLDEN. Absolutely.

Chairman JOHNSON of Connecticut [continuing]. That is good for people and their lives. I was surprised, though, that your testimony reflects that only 21 States, the District of Columbia, and 3 territories have successfully implemented the SDUs. This is so important, and may be actually more important than the new hire bank in the end.

Ms. GOLDEN. The information isn't completely up to date, in the sense that States under the statute will have until December to tell us in their State plans whether they have accomplished it. However, we are not waiting; we are monitoring the States' implementation. Our expectation is that only a handful of States will, in fact, miss the deadline.

In my testimony is the confirmed number. I agree with you, Madam Chairman, it is extremely important for children.

Chairman JOHNSON of Connecticut. But what are some of the reasons that so many have not yet made the deadline, and that, in my estimation, a sizable number may not.

Ms. GOLDEN. The reasons vary by State. In some cases, it is linked to computer systems issues and I know that is an issue of interest to many Members of the Subcommittee. But I do want to note that some of the largest States—for example, New York—have accomplished implementation before the deadline. We expect that all but a handful of States are, in fact, going to meet the deadline.

Chairman JOHNSON of Connecticut. Why is New York able to accomplish it and California having such difficulty, both being very large States?

Ms. GOLDEN. California has a long history. I would say that we, along with many Members of this Subcommittee, had deep concern for a number of years about California's lack of progress in a number of areas, particularly their automated systems.

The State has taken steps to comply and to dramatically change their systems. I am optimistic about the future in California. These changes make a difference not only for the children in California, but for children who live elsewhere and have noncustodial parents there.

I would say that there has been a long history, I think we have hit a turning point, and I think holding them accountable through the work we did with this Subcommittee involving the system's penalties, was, in fact, a very important part of accomplishing that turnaround in the State of California.

Chairman JOHNSON of Connecticut. Are you still estimating about 8 or 10 States won't comply?

Ms. GOLDEN. Yes, that is our estimate.

Chairman JOHNSON of Connecticut. Can the State disbursement unit handle situations in which the father has multiple child support orders? And does the unit have any ability to override State law concerning distribution awards?

Ms. GOLDEN. As I understand the way it would work in a State, the actual distribution would be determined by the State's automated system, which is programmed to reflect Federal law and State law. In the case of multiple child support obligations, typically a payment would be designated under a particular support order related to a particular child.

The State distribution unit's role is to take the payment, record it, and then to send it out. The question of who it goes to would be determined through the State's automated system, which the State would have programmed to reflect applicable law.

Chairman JOHNSON of Connecticut. Mr. Cardin.

Mr. CARDIN. Well, back to the SDU for a moment, if I might. There might be half a dozen to a dozen States that will miss the deadline. They represent a real significant population percentage of our country, including California.

You mentioned that the pressure that we kept on California and other States on the computer issues were very helpful, but we did modify the penalty provisions then to make it realistic, so that we would, in fact, impose a penalty if a State did not comply. The current penalty structure is not enforceable. We are not going to cut off all of the funds; I don't think we will.

So, therefore, are you supportive of our efforts to try to replace that with a more effective penalty provision, one that would be imposed but would not act as a real hardship to the State moving forward?

Ms. GOLDEN. We are supportive of the Subcommittee's efforts. It is extremely important that there be tough but fair penalties. Congressman Matsui and others have been addressing the issue of whether a State is essentially placed twice at jeopardy in a case where they have systems and SDU penalties. And you raise the issue of additional work on that penalty structure.

We are supportive of the goal of a system that is both tough and fair, and we are interested in working with you on the details in any way we can be of assistance.

Mr. CARDIN. I appreciate that. Let me ask you about the pass-through of child support to the family. Under the current policy, if a State wishes to do that, and had the delinquent child support

passed through to the family, they have to pay not only the State's share but the Federal share of the arrearages.

I think we all recognize the beneficial impact of passing through the child support to the family. It gets more resources to the families of low income and makes the noncustodial parent more part of the family. I also understand the fiscal impact here.

But I would just like to get your views as to the policy here as to whether we shouldn't be looking at ways to encourage more funds getting into the family itself.

Ms. GOLDEN. Let me tell you what we have learned and what we are doing on that front. I think you are right to highlight that as an important issue. We did a series of consultations over the last year with a range of people in the child support community—States and advocates and others. We indeed heard that distribution and passthrough to families is an important issue.

As you noted, the welfare reform legislation left that choice to the States, and slightly less than half of the States have made the choice.

We have done a couple of things in this regard. One is in the guidelines to States about how they are allowed to use their maintenance of effort funds under welfare reform, we have tried to clarify for them what their choices are in relation to child support passthrough and disregard. We have tried to help States with fiscal advice that will enable them to use some other funding sources in useful ways.

Another important item is to be completing and disseminating some of the research that is underway. One of the questions that we don't completely know the answer to, is whether when you pass the resources through, it encourages greater compliance and greater payment of child support. So we are doing some work in that area and disseminating the information.

Mr. CARDIN. I think that would be very helpful, and we would try to develop a balance of policy here that gets the money to the family and encourages child support payments.

I am pleased to hear you mention about the study on the denial of passports and what impact that has had, at least in one case. Last year we attempted to expand that to deal with people who are not citizens of our country who owe child support to Americans who then get the right to come into our country for commercial reasons and we don't stop them. We treat American citizens differently than we treat people who are not U.S. citizens, which doesn't seem to make a lot of sense.

You have indicated that there is a study on that policy. When do you expect that to be ready?

Ms. GOLDEN. We expect that to be ready soon, and I apologize that we are late with the study. The requirement by the Subcommittee highlighted an important issue for us to work on. We needed to take our own knowledge and put it together with the knowledge of the State Department and the INS in order to have good answers for you. We have essentially completed those conversations and should have the report to you very quickly.

Mr. CARDIN. Am I right in anticipating, based upon your testimony, that the right to deny a U.S. citizen a passport is an effective way to collect child support?

Ms. GOLDEN. Yes. Let me highlight for you some of the reasons it has been so important. I have a number of examples from the Chairman's home State of Connecticut where it is clearly a tool that they have used and found useful.

The $2¼ million figure that I gave as the national number of collections from passport denial is only the lump-sum payments, that is when someone comes in with a check. In addition, it has been a way of finding some people that we didn't have addresses or employers for. From this information there have been collections from being able to institute wage withholding. So both of those things have been important accomplishments.

Mr. CARDIN. And last, let me just—one of your statistics could be somewhat misleading. You have indicated the amount of interstate cases represent 26 percent of the child support caseload. But it only represents 8 percent of the child support collections. And yet, if I understand your testimony, with all of the new tools that we have put into effect, we are identifying more parents that are out of State. Are we making progress in narrowing that disparity?

I understand that a parent who lives out of State is more difficult to find and collect child support. So I understand the differences. But are we making progress in narrowing that disparity?

Ms. GOLDEN. Yes, that gap is a major reason the Subcommittee gave us these important tools. interstate cases, as you know, represent a much larger percentage of cases than they do of the collections. The historical reason is that there hasn't been a good way to find those parents to institute the wage withholding or to make the collections.

The National Directory of New Hires and some of the other tools are rectifying that problem. We don't yet have a national figure of how much wage withholding and collections are increasing based on the national directory's contribution. In one State example, Arizona reports a 157-percent increase in collections over a 12-month period. They attribute this to having rapid, automatic access to the interstate data, which not only means that you find people you wouldn't otherwise have found, it also means you find people in a month instead of in a year. The National Directory enables us to get more support to the children.

Mr. CARDIN. Thank you.

Thank you, Madam Chair.

Chairman JOHNSON of Connecticut. Thanks. Just before we go on to Mr. English, I did want to come back to this issue of arrearages, because in the bill of 1996 that issue was very hard-fought. The law does say now that if the child support is not through wage withholding, then 50 percent does go directly to the family, and the States can only retain 50 percent. It was a bloody battle, and we only won 50 percent.

But I am interested in whether or not you would be interested in helping us take on the States to have 100 percent go. Outside of the money collected through wage withholding, in other words, the money the State really collects—50 percent has to go to the family.

So are you not addressing the arrearages issue?

Ms. GOLDEN. The arrearages issue rather than the passthrough issue that Mr. Cardin was addressing. The arrearages and the IRS tax offset, items that are collected in those——

Mr. CARDIN. If the gentlelady would yield for a moment. I think you are dealing with the people that are no longer on cash assistance, I believe.

Chairman JOHNSON of Connecticut. Correct. Yes.

Ms. GOLDEN. Right. The statute changed the distribution of those collections to make more money go to the family, except in the case of the IRS tax offset provisions.

Chairman JOHNSON of Connecticut. Right. Right. And actually, I mean, here they are off welfare, and we certainly ought to, as a matter of principle and policy, be allowing the complete repayment of the family for arrearages before the repayment of the State for the money they put into welfare. So I think that still is a problem yet to be addressed.

But having been through the real wars to have only a 50-percent result, that was a huge victory at the time, but we would have to have stronger forces to get the States to agree. I mean, they get the money in the end. They get the same money in the end. They just don't get it at the same time. It is far more important for the families coming off welfare to get this money themselves than it is for the State to get it on time.

So it is a subject that I continue to be very interested in. And if you are willing to help us take it on, we certainly would be interested in doing that.

Ms. GOLDEN. Our overall perspective right now is that we have a set of core tools and our immediate task is to ensure that we get the most we can out of those tools. We are delighted to offer technical assistance or information, as the Subcommittee——

Chairman JOHNSON of Connecticut. Well, you might think about this because it is just a budget matter. You have to put it in the budget, so there is money for the States in some other category. But it is really a wrong that is in the policy, and we ought to begin working on it. And if you can think about it as you develop next year's budget, that would give us a lot greater position from which to change the law.

Ms. GOLDEN. Thank you.

Chairman JOHNSON of Connecticut. Mr. English, it is a pleasure to have you.

Mr. ENGLISH. Thank you, Madam Chair.

Dr. Golden, following up on some of the inquiries from my two colleagues, I note that Mr. Andrews of New Jersey, my colleague, has proposed that the Social Security Act be changed by reducing the threshold of arrearages required to trigger the revocation of passports from $5,000 to $2,500. I am curious as to whether the administration has taken a position on this proposal, or whether you intend to take a position following further study.

Ms. GOLDEN. As I said to Mr. Cardin, we think the passport denial provision has been extremely effective, and we are hearing many examples from the States.

The Subcommittee asked us to do some work on that issue, and it requires that we get together with the State Department to share our information, to understand the implementation aspects.

We have not taken a position at this point, but we would be glad to get back to you with that information after we finish those conversations.

Mr. ENGLISH. When do you anticipate that will be?

Ms. GOLDEN. I don't have a date for you, but I assume that it can be fairly soon.

Mr. ENGLISH. Well, that is certainly satisfactory. On another point, has HHS provided any recent guidance about the problems that noncustodial parents have had getting information directly from the Federal Parent Locator Service?

Ms. GOLDEN. That is an important issue. Let me tell you what we have done. The issue that I think you are referring to is that the Federal Parent Locator Service is not only available to locate a noncustodial parent, but also if there is a custody or visitation issue it can be used to help locate the custodial parent.

The law appropriately limits access, so the noncustodial parent doesn't look themselves. They need to go to the courts or the State IV–D agency for access. The issues that we have been hearing, and that I know the Subcommittee has been hearing, are about difficulties these parents are having.

About a year ago we wrote a letter to State IV–D directors, and what we discovered we needed to follow up with some considerable technical assistance. It has been part of our ongoing technical assistance, with the courts in particular, because they are often the place where a parent goes seeking assistance. Our most recent brochure for the general public addresses this issue. We have found that we need to provide information about this issue in the context of all of the technical assistance that we are doing.

Mr. ENGLISH. Are there any legislative changes necessary? And are there any concrete policy changes required at your level to address these problems?

Ms. GOLDEN. I would be interested in knowing if the Subcommittee has concerns or ideas. I think from our perspective the crucial thing is to provide the information so that the courts and the State agencies are able to respond appropriately. I think the tools are in the law.

Mr. ENGLISH. Very good. And following, again, on some of the comments of my two colleagues, maybe a little more direct inquiry, what, in your view, more can be done to encourage States to share more of their collections with low-income mothers who are working to support their family?

Ms. GOLDEN. I do think, as I said to Mr. Cardin, that there is a range of things that can be helpful as States make that choice. Research information is helpful.

What we thought would make the biggest difference was to provide in our booklet on the use of TANF funds, information to States about how they can use their State maintenance of effort dollars in a way that will help them address the financial consequences of passing those dollars on to parents. So providing that information seemed to us like our most direct, immediate step.

Mr. ENGLISH. Thank you, Dr. Golden. That covers the main areas of interest for me. Thank you again for——

Ms. GOLDEN. Thank you.

Mr. ENGLISH [continuing]. Testifying today. And I yield back the balance of my time.

Chairman JOHNSON of Connecticut. Congressman Camp.

Mr. CAMP. I thank the Chairman. It is good to see Dr. Golden.

Ms. GOLDEN. Hi.

Mr. CAMP. I just have a question. Our information and data show that single parents are much more likely to live below the poverty level than two-parent families. And under our welfare law, there were many provisions that tried to focus services on strengthening families and family formation as sort of a defense against a life of poverty.

Access and visitation services, you know, assist couples in dealing with the relationship problems they have that affect their children. Do you view access and visitation services as a way to be certain that two parents are involved in a child's life as an allowable activity under our welfare law?

Ms. GOLDEN. Access and visitation are clearly centrally important. As you have noted, as the Chairman noted earlier, what child support needs to be about is children's right to the emotional and financial support of both parents. We are pleased that we have today the first initial report on the results of our access and visitation grants programs and the range of services States are providing. It is very central, I think, to what we are trying to accomplish.

On the question of allowable use of funds under welfare reform, we have been working with the States on their interest in using TANF funds for a variety of investments on behalf of fathers, of noncustodial parents, which is an appropriate choice States can make. I haven't worked on the specific issue of very particular uses. I would be happy to get back to you if there are particular uses that are of interest to a specific State or to you.

Mr. CAMP. Thank you. I appreciate that. Thank you.

Chairman JOHNSON of Connecticut. Thank you.

Dr. Golden, I did want to ask you one further question. We have had a number of bills introduced—they continue to be introduced—that would turn over child support enforcement to the Social Security Administration and the IRS. What is your reaction to that proposal?

Ms. GOLDEN. Well, as you know, the Administration would not support—does not support that change, I think for a number of reasons. The first reason is that we think the Federal-State partnership has just about the right balance now in terms of the way the statute identified a key set of provisions that need to be uniform across the country, but also allowed for some State partnership in specifics and in developing those programs.

I also think that the present system includes about the right balance for the courts and the local discretion. We need to make sure there is consistency and uniformity but that you are not imposing everything from Washington.

And, third—and this is in some ways what I reflected on as I put together my testimony today—I really believe we have some results to be very proud of. If you look at some of the numbers, paternity establishments tripled, collections up 80 percent, extraordinary results, even in the earliest years and months from new programs,

I think that we are on a course that is making a very big difference for children and families.

This is the time to stay the course, to reap the full benefits of those tools, to take advantage of the full range of tools that are in the statute, rather than to make such a significant shift.

You and other Members of the Subcommittee have raised a number of the examples of tools—that even though they are already showing results, they are not done yet, like the SDUs.

But one example that is very vivid for me having talked to caseworkers around the country, is the way they talk about the National Directory of New Hires and its impact on their lives. One worker said to me, "Cases that used to stay in my desk drawer forever, now they come back and they are cleared out."

What that says to me is that we have only got the first round of benefits to children showing up so far. The next round comes when caseworkers whose time is so dramatically freed up by these new automated tools can move on to the harder cases and the next steps. We have some very impressive results, but we have by no means finished the task. And our job right now really is to stay with these tools and use them to the best potential for children.

Chairman JOHNSON of Connecticut. Well, it is a subject that we will be considering, since there still is considerable active interest on both sides of the aisle in that matter. So I hope you will be turning over in your mind the ways in which the current system reaches both to identify nonsupporting parents and to get them paying, but also on these other issues, being able to include both parents in the development of the family unit——

Ms. GOLDEN. Yes.

Chairman JOHNSON of Connecticut [continuing]. Gives us an opportunity that the other system I think would not give us.

Ms. GOLDEN. Absolutely.

Chairman JOHNSON of Connecticut. But I hope you will be formulating your thoughts about that because——

Ms. GOLDEN. Absolutely.

Chairman JOHNSON of Connecticut [continuing]. We will have you back on that subject.

Ms. GOLDEN. I will look forward to it. Just to add on to your last point. I think the dramatic increase in paternities coming in large part from voluntary in-hospital paternity establishment is also a sign that both parents want to be involved. The involvement of both parents is going to pay off down the road, fiscally and in terms of emotional support. I think that is important to highlight.

Chairman JOHNSON of Connecticut. Thank you very much for being with us today.

Ms. GOLDEN. Thank you.

Chairman JOHNSON of Connecticut. We appreciate your testimony.

We would like to call forward the first panel, Laura Kadwell, director of Child Support Enforcement Division, Minnesota; Nick Young, the director of Child Support Enforcement Division, the Commonwealth of Virginia; Marilyn Ray Smith, the associate deputy commissioner and legal chief counsel of the Massachusetts Child Support program; Teresa Kaiser, the executive director of the Child Support Enforcement Administration in Maryland; and

Elaine Sorensen, principal research associate, Income and Benefits Policy Center at the Urban Institute.

Mr. CARDIN. Madam Chair, I have already acknowledged Ms. Kaiser's presence here. We are very proud of what we have been able to do in the State of Maryland. Ms. Kaiser has been in her job I think around 6 months or——

Ms. KAISER. Less than that, sir.

Mr. CARDIN [continuing]. Less than that. So she is new in this role, but she has already had an effective impact in our State. It is a pleasure to have you before our Subcommittee.

Ms. KAISER. Thank you.

Chairman JOHNSON of Connecticut. Thank you. And we will start with Ms. Kadwell.

**STATEMENT OF LAURA KADWELL, DIRECTOR, CHILD SUPPORT ENFORCEMENT DIVISION, MINNESOTA DEPARTMENT OF HUMAN SERVICES, AND PRESIDENT-ELECT, NATIONAL CHILD SUPPORT ENFORCEMENT ASSOCIATION**

Ms. KADWELL. Madam Chair and distinguished Members of the Subcommittee, good morning and thank you for the opportunity to testify this morning on new hire reporting. My name, for the record, is Laura Kadwell. I am the director of the Child Support Division in the Minnesota Department of Human Services. I am also the president-elect of the National Child Support Enforcement Association, a nonprofit organization of more than 2,000 child support professionals from around the country.

Madam Chair and Members, I believe that new hire reporting is one of the most significant tools for enforcing child support that you passed in 1996 as part of welfare reform. The vision is simple: to see that parents who can pay, do pay. I am pleased to report this morning that in Minnesota this vision is being realized.

New hire reporting is successful because it increases child support collections, because it improves the speed of collection, and because it has strengthened the relationship between government and employers in the private sector.

My written testimony also shows how new hire has improved our ability to locate parents, a task that is fundamental to our success in many child support enforcement areas. The basics of new hire reporting are very simple: Employers report when they hire somebody—when that person has a job and, therefore, has an income. That report gets matched against the State's child support caseload, and we take actions to locate the parent or to enforce a child support order because we have that match.

And then, as you know, data get sent to the National Directory of New Hires, and the same activities occur throughout the Nation in other States because of this reporting.

First, I want to make the most basic point, which is that new hire reporting has increased child support collections. Minnesota implemented new hire reporting in July 1996, a year before the Federal mandate. The data I will discuss with you today are from our State fiscal year 1999, our third full year of new hire reporting.

I want to call your attention first to a chart that you have. There is a small version of this at the end of my written testimony. There

are also copies, I think, that have been distributed to Members that are the new and improved color copies.

There are two boxes on this chart. On the left-hand side you will see a box describing the new hire matches, and on the right collections to child support as a result of those matches. The green bar on the extreme left shows that 39,000 new hire matches happened in Minnesota in State fiscal year 1999.

Of those, 37,000 actually resulted in income withholding orders. Those orders then led to collections—and you see this narrow blue bar on the right-hand side—collections of $11.6 million in Minnesota in 1 year. That is a 3-percent increase in collections in our State as a direct result of new hire reporting.

I would like to underline a couple of points about these automated matches and quick income withholding orders. The first is that these numbers would not be possible without our automated systems. The system makes the match, the system generates the notice. We are not relying on workers to take an action in most of these cases. This is what Congress envisioned, and it is happening.

The second point is that the high rate of income withholding orders within 60 days shows that the cases have orders. The major part of the work has been done. They just need a source of income from which to collect the ordered amount. New hire reporting finds the income, and the family gets support.

The second point I want to make is that new hire reporting has improved the speed with which we get cases paying. One of the frustrations of Minnesota legislators—and I know of policymakers throughout the Nation—has been the growth of child support debt in this country. This was alluded to earlier this morning. People say to us, "Can't we get at these folks earlier before they accumulate these large debts?" New hire reporting is one way to do exactly that.

I call your attention to the other chart that you have. What this chart is is collections from the first paycheck, from people who have not paid anything for the previous 3 months. There are two pieces of information that you can find from this chart. The first is that we collected almost a half a million dollars in the first month after these matches were made.

The second is—and this is a little more tricky to understand—but you will notice that the line declines. The line declines because it is showing a decrease in the number of cases that have had no collection in 3 months. And so the point is that we are beginning to see a decrease in the cases from which there is no collection. That is an extremely important point if we want to reduce these large debts, we want to get people paying earlier and collect from them regularly.

I would simply make one further point, and that is that new hire reporting has built strong bridges between child support and the Nation's employers. These bridges are invaluable in our work not only in new hire but also in income withholding and in creating the State disbursement units and making sure that they function well in the future.

We do this by providing user-friendly ways for employers to report by including them in design decisions, by continually edu-

cating them about their responsibilities in the child support program.

There are several comments from employers in my written testimony. They range from satisfaction with the mechanics of the system to their delight in "catching these people." Employers grasp the significance of the contributions they are making to the well-being of the Nation's children.

Thank you for the opportunity to testify this morning, and I would be pleased to answer any questions that you might have.

[The prepared Statement follows:]

**Statement of Laura Kadwell, Director, Child Support Enforcement Division, Minnesota Department of Human Services, and President-Elect, National Child Support Enforcement Association**

Mr. Chairman and distinguished members of the Subcommittee: Good morning, and thank you for the opportunity to testify on the impact of New Hire Reporting on child support collections.

My name is Laura Kadwell. I am the Director of the Child Support Enforcement Division of the Minnesota Department of Human Services. I am also the President-Elect of the National Child Support Enforcement Association, a national, nonprofit organization of more than 2,000 professionals dedicated to the enforcement of children's rights to financial support from their parents.

Mr. Chairman, I would first like to commend the leadership of this Committee for its unwavering determination to improve the tools available to the States to collect child support for children. Perhaps one of the most innovative reforms enacted as part of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 was the vision of a nationwide automated database, composed of information on every person hired in the United States. I am pleased to be able to report that in Minnesota, this vision is being aggressively implemented, and it is having the desired effect of increasing Minnesota's child support collections.

I appreciate the opportunity to discuss New Hire Reporting. I will focus my remarks on the implementation of New Hire Reporting in Minnesota, how our child support collections have increased over the past year due to New Hire Reporting, how New Hire Reporting has assisted us in locating parents, and how New Hire Reporting has created successful partnerships.

## I. Background on New Hire Reporting

New Hire Reporting requires all employers to report newly hired and rehired employees to the child support enforcement agency within 20 days of hire or rehire. The information reported to the agency is maintained in a computerized State Directory of New Hires. In Minnesota, government agencies are required to report independent contractors they hire, and all other employers may report independent contractors if they choose.

Multi-State employers, those who have employees in more than one State, may report all newly hired employees to the State in which the employee works, or the employer may designate only one State to receive all their new hire reports. If the multi-State employer chooses to report to a single State, the employer must notify the federal government to which State it will be reporting. A list of multi-State employers and their designated reporting States is then made available to all States.

Keeping track of parents who change employers and move from State to State has historically been a difficult and time-consuming task for child support enforcement staff. As many as one-third of the child support cases involve parents living in different States. In order to help track parents across State lines, welfare reform expanded the already established Federal Parent Locator Service to include the National Directory of New Hires. The State Directory of New Hires reports all State new hire data to the National Directory of New Hires through a dedicated telecommunications network. The National Directory of New Hires can then provide the information to all States.

Minnesota began running comparison data from the National Directory of New Hires on July 15, 1999. The initial run of data produced 29,000 matches between child support cases in Minnesota and employment in another State. Minnesota is now running the national data daily and receives an average of 166 matches per day.

Finding noncustodial parents is fundamental to all successful child support work. When the parent is in another State, the task is especially time-consuming, sometimes impossible. Now, information from the National Directory of New Hires can cut that time by helping child support workers find the State in which a non-custodial parent is living. The worker can then contact that State for information, request assistance from the other State to establish or enforce child support, or send an order for income withholding directly to the employer. In the words of Kelly Vanderveen, a child support worker in Minnesota's Dakota County, "Overall it (the National Directory of New Hires) was a big help. I had been looking in the wrong State."

## II. Implementation in Minnesota

Minnesota implemented State New Hire Reporting in July of 1996, fifteen months before the federally mandated deadline. Since July of 1996, New Hire Reporting has proven to be an effective means of locating non-custodial parents and getting child support to children.

Within 20 days of hiring an individual, employers must report newly hired or rehired employees to the Minnesota New Hire Reporting Center. Each report must include the following information:

- Employee name, address, and Social Security Number.
- Employee date of birth, date of hire, and State of hire (if available).
- Employer name, address, and Federal Identification Number

Minnesota chose to privatize New Hire Reporting and contracts with Policy Studies, Inc. to operate the Minnesota New Hire Reporting Center. The Center compiles the employer reports and provides a daily electronic file to the Minnesota Child Support Enforcement Division for interface with the Statewide child support computer system.

Minnesota uses New Hire information in three ways. Information is matched against Minnesota's child support records to locate parents, establish child support orders, or enforce existing child support orders. Information is sent to the Minnesota Department of Economic Security and the Minnesota Department of Labor and Industry for use in detecting erroneous unemployment or worker's compensation benefits. Finally, the new hire information is sent to the National Directory of New Hires to be used by other States to enforce child support.

According to a computer match between the Minnesota Department of Revenue's employer file and the Minnesota New Hire Center's database of employers who have submitted reports, 75 to 80 per cent of Minnesota employers are currently complying with New Hire Reporting. I believe the success of New Hire Reporting is due, in part, to Minnesota's continuing efforts to have an "employer friendly" New Hire Reporting program. Employers have the flexibility of choosing their reporting method. While the majority of reports are electronic, employers may also report on paper (which can be faxed) and by telephone. The New Hire Reporting Center also has a voice response system which allows employers to obtain information, request forms, make reports via a fax line, or speak with a customer service representative.

Minnesota's Child Support Enforcement Division educates employers about the benefits and responsibilities of New Hire Reporting. We send an annual reminder to all employers in the State, informing them of the requirement to report employees to the Minnesota New Hire Reporting Center, and thanking them for their assistance in collecting child support for families. In partnership with the Minnesota Department of Revenue, Minnesota Department of Economic Security and the Internal Revenue Service, the Minnesota Child Support Enforcement Division also provides training to all new employers in the State.

As Minnesota enters its fourth year of New Hire Reporting, the number of newly hired or rehired employees reported to the Center has continued to increase. The number of reports doubled from a little over one million reports in the first year of operation to over two million reports in the second year.

## III. New Hire Reporting Increases Child Support Collections

When Congress enacted PRWORA, it envisioned the automated reporting of new hire information to a centralized system which would result in increased efficiency and effectiveness for child support enforcement. In Minnesota, this new tool has done both. Last year alone, Minnesota received almost 40,000 New Hire Reporting matches, as a result of which we collected more money for families, collected the money faster, found more parents, and established more paternities. These are precisely the goals set out for this initiative when it was passed and signed into law in 1996.

Before showing more specifically the effect of New Hire Reporting on child support collections, I want to discuss two challenges we face in measuring the effectiveness of PRWORA reforms at this time. The first challenge is consistent measurement from State to State. This is a challenge throughout the child support program, especially in the wake of PRWORA, which increased the need for consistent, reliable and accurate data in many areas of the program. The federal Office of Child Support Enforcement (OCSE) is working in partnership with States to meet this need. In the area of New Hire Reporting, for example, OCSE is drafting a common methodology for measuring the benefits of New Hire Reporting.

The second challenge is really a caution about comparing States to one another at this point in the implementation of welfare reform. As States implement various initiatives, they start from different places and generally do not implement initiatives in the same order. This means that it is difficult to draw fair comparisons between States with regard to various initiatives, whether it is the amount of collections or percentage rise in collections. At this time, I encourage you to look primarily at how States are making progress relative to their starting points, rather than relative to each other.

A. *In one year, Minnesota New Hire Reporting Increased Collections by $11.6 Million.*

The primary goal of the child support program is to collect money from non-custodial parents so that children's economic needs are met by their parents rather than the government. In Minnesota, New Hire Reporting has done what it set out to do: it increased the amount of child support paid to benefit children. In State Fiscal Year (SFY) 1999 (July 1, 1998 through June 30, 1999), child support collected from non-custodial parents increased by 11.6 million dollars on child support cases which had a New Hire match. This is a 3% increase in collections directly attributable to New Hire Reporting. Chart 1 (attached) illustrates this increase.

In order to determine the amount of this increase, we looked at the average collection on each case with a New Hire match in the three months prior to the match. We used this number as a baseline, then tracked collections on those cases for a twelve month period. The difference in collections is attributed to the New Hire match. After the twelve month period, the collections on the case are simply considered to be part of the State's regular collection effort.

B. *Automation Increases Efficiency of Child Support Collections.*

1. *Increased Income Withholding*—In Minnesota during SFY 1999, 75% of child support collected came from income that employers withheld from their employees' paychecks. Employers then sent the money to the State disbursement unit for distribution to the custodial families. Any increase in the effectiveness of employer income withholding translates into an increase in child support paid. The more quickly we can locate an employer and start income withholding, the faster dollars come in and the sooner they can be distributed.

The New Hire Reporting system makes it much harder for parents who have jobs to avoid their child support obligations. In SFY 1999, of 39,078 child support cases with a New Hire match, 37,156 had income withholding in place within 60 days of the match. The speed of enforcement indicates that these cases already had child support orders, but no source of income from which to collect. New Hire Reporting finds that source of income—employment—in a quick and automated fashion. Once employment is found, the State's automated child support system generates an income withholding notice, and payment begins.

2. *The First Paycheck Captured*—According to Minnesota's most recent statistics, it appears that approximately 4% of the 11.6 million dollar increase in child support collections was withheld from the first paycheck issued to the parent after the match. This fact is important for two primary reasons. First, this is money that would not have been collected absent the match. As we get further in time from a match, the causal relationship between the match and the collection becomes more tenuous. When we collect from the first paycheck, however, we are clearly collecting money that families and taxpayers would not have recovered without this tool.

Second, since we collected money as soon as the noncustodial parents got these jobs, we will do it again if the parents move to new jobs. The system's ability to respond immediately when a parent with an order gets a new job will discourage noncustodial parents from job hopping to avoid paying support. This phenomenon is illustrated in part by the decline in the number of orders with no collection for the 90-day period prior to the New Hire match. (See Chart 2, attached)

The data showing collections from first paycheck were derived by reviewing cases which had no child support payments during the 90 days prior to the New Hire match, and had some collection during the month the New Hire match occurred.

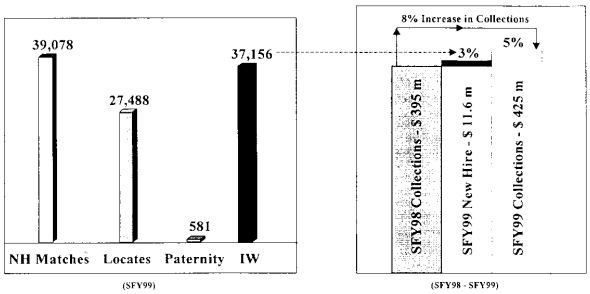
Collections totaling $123,000 were received in 925 cases in which the custodial parent was receiving public assistance. Collections totaling $340,000 were received in 1,932 cases in which the custodial parent was not receiving public assistance during the month of the New Hire match.

These statistics represent $463,000 collected on 2,857 cases which were receiving no payments 90 days prior to the New Hire match. These collections are almost certainly attributable to the efficiency of the system in getting income withholding in place in time to capture that first paycheck issued to a newly hired parent.

3. *Interstate Cases Easier to Process*—As more States send information to the National Directory of New Hires, more parents and parents' employers will be located. The effect of locating employers in other States has already been felt in Minnesota because of the reporting of multi-State employers. Child support workers are finding the information received to be very valuable. If an enforceable child support order is already in place when an employer is found in another State, we can immediately direct an income withholding order to that employer. New Hire Reporting finds those employers.

Chart 1

## Minnesota New Hire Reporting Results

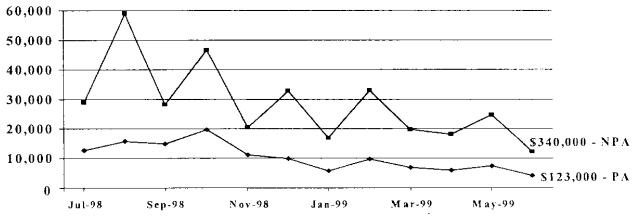



Locates within 90 days of match
Paternity established within 90 days of match
Income Withholding within 60 days of match

Portion of Increased Collections
Attributable to New Hire Reporting

Chart 2

### Minnesota SFY99 Collections on 90 Day No Pay
(first paycheck captured)




- Collections made on cases where the non-custodial parents had not paid for 90 days prior to the new hire match and collections were made during the month of the new hire match.
- Downward trend reflects fewer cases where no collections were made in the 90 days prior to a new hire match.

Next to collection numbers, which speak for themselves, the best measure of a new collection tool is its value in the eyes of experienced child support staff. Kathy DeNeui is a program manager in two outState Minnesota counties. She has a wealth of experience in child support and knows when she sees a successful tool. This is what Kathy States about New Hire Reporting:

> "We have found some very valuable new hire information. We have initiated direct income withholding on cases we were stuck on with another State taking no action. New Hire has made us 're-think' how we handle enforcement on interstate cases as we are receiving good data that allows us to work directly with employers or the non-custodial parent and not have to involve other States. We have been able to pull the other State out of enforcement on some cases and ultimately get support to children faster as a result of New Hire Reporting."

This Statement illustrates, once again, how New Hire Reporting is doing exactly what Congress had hoped: it is getting child support to children faster.

C. *Location of Parents Sets Groundwork for Future Collections.*

In addition to immediately increasing collections and quickly setting up income withholding, information from New Hire Reporting is useful in locating parents. Once parents are located, child support workers can take a variety of actions depending on the status of the case. Sometimes the new information will enable the worker to begin the process to establish a child support or a paternity order. In other cases, the information that locates the parent will enable the child support worker to take other enforcement actions.

In cases experiencing a New Hire match during SFY 1999, 27,488 cases moved from a "locate" status to either an "establish" or "enforce" status. These changes in status happened within 90 days of receipt of the New Hire match. This means that the information provided was sufficient for the child support worker to take the next action on the case. In the words of Maggie Sonstegard, a child support worker from Stearns County, Minnesota, "This is great! I found several non-custodial parents that I've been looking for for some time."

In some cases, the action needed is to establish paternity. The New Hire information has been valuable in paternity cases as well. Last year, 581 paternity orders were signed within 90 days of the receipt of the New Hire match information. This indicates that New Hire information is an important tool in furthering one of the central goals of welfare reform—establishing paternity for children of unmarried parents.

## IV. New Hire Reporting Creates Successful Partnerships

Prior to the implementation of New Hire Reporting, information about a non-custodial parent's employment was received by the child support worker from a variety of sources. These included wage match information from the Department of Economic Security; telephone calls or tips; the Federal Parent Locate Service; "Quick Locate" requests sent to other States; letters; court orders; and individual locate requests to various State agencies or credit bureaus. Many times, when information was received, the information still had to be manually verified by the child support worker. Finding parents was cumbersome; verifying information was time-consuming. We were losing valuable time for children who needed economic support.

New Hire Reporting adds a significant new database which has proven to be highly effective in providing timely information to child support workers. The potential of this new database increases as the partnerships between child support programs and employers grow. The most significant of these partnerships is our work with employers.

Through extensive employer outreach efforts, Minnesota is currently at a 75 to 80 per cent employer compliance rate. As a result of brochures mailed to employers in May of 1999, 428 new Minnesota employers were added to the New Hire database. These new employers reported 1,926 new employees to the Minnesota New Hire Reporting Center. Minnesota has made a significant effort to make New Hire Reporting "user friendly" for employers. The advantages of New Hire Reporting in Minnesota include a wide variety of flexible reporting methods, a centralized reporting location, extensive customer assistance, and employer training. As a result, employer reaction to the New Hire Reporting program in Minnesota has been favorable.

In 1996, the first year of New Hire Reporting in Minnesota, many employers recognized the potential of the new tool. Tom Hesse, a work-force policy manager at the Minnesota Department of Commerce, said at that time, "Reaction has generally

been positive. Generally, human resources people . . . see this as a way to help collect child support and do it in an efficient manner."

Now, three years later, a recently completed survey of employers indicates that employers continue to support New Hire Reporting. Here are a few of their comments:

"PayDay of MN, Inc., is a payroll and tax administration service bureau. In addition to payroll reporting and filing, we transmit new hire files, to your department, for over 500 Minnesota companies (our clients). Since we are automated, our own efforts are minimal." PayDay of MN, Inc.

"As a multi-State employer, I think it is great that we can report all new hires to one State." Fastenal Company.

"Being able to transfer the files via PC anywhere is very helpful." PSE–PDS, Inc., a Missouri company.

"Am glad something is being done to catch these people to pay back." Al's Landscaping & Nursery, Inc.

Clearly, Minnesota employers are willing partners in the New Hire Reporting program. The fears that employers would not comply with the law, nor understand the purpose of the program have not come to fruition in Minnesota. Because of the successful partnership forged between the child support program and employers, parents are being located and increased child support is getting to children.

Before closing, I want to emphasize the importance of this partnership. New Hire Reporting is one of many tools that will be successful only if child support forges and nurtures lasting partnerships with those outside the program who can work with us to accomplish our mission. Employers believe in the mission of child support. They still need tools that accommodate the way they do business. They need information and education, and they need these things continuously. We are off to a good start with employers in Minnesota, but, like any relationship, the partnership must be carefully tended in the years to come in order for this and other tools to be successful over the long haul.

V. CONCLUSION

In conclusion, Mr. Chairman, New Hire Reporting expedites collection of child support; speeds up the income withholding process; tracks parents who change jobs frequently to avoid paying child support; and quickly locates parents to either establish paternity, establish support orders, or enforce existing orders. Children need the support—financial and emotional—of both parents. New Hire Reporting helps children receive the support they need.

Mr. Chairman, thank you for your invitation to testify before this distinguished Committee. Thank you to the Committee for your vision and leadership in the continuing effort to improve child support as a reliable source of income to struggling families. Minnesota will continue to work with Congress and our State Legislature, with the federal Office of Child Support Enforcement, and with other States in our mutual effort to realize the promise of PRWORA to the children and taxpayers of this nation.

Thank you.

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Chairman JOHNSON of Connecticut. Thank you very much for your excellent testimony and good presentation.

We will go ahead with Mr. Young.

**STATEMENT OF NICK YOUNG, DIRECTOR, CHILD SUPPORT ENFORCEMENT DIVISION, VIRGINIA DEPARTMENT OF SOCIAL SERVICES**

Mr. YOUNG. Madam Chair, Members, good morning. My name is Nick Young. For the record, I am the director of Child Support Enforcement for the State of Virginia, the Commonwealth. I am pleased to be here this morning.

You have five charts that have been provided not only on the large chart to your right, my left, but also in your handouts you

have the same five charts that I am going to speak from. My written testimony has been submitted. I will speak from the charts.

Briefly, just to give you a thumbnail sketch, Virginia has got 422,000 cases, representing 558,000 children, or a quarter of the entire child population of Virginia. That is the beige bar on the bottom of the first chart. We collect about $1 million a day, right at $350 million in the previous year.

I am pleased to report the green line is going up faster than the blue line. While we try to control the number of children going into child support, that is probably the hardest factor to control. But we can control the collections. And the green line is showing remarkable acceleration over the blue line, which is something we look at.

On the second chart, as we transform right into talking about new hire and what Ms. Kadwell excellently laid out for you as to how the mechanics of the program work, I want to give you just two or three charts that show how one State has made it work. Virginia was the pilot State or one of the pilot States for the New Hire Program, so it started in 1993, 3 to 4 years before it was Federal law.

And it was proven in principle very quickly, as you see, from a start of 78,000 matches the first year up to the latest year of 96,000, almost 100,000 people that are matched annually. We estimate that we have collected, over the last 6 years, $43.3 million and that is only counting the 90 days after a person has been reported a new hire. We are not cumulatively reporting that. After 90 days, they go into the regular rolls of collection. So $43.3 million is, we think, pretty admirable for this one particular tool.

On the third chart it shows just the number of Virginia new hire reports that are coming in. As you see, we are up to 1.7 million. I attribute that huge increase in the past 2 years to several things.

Number one, the employer community is extremely cooperative. This did not place additional burdens on the employer community other than filling out a W–4 form they had to fill out anyway, telling you how many dependents they wanted to have taxes withheld from. So that was employer-friendly.

The second thing is better reporting by the employer community under the laws in 20 days. Most beat the 20 days significantly. It is not a matter of having to make them; it is a matter of they just do it.

Third, the economy does not hurt that we have the number of people employed that we do. It is very helpful in that respect. And many of these people get multiple jobs, so you may see 1.7 million new hire reports; one person may get 2 or 3 jobs in a year. But it is a testament to the system that each of them shows up as a place where we can send the wage withholding to make sure that we stay in touch with the person.

The fourth chart is probably the good news chart, the best of all worlds. It shows the $20.5 million that we have collected annually we attribute directly to the National Directory of New Hires, and its partner, the State Directory of New Hires.

Representative Cardin, you have correctly brought up about centralization. This is an excellent example of centralization and how well it works. It makes no difference which States you go to work

in. The report is going to come back to the State of where the case is. It is an excellent, good news story.

This is just the first 6 months in Virginia. You will see we have got 250,000 reports already, so we can extrapolate that we will have a half a million with no problem. Just on the State Directory of New Hires, we will again, like the first, second, and third charts showed you, have about 100,000 reports. It is simply a good news story that goes without saying.

The last chart is not a chart. It is an extract from The Richmond Times-Dispatch where on August 31 a gentleman from California was extradited and was put to Federal court in Richmond and found guilty under the 1998 Deadbeat Parents Punishment Act. He was the first one in Virginia to be federally prosecuted.

It is not so much the good news story that we used the National Directory of New Hires to find him, although it is an excellent locate tool. What the good news story is that we found, and the Federal prosecutors found, his employers, who could come into court and testify as to his willful refusal to pay child support, and his ability, which is one of the elements of the crime in avoiding paying Federal child support. You have to prove that someone had the ability.

Because of this, we were able to identify the employer and have him come and in and testified willingly that the man had the capability.

That concludes my testimony. I will be prepared to answer any questions.

[The prepared statement follows:]

**Statement of Nick Young, Director, Child Support Enforcement Division, Virginia Department of Social Services**

Good morning, Mr. Chairman and members of the Subcommittee. My name is Nick Young and I am the Director of the Virginia Department of Social Services' Division of Child Support Enforcement. I am also a Board member of the National Child Support Enforcement Association, and I bring greetings from both the Commonwealth of Virginia and the Association. I am very pleased to be here this morning and honored to have been invited to testify.

The subject for this morning, which I shall address from Virginia's perspective, is the impact of the "Personal Responsibility and Work Opportunities Act of 1996" (PRWORA), commonly referred to as the "welfare reform act," on child support enforcement. Virginia's effort to implement welfare reform, under the direction of my boss, Clarence H. Carter, Commissioner of the Department of Social Services, has resulted in a reduction of Virginia's public welfare rolls of 48%!

I believe it important to note that while this landmark legislation is referred to as a welfare reform bill, included in it was the most comprehensive revision and reform of the child support enforcement in the entire history of the federal/State child support program. Indeed, some 90 pages of the Act addressed child support enforcement.

Virginia's experiences in what we feel may be the most substantial support enforcement issues included in PRWORA are what I come to share with you this morning. Space limitations preclude greater comments. Virginia is referred to as an "administrative" State for child support. Essentially, we are statutorily empowered to administer all facets of child support enforcement that the courts handle. Our administration is Statewide, rather than the individual county model used in some States.

*National and State Case Registries:* PRWORA required that both individual States and the federal Office of Child Support Enforcement (OCSE) establish case registries of all support enforcement cases. Fortunately, Virginia already had a State case register in place due to its established automated case management system. However, we did not have in our case registry the court support orders, which we estimate to be more than 50% of all orders in the State.

A bigger impact for Virginia has been the establishment of the federal case registry (FCR.) This has proven to be of substantial assistance for us, establishing the means of collecting that court information prospectively, as PRWORA required. It has also provided for automation of certain support enforcement activities. We anticipate substantial impacts from the Federal Case Registry, as authorized by PRWORA.

*State disbursement unit:* Again, Virginia was fortunate in having in place a centralized, State disbursement unit. We have made necessary changes such that for the ninth consecutive month (through August, 1999), Virginia has achieved a payment processing rate of 99.98 % within a 48-hour time frame and an overall year-to-date average of almost 85%. In order to ensure even better delivery of child support funds, Virginia offers automated direct deposit to child support enforcement customers in an effort to make funds available to custodial parents faster, decrease paperwork, and eliminate lost and stolen checks. Of course, the overall impact is that faster disbursements of child support payments means better service to our customers and fewer calls to employers.

Full Statewide inception of this initiative began in the fall, 1998. To date, nearly 18,000 active direct deposits cases representing 25% of all payments to customers are made via direct deposit. The Commonwealth realizes a savings of approximately eleven cents per customer per payment. Prospective customers are routinely reminded of the availability of this service via payment stubs included in their child support payments.

*National and State Directories of New Hire (NDNH & SDNH):* Virginia had a New Hire program established several years before PRWORA was approved, e.g. we already had a State directory of new hires. Virginia has also done considerable work with the family violence indicator including using the State Police Protective Order file and highlighting in red on our automated system those individual cases who's indicator is set.

Perhaps a very positive example of the National Directory of New Hire, authorized under PRWORA, was experienced just last month in Virginia with the recent conviction by a federal judge in Richmond, Virginia of a California noncustodial father. Through the use of information resulting from the NDNH, we were able to locate, have arrested and extradite from northern California who owed more than $50,000 in child support. This man was the first person charged and convicted in Virginia for crossing State lines and failing to pay child support as ordered. Sentencing is anticipated shortly by the federal judge.

The number of Virginia new hire reports has increased from 1,076,000 in SFY94 to 1,739,000 in SFY99. The number of cases matched in 1994 was 79,000; in 1999, the number rose to 97,000. Estimated annual collections from the State (Virginia) Directory of New Hires is $7.5 million; from the National Directory of New Hires, the number we collect an additional $13 million annually. PRWORA has had a most positive impact in the collection of child support with its requirements for these two directories.

Employer information on our system is now automatically updated based on new hire information received. To locate employers, Virginia now has the capability of inquiry by Federal Employer Identification Number.

We are now receiving and processing NDNH data. On a State basis, from more than 1.7 million new hires in the Commonwealth in SFY99, we had 97,000 that matched cases with unpaid child support, a match rate of 5.6%. Since its inception in Virginia in 1993, approximately $43 million has been collected as a direct result of our in-State new hire reporting.

*Income Withholding:* Virginia had an employer income withholding system in place prior to the passage of PRWORA. Our time frames were quicker than those of PRWORA. Virginia law expects the employer to forward the income withholding on each payday; no delays accepted. Therefore, in this area, we chose not to make any changes since our system is even more effective and obtains support monies more quickly.

Certainly, we have worked with the employer community to educate them on the PRWORA requirements for employers, including the concurrent notice of the income withholding via the employer. We believe the PRWORA expanded definition of "income" has been very helpful in accessing more of the total resources available for the support of children.

The PRWORA requirement that all monies be sent directly to directly to DCSE ensures the best record of payments and reducing conflicts. Perhaps the most important authority related to income withholding relates to our ability to transmit the income withholding orders to the employers electronically. This definitely expedites the flow of support money to the custodial parent and child/ren. We currently gen-

erate income withholding orders automatically and electronically, without worker intervention. This releases staff time to work other areas of enforcement.

Virginia DCSE expects to issue 52,000 income withholding orders annually based on new hire information (referenced in above section.) Income withholding collections are expected to increase from $206 million in 1998 to $241 million in 2000.

As another result of PRWORA, in October, 1998, Virginia began implementation of electronic income withholding by adding the new federal withholding form online. In April, 1999, the phase-in of automatic issuance of income withholding orders began. Less worker (manual) issuance of withholding orders is expected to result in savings of $424,000 per year.

*Expedited Procedures:* Virginia had many of the expedited procedures authorized by PRWORA in place due to our being an administrative process State (e.g., subpoena power and access to public agencies and many private agencies.) PRWORA's authorization added many new ones, including access to subscriber data of cable television companies, ability to attach workers compensation lump sum payments, access to all private companies customer data, with penalties for failure to comply. We have been very careful to use these new, expanded data sources appropriately, limiting our use only to locate putative fathers and/or noncustodial parents who owe child support. We have stringent requirements for our staff on the use of this expanded information access, understanding the trust which has been placed with support enforcement agencies.

*Administrative Paternity:* PRWORA mandated that a signed voluntary acknowledgment of paternity be considered a legal finding of paternity if not rescinded by a party within 60 days. However, the rescission period terminates prior to the expiration of 60 days if an administrative or judicial proceeding relating to the child in which the signatory if a party occurs. The advantage of this procedure is the "finality" created by the signing of a paternity acknowledgment. If paternity is contested beyond the rescission period, the hearing must be in court, and will be heard only on the basis of fraud, duress or material mistake of fact.

Another benefit of PRWORA is the mandate that any party contesting original genetic test results must provide advance payment prior to additional testing (a savings for the State). The Act also mandated that both parents signing a paternity acknowledgment must be provided an oral (as well as written) explanation of their rights and responsibilities. This is one more measure to ensure, to the fullest extent possible, that both parties understand the significance and importance of their actions.

PRWORA provided States the ability to administratively order genetic testing, another time and money saver. Previously only the court had the authority to do so. The Act mandates led to a much-improved working relationship with the Virginia Dept. of Health's Office of Vital Records & Health Statistics (OVR&HS). Mandates regarding access to certain information and increased use of automation led to the establishment of the Electronic Birth Query System (EBQS), a process by which selected DCSE staff have on-line access to paternity information stored at OVR&HS. The two agencies have worked very closely over the past 2 years to ensure that paternity acknowledgments are properly completed, filed and recorded. In addition, OVR&HS has made death file records information available to DCSE for match purposes to identify NCPs who have died.

*Financial Institution Data Match (FIDM):* All States began receiving information from the initial matches between multi-State financial institutions and OCSE last month, August 1999. This information is the result of matching child support files from the federal tax offset tapes with accounts from multi-State financial institutions. The primary purpose of the match data is to freeze and seize funds from financial accounts of delinquent child support obligors. Virginia already had such a system in place, using what we call an Order to Withhold and Deliver (OWD), however the difficulty has been in identification of the location of the delinquent obligor's assets.

Upon receipt of information that a delinquent obligor indeed has assets, our enforcement specialists are able to issue an OWD so these funds can be applied towards the delinquent child support owed. It is important to note this is not done to any noncustodial parent without allowing them due process. Due process is built into the system. While we have only one month's experience with these data matches, initial observations are this will become a most significant resource in enforcing support orders of the egregiously delinquent obligors. This may become one of PRWORA's most important tools in addressing delinquent child support obligors.

*Distribution of Child Support Collections* (included "family first" distribution and elimination of federal financial share of $50 disregard): Virginia opted to implement the "family first" distribution of child support payments effective October 1, 1998. This has been a contributing factor in the steady decline in the TANF caseload.

With the "family first" distribution, our estimate is as much as $600,000 a month would be sent to the family instead of the State. Virginia's General Assembly opted to continue the payment of $50 passthrough (disregards) to the custodial parents receiving Temporary Assistance for Needy Families (TANF) despite the elimination of the federal share. Under the new distribution rules, the State bears the full burden of passthrough payments to the custodial parents. The cost to the State of paying the disregards to the custodial parents was $4.8 million in FY98 and $3.7 million in FY99. We estimate this cost to decline over time.

*Suspension of Licenses:* Virginia passed a driver's license suspension law in 1995, a year prior to PRWORA. The Division of Child Support Enforcement worked closely with the Department of Motor Vehicles in implementing the program. Much of the process is automated. Since 1995, a total of $51 million dollars has been collected as a result of the driver's license suspension program. Without question, PRWORA's inclusion of license suspension has made this important enforcement tool more acceptable in many portions of the legislative and administrative bodies.

Virginia's General Assembly approved accompanying legislation addressing professional/occupational licenses and recreational licenses. We have been forced to move more slowly in to these areas due to an absences of centralized, automated data bases available to us in the various agencies and licensing organizations for these purposes. We do anticipate substantial collections as we proceed to gain access to automated databases of holders of these various licenses. Our desire is not to suspend any parent's licenses, but to get child support payments started and ongoing. To support the driver's license suspension, the General Assembly approved legislation that requires, pending license suspension, the parent to pay the support debt or enter into a payment agreement that requires the greater of 5% of the debt or $500, with the debt to be totally paid off in no more than ten years.

*Automated Data Processing—Certified System:* Virginia's automated system was unconditionally certified under the Family Support Act of 1988. We were also one of the first two State systems certified by OCSE. PRWORA includes extensive automation requirements. Virginia has already implemented the majority of these requirements. I must acknowledge the substantial challenge of implementing PRWORA's ADP requirements to implement all child support aspects of the Act has and continues to stretch our resources and has been most expensive.

*Uniform interstate Family Support Act (UIFSA):* Virginia implemented UIFSA in July 1994 and as a result of PRWORA requirements, implemented amendments to UIFSA statutes in July 1997. PRWORA required the use of standardized forms for working interstate cases. Using these standardized forms has eliminated confusion and improved on problems in interstate cases. PRWORA added time frames for acting when one State is responding to another State's request to enforce a support order. This has enhanced the timeliness of information available to Virginia's child support workers when working interstate cases.

*Access to Locator Information from DMV and Law Enforcement:* With PRWORA authority, we now periodically conduct an automated match with Virginia State Police's Concealed Weapons Permit and Computerized Criminal History files for location of putative fathers and noncustodial parents.

*Privacy Safeguards:* In Virginia the Family Violence Indicator (FVI) is set with either the existence of a protective order or the signing of an Affidavit of Nondisclosure based on reason to fear physical or emotional harm. A quarterly automated match is conducted with the State Police Protective Order file. Our automated system now has the capability of highlighting information in red, if the FVI is set.

*KidsFirst Campaign:* As a result of the passage of PRWORA, we in Virginia saw a renewed goal for the most active and stringent efforts to collect child support for Virginia's children. PRWORA became the impetus for a program we call KidsFirst. Space limits me to simply a few examples of this program. The Virginia KidsFirst Campaign has netted $70 million from the Commonwealth's most egregious child support evaders as of September 1999. When we started out, we viewed the Campaign as just one more tool with which to arm our workers—one more way to get the attention of delinquent noncustodial parents (NCPs). We certainly didn't anticipate that this lone initiative would reap such a mushrooming response.

After a two-week "amnesty" where delinquent noncustodial parents were promised that if they came to DCSE offices and worked out an acceptable payment agreement, no legal efforts which could place them in jail would be attempted. That was followed by what we call "roundups." In a given geographic area, delinquent cases are identified, summons and warrants are prepared. Then DCSE staff work with cooperating local law enforcement officials to round up delinquent NCPs with outstanding capias warrants and to issue new warrants to many others

These roundups are usually picked up by major news sources and widely publicized through a gubernatorial press conference that included several real-life vi-

gnettes. One of these stories centered on sheriff's deputies who had to forcibly extricate a delinquent NCP from his home. When captured on film by the press, the father, handcuffed from behind, was wearing a "World's Greatest Dad" tee shirt. The Statement this lone picture made to the public requires no explanation.

To date, we have held five roundups resulting in $70 million of collections and even more continuing as a result of payment agreements from other obligors who saw their friends picked up by law enforcement officers. Over four hundred evaders have been arrested.

Our third round up in November 1997 introduced a new tool to encourage delinquent NCPs to pay up—boots. Boots are steel mechanisms that attach to a car wheel, making it impossible to drive until the driver complies with authorities' direction. In Virginia, this direction took the form of settling the child support debt or making a payment agreement. Using pink (for daughters) and blue (for sons) boots—along with a bright fluorescent windshield sticker that explains the reason the boot has been used, has proven to be an additional way to get the attention of child support evaders.

Virginia law enforcement officials have been extremely receptive to the use of boots as it negates the cost of holding someone in jail or towing a car and paying storage fees. Our booting of cars is not aimed at denigrating offenders, but to get their attention and have them do the right thing. Some people really value their cars and will want that thing off as soon as possible. . .it has a built-in shame factor. The boots cost approximately $350 apiece and are stenciled with an appropriate message; Each Virginia boot has "Property of Child Support Enforcement" printed on it.

Virginia's DCSE plans future round ups. Vigorous enforcement measures are available to DCSE through a cooperative agreement among the Virginia Attorney General's Office, the Virginia State Police, each of the sheriffs in each Virginia county, as well as each Commonwealth's Attorney in the 127 counties and cities of Virginia.

In conclusion, PRWORA has served as an effective catalyst for the most comprehensive revisions to Virginia's Child Support Enforcement program in its 25 year history. PRWORA'S comprehensive elements fully support Virginia's determination to clearly communicate society's lack of tolerance for those who fail in their responsibility to financially support their children.

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Chairman JOHNSON of Connecticut. Very, very interesting.

Ms. Smith. Marilyn Ray Smith.

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

Ms. SMITH. Good morning, Madam Chairman and Congressman Cardin. Thank you for the opportunity to testify. My name is Marilyn Ray Smith. I am chief legal counsel for the Massachusetts Child Support Enforcement Division, which is housed in the Department of Revenue.

Welfare reform is working, as we have heard this morning. Child support collections are up and welfare caseloads are down. I will focus my remarks today on the financial institution data match and levy program. This tool for collecting child support arrearages was started first in Massachusetts in 1993, and then was adopted by Congress in 1996 as a requirement for all States.

I have three key points to make. First, financial institution data match brings in significant collections on cases owing past due support. Second, a properly designed data match works smoothly for banks, their customers, and child support agencies. And, third, bank account seizures that result from the data match meet due

process requirements under Federal and State law and adequately protect noncustodial parents' property rights.

Someone once asked Willie Sutton why he robbed banks, to which he replied, "That is where the money is." The same simple logic applies for child support. Many noncustodial parents who owe past due support are not subject to wage assignments because they are self-employed, or they work under the table, or they make such small payments toward the large arrearage that it will take literally decades to pay it off.

Meanwhile, they salt money away in a bank account, a credit union account, a retirement fund, or a money market mutual fund while their children do without. Financial institution data match is one of the boldest and most innovative provisions of the 1996 child support reforms. It establishes a process where every quarter a magnetic tape of child support debtors can be compared to tapes of accountholders from banks, credit unions, mutual funds, and other financial institutions.

The data match identifies accountholders who have child support debts and allows the child support agency to issue a levy on the account. A 1998 amendment allows multistate financial institutions to exchange information with the Federal Office of Child Support Enforcement, which can perform the data match on behalf of all of the States.

In Massachusetts, we have found this program to be a powerful tool for collecting past support. If you look at charts 1 and 2, which are on the first page, which I think may have been passed out for you, you will see that since 1993 Massachusetts has collected more than $25 million on past due support through the use of this remedy.

Only Federal and State tax refund intercepts collect more arrearages each year than the bank levy program. This chart lists for every year the amount of money that we have collected and then shows the cumulative amount on the bottom.

The average bank levy is $770, while the average Federal tax refund intercept is $930, and the average State tax refund intercept is only $300. The reason we get more from the State tax intercept is that we just have more cases that have a "hit."

We just seized more than $6,000 on behalf of a mother in Ohio from bank accounts belonging to a vice president of a major Boston bank who owed more than $20,000 in back support. He had been contentedly paying his debt at the rate of $150 a month, a payment plan that would have taken 11 years to complete, all while he pulled down a salary of almost $100,000 a year!

We have found that this data exchange between the Department of Revenue and the banks has worked very well for all of us in Massachusetts. From the very beginning, we involved the banking community in drafting the legislation, and in working out the operational details to make the flow of information and paper go smoothly.

We have found our banks to be most cooperative. Almost 1,000 financial institutions participate. They can choose one of two methods to comply with the requirement to provide the information to the Department of Revenue. Either they send us the data and we do the comparison against our file of those who owe past due sup-

port, or we send them the list of child support debtors and they do the comparison.

Once hits are identified, we issue a levy for the amount of past due support. The bank then sends us the money, which we hold for 21 days to allow the noncustodial parent an opportunity to appeal. Almost 43,000 levies have been executed in this fashion since 1993.

This data match program and bank levy process have ample due process protections for the noncustodial parent. Due process requires that the owner of property that is seized have notice and an opportunity for a hearing. In child support cases, this hearing takes place when the court sets the initial order.

Under the Bradley amendment of 1987, a child support obligation becomes a judgment by operation of law as it becomes due and unpaid. And under the welfare reform legislation of 1996, an administrative lien also arises by operation of law against any unpaid child support. It is therefore not necessary for the child support agency to return to court after each payment is missed to get a lien or levy to enforce a judgment and seize property.

There is a further due process protection. Before a name gets on the Department of Revenue's bank match list in the first place, at least once a year we send the noncustodial parent a general notice setting forth the amount of back support that we claim is owed. The notice lists all of the kinds of real and personal property that is subject to lien, levy, and seizure, including bank accounts.

The notice also tells the noncustodial parent how to request an administrative appeal if the noncustodial parent contests the amount that we claim is owed. If there is no appeal, or if it is denied and the bank account is seized, the noncustodial parent gets yet another opportunity for an appeal. And if that appeal is substantiated, the funds are returned.

The Massachusetts Supreme Judicial Court, our highest appellate court, has found that the process I described passes constitutional muster and meets all due process requirements under Federal and State law to protect the noncustodial parent's property interest. The details of that case are in the written testimony.

In summary, financial institution data match works. It collects a lot of money, it does not create undue burdens for cooperating banks, and it provides adequate due process protections for noncustodial parents. It is a very important new tool as part of our longstanding work with the Members of this Committee, to make sure that all parents fulfill their financial responsibilities to their children.

Thank you very much.

[The prepared statement follows:]

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

Madam Chairman, distinguished members of the Subcommittee: Good morning, and thank you for the opportunity to report to you on the significant accomplishments of the nation's child support enforcement program in the three years since passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

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.

Madam Chairman, I would like to commend the leadership of this Committee for its work in crafting the child support provisions of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). This legislation contained the most comprehensive provisions on child support enforcement in the history of the program, and has moved us a long way toward reducing welfare dependency and ensuring that children get the child support they are due, on time and in full. It provides for better access to financial and employment information; it helps States streamline procedures to make maximum use of automation; it makes it easy for parents to establish paternity; and it removes barriers in interstate cases.

I will focus my remarks today on the financial institution data match, a program that was started first in Massachusetts and then adopted by Congress in 1996 as a requirement for all States. First, I will provide an overview of the program. Second, I will illustrate how effective financial institution data match has been in increasing child support collections in Massachusetts, contributing more than $25 million from almost 43,000 levies since its inception in 1993. Third, I will explain how it works—for the banks, for the Department of Revenue (DOR), and for the noncustodial parents whose assets have been seized. Finally, I will address due process concerns that some may raise.

## "GO WHERE THE MONEY IS": FINANCIAL INSTITUTION DATA MATCH

Someone once asked Willie Sutton why he robbed banks, to which he replied "That's where the money is." The same simple logic applies for child support programs. Many noncustodial parents who are delinquent in child support payments are not subject to wage assignments because they are self-employed or they work under the table. Or they make such small payments toward a large arrearage that it will take twenty years to pay it off. Meanwhile, they salt money away in a bank account, a credit union, or a money-market mutual fund, while their children do without—often supported by the taxpayer.

Sometimes referred to by its acronym, "FIDM," the financial institution data match is one of the boldest and most innovative provisions of the 1996 child support reforms. Section 372 of PRWORA (42 U.S.C. 666(a)(17)) requires State child support agencies to enter into agreements with financial institutions doing business in the State to develop and operate a data match system, using automated data matches to the maximum extent feasible, to exchange information each calendar quarter on the name, customer address, Social Security or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at the financial institution and who owes past-due support. A 1998 amendment allows multi-State financial institutions to enter into one such agreement with the Federal Office of Child Support Enforcement (OCSE), which can perform the data match on behalf of all the States.

Financial institution data match is thus designed to establish a process where every quarter a magnetic tape of child support debtors subject to child support liens can be compared to tapes of account holders from banks, credit unions, mutual funds and other financial institutions (other electronic means may be used in lieu of magnetic tapes). A data match identifies account holders with child support debts and allows the child support agency to issue a levy to the financial institution, with notice to the account holder. The financial institution then freezes the funds in the account up to the amount of the child support debt and forwards the funds to the child support agency for distribution to the family (or to the State, where support has been assigned to the State).

## FINANCIAL INSTITUTION DATA MATCH IS A POWERFUL COLLECTION TOOL

As the charts on the following pages vividly illustrate, financial institution data match is a powerful tool for collecting past-due support. As Charts 1 and 2 indicate, since 1993, Massachusetts has collected more than $25 million from almost 43,000 levies through use of this remedy. Also of note is that bank levy is not just a remedy for non-welfare cases. Almost 45 percent of the total amounts collected were allocated to public assistance reimbursement. This is the case even though Massachusetts has followed "Family First" distribution rules since 1992. Under these distribution rules, in cases where arrears are owed to both the State and the family, we pay collections from bank levies to families first, before reimbursing the State for public assistance costs. Moreover, as shown in Chart 3, only the federal and State tax refund intercept programs collect more arrearages each year than the bank levy program. In fact, the average bank levy is $770, just $160 less than the average federal tax refund intercept of $930, and a significant $470 more than the average State tax refund intercept of $300 (Chart 4). There are just more of the latter to make up a greater total collection amount.

Just as the amount collected from tax refund intercepts varies from year to year depending on the number of cases submitted and the amount of withholding that has occurred, similar factors affect returns on the financial institution data match. While DOR was making the transition to the new automated computer system mandated by the Family Support Act, the bank levy program was temporarily suspended. In addition, there are generally more collections at the beginning of the program. Once a seizure takes place, it takes a while for a bank account to be replenished by new deposits. Or the noncustodial parent may close the account, and it takes a while for a new one to surface. Nonetheless, DOR projects that this year's financial institution data match will reach new highs, with estimates of collections between $6 and $7 million by June 30, 2000. One source of this boost is expected to come from the multi-State financial institution data match, which is underway at the Federal Office of Child Support Enforcement. When it is in full operation, interstate banking will no longer be a safe harbor for delinquent noncustodial parents. In fact, we just seized more than $6,000 on behalf of a mother in Ohio from bank accounts belonging to a vice president of a major Boston bank who owes more than $20,000 in back support. He had been contentedly repaying his debt at the rate of $150 per month—a payment plan that would have taken 11 years to complete, all while he pulled down a salary of almost $100,000 a year!

HOW FINANCIAL INSTITUTION DATA MATCH WORKS IN MASSACHUSETTS

In 1993, as part of an ambitious and aggressive initiative by the Weld-Cellucci Administration to improve child support enforcement in advance of welfare reform, Massachusetts started its first financial institution data match. As you may recall, the child support agency in Massachusetts is housed in the Department of Revenue. At first, we used Form 1099 information that banks and other financial institutions were already required to report to DOR as the tax collection agency for the Commonwealth. However, we soon recognized that by the time it got to us, Form 1099 information was often stale and out of date, with bank accounts depleted or closed when we sent a bank levy. Inspired by our early successes, in 1994, the Legislature authorized the Commissioner of Revenue to require financial institutions to report account information to DOR every quarter (Mass. Gen. Laws, c. 62E, § 4). The required information consists of the account holder's name, customer address, Social Security number, and other identifying data.

Financial institutions may select either of two methods to comply with the requirement to provide information to the Commissioner of Revenue. Under the first method, the financial institution sends required data on all its accounts to DOR, with quarterly updates. DOR then compiles the data from the various banks, and matches it with our list of noncustodial parents owing past due support. When there is a "hit," a bank levy is automatically generated by DOR's computer and sent to the bank. One third of participating banks, usually the smaller ones with more limited computer capability, follow this method.

Under the second method, DOR sends to the financial institution the list of noncustodial parents owing past-due support (a threshold amount of at least $500). The financial institution conducts the data match, and sends the list of "hits" to DOR, which in turn issues the levy back to the financial institution. Two thirds of the participating financial institutions, usually the larger institutions, use this method.

# MASSACHUSETTS DEPARTMENT OF REVENUE
# CHILD SUPPORT ENFORCEMENT DIVISION

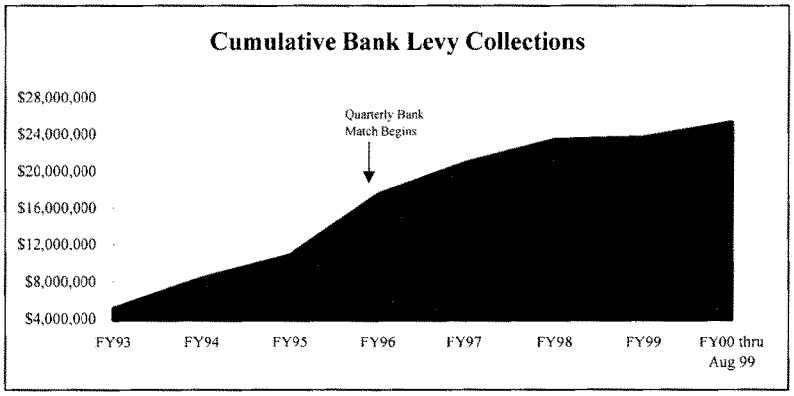
**Automated Bank Match Program**

Chart 1

| Bank Levy Collections* | | | |
|---|---|---|---|
| | **AFDC** | **Non-AFDC** | **Total** |
| FY93 | $2,496,640 | $2,611,114 | $5,107,754 |
| FY94 | $1,383,660 | $1,895,806 | $3,279,466 |
| FY95 | $1,099,375 | $1,370,343 | $2,469,718 |
| FY96 | $3,150,251 | $3,505,834 | $6,656,085 |
| FY97 | $1,394,872 | $2,012,184 | $3,407,056 |
| FY98** | $1,065,358 | $1,430,900 | $2,496,258 |
| FY99** | $97,268 | $144,442 | $241,711 |
| FY00*** | $577,510 | $1,062,475 | $1,639,984 |
| **Grand Total** | **$11,264,934** | **$14,033,098** | **$25,298,032** |

*Collections are adjusted for refunds.
** The bank levy match program was not in use from November 1997 through May 1999.
*** Collections through first two months of FY2000

Chart 2



# MASSACHUSETTS DEPARTMENT OF REVENUE
# CHILD SUPPORT ENFORCEMENT DIVISION

**Automated Bank Match Program**

Chart 3

| | FY95 | FY96 | FY97 | FY98 | FY99 | FY95-FY99 |
|---|---|---|---|---|---|---|
| **FEDERAL TAX** | $10,741,691 | $12,492,050 | $13,807,501 | $14,299,587 | $6,049,830 | $57,390,660 |
| **STATE TAX** | $3,030,500 | $2,843,061 | $4,001,006 | $4,265,170 | $5,288,837 | $19,428,575 |
| **BANK LEVY** | $2,469,717 | $6,656,085 | $3,407,056 | $2,496,258 | $241,711 | $15,270,827 |
| **WORKER'S COMP.** | $1,476,967 | $1,859,324 | $1,376,632 | $1,550,275 | $2,555,379 | $8,818,577 |
| **LIENS** | $305,155 | $321,933 | $372,053 | $867,030 | $1,238,574 | $3,104,744 |
| **LOTTERY** | $461,193 | $341,078 | $356,951 | $303,758 | $317,901 | $1,780,882 |

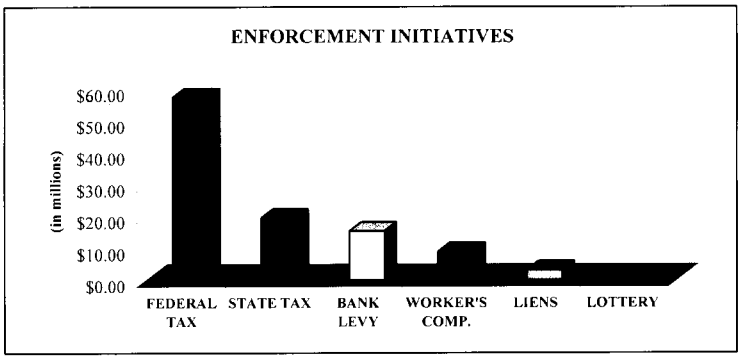
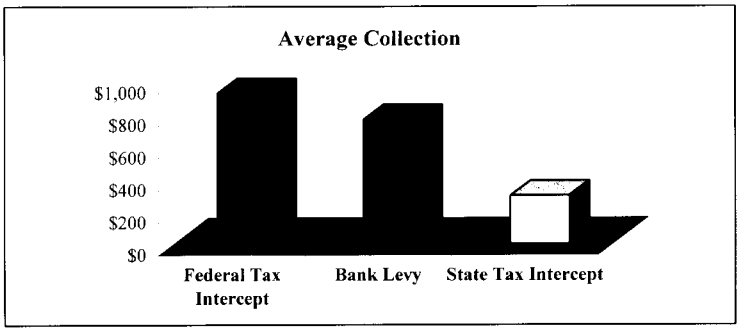



Chart 4

**Recently, the average bank levy collection has been about $770 while the average federal tax intercept is about $930 and the average state tax intercept is about $300.**



Once the bank or other financial institution receives DOR's levy, it freezes the account for 60 days, so that any funds deposited into the account during this period are subject to the levy. Within 21 days of receipt of the bank levy, it sends the encumbered funds to DOR. We then hold the funds for at least another 21 days, to allow the noncustodial parent whose account has been seized an opportunity to file a request for administrative review if the noncustodial parent claims that he or she does not owe the money.

Banks do not hesitate to honor the DOR levies. Massachusetts law requires third parties such as financial institutions or insurance companies holding property belonging to a delinquent noncustodial parent to turn over the property, or be liable for the value of the property up to the amount of the child support levy, plus costs, interest and penalties (Mass. Gen. Laws c. 119A, § 6(b)(7)). Financial institutions receive a fee of $20 from the noncustodial parent's account for processing the levy. They are not compensated for providing information or conducting the data match (although this is the case in some other States).

To avoid tipping off obligors to upcoming levies, financial institutions are prohibited by statute from notifying the account holder or depositor that DOR has submitted his or her name for the data match (Mass. Gen. Laws, c. 62E, § 14). The penalty for violations is the lesser of $1,000 or the amount in the account. Financial institutions are permitted to tell account holders and depositors generally about DOR's authority to request identifying information under the financial institution data match.

To protect individual privacy, DOR has strict statutory safeguards in place to limit access to and disclosure of data. Personal information about individuals in the child support caseload is not a public record and may only be disclosed in specified circumstances. Penalties for unauthorized use, access or disclosure include dismissal from employment, fines of up to $1,000, up to one year in prison, and disqualification from holding office in the Commonwealth for up to three years (Mass. Gen. Laws, c. 119A, § 5A(c)). In addition, contractors who violate DOR's disclosure rules can have their contracts terminated and be barred from entering into future contracts with the State. Under PRWORA, all State child support programs are now required to have policies in place to restrict access to data and safeguard individual privacy (42 USC § § 654(26), 654A(d)).

Almost 1,000 financial institutions doing business in Massachusetts participate in this program, including savings banks, credit unions, commercial banks, mutual fund companies, and brokerage firms. This process has worked well for the Massachusetts banking community, in large part because they worked closely with DOR both in drafting the legislation and in implementing the operational details to make the flow of information and paper as smooth as possible for all concerned. In general, we have found the banking community to be most cooperative in setting up this process, a manifestation of our shared common purpose that the children of the Commonwealth be supported by their parents.

### Due Process Protections for Delinquent Noncustodial Parents

The financial institution data match program has ample due process protections for the noncustodial parent, which I will describe in some detail, as this may be of some concern for the members of the Committee. When property is seized, due process under federal and State law requires that the owner of the property have notice and an opportunity for a hearing. There are different due process standards for "pre-judgment" and "post-judgment" seizures, with the former generally requiring the notice and opportunity for a hearing before the seizure, and the latter after the seizure. In child support cases, the pre-judgment due process hearing takes place when the court sets the initial order. As you know, under the Bradley Amendment enacted by Congress in 1986, a child support obligation becomes a judgment by operation of law as of the date that that it is due and unpaid. In addition, under Section 368 of PRWORA (42 U.S.C. 666(a)(4)), an administrative lien also arises by operation of law against any unpaid child support. It is therefore not necessary to return to court after each payment is missed to get past-due support reduced to a judgment in order to obtain a lien or enforce a judgment. This means that a child support agency can move quickly to seize income and assets of a delinquent noncustodial parent, without first passing through a judicial or quasi-judicial hearing process. In Massachusetts these provisions are codified in Mass. Gen. Laws, c. 119A, § § 6 and 13.

To provide further due process protections, before a noncustodial parent's name gets on the DOR bank match list in the first place, at least once a year we send a general notice to the noncustodial parent, setting forth the name of the custodial

parent, the amount of past-due support we claim that the noncustodial parent owes, and the court that issued the order.

The notice lays out the procedures to follow if the noncustodial parent disputes the amount of past-due support, and provides for an administrative appeal process. The notice also States that if the noncustodial parent does not pay the amount owed within 30 days, DOR will proceed without further notice to use a range of enforcement remedies to collect the debt. The notice indicates that real and personal property subject to lien, levy and seizure includes: real eState, motor vehicles, bank accounts, stocks, bonds, rental receipts, public and private pension or retirement funds, cash-surrender value on life insurance policies, and periodic sources of income, including wages, pensions, worker's compensation or unemployment compensation benefits, dividends and interest payments. The notice also lists other enforcement remedies including: an increase of 25 percent to collect arrearages; federal and State tax refund offset; federal administrative offset; referral to a collection agency; reporting to a consumer credit agency; intercept of proceeds from insurance claims; suspension, revocation or non-renewal of a business, trade, professional or driver's license; or referral to the U.S. Department of State for denial, revocation, restriction or limitation of a passport, if arrears are more than $5,000.

If the noncustodial parent disputes the amount of arrears claimed to be owed, he may request an administrative review of the account within 30 days of the date of the notice. Included with the notice is a form to request such a review. Evidence documenting payment must accompany the request for review. Examples of supporting evidence include: canceled checks or money order receipts; pay stubs showing the amount of child support withheld by the employer; a child support order showing that the amount of the order has been changed; receipts for child support payments made in cash; or a letter from the court through which child support was paid, documenting satisfaction of arrears, if this court issued the original order. During the pendency of the review, no further enforcement action is taken by DOR.

However, many noncustodial parents ignore these notices, in the apparent belief that since they have successfully avoided paying child support in the past, they will continue to get away with it in the future. To give them another opportunity to contest the amount owed, we send them another notice a few days after the bank or other account has been frozen. This notice lets them know the account has been seized, and again lays out the procedures to follow to request an administrative review and the evidence required to substantiate it. Other States have similar due process procedures.

### DEFENSES TO BANK LEVY

In general, the only defense to the bank levy is mistake of fact: the noncustodial parent does not owe the money—he already paid and has receipts to prove it—or he is not the person named in the notice. Challenges to the validity of the underlying order of support, such as fraud or lack of jurisdiction, must be addressed in the court that entered the order. Arguments relating to visitation and change in circumstances are not valid defenses. If DOR and the noncustodial parent cannot resolve the amount owed through the administrative review process, the noncustodial parent can seek judicial review in the court that entered the original order.

The most common reasons for refunding bank levies is that payments were made or the court order was changed, and nobody notified DOR to update records on the system. Sometimes the noncustodial parent changes jobs, and pays the custodial parent directly until the new wage assignment kicks in. Other times, parties go to court and adjust the amount of arrears owed and do not tell us about it. Or the employer deducts the payment from the noncustodial parent's paycheck but does not remit it to DOR, or the employer sends it to DOR without enough identifying information for us to accurately post the account.

Under limited circumstances, DOR will grant a hardship appeal from a bank levy. To prove hardship, a noncustodial parent must show that seizure of the bank account is a substantial contributing factor to such hardships as: continuing or imminent homelessness; loss of utilities; inability to purchase food or necessary clothing; inability to commute to work or search for work; involuntary loss of employment; inability to obtain necessary medical treatment for self or dependents; inability to meet business payroll; imminent loss of business or business bankruptcy; or inability to leave or remain away from an unsafe situation involving domestic violence. In addition, certain funds may be exempt from bank levy, such as SSI, TANF, and other public assistance benefits, or funds held on behalf of another as a guardian or conservator. In the case of joint bank accounts, we follow State property law regarding the rights of the joint tenants.

If the noncustodial parent provides the necessary information, appeals are resolved expeditiously—on average within two days for hardship appeals, and within 21 days for other appeals.

FINANCIAL INSTITUTION LEVIES PASS CONSTITUTIONAL MUSTER

In the case of *Gray* vs. *Commissioner of Revenue,* 422 Mass. 666 (1996), the Massachusetts Supreme Judicial Court found that the procedures followed by DOR in levying bank accounts passed constitutional muster and met all necessary due process requirements. This case involved the paternity of a 14-year-old child, in circumstances where the father was aware of the likelihood of his paternity from the time of the child's birth. The court awarded back support in the amount of $17,000. It also ordered $110 in current support, plus $25 a week to be applied toward the arrearage, both to be paid by wage assignment from the noncustodial parent's income as a U.S. postal clerk. A few months after the court order was entered, following the procedures described above, DOR issued a notice to Mr. Gray that his property was subject to levy and other enforcement remedies if he did not pay the arrearage within 30 days. Upon denial of his administrative appeal, DOR proceeded to seize $100 from a bank account and almost $5,200 from an IRA account. Mr. Gray's subsequent appeal to the court that entered the order and then to the Supreme Judicial Court alleged that his due process rights had been violated since he was paying the arrearage at the rate ordered by the court and therefore was not subject to any further enforcement action. He also claimed a violation of separation of powers, on grounds that DOR's enforcement action was an unconstitutional modification of the court's order setting forth the schedule for making weekly payments towards the arrears.

The Massachusetts Supreme Judicial Court upheld both the substance and the process of DOR's seizure of the accounts. It found that DOR's action was not in conflict with the court's order, but rather was entirely consistent with it. It also rejected Mr. Gray's due process claim, finding that all the necessary notice and hearing procedures had been followed, and that the governmental interest in collecting child support outweighed the risk of erroneous deprivation of Mr. Gray's private property interest. Indeed, the court observed, "It is hard to imagine a more compelling State interest than the support of its children."

CONCLUSION

Past-due child support is not an installment debt to be subsidized by the taxpayer or the custodial parent for decades until it is convenient to be paid off at five to twenty-five dollars per week. It is a judgment by operation of law as it becomes due and unpaid, subject to the full range of post-judgment enforcement remedies. The requirements of due process have been met before any seizure of property takes place; further due process protections are available after the seizure. The noncustodial parent has had his day in court, with notice and opportunity to be heard, has failed to obey the court order to pay support, has received prior written notice of the enforcement actions that can be taken to collect past-due support, has had an opportunity to request a review, has still failed to pay, and yet has acquired income and assets that are by law subject to seizure.

Moreover, there will never be a good record on payment of current support unless States are also tough on collection of past-due support. Today's current support unpaid becomes tomorrow's arrears. Yesterday's arrears, if not vigorously pursued, lead noncustodial parents to believe they can ignore today's current support. When a noncustodial parent is permitted to accrue an arrearage with impunity, he or she has no incentive to comply with current support payments, and there is little to deter future noncompliance. For some, this is undoubtedly a tough stance. However, children need support on time and in full every week. And for those parents who do regularly make the necessary sacrifices to pay in full, it acknowledges their commitment by taking steps to ensure that all parents fulfill their financial responsibility to their children. The financial institution bank match is an important part of this strategy.

Madam Chairman, thank you for your gracious invitation to testify before this distinguished Committee.

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Chairman JOHNSON of Connecticut. Thank you very much.
Ms. Kaiser.

**STATEMENT OF TERESA L. KAISER, EXECUTIVE DIRECTOR, CHILD SUPPORT ENFORCEMENT ADMINISTRATION, MARYLAND DEPARTMENT OF HUMAN RESOURCES**

Ms. KAISER. Thank you. Good morning, Madam Chairman, Representative Cardin. My name is Teresa Kaiser, the executive director of the Maryland Child Support Enforcement Administration. It is my pleasure to present testimony and provide you with data on the program performance which not only reflect aggressive implementation of your 1996 child support reforms but clearly demonstrate the increased collections for the children and families we serve.

As you know, under PRWORA, the goal of the Federal welfare reform was to reduce the need for public assistance through emphasis on family responsibility, work requirements, and consistent child support payments. The driving force behind PRWORA's child support provisions was the need to strengthen the program through powerful enforcement tools, expedited procedures, and sophisticated database matches.

This morning, I welcome the opportunity to highlight Marilyn's experience with several issues identified by the Subcommittee; namely, license revocation, new hire reporting, and in-hospital paternity establishment. In fact, I intend to focus on license revocation. You do have materials about the New Hire and In-Hospital Paternity Establishment Program in Maryland, which show our excellence in that program. But my other colleagues here at the table will focus on other issues. I would like to talk about driver's license to you.

In Maryland, we implemented a Driver's License Suspension Program early in 1996. Our Driver's License Suspension Program has proven to be one of our most powerful and effective enforcement tools. Maryland's intent was not to suspend driver's licenses per se, but to utilize the possible loss of the privilege to encourage delinquent parents to come into compliance.

Selected as a national child support best practice, our Driver's License Suspension Program has collected $110.4 million since its inception in 1996. You do have a chart in the materials that I prepared for you, which shows the increase in collections over time as a result of our license suspension program.

I believe your chart ends a little bit short of where we are today at the $110 million mark. But you can see even from the beginning year, which was October 1996 through June 1997, we collected a quick $8.3 million from license suspension alone. To put this in perspective, of the moneys we collect, which average about $350 million a year, about one-seventh of that, or $50 million this year, will be attributed to driver's license revocation program.

To put it in more human terms, we have served approximately 132,000 families through this license revocation program, with the average collection being about $800 per noncustodial parent. Our program is fully automated and operates in partnership with the Maryland Motor Vehicle Administration. We are very big on collaboration in Maryland, and we have a very good partnership in motor vehicles.

Child support payers who are 60 days or more out of compliance with their most recent support order are referred to the Motor Ve-

hicle Administration. The individual's driver's license is suspended unless support payments are paid in full, a payment schedule is arranged and complied with, or the payer's appeal is upheld. For those who are unable to pay then, and have a very good reason, they can come in and make arrangements to pay. And as long as they comply with those arrangements, they retain their license.

Child support payers may be eligible for a work-restricted license if verified employment exists. We do not want this to be a barrier to employment or an excuse for nonpayment. And the point is not the license. A work-restricted license would suffice.

I am sure that we all agree that regular child support payments represent a safety net for children and families. The Maryland Child Support Enforcement Program, as the similar programs in its sister States, plays a critical role in creating and maintaining that safety net.

The 1996 child support reform legislation strengthened the fabric of that safety net. It also enabled us to cast it further, making it much more difficult for parents on our caseloads to avoid their financial responsibility to their children. Individually, each of the 1996 child support reform initiatives represents a powerful tool. Used collectively, they are even stronger, and, as evidenced by Maryland's experience, have improved our ability to be the responsive, full-service child support program your constituents deserve.

I thank you for the opportunity to provide this testimony, and I will be pleased to respond to any questions at the appropriate time. Thank you.

[The prepared statement follows:]

**Statement of Teresa L. Kaiser, Executive Director, Child Support Enforcement Administration, Maryland Department of Human Resources**

## I. INTRODUCTION

Good Morning. My name is Teresa L. Kaiser, Executive Director of the Maryland Child Support Enforcement Administration. It is my pleasure to present testimony and provide you with data on program performance which not only reflect aggressive implementation of your 1996 child support reforms, but clearly demonstrate increased collections for the children and families we serve.

As you know, under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) the goal of federal welfare reform was to reduce the need for public assistance through emphasis on family responsibility, work requirements and consistent child support payments. The driving force behind PRWORA's child support provisions was the need to strengthen the program through powerful enforcement tools, expedited procedures and sophisticated database matches.

This morning, I welcome the opportunity to highlight Maryland's experience with several issues identified by the subcommittee; namely, license revocation, new hire reporting and in-hospital paternity establishment.

## II. MARYLAND'S IMPLEMENTATION OF CHILD SUPPORT REFORM

### A. *Driver's License Suspension Program*

In Maryland our Driver's License Suspension Program has proven to be one of our most powerful and effective enforcement tools. Maryland's intent was not to suspend driver's licenses, but to utilize the possible loss of this privilege to encourage delinquent parents to come into compliance. Selected as a national child support best practice, our Driver's License Suspension Program has collected over $103 million dollars since its inception in 1996! (See Exhibit I) Our program is fully automated and operates in partnership with the Maryland Motor Vehicle Administration.

Child support payors who are 60 days or more out of compliance with their most recent support order are referred to the Motor Vehicle Administration. The individual's driver's license is suspended unless child support arrears are paid in full, a payment schedule is arranged and complied with or a payor's appeal is upheld.

Child support payors may be eligible for work-restricted licenses if verified employment exists. Suspensions may be appealed to Motor Vehicle Administration only on the grounds of mistaken identity and will only be withdrawn if child support arrears are paid in full, the court ordered amount of child support is paid for six consecutive months, or a court orders withdrawal of the suspension.

B. *New Hire Registry*

Successfully implemented in fiscal year 1997 the Maryland New Hire Registry utilizes a database match between employer information and our Statewide child support automated system. Since its inception, the Maryland New Hire Registry has been instrumental in generating $42.4 million dollars via wage withholdings and has also proved to an excellent location tool. It was also one of the first State new hire registries in the country to submit employment and location data to the National New Hire Registry.

Maryland employers are required to report all newly hired and re-hired employees within 20 days of their fist day of work. Multiple reporting methods are available to employers and include, mail, telephone, fax, e-mail and magnetic tape. To support employers, the New Hire Registry operates a staffed help desk during business hours and a 24 hours a day, seven days a week interactive telephone support line.

If a database match occurs, employment information collected by the New Hire Registry is used to generate wage withholding orders. Employer provided information is useful in locating non-custodial parents and is used by the Maryland Unemployment Insurance Program to detect overpayments and by the Maryland Department of Human Resources' Family Investment Program to help reduce food stamps and temporary cash assistance benefits errors.

C. *In-Hospital Paternity Program*

According to the most recent federal child support data, Maryland is ranked second nationally for in-hospital paternity acknowledgments. Paternity acknowledgment promotes parental responsibility, encourages early parental involvement, strengthens parent/child relationships, expedites paternity establishment and ensures that a child has the right to any benefit and support a father can provide. Through a partnership with the University of Maryland School of Social Work, we maintain an extensive database which facilitates ongoing monitoring of hospital performance in converting non-marital births to paternity affidavits, as well as providing us with profile data useful in designing our marketing and communication approaches. Maryland's paternity acknowledgment video, companion brochure and poster was recently awarded first place in the public awareness category by the National Public Relations Society of America.

## III. CONCLUSION

I am sure we all agree that regular child support payments represent a safety net for children and their families. Maryland child support enforcement program, as the similar programs in its sister States, plays a critical role in creating and maintaining that safety net.

The 1996 child support reform legislation strengthened the fabric of that safety net. It also enabled us to cast it further—making it much more difficult for parents on our caseloads to avoid their financial responsibilities to their children. Individually, each of the 1996 child support reform initiatives represented a powerful tool. Used collectively, they are even stronger and, as evidenced by Maryland's experience, have improved our ability to be the responsive, full service child support program your constituents deserve.

I thank you for the opportunity to provide this testimony and will be pleased to respond to any questions you may have.

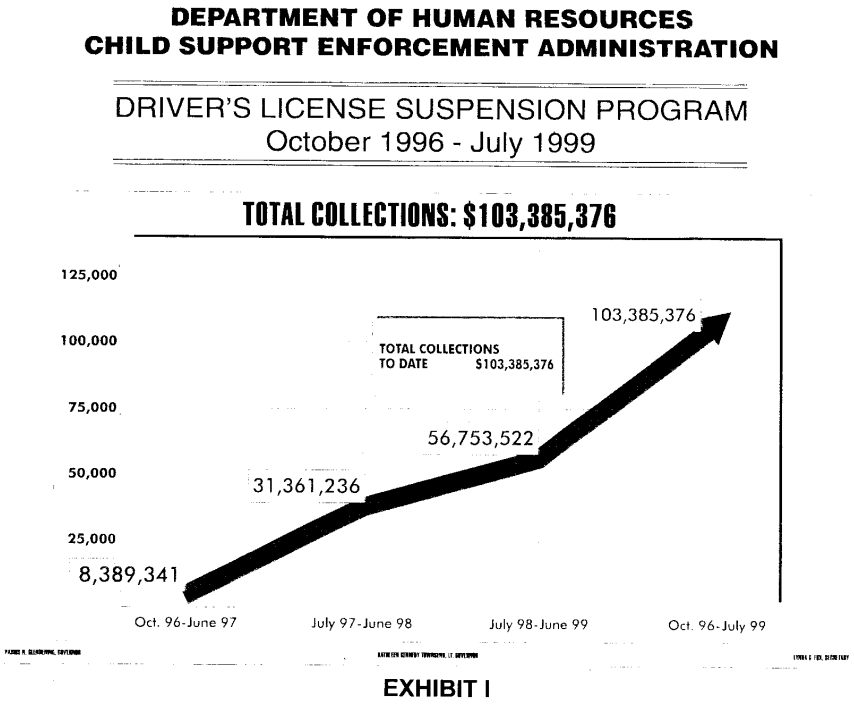


EXHIBIT I

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Chairman JOHNSON of Connecticut. Thank you very much for your testimony.

Dr. Sorensen.

**STATEMENT OF ELAINE J. SORENSEN, PH.D., PRINCIPAL RESEARCH ASSOCIATE, URBAN INSTITUTE**

Ms. SORENSEN. Good morning, Madam Chairman, Representative Cardin. My name is Elaine Sorensen. I work at the Urban Institute. I am a principal research associate there. Thank you for the opportunity to testify on this topic.

I am not someone who usually trumpets the success of the Child Support Enforcement Program. I am usually—on the contrary, I am often remembered as the person who estimated that the Child Support Enforcement Program could collect potentially another $34 billion in child support.

But I am here today to make one simple point, and that is that the data clearly showed that the U.S. Congress and its partners in the States have succeeded in increasing child support payments to never-married mothers—a group of mothers who essentially had no chance of receiving child support prior to the enactment of the 1975 title IV–D of the Social Security Act.

Much of the testimony that you have heard thus far focuses on program performance. That is very important. We want to measure overall establishment, order establishment, collection rates, but

those are only for families that are within the child support program. Many families eligible for child support enforcement services are still outside the child support program, and these data and program performance measures misses them.

One hopes that good programmatic performance within the program goes hand in hand with good performance for all families, but we don't know that for sure. To ascertain the effects of reforms on families, I have examined more than 20 years of household survey data collected by the U.S. Census Bureau, which provides a national representative sample of families between 1976 and 1997.

The most current data that I have is from the March 1998 Current Population Survey. We should be able to update that in the next couple of weeks as the Census Bureau releases the March 1999 current population survey. But it does mean our data do lag behind the monthly and quarterly data that you get from your program performance measures. But it does also mean that we have a long—20 years of data to examine the overall impact of reforms in the child support field.

From these data, I find that never-married mothers have experienced a dramatic increase in their child support receipt rates, and that the Child Support Enforcement Program has been the primary factor contributing to these gains.

If you look at this first figure that is in the handout of my testimony—it is labeled Figure 1, Percent of never-married Mothers Receiving Child Support—this chart shows you that in the early seventies when this program began less than 5 percent of never-married mothers received child support. Essentially, it was very difficult for a never-married mother to have child support in the late seventies.

Twenty years later, in 1997, 18 percent of never-married mothers receive child support. That is almost a fivefold increase in these 20 years. Now, you can see that only one out of five never-married mothers are still reporting that they receive child support. That is—we have a long way to go. But a fivefold increase in those 20 years is a commendable increase.

Most importantly in my mind, it shows that now child support is a possibility for children born outside of marriage. Twenty years ago, there was no possibility.

I look at six child support enforcement policies that are described in your second picture called Figure 2, Trends in Child Support Policies. These six policies reflect the major reforms that were undertaken by the Federal Government over the last 20 years. What it shows you is that in each case States often experiment in this area—several States, 10, 15, 20 States will experiment in an area, develop something that looks promising, and the Federal Government then enacts it and all of the other States follow along and adopt that measure.

You will see that most clearly—in all of these, the same pattern exists, except for the last chart on the $50 passthrough. But if you focus on in-hospital paternity establishment, which is in the lower left corner, it is the same kind of pattern. There were about 12 or 15 States that were experimenting with voluntary programs in the hospital, and they were found to be very successful. That was

adopted by the Federal Government, mandated, and all of the States now have an In-Hospital Paternity Establishment Program.

What I find with using these 6 enforcement tools and the rise in expenditures for the IV–D program, that those in combination explain more than half of the rise in the child support receipt rate for never-married mothers. So that the Child Support Enforcement Program is the reason that we see this major gain over the last 20 years.

Particularly effective for never-married mothers has been the voluntary In-Hospital Paternity Establishment Program. We estimate that this program alone explains about a quarter of the impact of child support policies on never-married mothers. Earlier reforms are also found to be effective. That is, immediate wage withholding is effective under the guidelines, the tax intercept program.

The new hire directory—Directory of New Hires—we also examined. This has a positive effect. In our analysis, it is not statistically significant yet, but it is only 1 year after you have implemented it. The signs are correct. It is just not measured very well at this point. Another year or two, I fully expect that that will be a significantly positive effect on child support receipt rates for never-married mothers, as have all of the other reforms that have been examined in this analysis.

These data show, without a doubt, that the Federal and State governments have succeeded in increasing the likelihood of never-married mothers receiving child support.

Thank you.

[The prepared statement follows:]

**Statement of Elaine J. Sorensen, Ph.D., Principal Research Associate, Urban Institute**

Chairman Johnson and members of the Subcommittee on Human Resources of the House Committee on Ways and Means, thank you for the opportunity to testify on this important topic. I am a Principal Research Associate at the Urban Institute, where I have worked for 12 years.

I am not someone who usually trumpets the success of the child support enforcement program. On the contrary, I am probably best known for estimating that child support enforcement could potentially collect another $34 billion in child support. Nonetheless, the main point that I would like to make today is that the data clearly show that the actions of the U.S. Congress, along with its partners in the States, have succeeded in increasing child support payments to never-married mothers, a group of mothers who essentially had no chance of receiving child support prior to the enactment of Title IV–D to the Social Security Act.

Much of the testimony that you have heard thus far has focused on program performance, generally measured by order establishment and collection rates within the child support program. Measuring program performance in this manner assesses the success of reform policies for those in the child support program, but many families eligible for child support enforcement services are outside of the child support program. One hopes that good programmatic performance within the child support program and good outcomes for families go hand-in-hand, but that is not necessarily the case.

To ascertain the effects of these reforms on families, I have examined more than 20 years of household survey data collected by the U.S. Census Bureau, which provides a nationally representative sample of families between 1976 and 1997. The most current data that I have is from the March 1998 Current Population Survey, which measures child support receipt in 1997. This means that my analysis only examines the immediate effects of the 1996 child support enforcement reforms. But it also means that I have more than enough data to examine the impacts of earlier child support reforms, such as the voluntarily in-hospital paternity establishment program.

From these data, I find that never-married mothers have experienced a dramatic increase in their child support receipt rates and that the child support enforcement program has been the primary factor contributing to these gains.

## NEVER-MARRIED MOTHERS HAVE EXPERIENCED DRAMATIC GAINS IN RECEIPT OF CHILD SUPPORT

As figure 1 shows, only 4 percent of never-married mothers received child support in 1976. By 1997, the percent of never-married mothers who received child support had increased nearly five fold, to 18 percent. That means, of course, that only about one in five never-married mothers receives child support today, but that is dramatically higher than it was in 1975 when Congress enacted Title IV–D of the Social Security Act, establishing the current federal/State partnership in child support enforcement. Child support is now a possibility for children born outside of marriage; 25 years ago it was not.

## HOW MUCH OF THE RISE IN CHILD SUPPORT RECEIPT CAN BE ATTRIBUTED TO CHILD SUPPORT REFORMS?

Six child support policies were examined in this analysis (figure 2). These policies were selected because they reflected key reforms in each of the major federal efforts to improve child support enforcement. As figure 2 shows, a few States experimented with each of these policies prior to their federal enactment (except for the $50 pass-through), but it was not until the U.S. Congress mandated their adoption that most States undertook these reforms. For example, a dozen or so States had experimented with a voluntary in-hospital paternity establishment program prior to its federal enactment, but once this program was federally mandated every State adopted it. The new hire directories is another example. About 10 States had implemented a State-wide new hire directory before the 1996 reforms, but by 1998, when my data ends, nearly all had enacted legislation to implement a new hire directory.

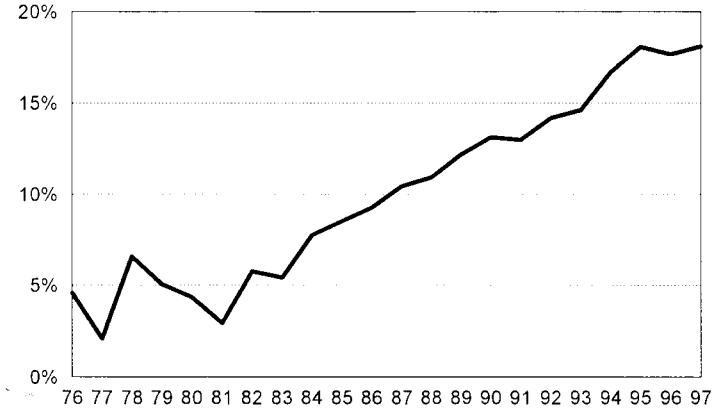
We estimate that these six child support policies, in conjunction with the increase in IV–D expenditures, explains over half of the rise in child support receipt rates for never-married mothers.

Particularly effective for never-married mothers has been the voluntary in-hospital paternity establishment program. We estimate that this program alone increased the likelihood of never-married mothers receiving child support by 2 percentage points, explaining about one fourth of the impact of child support on never-married mothers. Earlier reforms that are also found to be effective are immediate wage-withholding, the tax-intercept program, and presumptive guidelines.

The new hire directory program has had a positive effect on receiving child support for never-married mothers, but these effects are not yet statistically significant in my analysis. Given the impact of earlier reforms on child support receipt rates, I am quite confidence that the new hire directories will have a statistically significantly positive effect in the future.

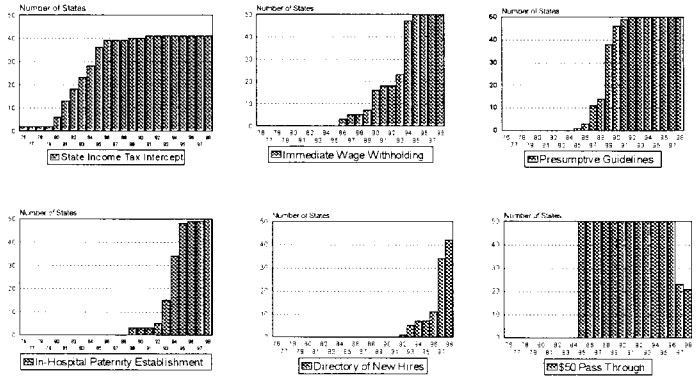
These data show, without a doubt, that the federal and State governments have succeeded in increasing the likelihood of never-married mothers receiving child support.

# Figure 1: Percent of Never Married Mothers Receiving Child Support




Source: March Current Population Surveys 1977-1998

# Figure 2: Trends In Child Support Policies




Source: Authors' review of state statutes, supplemented when necessary by information from legal and policy staff at state child support enforcement offices.

—

Chairman JOHNSON of Connecticut. I thank the panel for your presentations. They certainly were very, very interesting, and it is very encouraging to see how carefully you have implemented some of the new tools and some of the dramatic results that you are getting.

And, Dr. Sorensen, I assume that not only will new hires gradually show up as a much more significant tool in your charts, but also that the financial management—the matching of financial data will prove to be a very powerful tool, as well as the driver's license approach. Until the testimony of the Secretary, I really hadn't realized that the passport withholding possibility had made such a difference, although in Connecticut, where there isn't an awful lot of international travel associated with international trade, that is interesting that it has been such an important tool.

The issues that you all raise are really manyfold and I appreciate your testimony. Let me get back to my first question. It is always hard. You know, you have the first question at the beginning, you have the presentations, and then you have heard lots of other people.

I wanted to go back to the new hire reporting and the fact that Minnesota has been so much involved in this. Did you privatize your new hire reporting?

Ms. KADWELL. Madam Chair, yes, we did. We have privatized it.

Chairman JOHNSON of Connecticut. And by that, exactly what do you mean?

Ms. KADWELL. A private vendor—in our case, it is Policy Studies, Inc.—actually takes the reporting from the employers. They do it by a number of different means, whatever means the employer wants to use, whether it is electronic or fax or whatever, gets it to the new hire center, which compiles the data, sends it to us, and we match it against the child support data on our system.

Chairman JOHNSON of Connecticut. And what is the advantage of this through a private vendor as opposed to the State?

Ms. KADWELL. I think I would say that at the beginning the advantage was in simply being able to contract the service and have somebody do it. As you know, we have had a number of different initiatives to initiate over the past several years, and it was nice to be able to say, "Here is your piece. You go do it."

But I also think that what happens when a State privatizes various functions is that we get the benefit of the external knowledge and experience that that private vendor has. And that is particularly useful. We also privatize the front end of our State disbursement unit, the receipting function in our State disbursement unit. And we found that to be very valuable because, again, we get the benefit of what the private vendor brings to the table.

Chairman JOHNSON of Connecticut. In Virginia, Mr. Young, as I understand it, Virginia has opted for this family first distribution system. Could you discuss that a little bit more?

Mr. YOUNG. Yes, ma'am. Virginia, even when the Federal reimbursement did away with being able to count the disregard back—this Federal portion of it, Virginia stayed with it and we still dis-

regard the first $50. We have also enacted family first distribution in the State. Yearly it costs the State of Virginia in, if you will, unearned, nonreimbursement for that around $4.8 million. And we have stayed with it as our contribution.

Chairman JOHNSON of Connecticut. So, then, does the family get paid arrearages first?

Mr. YOUNG. Yes, ma'am.

Chairman JOHNSON of Connecticut. And that was sort of a one-time cost of $4.8 million?

Mr. YOUNG. Yes. That is the average cost per year.

Chairman JOHNSON of Connecticut. And, Ms. Smith, have the banks had trouble—had you had any problems with the banks in implementing the data match system?

Ms. SMITH. No significant problems. We have worked with them from the very beginning when the idea was first being developed. We put together a committee of small banks and large banks, and the different-sized banks had different concerns. They worked very closely with the Commissioner of Revenue.

The Department of Revenue already had relationships with the banks by virtue of receiving Form 1099 information and serving tax levies on bank accounts. So we had a prior relationship to build on. We were very mindful of making sure that the process for them was as simple as possible, and that it had some flexibility for the different sized banks and the way that they operated to accommodate those needs.

And, in fact, we have had clerks at the banks tell us that they much prefer the child support levies over the tax levies. We think that is perhaps because many of the clerks either are owed child support or their daughters are owed child support. [Laughter.]

But it has been a popular program. From the beginning the banks have recognized that Massachusetts is a State that has a very strong commitment to strong child support enforcement. It wasn't an option for them to say, "We are not doing this." The question was: how can we do this in a way that will work effectively for us? We have been very pleased with the results.

Chairman JOHNSON of Connecticut. Do you know how important the new hire bank is to Massachusetts?

Ms. SMITH. New hire reporting system?

Chairman JOHNSON of Connecticut. Yes.

Ms. SMITH. It has been very important. We have been implementing it since about 1993, along with Virginia. And we have been working to incorporate the new hire information that we receive from the National Directory of New Hires. As Assistant Secretary Golden mentioned earlier, one of those Massachusetts cases was on our 10 most wanted list.

We had not been able to find him anywhere, no matter where we looked. The national new hire data identified where he was working in Idaho, and we brought him back and held him accountable.

Chairman JOHNSON of Connecticut. So one gives you very much more power in State, and one gives you much more power interstate.

Ms. SMITH. Right.

Chairman JOHNSON of Connecticut. Does Massachusetts use the driver's license suspension?

Ms. SMITH. We haven't been using that as much as some of the other remedies. But when we first started implementing it, we sent out notices to everybody letting them know that this remedy was in the works. And we literally got more than $1 million in checks in the mail, by return postage. And we had one person who showed up with a check for $26,000, saying, "I don't think I want to lose my license to practice plumbing."

We basically use it as an incentive to encourage people to enter into payment plans. We have had to revoke very few licenses.

Chairman JOHNSON of Connecticut. Do any of you have any idea of what the combined effect of all of these tools has been on your State's total collections vis-a-vis the total amount owed? In the national data, Dr. Sorensen was saying that we have made big progress in the never-married, but we are only up to 18 percent. With such really dramatic new tools that are having such a big effect for you, what progress are you making toward the goal of 100 percent payment of child support obligations?

Mr. YOUNG. In the last 2 years, as the first chart I had up showed, around a 20 to 25-percent increase has been achieved. I can tell you, I don't think we will ever get to 100 percent, not to be a fatalist, but I don't think we would want to live in a society that could achieve 100 percent. It would be pretty draconian.

But with the passport, the driver's licenses, in Virginia we have started booting cars, where you put the mechanical device on one of the front wheels and the car won't move, it is all coming together. There is no doubt about it.

And I want to just take a minute to talk about the synergy that we are seeing that I don't think you want to lose that momentum. You have passed the legislation. You have made the mandates. You gave us the mission. And the team has been formed and is doing well, and I think you are seeing the results in each one of these States. And any of the other 47 or so States could come up here and do the same thing. Some are doing better than others.

I don't think you want to disturb that relationship with the Internal Revenue Service. And you didn't ask me that question, but I am going to answer it anyway, if you don't mind. [Laughter.]

Chairman JOHNSON of Connecticut. That is a very good point—that each collection tool has certain strengths. I mean, just threatening driver's license——

Mr. YOUNG. Well, that is right.

Chairman JOHNSON of Connecticut [continuing]. It is the synergy.

Mr. YOUNG. Tactically, you are going to lose your momentum that you established. Number two, it would result in a fractured effort, no doubt about it. We would end up passing a case to another agency, and then you lose the cohesiveness of having, if you will, child support workers working the case. Is it in the tax court? Is it in the judicial court? It reeks.

You correctly said it is more than just collecting money. This is not an impertinent comment. I don't see the IRS providing emotional support, nor do I expect them to. [Laughter.]

I have paid my taxes, as you have, for many years. All they want is your money. They don't provide fatherhood or anything.

Mr. CARDIN. I guess you haven't heard we have made it a much friendlier place.

Mr. YOUNG. Yes, sir. [Laughter.] We still had to pay our taxes, though. [Laughter.]

Chairman JOHNSON of Connecticut. You say collections in Virginia are increasing 25 percent a year. Do you have any idea, you know, how this enforcement system interfaces with the rest of the system out there, and what percentage of support payments children in Virginia are receiving?

Mr. YOUNG. Right now, children in Virginia on current support receive 48 percent, which is not bad. It could be certainly better than——

Chairman JOHNSON of Connecticut. It is better than it used to be.

Mr. YOUNG. It is better than it used to be. And so I attribute that to the synergy of all of these tools coming together, whether it be the threat of driver's license revocation, the denial of passports, as you see in the Federal prosecution of the last chart I showed, the ultimate of having to take someone into court and deprive them of their liberty.

I submit to you that it is all coming together, and it is coming together in multitudes of about 10 to 15 percent a year, and that is a guesstimate. But I think you will see, if we stay the course, if we stay with the organization, if we stay with the relationship—these tools are there. I don't need a lot of other tools.

Personally, I don't think—I have got enough tools in the toolbox or weapons in the armory, if you will, whichever way you want to look at it. I just needed to automate them. I needed to bring them to bear on the right population, and it is happening throughout the United States.

Ms. KAISER. Madam Chairman, if you would like another State perspective. We are pushing on 60 percent of current support right now, and I think that is good. I think we can get maybe another 10 or 15 percent in there, as we get more experience and more time under belt, get our systems fully—work all of the bugs out.

Current support is the best measure of success. Some of those arrears are pretty questionable. But current support is a focus, what we are not getting, and what we need to focus on now is the deadbroke dads. There has to be a better way to build capacity among our poorest dads to be able to fully shoulder the responsibility that comes with bringing a child into the world, financially and emotionally. And I am not satisfied there is not a lot more work to do there.

Chairman JOHNSON of Connecticut. One last question before I turn to Ben. On the issue of this sort of total, you know, do we know much about the people who are in the system as nonsupporting parents, but actually are either unemployed or in jail? Do we know what percentage of the whole that represents?

Ms. SORENSEN. Well, again, I don't just look at the IV–D program; I look at the whole universe. And there are about 10 million noncustodial parents, and about a third of them are low income. They have income—either their family is impoverished or their own earnings are quite low, they are below the poverty threshold for a single person.

A lot of them are in prison, of those who are dead-broke, if you will, or impoverished, have a limited ability to pay child support. Many of them are in prison. We estimate about a quarter of those who are not paying and have a limited ability to pay are in prison.

Chairman JOHNSON of Connecticut. So, statistically, can we find out more about that?

Ms. SORENSEN. What do you mean by——

Chairman JOHNSON of Connecticut. About, you know, who the nonpayers are, how many there are, and what income category, and maybe what number are institutionalized. Because we are, as we have referred to earlier, looking at ways to strengthen fatherhood. And I think you need to know——

Ms. SORENSEN. Who they are.

Chairman JOHNSON of Connecticut [continuing]. Particularly who the nonsupporters are, because they are the ones who are the least connected to their families.

Ms. SORENSEN. The datum that I use is a household survey, and it asks many questions of these fathers. They are self-identified as someone who has kids living elsewhere, and they are not paying child support. They admit that. And you have all kinds of information about their disabilities and about their work history and education.

Chairman JOHNSON of Connecticut. What is happening out there in terms of the relationship between the paternity identification programs and the child support enforcement? Is paternity identification in the hospital also involving any counseling? I was very interested that you testified that once a year you send out a Statement to the noncustodial parent about what they owe and presumably what they have paid.

Is anyone—in any of your States, are you making any effort to coordinate or integrate paternity development with financial planning, with education as to what your obligations are, and how are you going to—what the consequences are of not meeting them, and how you could be helped to meet them?

And are many of the child support enforcement agencies beginning to treat, in a sense, the nonsupporting parents like adults, and send them these Statements and try to make this a more predictable, understandable, and businesslike relationship?

Ms. SMITH. In Massachusetts, we are working with a variety of those representatives from a wide variety of State agencies that serve children and families to get them to focus on responsible fatherhood initiatives so that there are other avenues for conveying that information, not just through the Child Support Program, but through the health workers, the street workers who are working to combat gang violence, through the faith-based communities. And we've also started working with the county houses of corrections and the Department of Correction in the prisons.

The thing that's been really amazing is the enthusiastic response that all of these agencies have had. It's as though they haven't thought of fatherhood for 30 years and suddenly the light is going on. Everyone is generating a great deal of energy to look at changes that they can make in their agencies.

One of the things about the nonpaying population that I would mention is that for many of them we don't know where they are.

So it's hard to do a very thorough data analysis if we don't know where they are. Even in the prisons, many of the men don't identify themselves as fathers. So what's happening with one of our task forces for the Governor's commission on responsible fatherhood is that the houses of correction and the prisons are starting to do systematic surveys and inquiries to identify the men in the population who are fathers.

Certainly we find, when we take the cases to court, that a significant number of the fathers of the children receiving public assistance are incarcerated. We're starting to work with training programs and fatherhood initiatives that we can do while the men are literally a captive audience to try to prepare them for a successful transition back to the community. It takes a long time to get all these programs to actually have the rubber meet the road, so to speak, because there is a lot of work in program design and building the collaborations and identifying what it is that most affects strategy.

I think that one of the most promising effects of welfare reform is not just that the caseloads are going down and the child support collections are going up, but that State agencies are looking at these problems in a radically new way. They are looking at families in a holistic manner, rather than saying that a family is just a mother and a child. They recognize that the father needs to be a part of the equation.

And we think that the men are ready to step up to the plate, for the most part.

Chairman JOHNSON of Connecticut. Ms. Kaiser.

Ms. SORENSON. I just wanted to briefly say a little more negative of a comment is it seems that the golden moment that we have of paternity establishment we haven't taken full advantage of. And we have paternity establishment in place, but if a family decides not to establish paternity, that's the end, typically, in most States, the institutional structures, that's the end of their conversation. And so, as—I mean, initially, we've have a lot of paternities established and there's been a glow of increases in paternity establishment, but that's going to level off and there's still going to be a lot of families who are not establishing paternity.

And the question is what are you going to do with those families? And, right now, in most States that I am aware of, there's no effort to reach out to those families in some way, to ask them why aren't they establishing paternity. Can we help you get there? And so I think you can build on that golden moment at the time of birth and build more structural supports for nonmarital children than exist at this point, especially in the general structure of the program.

There are a lot of innovations in terms of pilots and efforts—or not a lot, but there's a number in Massachusetts and in all of these States, they have pilots and they're trying different things. But the typical case still is not addressed. They're still—if you don't establish paternity, that's the end of it and child support doesn't come back to you until you ask for TANF or ask for help to find the father or whatever.

Ms. KAISER. Madam Chairman, I would disagree with that assessment. I think, as with most of my colleagues, we are trying to

find a way to bring the fathers in. It's time to bring them on in and become part of the circle.

In-hospital paternity establishment is often the first time we come in contact, but certainly not the only place that we're out looking for them. Maryland has a number of innovative fatherhood programs that I'm sure you've heard testimony of before, including Young Fathers, Responsible Fathers. And you'll hear testimony probably later today about these programs where we identify fathers of children who have a variety of social ills. The connection to the child, however, is a driving social force that can motivate folks to change their lives, to become responsible people.

The love we have for our children, however deep it might be buried, is a motivator bar none. And so we are all experimenting with ways to expand the ways we draw fathers in because we are programs about families. And that's what distinguishes us from the IRS; it's not just about money. We're about families and we're appropriately housed, to take a word from our sponsor, in social service agencies.

Chairman JOHNSON of Connecticut. Thank you.

Ms. KADWELL. Madam Chair, could I just add two quick points. One is that the Federal office does have grants available—has had grants available to States to connect child support with other community-based agencies such as Head Start and Child Care. And several States, including Minnesota, are using those and I think it goes to the point of how do we get to families after the birth and after they've left the hospital after their 24- or 48-hour stay or whatever it is. And we need to find ways to reach out. Those collaborative grants are helping in Minnesota to find families out in the community in settings that are more friendly to them than child support has historically been.

The other thing I simply want to highlight is a program in Minnesota called Dads Make A Difference that has been replicated in other places in the country. The goal of that program is to go into schools and teach kids before the pregnancy occurs, before they grow up and become moms and dads who are not satisfactorily taking care of their children, to educate them about the role of dads and moms in raising kids and things like that. So I think the further we push this back in children's lives, the better off we're going to be in terms of stemming the tide of births to unmarried parents.

Chairman JOHNSON of Connecticut. Ben.

Mr. CARDIN. I thank you, Madam Chair. Let me share an observation that the Chair and I talked about on the way to our last vote. And I think the testimony here has really reinforced that. And that is that, partially as a result of what Congress did in 1996 and certainly as a result of the work that those of you at the State level have been able to do over now many years and the cooperation that we have received from the private sector, we've had a cultural change in accepting and not accepting parental responsibility.

It reminds me of the problems we used to have with people who would drive an automobile under the influence. And we sort of tolerated that; we protected our friends and employers protected their employees. No longer today do we do that. And it seems to me the same thing's happening for those who are not living up to their parental responsibilities.

I was very impressed by the cooperation that you're receiving from employers. They're not trying to hide their employees; they're trying to bring their employees forward to carry out their parental responsibilities. And I'm impressed by the cooperation you're receiving from financial institutions who always hide and want to be protective of their financial records because they don't want to offend their customers. But, as I understand your testimony, Ms. Smith, they're actually taking your information and going through the work for you, matching it for you, and helping you.

Ms. SMITH. And we don't pay them.

Mr. CARDIN. That's very unusual for bankers. [Laughter.]

Mr. CARDIN. Very unusual. There's a change out there. There's no question about it. And that's certainly very, very beneficial to all of us. So I just really wanted to State that, because I may ask questions to see how we could do better and we can always do better. I agree with Mr. Young, we don't want to be at 100 percent, we don't want those types of policies in our society. But we do want to make sure that we strive to determine paternity every place that we can and that we collect the support that should be paid by parents today who are not paying that support.

Now I noticed in Minnesota that you have a very high participation by employers in the new hire database, but you have some employers who don't.

Ms. KADWELL. Yes.

Mr. CARDIN. And I'm curious, what do you do with those employers that don't cooperate?

Ms. KADWELL. Mr. Cardin, what we did most recently is have the Department of Revenue send them out a little notice. In other words, we matched—this is in my written testimony—we matched against the Department of Revenues employers against the new hire, the ones that aren't reporting their new hires and sent out a notice and said, you are not participating in this program. We need to bring you in somehow.

We're starting with the soft approach. As you know, there are sanctions in the law for employers who don't cooperate. We, as usual, will begin with the softer approach and, if that doesn't work, we will sanction them because we need to have the full cooperation of all of our employers.

Mr. CARDIN. I guess it's too early to tell whether the soft approach will work or not.

Ms. KADWELL. I think that's correct. I think, again, as you know and as is evident from all the testimony this morning, employers themselves have been called on to do a number of things. I believe, as I said earlier that—and as you heard from other participants on the panel—that employers are coming into the fold, they are realizing the contribution they make. I think as a whole, they want to make those contributions and do them in a positive way. But this is a partnership. We have to work with them. And the best way to get them involved is to have them understand the contribution that they're making. That takes time, obviously, and I'm pretty convinced we'll bring them all along.

Mr. CARDIN. But there's obviously continued interest here so, as you get more and more experience on this, I would very much ap-

preciate keeping our staffs informed as to the success that you're having or the difficulties that you're having on the new hire.

Ms. KADWELL. Mr. Cardin and Madam Chair, I would be happy to do that. I know we all would. We're excited about what's happening in child support. We've seen the same kinds of collections you heard from other members of the panel and the same kinds of difficulties. And so we're all looking to figure out—I think the other thing that's happening out there because the systems are fairly new, we're just beginning to realize the capacity of these systems for giving us good data. And so there's a new question that pops up every hour, I think, in our office in terms of how could we figure this out; what's another way that we could examine these various issues so that we do learn more and can target not just our enforcement mechanisms, but our whole approach to parents, based on data that are good, reliable data.

Mr. CARDIN. And, Ms. Smith, if I understand, you're getting general cooperation from financial institutions, but are there some that are being difficult?

Ms. SMITH. No. We haven't had any particular cases to focus on because of resistance. Again, I think it's because we were very systematic about going to each financial institution, holding meetings with them as long as was necessary, to work out the details. I'm not saying that there are not a few who have failed to honor the levies, but under Massachusetts law if a bank doesn't honor the levy, the bank is liable for the amount. So there's a strong financial incentive and they have lawyers who tell them if you don't honor the levy, you're going to have to pay for it. And, there's nothing to argue about that. That's basic property law.

I wanted to comment on something that you mentioned earlier about the cultural change. That is that there seems to be data coming out that a strong child support program actually does have an effect on reducing out-of-wedlock childbearing and strengthening marriage.

Massachusetts has one of, if the not the lowest, divorce rates in the country. We also have one of the lowest out-of-wedlock birth rates in the country. We just brought that number down even more and now we're one of the recipients of the $20 million bonus for being one of the five States with the greatest reductions in the out-of-wedlock birth rates since 1997.

We really do believe that our high visibility in the community, the amount of attention that we've gotten in the press and in the legislature, and the very strong support from both Governor Weld and now Governor Cellucci, all make a difference. When I go to meetings and I mention I'm from the Department of Revenue, I mean, it's very often that people kind of pull in their breath.

And then we say, well, no, we're here to work with you. We're going to be very tough, but we believe that a carrot to bring the fathers in is not going to be effective if you don't also have some fairly strong sticks behind you. You really do have to do the two together. We are now ready to start looking at the cases that we have to do on an individualized basis, now that we have so many of the automated systems in place. There's much, much more work to be done, but I think we've made extraordinary accomplishments in the last 5 years.

Mr. CARDIN. As I understand it, Virginia's had the New Hire Program in for some period of time. What happens with the employers who don't cooperate?

Mr. YOUNG. I was going to comment that we have 52 assistant attorney generals that work for us and they're stationed around the State of Virginia. I usually ask them to go see the employer and find out what the problem is. Not as a heavy handed way, but we usually find that employers who do not do new hire reporting similarly do not turn in their quarterly wage withholdings from their employees because they're having financial difficulties.

And so one problem usually is compounded by another and we find that to where we say, not only are you not doing this, you're not doing that. And the poor payroll clerk's trying to send out income withholding; she's trying to do her job, generally speaking, and the employer, he does not have the cash flow or is skirting the banking laws, the Social Security laws, the new hire laws. And so when we find that employer—we have 157,000 employers in the State of Virginia. I was surprised at the massive number of that.

And so, like my counterpart from Minnesota, we don't go out with an indictment in hand, but we certainly go out to say, if you're not doing this, you're probably not doing Social Security; you're probably not paying your taxes; what is wrong with this picture? To get their attention in a holistic way. And we've only had three people we've had to do that with. And we kind of publicized it a little bit, that said, you have a social and you have a professional responsibility if you're an employer to take care of your employees. And if you betray that trust on the front end, how do you expect them to work for you? And it works very well.

Mr. CARDIN. Good. On the license suspension in Maryland, I know the success that you're having. I really do compliment our State on the way that you've handled that. It's interesting. As I understand the program, there are certainly far fewer suspensions than people who receive notice of suspensions. As you point out, you would have two alternatives. You can, of course, pay. There's also the limited license that can be issued. How many licenses are actually suspended? Do you know on the percentages?

Ms. KAISER. I believe the last figures I saw were a little over 6,000 and there were 100,000 and some licenses that were threatened at that time, so that number actually suspended are quite few compared to the overall universe. Most people are motivated to pay at the time they begin receiving the notices and know that we're serious about them.

Mr. CARDIN. So we're talking about maybe 5 percent of the actual notices that are sent out.

Ms. KAISER. Yes.

Mr. CARDIN. One final point. Dr. Sorenson, I'm looking at—and it is a pleasure to have you testifying before us on the progress that we've made. As you know, we record our testimony. So we'll play it back to you at other times. [Laughter.]

I obviously have looked at your tools that are available for child support policy and had been intrigued by the last that has been given up on so far and that is the passthrough with the $50. And I noticed—and I'll compliment Virginia, if we're still maintaining the $50 passthrough.

It has been looked upon as a tool to help child support enforcement that, if the noncustodial parent knows that the money is actually going to the child, the parent is more likely to want to pay the money. But if they think the money is just going to government, the motivation is certainly not quite as great. So I'm curious as to your observations on that.

We made it voluntary to the States. Some States still have passthroughs, but most are starting to—most do not allow passthroughs. Whether this would be helpful if we could try to get some policy back on the passthrough issue?

Ms. SORENSON. In the data that I have on the first figure, you'll see a flattening out of the rise in the percent of never-married mothers receiving child support and I think part of that is the $50 passthrough being eliminated. Moms aren't receiving child support on TANF as they were and the incentive measure, although there's not real strong—you have some evidence from some of the States; there's no national evidence of the incentive effect. But it certainly just makes basic common sense, as you said, that people want their money to go to their children.

And, as others here can also testify to, now that TANF is time limited, there's such a short window which they are on welfare, getting them used to having child support as one of their sources that they're going to have when they get off and having them receive it while they're on, it makes for them to learn how to budget with the amount of child support they're going to be getting once they're going to get off. And so, in that way, treating child support different than we have does—and thinking about how do it, makes a lot of sense to me, given the time-limited nature of TANF at this point.

One suggestion that others have made that seems useful to think about and that is treating child support income as we treat earned income in the TANF program. And that seems like a sensible approach, one to think about in allowing States to decide how to disregard child support in their determination of benefits for TANF recipients.

Mr. CARDIN. Thank you.

Thank you, Madam Chair.

Chairman JOHNSON of Connecticut. Thank you very much. I thank the panel for your excellent testimony and look forward to continued contact with you. I think the issue of synergy is going to fascinate us all and inform us all. So thank you very much.

I'd like to call up the next panel. Barbara Saunders, the assistant deputy director of the Office of Child Support Enforcement from the Ohio Department of Human Services; Alisha Griffin from the New Jersey Division of Family Development; Hon. Robert Leuba, the chief court administrator in Connecticut; Terry Cady, the senior vice president of the Bank of America; and Robert Doar, the deputy commissioner and director of the Office of Child Support Enforcement of the New York State Office of Temporary and Disability Assistance.

We'll start with Barbara Saunders.

**STATEMENT OF BARBARA L. SAUNDERS, ASSISTANT DEPUTY DIRECTOR, OFFICE OF CHILD SUPPORT ENFORCEMENT, OHIO DEPARTMENT OF HUMAN SERVICES**

Ms. SAUNDERS. Hi. Thank you for the opportunity to share today Ohio's successful Paternity Enhancement Program. I'm Barbara Saunders. I'm the assistant deputy for the Office of Child Support within the Ohio Department of Human Services. And I provided the Subcommittee with some written testimony which I hope you all take the time to read about our program.

I have also provided you with a one-page synopsis that I think pretty dramatically points out the success of this program when we enacted the changes from the Personal Responsibility and Work Opportunity Reconciliation Act. In State fiscal year 1997, we established 37,000 paternities and by State fiscal year 1999, we established 61,000 paternities in Ohio, which is a dramatic 63-percent increase in paternities established. Very simply put, we feel that the Personal Responsibility and Work Act in the area of paternity actually revitalized and revolutionized our paternity establishment program in Ohio.

The act allowed Ohio to more fully partner with local hospitals, with the vital statistic registrars, with local child support enforcement agencies; to provide a uniform and nonintrusive way for fathers to voluntarily admit paternity. The act allowed Ohio to provide fathers with the necessary information to make informed decisions about paternity establishment and the obligations that they are signing on to. A lot of doubters told us that if you gave fathers too much information, they were not going to sign. In Ohio, our results, I believe, dispell that myth. Dads want to be a part of their children's lives and they're proving that in Ohio every day in our paternity program.

This act allowed us for the first time ever in Ohio to establish more paternities than there were out-of-wedlocks in the last year. It is so nice, for once, to be way ahead of the curve in that area. It makes the staff and all our partners around the State feel really good about the programs they've enacted.

It also allows for us as a State and a county-administered State at that, to begin to plan for the day when our child support enforcement agencies are actually going to be put out of the business of establishing paternity. And, then, if they're put out of the business of establishing paternity, they can take those limited resources and put them to work establishing orders or enforcing and collecting support.

In Ohio, we collect $1.6 billion every year. If we move those resources who were formerly establishing paternity into the collection and enforcement category, I believe over the next couple of years, we'll see a significant increase in collections just because of that.

And, finally, I really think that this act allowed us in Ohio to begin to plan for the day when every child in Ohio has a legal father within 24 hours of their birth. While several years ago I don't think we would have ever considered that idea, it's there before us and that's the goal that we have in our State, with our program.

I want to thank the Subcommittee for the work they did in bringing us this portion of the act.

[The prepared statement follows:]

**Statement of Barbara L. Saunders, Assistant Deputy Director, Office of Child Support Enforcement, Ohio Department of Human Services**

Mme. Chairman and members of the Subcommittee on Human Resources of the House of Representative Ways and Means Committee.

I am Barbara L. Saunders, Assistant Deputy Director for the Office of Child Support in the Ohio Department of Human Services (ODHS). I have overseen the successful Ohio Paternity Enhancement Program/Central Registry since its inception in January of 1998.

Paternity establishment is a cornerstone of a successful child support program. Establishing parentage at birth means a greater probability of a continuing relationship between the father and the child and will have the long-term effect of putting child support enforcement agencies out of the business of paternity establishment, which will give them more time to concentrate on creating and enforcing support orders.

Ohio's Paternity Enhancement Program/Central Registry (PEP/CR) was conceived to address some of the problems faced by children born to unmarried parents. Increased vulnerability to poverty, higher drop out rates, teen pregnancy and incarceration are all real issues for these children. The long-term goal is to engage fathers in the lives of their children to provide emotional and financial support. The short-term goal is to have a method that child support enforcement agencies can use to establish paternity and obtain support orders so those fathers are partners in supporting their children.

BACKGROUND

ODHS recognized the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (commonly known as the Welfare Reform Act) as an ideal springboard for child support reform. By establishing paternity at or near birth, fewer parents will rely on the child support agencies for this service, eliminating the delay in establishment and beginning the legal father/child relationship sooner in the child's life. To maximize the opportunity, ODHS sought a partner with experience in establishing and maintaining a central paternity registry. Policy Studies, Inc. answered the request for proposal and received a three-year contract to run the Paternity Enhancement Program/Central Registry (PEP/CR).

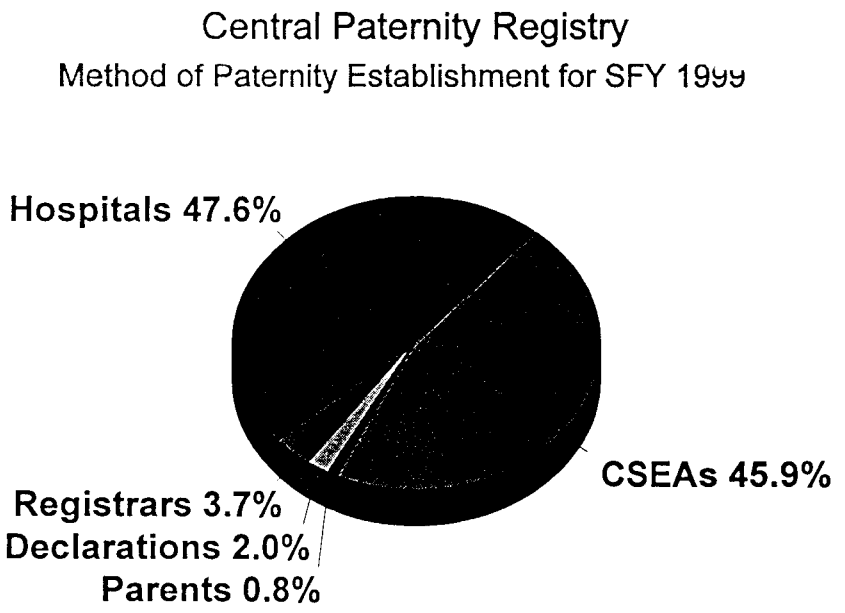
As of January 1, 1998, because of Ohio HB 352, parents may voluntarily establish paternity at the hospital (at the time of the child's birth), the local registrar's office (health department) or at a child support enforcement agency. This voluntary process is a non-intrusive, economically sound option for parents who do not desire genetic testing and wish to establish the biological father as the legal father of their child. Collaboration with hospitals and local registrars is key to the success of this program.

Voluntary paternity affidavits from all sources are sent to the PEP/CR, which is located in Columbus. All other documents which establish paternity, such as administrative orders from county child support enforcement agencies (CSEA) and court orders, are also sent to PEP/CR. All documents are reviewed and entered into a database.

This data is downloaded to the State of Ohio twice a week, becoming available to the CSEAs within a few days after processing. This information assists CSEAs in their casework by allowing them to know when paternity is established and a support order can be created. For the first time, all paternity information is collected into a central repository and therefore available to the front-line workers who need it to effectively work their caseload.

RUNNING THE PATERNITY ENHANCEMENT PROGRAM/CENTRAL REGISTRY (PEP/CR)

To start-up the program, PEP/CR trained and provided materials to the State's 139 birthing hospitals and 141 local vital statistics registrars. The 88 county child support enforcement agencies and 88 juvenile courts were also trained about the new legislation and the role of PEP/CR.

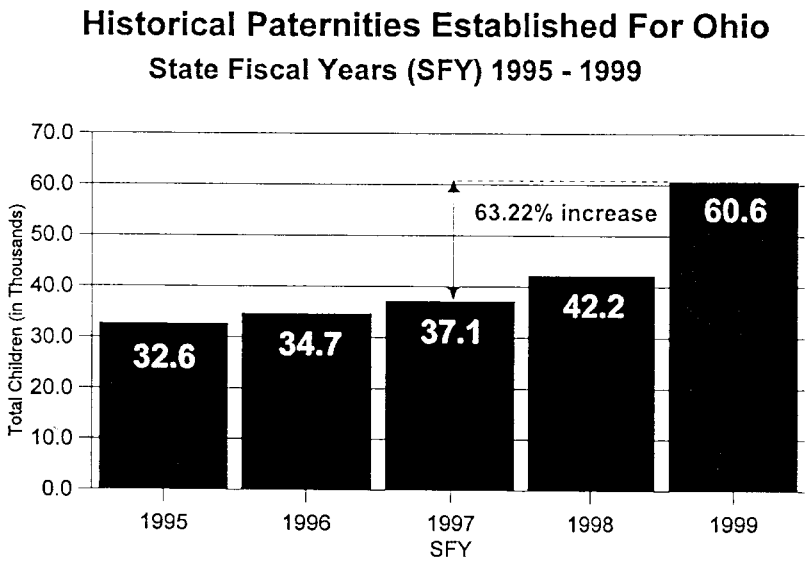



To support this program, PEP/CR developed many resource materials. Reference manuals were distributed at the training sessions for ongoing support. A Spanish translation of the voluntary affidavit was provided to the partnering agencies as a reference to the legally acceptable English version. A training video for new staff was sent to hospitals and local registrars. In addition, these agencies are encouraged to let PEP/CR know of staff turnover so training can be done in person or support given over the phone.

To succeed, parents must be aware of this program. Ideally, they will learn about paternity acknowledgment before the child is born, allowing them to make an informed decision beforehand. To serve this goal, PEP/CR developed and distributed several educational and informational materials. An informational brochure, printed in English and Spanish, was distributed Statewide. A parent education video explains the process and the options for establishing paternity. This video, in English and Spanish, is often used by hospitals to play in the birthing rooms. Public service announcements for television and radio were distributed Statewide. Two approaches were used to appeal to different audiences. The rap video, "He's My Dad," was nominated for an Emmy award and won a Telly award. The dramatic "Wish" video (available in English and Spanish) won an Emmy award. Informational brochures and posters appear at all of our partnering agencies as well as many other outlets such as doctors' offices, WIC programs, GRADS (high school) programs and other outlets for reaching unmarried parents.

One key element of the PEP/CR has been the toll-free hotline. The widely publicized hotline answers questions from all sources, parents and partnering agencies alike. Callers appreciate having one knowledgeable resource for their questions, and PEP/CR works with ODHS and the Ohio Department of Health (ODH) to assist callers in difficult situations.

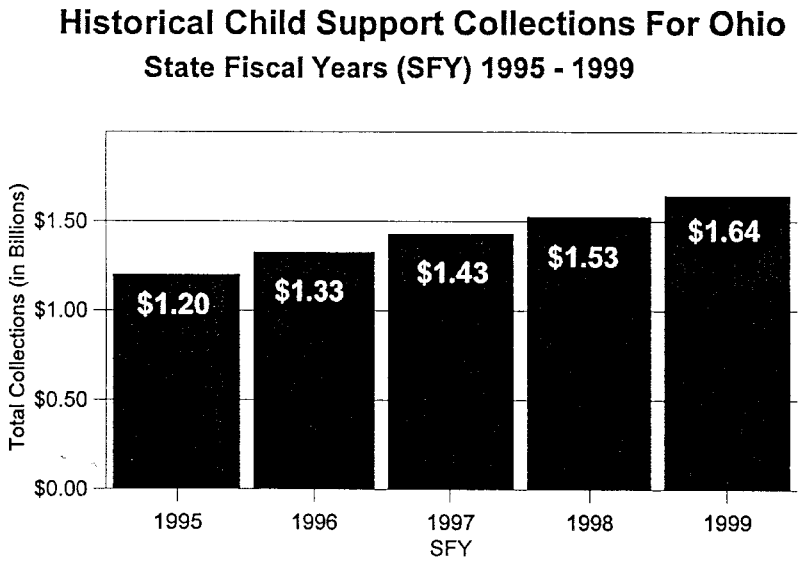
Continuous outreach efforts allow PEP/CR to maintain face-to-face contact with the partnering agencies as well as to establish new relationships with other organizations that serve unmarried parents. These visits provide the opportunity to uncover questions and issues that may not have arisen otherwise. Follow-up training occurs on these visits as needed.




An important element in Ohio's successful paternity program is its procedure for handling rescissions. Parents have 60 days after signing the voluntary paternity affidavit to rescind it. In some States, a parent can rescind and simply walk away from the situation. In Ohio, the request for rescission is also a request for genetic testing, thereby assuring that efforts are made to establish the correct father as the legal father. Since approximately 82% of the test results show that the rescinding father is indeed the biological father, this process keeps many biological fathers from leaving their children without legal fathers.

ACCOMPLISHMENTS

- For the first time ever, Ohio established more paternities than children were born out-of-wedlock. This accomplishment occurred in 1998 and we look forward to repeating it.
- From SFY 1997 to SFY 1999, the number of paternities established increased 63.22% from 37,138 to 60,618.
- In SFY 1999, nearly half of all paternity establishments occurred at hospitals. Children are getting legal fathers at the time of birth.
- Ohio's Statewide PEP was 94% for FFY 1998.
- Total Collections for SFY 1999 were $1,644,301,991.




LESSONS LEARNED

In Ohio, we believe that Welfare Reform legislation is revolutionizing and revitalizing paternity establishment. We have seen exceptional success in the first year and a half of the program. Maintaining a central paternity registry affords the valuable opportunity to analyze demographic trends. Who is establishing paternity? Which populations have low establishment rates? How can we better reach and educate unmarried parents? We plan to maximize this opportunity to target areas of need.

We encourage other States to implement genetic testing as an automatic part of the rescission process. While Ohio's rescission rate is very low (less than 1%), by mandating genetic testing as part of the rescission process we ease a father's fear by confirming that he is the biological parent. This allows many children to retain their natural father as their legal father.

PEP/CR will continue to focus on increasing the number of hospital paternity establishments. Through continuing outreach and educational efforts, these numbers should grow, taking CSEAs out of the business of establishing paternity. Not only will this give the CSEAs more time to concentrate on creating and enforcing support orders, but it also put the responsibility for paternity establishment back into the hands of parents.

If we had just one wish, it would be that all of Ohio's children have a legal father within 24 hours of birth. Through the public-private partnerships created in Ohio's paternity program, we believe this may one day be realized. Thank you for the opportunity to share Ohio's successful paternity program with you.

—

Chairman JOHNSON of Connecticut. Ms. Griffin.

**STATEMENT OF ALISHA GRIFFIN, ASSISTANT DIRECTOR, OFFICE OF CHILD SUPPORT AND PATERNITY PROGRAMS, NEW JERSEY DIVISION OF FAMILY DEVELOPMENT**

Ms. GRIFFIN. Good afternoon, Madam Chairman and Mr. Cardin. I want to thank you for inviting us here. I'm Alisha Griffin and I am the assistant director for New Jersey's Division of Family De-

velopment and director of the Office of Child Support and Paternity Programs.

I'm here today to speak to you specifically about New Jersey's Paternity Opportunity Program. While you heard earlier about the enforcement tools and that they have had a very significant impact which New Jersey has experienced as well, we in New Jersey are very concerned and have dedicated a lot of our resources to establishing lifetime connections for children from the very beginning of our program. We implemented our Paternity Opportunity Program—it's also called POP locally—in November 1995, prior to the passage of PRWORA.

In implementing POP, we partnered with a number of our other State departments and key community agencies to implement it across a broader social context, rather than limit it to just child support, because we believed that the program's emphasis that paternity establishment benefits all children: That it gives the child the knowledge of who the father is, it accesses family history, makes connections with paternal relatives, it provides for medical history, it establishes and maintains links for inheritance and other survivor benefits, and, most of all, it creates a benefit that enables a child to grow up much more secure, confident, full of self-esteem, and a more productive member of our society.

The core component of New Jersey's POP Program is in fact the In-Hospital Paternity Program. And, through that program, a father is given the opportunity to establish that link by signing a certificate of parentage at the time of the child's birth. But we have also established multiple sites throughout our State that enable and facilitate a father's signing the acknowledgement of paternity post-birth. Local sites like registrars and hospitals and clinics and/or child support agencies so that we're not stopping at the in-hospital program. We are pushing on into the community and post-birth. In addition to that, a hallmark of our program is that we image all of our certificates of paternity and maintain them on an online database that is available and accessible to all of our child support entities throughout the State.

We are also integrating our Paternity Opportunity Program with our Comprehensive Outreach and Awareness Program, which has been focused on educating parents of the community and agencies that serve parents and children toward changing the culture and meeting the responsibility of parenting.

There's a lot of detail and charts in our written testimony and I would like to share just a few of the highlights of New Jersey's successes with you. Prior to 1994, less than 46 percent of our out-of-wedlock births had paternity established. After the first full year of our POP Program, we established paternity in 72.7 percent of those cases. It's gone up progressively each year and in 1999, it's at less than half a year in our statistics, we are already exceeding 76 percent of paternity established in all out-of-wedlock births.

Teen mothers have been a particular interest with us this year and teen mothers make up approximately 20 percent of the total out-of-wedlock births. They represent a subset of the population that has been traditionally more difficult to reach and to effect change in. POP has facilitated the establishment of paternity in 59 percent of those cases the first year (1996) and 63 percent of the

cases in this coming year that we are currently counting. So we have decided that we need to really outreach and focus differently to our teen population.

We are currently working with our family life curriculum specialists, our school districts, and with teens through focus groups to find materials and videos and other ways of reaching them to try and not only prevent parentage at the early years, but, when we do not, to establish parternity in that population, as well. And I actually brought a copy of our latest brochure, which was hot off the presses yesterday, designed by several of our teen focus groups.

Since the beginning of the Paternity Opportunity Program, over 90,000 children have had paternity established in New Jersey through the program. Families whose children have paternity established when they apply for child support move through the system much more quickly. Higher percentages of cases have orders and that number equals increased collections. In 1994, prior to the establishment of POP, both our paternity establishment rate and our order establishment rate hovered just below 49 percent.

In the first year after POP, it jumped 6 percent and it has continued to rise, to date, to 63 percent. It needs to go higher, but we're very pleased with our successes in this area. It is a program that's dependent upon partnerships with key agencies, support, monitoring, use of technology and very dedicated and consistent outreach.

In closing, as I said earlier, establishment of paternity is an important critical step that benefits all children. It has multiple social and emotional benefits. It also has clear financial benefits. It is also very important, as you heard earlier, that it is a voluntary program. It needs to tap into the desire of parents to be there for their children. We must continue to change our culture by sending clear, positive messages about lifelong commitment and responsibility of parents to their children. Thank you.

[The prepared statement follows:]

**Statement of Alisha Griffin, Assistant Director, Office of Child Support and Paternity Programs, New Jersey Division of Family Development**

PATERNITY OPPORTUNITY PROGRAM

I want to begin by thanking Chairwoman Johnson and members of the Committee on Ways and Means for the opportunity to speak about the New Jersey child support program. We regard our program as a tremendous success. New Jersey ranks 7th in the nation in collecting child support due, over $621 million was collected in FFY 1998 and in FFY 1999 we have experienced an overall growth in collections by 11% and a 27% increase in direct income withholding.

I am here today to speak with you in particular with respect to our successes in establishing paternity through our Paternity Opportunity Program.

In New Jersey, our success has depended on an investment of time, resources and in building partnerships and implementation of new technology. This increased investment has paid off tremendously. Results that we believe can be easily duplicated by other States, many of whom have visited the program and are looking at incorporating our strategies.

We chose to approach paternity establishment more broadly as a social issue, not just a welfare issue. In planning and developing outreach to parents, healthcare workers and the community, the program emphasizes the benefits for children when paternity is established, rather than the financial aspects of the relationship such as the child knowing his or her family history. It also facilitates multiple opportunities to sign a certificate acknowledging paternity. Paternity can be acknowledged at hospitals, local registrars and county child support agencies.

*I. Results*

The Paternity Opportunity Program began November 13, 1995. Our statistics demonstrate the impact of the Program. New Jersey's percentage of out-of-wedlock births to all births have stabilized. Although the past 2 years we have experienced a slight reduction.

• Prior to its inception in CY 1994, of the 32,558 out-of-wedlock births in New Jersey, less than 46% had paternity established.

• In CY 1996, the first full year of operation, 22,249, or 72.71% of the out-of-wedlock births in New Jersey had paternity established through the Paternity Opportunity Program. Post-birth Certificates of Parentage were responsible for 9% of these establishments, totaling 2,933.

• In CY 1997, paternity was established through the voluntary paternity process in 74.74% of the unmarried births, an increase from the year before. Of those voluntary acknowledgments, 2,750 or 8.8% were completed after leaving the hospital.

• For 1998, our percentages were even better. Of New Jersey's 110,103 births in 1998, 31,240 were out-of-wedlock. Paternity was acknowledged for 23,522 of these cases, yielding a 75.2% success rate. Post-hospital Certificates of Parentage were completed for 7.6% or in 2,385 cases.

• The first quarter of 1999 appears to be the start of another promising year with a 76.18% rate, already up almost a point from last year. So far this year, Certificates of Parentage were completed post-hospital in 1,689 or for 76% of the cases.

Paternity establishment within the adolescent subset has always been a more difficult area in which to effect change. Yet with the Paternity Opportunity Program we have seen similar dramatic improvements.

• In 1996, 4,104 COPs were obtained on the 6,874 out-of-wedlock births to teens, yielding a 59.7% establishment rate.

• In 1997 our teen rate went up slightly to 59.82%, where COPs were obtained on 4,735 of 7,916 out-of-wedlock births.

• In 1998, the voluntary paternity establishment rate was 61.69%, or 4,729 COPs were obtained in the 7,666 births to unmarried teens.

• The first quarter of 1999 demonstrates a continued upward trend with 1,218 COPs obtained in the 1,960 out-of-wedlock births to teens, or in 62.14% of the cases.

Not all of these children have or will be involved with the child support system but these numbers represent the larger population of New Jersey's children for whom the establishment of paternity gives them the knowledge of their father and their father's family history, medical and otherwise. It also maintains their inheritance rights and rights to their father's health insurance and veteran or social security benefits and for fathers, it establishes the opportunity to share in the milestones and be involved in decisions of that child's life.

II. *Impact of the Child Support System*

Since November of 1995, more than 90,000 voluntary acknowledgments of paternity have been obtained. The impact of this voluntary process on New Jersey's child system has been equally beneficial. As many out-of-wedlock cases now come onto the system with paternity already established.

• In FFY1994, prior to the implementation of the Paternity Opportunity Program, our paternity establishment rate for children serviced under New Jersey's child support system was 50.7%.

• In FFY1996, the paternity establishment baseline percentage for children serviced under New Jersey's child support system jumped to 55.9% and by FFY1998 it was 63%.

Over the same time period, order establishment also climbed.

• For FFY1994, our IV–D order establishment rate was at 51%.

• For FFY1996 and 1997, our order establishment rate remained fairly stable, hovering close to 57%.

• However, for FFY 1998, our order establishment rate jumped 6 points to 63%.

I will briefly explain the necessary elements for such a successful program with broad appeal to the general public. These elements include identifying key partnerships, support for those partnerships, monitoring of the partnership relationship, technology that supports and enhances them and public education.

III. *Key Elements of the Program*

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

Vital Statistics maintains and updates all the birth records in the State. Vital Statistics supervises, directs and is responsible for the Local Registrars who are also

a critical component to a successful paternity program because of their significant established relationships with the hospitals and birthing facilities in New Jersey.

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

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

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

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

B. *The Support*—The Paternity Opportunity Program provides all the support necessary to ensure success of the paternity program. This is done in a variety of ways:

The Paternity Opportunity Program staff visit the hospitals and market the idea that paternity acknowledgment is a priority, meeting with the key individuals in each hospital. Our Paternity Opportunity Program staff contact the hospitals quarterly and visit hospitals frequently to make certain that everything is running smoothly.

The Paternity Opportunity Program staff should assist birth certificate clerks by providing technical assistance with problem cases, training and retraining as needed, providing program brochures, video, posters, and a translation service, and referring their legal questions to the IV–D agency or social worker.

The Paternity Opportunity Program appoints a liaison to Vital Statistics with authority and access to ensure that decisions can be made quickly and efficiently.

The Paternity Opportunity Program provides customer service for the public through a manned toll free number, staffed 24 hours a day and seven days a week.

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

The Paternity Opportunity Program also provides technical assistance to all partners.

C. *The Monitoring*—Direct monitoring of hospital performance by the Paternity Opportunity Program staff is a critical component to the success of our program. It provides immediate feedback to front-line staff and their supervisors. Learning from successful hospitals, their best practices are shared and implemented in other hospitals.

Identification and evaluation of the hospitals that are not performing well is done and working in consultation with the interested parties to identify the cause, it is decided what changes are necessary. Very often the birth certificate clerk, nurse manager and medical records staff, working jointly, know best where the problems are and how to solve them. We decide what changes are necessary and create a performance improvement plan with target rates.

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

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

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

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

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

E. *Outreach*—We believe our Paternity Opportunity Program outreach component was instrumental in maintaining high paternity percentages on a consistent basis.

The Paternity Opportunity Program facilitates a widespread awareness of the importance of paternity establishment by striving to create a public sentiment of parental responsibility and "doing the right thing." We've expanded our Paternity Opportunity Program outreach greatly since the inception of the program. Although we concentrated on birthing facilities early on, Paternity Opportunity Program Outreach presentations are currently provided at pre-natal clinics, medical providers, WIC programs, social service organizations and other health and social service fo-

cused agencies that mothers and young families would visit. Our public outreach educates young unmarried parents, which assists them in making an informed choice.

The Paternity Opportunity Program public awareness materials, developed for New Jersey's child support program, which consist of a video tape and brochure help answer most of their questions and were developed in an easy to understand format.

Our outreach was so well received that this year, the fourth year of our program, we have stepped up our general outreach, as well as added a teen component. A contemporary teen video, PSA, brochure and poster are currently in development.

We plan to distribute these materials throughout New Jersey when we visit the schools to give Paternity Opportunity Program presentations this Fall. Our goal is to help young adults to understand that it is important to accept parental responsibility no matter what time in life they have children.

*IV. The Benefits*

The Paternity Opportunity Program has obvious social and economic benefits for the child, parents and the New Jersey Department of Human Services—and, of course, for the taxpayer. Each partner has also derived benefits from supporting the program as well.

The benefits of the Paternity Opportunity Program to New Jersey can be measured by the significant savings enjoyed by the State. A typical court ordered paternity establishment costs approximately $500, not including the costs of locating a non-custodial parent, service or genetic testing. When those costs are included, each paternity establishment may cost as much as $1000. A voluntary paternity establishment costs approximately $45. This includes all the fees, hospital payments and labor and technology costs associated with each establishment. The savings for paternity establishment for one child alone is approximately $450. When multiplied by the number of child support cases in which voluntary paternity was established in 1998, New Jersey's savings was approximately over $1.5 million.

When considering the number of child support cases in which voluntary paternity was established since the inception of the program, the cost savings is over $6 million. In addition, the child support order can begin much sooner and payments are collected earlier.

Other intangible savings to the New Jersey are of a social nature. A well-run voluntary program benefits children born out-of-wedlock by forging a legal father-child link that is essential to their emotional development and economic well-being. When a child knows who both of the parents are, self esteem is enhanced. That child may do better in school, at home and in life.

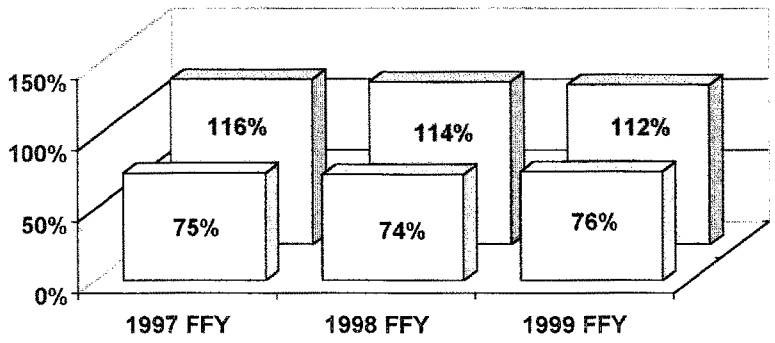
## FINAL COMMENTS

I want to make a closing point about voluntary paternity acknowledgment programs. This may seem obvious, but they have to be voluntary. We have to access the desire that most people have to care for their children. We have to send clear, positive messages about responsibility.

Thank you.

## The New Jersey Department of Human Services
## Office of Child Support and Paternity Programs

# Paternity Opportunity Program

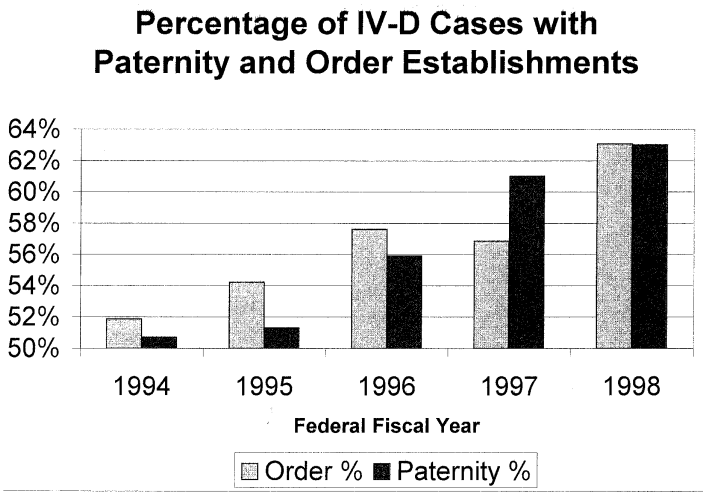



**Paternity Establishment Percentage (PEP)** is the ratio of the total number of children born out-of-wedlock and for whom paternity has been established or acknowledged during the fiscal year to the total number of children born out-of-wedlock during the preceding fiscal year. The Federal PEP requirement is 90%.

PEP for FFY 1999 is based on preliminary figures from the Division of Vital Statistics. Final figures will not be available until September 30, 1999.

**Paternity Opportunity Program (POP)** is New Jersey's Hospital-Based Voluntary Acknowledgement Program.

The POP percentage is calculated by dividing the number of hospital and post-birth acknowledgments by the number of out-of-wedlock births for the year.

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Chairman JOHNSON of Connecticut. Thank you very much.
Judge Leuba.

**STATEMENT OF HON. ROBERT C. LEUBA, CHIEF COURT ADMINISTRATOR, SUPREME COURT OF CONNECTICUT; ON BEHALF OF THE CONFERENCE OF STATE COURT ADMINISTRATORS**

Judge LEUBA. Thank you. I am particularly pleased to have an opportunity to be here, Madam Chair and Representative Cardin, to address the Subcommittee. As you know, I'm here on behalf of the Conference of State Court Administrators, which is a nonprofit organization, the purpose of which is to increase the efficiency and fairness in our State court systems.

But it's particularly pleasing to have an opportunity to be here as, if you will, a different participant in the process, the courts. And to emphasize right at the outset that the courts are an important part of the enforcement tools and the family planning processes that go on throughout the country. And I'm particularly pleased to have been included as a representative of this organization to appear and express the views of the courts. I urge the Subcommittee to continue to seek, as legislation is developed in these areas, much of which will be implemented in a court setting, input from judges and court administrators.

Now I'll start by showing you something that I'd planned to end with, which is the resolution which is the appendix to my written material, to tell you that at the last meeting of both the Conference of Chief Justices from all of the States and the Conference of State Court Administrators, this resolution was adopted as one of a few resolutions at that time urging continued support for these important programs and the inclusion of the judicial branch and the judges and court administrators in the process.

Supplementing the written material which you were nice enough to permit me to file, today I want to address Connecticut's initiatives that are funded by the grants to States for the access and visitation programs. And the focus of these programs in Connecticut is to promote a healthy and nurturing relationship between noncustodial parents and their children. Now these children come to our attention through their involvement in both child support and divorce cases before our magistrates and our judges.

But, also, before I begin to review that aspect, I understood that some of the Committee Members may be interested in receiving information on Connecticut's experience with cases in which allegations of abuse are made by one of the parties with regard to the other. Our recordkeeping system does not permit us to have statistics on this but I have specifically inquired of the judges in our State about this question. And I have anecdotal information which comes to me from judges currently sitting on family cases and also I can tell you that I sat on family cases myself in the past so that I have some information of my own.

Judges who routinely preside over family relations cases have indicated to me that they believe approximately 3 to 4 percent of the cases that actually get as far as requiring trial include allegations of physical or sexual abuse on behalf of one of the parties. I'm told by the judges that a larger percentage would be found if you consider the initial outset of the litigation. So that as much as 20 percent of cases might include allegations of abuse at the outset.

And the explanation for the difference is that people, as they work out their differences through the system, either in mediation programs or pre-trial programs, moderate their positions when they see that they need not make those accusations to get the result that they intended to achieve.

In addition, judges have indicated that over the past several years, this is a reduction of what they had previously been seeing. And I inquired as to why would it be that that figure would be going down under existing circumstances and the only response that I could get was that it hadn't been working. And if there are abuse case allegations, there are remedies which the judges have, including hearings to make determinations as to whether or not they're valid.

Turning specifically to the grants which I've outlined in my testimony that I filed in writing, we receive approximately $110,000 in Connecticut and that covers mediation services, contract services which we use for counseling, and also supervised visitation. The mediation services, which the magistrates report, result in two-thirds success rates of agreements in matters of differences of opinion, is a very important part of our process.

I want to say, in conclusion, that the emphasis in my testimony should be that the courts are interested in participating in this process. We feel that we have a significant role in making sure that the fathers and mothers all participate in the family process equally and we hope that in the future the congressional action will reflect that important role.

Thank you.

[The prepared statement follows:]

**Statement of Hon. Robert C. Leuba, Chief Court Administrator, Supreme Court of Connecticut; on Behalf of the Conference of State Court Administrators**

INTRODUCTION

Ms. Chairperson and Members of the Subcommittee, my Statement is submitted on behalf of the Conference of State Court Administrators (COSCA). I thank you for the opportunity to appear before you today on the important issue of access and visitation.

My name is Judge Robert C. Leuba, Chief Court Administrator for the State of Connecticut Judicial Branch. I have been with the Connecticut Judicial Branch for 13 years, both as an administrator and as a trial judge. Prior to becoming a judge, I served for a number of years in the public sector and as an attorney in private practice. During my pre-bench public service career I served as Legal Counsel and Executive Assistant to Governor Thomas J. Meskill from 1973–1975; Commissioner of Motor Vehicles from 1971–1973; Mayor of the Town of Groton from 1967–1969 and member of the Groton Town Council from 1965–1969.

Throughout my years with the Judicial Branch, I have had the opportunity to preside over a variety of criminal, civil and family matters, including those involving domestic relations issues. I served as presiding judge of the family division of the New London Judicial District as well as Chief Administrative Judge of the Judicial Branch's Civil Division prior to my appointment as Deputy Chief Court Administrator in 1984.

*Conference of State Court Administrators (COSCA)*

COSCA was organized in 1953 and is dedicated to the improvement of State court systems. Its membership consists of the principal court administrative officer in each of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the Territories of American Samoa, Guam, and the Virgin Islands. COSCA is a nonprofit corporation endeavoring to increase the efficiency and fairness of the nation's State court systems. The purposes of COSCA are:

- To encourage the formulation of fundamental policies, principles, and standards for State court administration;
- To facilitate cooperation, consultation, and exchange of information by and among national, State, and local offices and organizations directly concerned with court administration;
- To foster the utilization of the principles and techniques of modern management in the field of judicial administration; and
- To improve administrative practices and procedures and to increase the efficiency and effectiveness of all courts.

ACCESS AND VISITATION PROGRAMS ARE IMPORTANT TO STATE COURT OPERATIONS

Access and visitation issues are an integral part of domestic relations cases involving children. Judges on a daily basis see the problems that arise out of conflicts between parents related to child custody, access and visitation, child support, medical support, and property settlements. Judges and court managers also see the need for supportive services to assist parents in working through their conflicts. Supportive services related to access and visitation issues include mediation programs, parent education classes, and in cases involving domestic violence, supervised visitation programs and neutral drop-off/pick-up locations.

Courts around the country have had an important role in trying to meet the needs of families. Judges recognize that family related disputes are best resolved by the parties themselves, not by judicial decree. As a result of this recognition, courts have been active in developing and implementing access and visitation programs, particularly mediation programs and parenting skills classes. However, the courts, nor the Executive Branch agencies, alone cannot develop the level of services needed to address access and visitation issues. The two branches of government, in conjunction with the advocacy community, must work together to develop the supportive services that divorced and never-married parents need. It is critical that a collaborative approach be used to develop these supportive services. Based on their experience and responsibilities, courts bring a unique and valuable perspective to the discussion and planning process, as does the Executive Branch agencies and the advocacy community. Courts have played a valuable role in developing resources and must maintain and enhance that role in the future.

Access and visitation issues impact State court operations in two ways—the need for additional supportive services and increases in domestic relations caseloads.

*Services*

In a 1992 study conducted by the National Center for State Courts (NCSC), the most serious problem faced by the courts in managing and adjudicating divorce cases was a lack of resources. This study looked at the handling of divorce cases in sixteen (16) urban jurisdictions. Judges and court managers in each court were asked to identify the three (3) most serious problems they face in managing and adjudicating divorce cases. A substantial proportion of the respondents identified insufficient resources as the most serious problem. (Goerdt, 1992)

In Michigan, which has many years' experience in providing access and visitation enforcement services,[1] chief circuit judges, presiding family division judges and friend of the court staff have indicated that where the court is able to ensure enforcement service to both parents, and where vigorous enforcement of custody and parenting time is available, non-custodial parents are more likely to stay involved in their children's' lives. The effect of that continued close involvement is improved support of children's emotional needs, and as direct by-products:

- An increased likelihood that the non-custodial parent will remain current with reasonable financial support requirements;
- An increased likelihood that financial and non-financial issues will be resolved by agreement of the parents; and
- Greater acceptance by parties of orders and amendments to orders affecting custody, parenting time, and financial support.

*Caseload*

In 1997, over fifteen (15) million new civil cases were filed in State courts. As five million of those cases were domestic relations cases, they comprise thirty (30) percent of the total civil caseload. Domestic relations cases are the largest and fastest-growing segment of the civil caseload. Based on data reported by the States, the District of Columbia, and Puerto Rico, there has been a sixty-five (65) percent increase in domestic relations cases between 1985 and 1997. Additionally, custody disputes have increased one hundred-sixteen (116) percent since 1985.

To address these significant increases in caseload, court managers must utilize judicial resources where they are most needed and can be most effective. Research has shown that participants in custody and access and visitation mediations are significantly more satisfied than persons resolving the disputes through litigation. (Keilitz, et al, 1997) If the parties can resolve their access and visitation disputes through mediation, it is better for all concerned. Judicial resources are reserved for resolving disputes that cannot be mediated. The benefits for the children are also significant. Experience has shown that parents with mediated agreements are more likely to comply with the terms of the agreements, which reduces the likelihood of future disputes.

## Federal Access and Visitation Grants to States

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 authorized $10 million for projects to enable States to establish and administer projects to support and facilitate non-custodial parents' access to and visitation of their children. Eligible activities under the grant program include; mediation (voluntary and mandatory), counseling, education, the development of parenting plans, visitation enforcement (including monitoring, supervision, and neutral drop-off/pick-up centers), and the development of guidelines for visitation and alternative custody arrangements.

The federal Office of Child Support Enforcement (OCSE) offered Access and Visitation Block grants to the States in January 1997. The Governors in each State and the independent jurisdictions of the District of Columbia, Guam, Virgin Islands, and Puerto Rico were asked to designate a State agency responsible for administering the grant funds. All 54 jurisdictions eligible for the block grants responded to the solicitation by submitting an application for funds. For the FY 98 funds, the designated State agency in six States was the State court administrative office. The vast majority of States designated the IV–D agency to administer the access and visitation grants, but in a number of States, such as Connecticut and Michigan, the IV–D agency contracts with the courts to deliver services.

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[1] The Michigan Friend of the Court system, implemented in 1919, has statutory responsibility for enforcement of the court's orders relating to custody and parenting time.

## CONNECTICUT'S ACCESS AND VISITATION PROGRAM

Connecticut is using funds provided under the Grants to States for Access and Visitation Programs to establish and implement a multifaceted program to promote, facilitate, and support contact between non-custodial parents and their children.

*The Role of the Judicial Branch in this initiative*

The Connecticut Judicial Branch is committed to promoting healthy and nurturing relationships between children and their parents. Some families are in need of enhanced services to assist them in achieving this goal. The court is the primary forum in which they present their disputes and thus is in a unique position to identify these families. The funding available through this grant has been used to establish a menu of programs for use by judges and family relations counselors to assist parents in addressing the underlying issues contributing to the conflict.

*Target Population*

The State of Connecticut is divided into thirteen judicial districts. This program is being piloted in one location—the Hartford Judicial District. The target population for the pilot program consists of two groups:

- Unwed parents appearing before the Family Support Magistrate Court (the IV–D group) on child support matters and
- Divorced or divorcing parents with highly conflicted and unresolved custody and visitation issues appearing before the Superior Court.

These two groups were chosen because the children in these families are most likely to benefit from enhanced interventions. Many of the children referred from the family support magistrate court have no or very limited access to non-custodial parents. The children coming out of the superior court are frequently placed in a vulnerable position by the competing interests of their parents.

## CURRENT FUNDING LEVELS

The Judicial Branch receives its grant through a Collaborative Agreement with the Department of Social Services (the State's IV–D agency). The Judicial Branch received $114,181 for this program for the period from July 1, 1998 to September 30, 1999. These funds are used to pay the salary of one Family Relations Counselor employed by the Judicial Branch and contracts with community agencies to provide specialized services to parents in the target groups. The State contributes 17% of in-kind services, such as the mediation services and services provided by other family relations counselors who are assigned to these cases.

The grant has been extended to provide funding, in the amount of $110,000, for the period ending on September 30, 2000.

*Current Program*

The purpose of the program is to promote healthy and meaningful interaction between children and their parents. To accomplish this objective, the program provides judges with an array of programming options to empower parents to resolve conflicts in a non-confrontational manner and promote the importance of meaningful interaction of both parents with their children.

The program consists of two categories of services: The first is a court-based mediation program conducted by the funded family relations counselor. The second category consists of clinical intervention services.

*Court-based Services*

These services include:

- Assessment and screening of parenting and visitation disputes in the Family Support Magistrate Court; The family relations counselor is available to assess and screen cases, and refer appropriate cases to the grant programs, during sessions of the Family Support Magistrate Court and Superior Court.
- Comprehensive evaluations of those families are conducted, if indicated by the initial screening;
- Development of case management plans utilizing services responsive to the unique needs of each case;
- Mediation and other dispute resolution services that encourage and support, where appropriate, a mutual understanding of and commitment to a healthy parenting arrangement that involves the positive contribution of both parents; and.
- Supervision and monitoring of chronically problematic visitation disputes.

The Judicial Branch contracts for the following services under this grant:

- Reunification services to parents and children, including counseling;

• Physical supervision of visitation sessions between non-custodial parents and their children;
• Psycho-educational and group counseling services for parents and their children involved in chronically conflicted visitation disputes; and
• Program evaluation.

*Experience Thus Far*

Mediation (Family Support Magistrate Court): During the eighteen months in which this contract has been in effect, the following has occurred:
• Generated a total of one-hundred and ninety-seven (197) parents expressing and interest in participating in these programs;
• Of these, eighty-eight followed through.; and
• Of these, fifty (50) reached an enforceable agreement.

*Contracted Services*

Building Cooperative Relationships Counseling: This clinical, rather than court-based, intervention has been marginally successful. During the grant period, twenty (20) families participated. Of those, four (4) have reached an agreement, and seven (7) continue to receive counseling. The balance has returned to court.

Transitions in Parenting: This group consists of high conflict couples, and has experienced mixed success due to the level of hostility and combative behavior of the participants. Fifteen families have accessed these services.

Supervised Access Program: Twenty-two (22) families were referred to these services and made use of the highly structured clinical environment for visitation.

To summarize, early results (18 months) point to a positive impact of the mediation and casework process applied by court personnel, and to the supervised visitation services. On the other hand, the contracted clinical services are showing less positive results. This may in part be attributed to the extremely high conflict and complex set of circumstances surrounding these referrals. These programs are being reviewed to tailor and augment these clinical interventions to better provide the client with an opportunity to realize a favorable response.

Currently, the Judicial Branch is restructuring the clinical approach to merge the Building Cooperative Relationships and Transitions in Parenting programs into one intensive clinical intervention, which will:
• Service 25–28 families;
• Offer joint and individual adult and child counseling;
• Offer expanded parenting classes;
• Offer expanded substance abuse treatment;
• Offer expanded clinical assessments; and
• Serve as a bridge from supervised to unsupervised visitation.

COURT-BASED ACCESS AND VISITATION PROGRAMS IN OTHER STATES

To provide a broader understanding of the ways that State courts have used the access and visitation grants, a brief summary is provided for programs in five (5) other States.

*Michigan*

In Michigan, the family division of the circuit courts is principally responsible for the initial entry of orders relating to the support of children and for the enforcement of those orders. That responsibility is carried out through the work of the Friend of the Court. Final responsibility for individual orders and for the operation of the Friend of the Court office rests with the chief judge of the circuit court. The Friend of the Court assists custodial and non-custodial parents in the establishment and amendment of appropriate orders for financial support of children and for orders relating to the custody and for parenting time. It has been Michigan's experience that providing comprehensive enforcement services to both parents (on behalf, ultimately of children) has benefited the well being of children and has contributed to Michigan's recognized success in the enforcement of child financial support. Chief circuit judges, presiding family division judges and friend of the court staff have indicated that where the court is able to ensure enforcement service to both parents, and where vigorous enforcement of custody and parenting time is available, non-custodial parents are more likely to stay involved in their children's lives.

More recently, experiences in a few pilot jurisdictions have led to a partnership with the Michigan Department of Career Development to give priority employment support services to non-custodial parents. Under this program, any non-custodial parent reporting that he or she is unemployed or underemployed in cases which are currently or have once been TANF eligible are referred by the court to the local jobs

agency for job support services. This program provides another tool to ensure a comprehensive, even-handed approach the well being of children. A significant share of those non-custodial parents failing to provide financial support are those who are unemployed or underemployed, and who may have difficulty in maintaining stable employment. Obviously, traditional enforcement mechanisms such as income withholding, contempt proceedings, garnishment, and property seizure will not produce results in those cases, and may in many cases serve to decrease future opportunities for those parents to contribute to the support of their children.

Michigan circuit court friend of the court offices are responsible to provide enforcement services for child support, custody and parenting time in domestic relations cases to both parents. The responsibilities include the following duties:

- Investigate and provide a written report and investigation regarding financial support of children;
- Receive, record and disburse payments;
- Initiate and carry out proceedings to enforce all orders entered regarding custody, parenting time, support and health care;
- Provide voluntary domestic relations mediation to assist in settling custody and parenting time disputes;
- Prepare orders for agreements relating to support, custody and parenting time;
- Initiate post judgment child support investigations to determine if an increase or decrease in support is appropriate; and
- Investigate complaints regarding violations of custody and parenting time orders, and make recommendations to the court for disposition of those complaints which are not voluntarily resolved.

Many circuit courts have a variety of discretionary services that they have made available, including parent education programs, and additional support services for supporting the active involvement of both parents in children's lives. Among those programs is the now nationally recognized "S. M. I. L. E." program, introduced by the Oakland County Circuit Court and geared towards educating parents in the beginning stages of a domestic relations regarding the impact of divorce on children.

*Alabama*

Upon being designated the State agency for administering the Access and Visitation Grant funds, the Alabama Administrative Office of the Courts established an Access and Visitation Oversight Committee. The Committee conducted an assessment to identify the State's needs. The assessment resulted in the issuance of a Supreme Court Rule that 1. authorized parent education programs, 2. established a pro se process whereby parties can file a notice of non-compliance with the courts, and 3. developed strategies for implementing pilot projects. Grant funds have been used to support the pilot projects and to support a Statewide judicial training program.

The pilot project in Geneva County offers voluntary mediation services to pro se parties prior to filing a court action related to a custody or visitation dispute. The goal is to resolve the dispute through mediation and develop parenting plans. Once agreements are reached through the mediation process, the parties are referred to a legal facilitator to assist them in filling out forms to establish an agreed court order. Project funds have been used to develop informational materials, a part-time mediator, and a part-time legal facilitator. Parties partially pay for the services through a sliding scale fee structure, however, fees are waived for indigent parties.

Pilot projects have been developed in Jefferson County and Lowndes County to offer parenting education classes to never-married parents. Parents participating in the program attend eight (8) informational/educational sessions. The court refers parties to the program as a result of visitation and custody disputes that have arisen as part of a petition to establish paternity, a motion to establish custody/vistation, or a motion to modify a visitation or custody order. Project funds have been used to pay for the education materials and the facilitator/faculty. The services are provided to the parties at no cost.

In Madison County, a pilot program has been established to offer supervised visitation services and a neutral drop-off/pick-up location. The program was developed in conjunction of a "one-stop" Family Resource Center. Project funds have been used for the supervision staff. There is no cost to the parties for these services. Additionally, the Madison County project is working with the local Legal Services agency to develop pro se packets related to custody and visitation enforcement.

*Alaska*

The Access and Visitation Grant funds have been used in Alaska to offer both mandatory and voluntary mediation services for visitation and custody disputes. A pilot project was established in Anchorage where about half of the State's population

resides. Any domestic relations cases involving a custody or visitation dispute is appropriate for referral to mediation services whether the case is pre-divorce, post divorce or involves never-married parties. The judge can order parties to participate in mediation or the parties can voluntarily request services on a motion form filed with the court. In developing this pilot project, court officials had to be mindful of their State law, which limits mediation in cases involving domestic violence. Alaska State law requires that in cases involving domestic violence that 1. the victim must consent to the mediation and 2. the victim can bring an attorney or other person to the mediation sessions. The Alaska court rule establishing the pilot project allows any part to bring an attorney to the mediation sessions. Project funds have been used to pay for contract mediators. Financial guidelines have been established for the mediation participants. The parties with a combined income of greater than $75,000 are not referred to the program, but are referred to private services. Parties participating in the program partially pay for services based on a sliding scale fee system. The parties with a combined income of less than $40,000 receive the services at no cost to them.

*Arkansas*

The Arkansas program is similar to the Alaska program in that voluntary and mandatory mediation services are offered. In Arkansas, the services are offered Statewide. The Alternative Dispute Resolution (ADR) Commission manages the program in the Administrative Office of the Courts. If both parties agree to mediation, they can request services directly from the ADR Commission. If both parties do not agree to mediation or the court on its own motion can order parties to participate in mediation. Early experience with the program was that most referrals were related to parenting plans and custody disputes in paternity cases. Future plans for the program are to develop a parent education program for the mediators to present to the parties. Project funds are used to pay for mediators' time and travel expenses. Services are available at no cost to the parties.

*New Jersey*

New Jersey took a different approach in using their Access and Visitation Grant funds. They sent a Request for Proposal out to all of their counties and eleven (11) counties responded. All eleven (11) counties received funding with each county developing a program to meet its unique needs. Some counties just needed help in tracking cases, while others used the funds to implement a range of services. As one example, Essex County enhanced their parental skills workshop. As another example, Camden County, they developed a mediation center that includes an array of services, has a program to assist pro se litigants, and is developing a parental skills class in cooperation with the City of Camden. In New Jersey, all of the court-based services fall within 3 categories—mediation, therapeutic services, and parent education.

Additionally, New Jersey planned a 1-day conference for non-custodial parents and service providers. They established an advisory committee, which included non-custodial parents, to assist in the planning for the conference. Over 200 non-custodial parents and service providers participated in the conference. The format of the conference was a combination of educational sessions with discussion opportunities. The conference panels included a combination of professionals, parents, and children. Participants were provided with information on parenting skills and about the court process, the scope of authority which judges possess, and how to access the courts. The conference evaluations indicate that the conference was very well received by the participants.

## CONNECTICUT'S EXPERIENCE WITH ALLEGATIONS OF ABUSE, WHICH RESULT IN SUPERVISED VISITATION ORDERS

*Frequency of Allegations*

The Judicial Branch is in the process of developing a comprehensive case management system for family and civil cases. Our current system does not allow for the collection of comprehensive data. Because of this limitation, the Branch does not have statistics on allegations of abuse in these cases.

*Process*

When an allegation of abuse is made, the judge refers the case to the Court Support Services Division's Family Services Unit to determine the validity of the allegations. If this screening indicates it is necessary, the case is referred to the family services unit for a comprehensive family assessment, which takes four (4) months to complete and includes multiple interviews with all family members, observation

of parent-child interactions, and contact with personal and professional sources, such as neighbors, school officials, day-care providers, psychiatrists and doctors. During the pendency of the investigation where abuse has been alleged, measures are put in place to ensure the children's safety. These measures may include visitation in a supervised setting or strictly structured visitation. The most restrictive form of supervised visitation necessary to ensure the child's safety occurs in a private clinic, where safety and security measures such as metal detectors, two-way mirrors, cameras, and a social worker, are present at all times. The least restrictive form of supervised visitation would be a brief interaction in a public setting with specific conditions imposed.

At the conclusion of the family assessment, the Family Relations Counselor presents recommendations to the family. These recommendations would include future custody and visitation arrangements. Seventy-eight percent (78%) of the time the families accept the recommendations in part or in total. If there is a recommendation that supervised visitation continue, they will also include a provision for review of that arrangement, with the goal of phasing into unsupervised visitation.

Currently, the Judicial Branch is implementing a plan to enhance the supervised visitation program funded by the federal grant by providing subsequent interventions that would allow the access between the parent and the child to progress to an unsupervised setting.

## COSCA RECOMMENDATIONS

It is our understanding that this Committee may consider developing legislation, which would expand the resources available to States for access and visitation programs. If the Committee does undertake such an initiative, we ask that consideration be given to requiring that the entity receiving federal grant funds seek input from the chief of the highest court of the State in planning for the use of the funds. Courts play a pivotal role in access, visitation, and custody disputes. As such, they have a valuable perspective to offer related to the types of disputes that are being filed in court and regarding the types of services needed to support families and the gaps in service delivery. Congress included the following language in the Crime Identification Technology Act (CITA) of 1998 (P.L. 105–251) related to the assurances States must make to qualify for the CITA grant funds.

> An assurance that the individuals who developed the grant application took into consideration the needs of all branches of the State Government and specifically sought the advice of the chief of the highest court of the State with respect to the application;
>
> If this Committee develops a legislative proposal to increase or enhance federal funds for access and visitation programs, we ask that consideration be given to requiring a similar assurance related to eligibility for grant funds.

Secondly, we are aware that Congress and OCSE are considering possible changes to the funding structure for the Title IV–D Child Support Enforcement program. I would like to bring to your attention a resolution recently adopted by COSCA and the Conference of Chief Justices. The resolution encourages OCSE to make Title IV–D Federal Financial Participation funds available to States for custody and visitation support services. We believe that while child support and access and visitation are separate issues, they are very much interwoven. It makes sense that parents actively involved in their children's lives are more likely to make their child support payments. As such, we believe that assisting parents in exercising their access and visitation rights can result in increased compliance with child support orders. A copy of the resolution is attached to my testimony for your further consideration.

Once again, I thank you for this opportunity to share with you the thoughts of the COSCA on this most importune issue. I would be glad to address questions from the Subcommittee.

## REFERENCES

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**CONFERENCE OF CHIEF JUSTICES**
**CONFERENCE OF STATE COURT ADMINISTRATORS**

RESOLUTION XIV

IN SUPPORT OF FEDERAL FINANCIAL SUPPORT OF ENFORCEMENT OF CUSTODY AND VISITATION SUPPORT SERVICES BY STATE COURTS AND EXECUTIVE AGENCIES

WHEREAS, Title IV–D of the Social Security Act provides for federal financial participation in support of State and local judicial and executive branch agencies enforcing orders of financial support of children; and

WHEREAS, data provided by the federal Office of Child Support Enforcement show that 85% of parents who have regular contact with their children also meet their financial child support obligations; and

WHEREAS, children generally benefit from the financial and emotional support of both parents; and

WHEREAS, State judicial and executive branch agencies with responsibility for ensuring the welfare of children and families must have flexibility to address all issues relating to the well-being of children without artificial legal or financial barriers; and

WHEREAS, parents and children in separated families frequently do not have effective access to services to resolve issues relating to custody and visitation; and

WHEREAS, unresolved issues relating to custody and visitation often lead to increased stress for parents and children, refusal or failure to pay child support, and in some cases family violence;

NOW, THEREFORE, BE IT RESOLVED that the Conference of Chief Justices and Conference of State Court Administrators encourage the Department of Health and Human Services, Administration on Children and Families, Office of Child Support Enforcement, to make available Title IV–D Federal Financial Participation to States for custody and visitation support services, at the option of the various States; and

BE IT FURTHER RESOLVED that the Conferences urge Congress to provide adequate funding for this purpose.

Adopted as proposed by the Courts, Children and the Family Committees of the Conference of Chief Justices and Conference of State Court Administrators in Williamsburg, Virginia on August 5, 1999.

—

Chairman JOHNSON of Connecticut. Thanks very much, Judge Leuba.

Mr. Cady.

**STATEMENT OF TERRY W. CADY, VOLUNTEER MEMBER, BOARD OF DIRECTORS, AND STATE OF ILLINOIS COORDINATOR, CHILDREN'S RIGHTS COUNCIL; AND SENIOR VICE PRESIDENT, BANK OF AMERICA, CHICAGO, ILLINOIS**

Mr. CADY. Thank you. Madam Chair and Representative Cardin, my name is Terry Cady. I'm a banker, but I'm also a volunteer board of director of the Children's Rights Council, as well as the Illinois coordinator. And, in that capacity, I've been working with the visitation access grant in Illinois, specifically in DuPage County, which is a collar county to Cook of Chicago, Illinois.

I'd like to accomplish three things today. The first is in regards to the visitation and access grant. Number one is to thank you on behalf of the Children's Rights Council and all noncustodial parents, both never-married as well as divorced. And I believe I can also speak on behalf of those professionals in DuPage County who are dealing with children and parents in the stress of paternity or divorce.

Second, I'd like to talk a little bit about DuPage County and talk about some of attributes that we think make it successful. One of which is we have a State coordinator, Joseph Mason, who's in the audience in the back somewhere, who I'm sure is available to answer questions, who buys into the mission Statement that it is in the best interests of the child to have access to both parents. Second, he has experience with noncustodial parents.

Third, we used the funds to supplement existing programs in DuPage and we were able to put together a comprehensive, integrated program that included mediation, counseling, education, parental planning, supervised visitation, and a neutral drop-off site. We believe firmly that the coordinated, integrated approach works best. Finally, we got the entire community's support, particularly the court. The court was very instrumental in working with us. We had over 32 different community parties involved in the process of putting together the plan.

And, finally, we wanted our program to be measurable. And we can report today that one of the first successes after the first full year is that agreed order parenting plans have improved to 87 percent of the cases, which is some 2 to 3 times higher than it had been before, as a result of the fund's use in expedited mediation.

My experience as a banker seems to indicate that there must be some real linkage between the mission Statement suggesting that access to both parents is good for children and real results. And, as such, it is in our best interests to make sure these programs work, that I humbly offer three suggestions. One is, unilaterally include in the program both divorced as well as never-married noncustodial parents. Two, we are currently, in the State of Illinois and most States, at least to my knowledge, we are helping hundreds of cases in isolated, concentrated test areas. However, there are tens of thousands if not hundreds of thousands of annual cases in each State that we need to approach. And that leads to the third point. I'd like you to consider an increase to the funding from $10 million to at least $50 million.

And, finally, I'd like to address Representative Cardin's comments earlier about the culture. In years past, there was a fair amount of animosity between the various advocacy groups on the issue of the problem. I'm beginning to find that that is changing. I am very pleasantly surprised and pleased to find that the social service official; that are involved in dealing with the children and the parents in the trenches also agree that the problem should be framed as getting access to both parents instead of winning or losing for a mother or father.

[The prepared Statement follows:]

**Statement of Terry W. Cady, Volunteer Member, Board of Directors, and State of Illinois Coordinator, Children's Rights Council; and Senior Vice President, Bank of America, Chicago, Illinois**

SUMMARY AND BACKGROUND:

Mission Statement: A child should have the benefit of access to, and the involvement of both parents

*Background*

My name is Terry W. Cady. I am a volunteer member of the board of director of the national organization Children's Rights Council and a State of Illinois coordi-

nator for CRC. I am a Senior Vice President and manager of a healthcare-lending unit of the Bank of America. I also have been active in helping DuPage County, Illinois family court and its affiliated and community based Parents and Kids in Partnership Program (P.A.K.) to obtain a contract to administer a portion of Illinois's Visitation and Access grant funds (DuPage County's share has been $200,000 each year)

I am here to make the following five points:

1. Thank you for the $10 million visitation and access grant. I can report that the community of non-custodial parents and the front line professionals dealing with children and their parents in conflict appreciate the funding. It is the first real attempt by any agency to try to help the non-custodial parent gain access to, and visitation with their children.

2. I can report the money disbursed in Illinois was well spent on a community and court supported comprehensive access and visitation program. It has helped to provide tools to the courts and the county-based professionals to help both parents obtain meaningful, reportable access to their children.

3. It is our view that, in general, most States made good use of their share of the $10 million grant. Most courts community child welfare professionals and conflict resolution professionals have recognized the proven developmental and financial benefits to the child with access to both parents. It is our belief that another benefit of the program is its catalytic impact. It has helped officers of the court to, for the first time, focus and work with others on solving the problems of the non-custodial parent and their opportunity and responsibility to be a parent.

4. The program's benefits justify its continuation. You planted the seeds. The seedling is growing. Please allow the program to mature.

5. The program could provide further benefits if:

- The program were universally expanded to include the divorced population,
- The size of the total annual program was increased to at least $50 million. Each States' grant share is just large enough for application in a few selected court or county units; limited funds have also forced some States to focus on only one aspect of the program,
- States were directed to award the funds management to a program director, and mission champion experienced in visitation and access conflict resolution. It is our experience that a program's success is correlated to the effectiveness of the State program administer and to States that support an integrated, comprehensive program that allows mediation to compliment parent planning and parent education. Non-custodial counseling helps access and visitation enforcement become less confrontational and reduce the parental conflict.

*Illinois Grant*

Joseph Mason, Illinois Department of Public Aid, Division of Child Support, manages the Illinois grant. One of his responsibilities has been to work with the dads of children of the never-married population of Cook County, Illinois. Illinois used their portion of the Visitation and Access grant funds (nearly $500,000) to fund the Cook and DuPage County Domestic Relations Court based on a proposal to target the IV–D never-married population.

Mr. Mason contracted with the Cook County court and the DuPage County court systems in 1998 and 1999. Peoria County has just been added. Joseph Mason is a good example of a program manager who has experience in dealing with the non-custodial parents, is a champion of the two parents' mission, and is skilled in bringing broad community support.

Mr. Mason has also caused Cook and DuPage County to jointly develop a program video that sells the benefits of community (court, consumers, and other conflict professionals) support of the mission and the elements of the program.

*Cook County*

The Cook County program has been effective in hiring lawyer/ mediators to expedite agreed-order-parenting arrangements. The program has already showed success in obtaining non-custodial parents' visitation and access with much reduced adversarial and time-consuming courtroom litigation. Non-custodial parents and the court officials report enthusiastic support of the program.

*DuPage County*

DuPage used its contract funds to help complement an existing program, the Kids in Partnership program (P.A.K). The resulting program includes a comprehensive set of elements including mediation, counseling, supervised visitation, neutral pick-up and drop off sites, and development of parenting plans. I can report on behalf of DuPage County the following:

- expedited mediation has helped move agreed order parenting plans from less than 40% of the time to 87% of the time.
- consumers have utilized supervised visitation on domestic violence, orders of protection, as well as to increase the comfort level of parents and children who they may not know or had a previous relationship.
- developed a measurement system to document program progress related to child support payment compliance, education, consumer satisfaction through focus groups and court follow-up.
- gained broad based community support for a short term drop off and supervised center as well as plans for a longer term full service family center-see the attached list of involved community participation as an example of community support.

*Review of State by State Grant Success:*

We do not yet have the benefit of any empirical State by State analysis, but our own unofficial review would seem to indicate the following elements exist in the successful State programs:

- it appears that the more successful State programs occurred where the State used the grant funding to complement, expand and improve existing Kids, Conflict Resolution, Mediation or other related programs,
- the more successful State funding was applied in a concentrated manner to a few pilot metro county or court areas instead of a full State wide program,
- the State grant administration in more successful programs avoided funding the theoretical study or the too general program and focused on immediate, measurable practical applications,
- the grant administrator in the more successful programs attempted to gain buy-in from a broad based local community. The primary support came from the court; in DuPage county, the court became the driving force that mandated program usage.

The CRC was an early voice in calling for the pilot visitation grants in 1985 that we believe led to the $10,000,000 national grant in 1996. We believe that giving each State wide latitude in program implementation allows for a continuation of the experimental, pilot approach to the search for the best solution. We hope that as reliable data is obtained and analyzed, best practices will be shared with all States. At that point, and with greater funding, the States can increase the reach and impact of the programs.

*Program Critique*

Although we believe the program is working, we recommend the committee consider the following program additions that would improve the program's impact:

1. Increase the annual national State grant to at least $50,000,000 for two more years. Upon receipt of the anticipated positive data and its implication of improved access and improved child support payment, the program should be increased to $100,000,000 for the following two years. At that point each State should be able to service most court and county consumers in need in all the States.

Many States received the minimum of $55,000 out of the current $10,000,000 grant and only 5 States received more than $500,000. The average State grant level is $191,000.This is a great capital start, it representing seed investment capital, but it is not enough to develop Statewide programs. It is also, in many States not enough funds to cover both the never-married and divorced non-custodial populations. The current program funding level allows for impact on hundreds of cases, we would like to see the program expanded to effect thousands of cases in each State each year. We believe the success data points will justify the increased investment.

Any meaningful expansion of the program to the divorced population (as in #3, below) would also significantly increase the service need.

And finally, we believe that real success of a State's program relies on a multi-element program approach (as in #2, below), which would further increase the funding need.

2. We recommend a statute change that would require each State not to use its funding on any one-program element more than 25% of the total. As an example, supervised visitation can play an important part in giving children access to both parents but real progress in achieving reduced conflict access requires mediation, counseling, education and neutral drop-off sites.

Our review of the research seems to indicate that long-term program success requires an integrated approach. Mediation is needed as soon as possible, supported by constructive counseling, parenting education, supported parental planning, and

then in only some high conflict cases or cases where the non-custodial parent is not familiar with the child, supervised visitation or neutral drop-off sites.

To use all or most of a State's grant on supervised visitation may be an acceptable short-term remedy to some of the community's problems and we fear that in many non-custodial parents' cases it may be their only access to their children. However, we believe longer term single element approaches may not show the non-custodial parent the empathy and support they are seeking, because supervised visitation is anathema to many experienced parents.

3. Several States have focused the grant only on the IV–D never-married population. There is unquestionably a great need to help the never-married father understand his parenting obligations, be taught how to parent, obtain access to his child, and there are few if any resources available to these fathers. We believe the grant should continue to be available to this group.

However, the divorced non-custodial parent also needs the same resources. The divorced parent who is denied access and visitation with his children because of conflict with their child's other parent needs counseling, mediation, education, and visitation enforcement. Some court jurisdictions have limited public mediation services for the divorced population, but we are not aware of any existing programs that provide counseling, parenting education, and subsidized or free supervised visitation or neutral drop off sites. We are not aware of any comprehensive conflict programs, encouraging access and visitation, outside the grant program.

We have discussed an increase to DuPage County's program to include the divorced population, with the divorced parent paying for all or part of the program on a sliding income scale. We would like to compliment their financial payment with public and perhaps private or corporate support.

Most divorced non-custodial parents dealing with visitation or access conflict or denial and the related court costs do not have the financial, network or emotional capital to obtain effective help.

According our review of the current research, there are over 5.9 million children now living with a never-married custodial parent, while there are over 24.7 million children in the United States in 1995 who did not live with their biological father. Both of these statistics indicate a societal problem that has increased four fold since 1960.

What really troubles the CRC is that 40% of the children of divorced non-custodial parents have not seen the non-residential parent during the last year.

4. The most successful State programs include thought, planning, creativity, and a strong, experienced, sponsor champion. It is apparent to us that some States could use stronger guidance from the Office of Child Support Enforcement. The signs are that some States are having a slow start to program implementation, that some States have non-specific program outlines, and a few States have made program contracts with outside groups that have a mission inconsistent with the both parents is the best parent focus.

5. We believe there are already good examples of State guidance in how to administer the grant. Again, community support, court support, focus on mission, experience with the non-custodial population and building on existing stand-alone forward thinking counties are all consistent patterns of excellence.

*Summary of the Program Elements*

1. Mediation—voluntary and court compulsory. We have found that expedited mediation (particularly right after a judge has emphasized the importance of getting both parents to agree to a parenting plan and visitation schedule) is critical in dealing with parental conflict.

Mediation is best provided by county or court affiliated paid professionals, with judiciary support, monitoring and reporting. Mediation is an important step in avoiding fruitless and expensive litigation.

2. Counseling. The non-custodial parent in conflict goes through extreme emotional trauma and in many cases that parent needs counseling to help him/her through the trauma/grieving. Non-litigated settlements require parents who are ready to accept the new family reality and compromise respecting their parenting role. We have found that hearing from an empathic ear, given support, told they are not alone, and encouraged to consider the best interests of the children while keeping consistent contact with the child, eases the family transition.

Counseling to the non-custodial parent requires understanding, and credibility. We believe qualified groups like the CRC can provide that service, as they already have experience and a network for an effective 800 number.

3. Education. Parenting training, conflict or stress management, and teaching both parents the benefits to the child of shared parenting are all important in both the IV–D and divorced population. Our review of the research suggests that 50%

of all custodial parents believe that the custodial parent's non-financial involvement is unnecessary. It also suggests that 40% of the custodial parents' admitted that they had interfered with the non-custodial parent's visitation on as least one occasion, just to "punish" the ex-spouse.

Individual and group education seems to help convince custodial parents of the other parents importance to their children and that is an important element in achieving some level of non-conflict joint parenting.

IV–D non-custodial parents (dads) generally do not have a parenting perspective, experience being a parent, or the network of family and friends to deal with sharing the responsibility of being a parent.

4. Parenting Planning. Our review of the research seems to indicate that up to 33% of the non-custodial parents with visitation agreements have been denied access on an ongoing basis. Related research seems to indicate that up to 38% of all non-custodial parents never have had access to their children. Structured parent planning, in conjunction with mediation and counseling, seems to help both parents see the benefit of the other parent.

5. Visitation Enforcement, including supervised, monitored, mandatory and non-mandatory, as well as neutral drop-off sites can play an important role. Visitation enforcement may be appropriate where the non-custodial parent has no parenting skills, has no familiarity with the child, or the court believes there is some risk to the child or to the custodial parent.

The unfortunate reality is that in some cases, there would be no visitation, if there no supervised visitation. There are other cases where the con-custodial parents parenting skills or familiarity with his/her child is limited and supervised visitation is helpful to the non-custodial parent. However, please understand that most divorced and many never-married non-custodial parents dislike the concept of not being able to see their children without supervision. It is an area of strong emotion, and it is recommended that supervised visitation be used with care and discretion and in the case of the divorced population with the other more constructive, non-conflict elements.

In many communities, the experienced non-custodial parent is forced to use paid (up to $75 a hour) supervised visitation to see his/her own children. In many conflict divorce cases, it is very difficult for the court to determine real or imagined risk to the child or non-custodial parent. It is hard to blame the courts, should they err on the side of excessive precaution, but the CRC would like to see the program be an agent of conflict resolution and not conflict separation.

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

Mr. Doar.

**STATEMENT OF ROBERT DOAR, DEPUTY COMMISSIONER AND DIRECTOR, OFFICE OF CHILD SUPPORT ENFORCEMENT, NEW YORK STATE OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**

Mr. DOAR. Thank you, Chairman Johnson and Congressman Cardin. I want to thank you for giving me the opportunity to testify. My name is Robert Doar and I am the deputy commissioner for the Division of Child Support within the Office of Temporary and Disability Assistance in New York.

In the wake of the passage of the Federal Welfare Reform Act, New York moved very aggressively to apply for the funds made available for access and visitation programs. We did this because we knew that there was a strong demand from families and from organizations which work with families for the services covered by this program. Governor Pataki made the decision to place the responsibility for administering access and visitation funds with the Child Support Program because he recognized that the Child Support Program was the one program in the State that had a relationship with most of the key players essential to successful access and visitation programs.

We obviously work with families. We work with the family courts. And we have relationships with community-based organizations serving children.

While there is a connection, there are also significant differences between access and visitations programs and the Child Support Program. Differences in volume, approach, and process. Access and visitation programs are, by nature, labor-intensive and case-specific, while child support is and must be highly automated and volume-driven. Governor Pataki also recognized the very real problems caused by family situations which do not ensure that both parents play a role in nurturing children. Teen pregnancy, behavioral disorders, drop-out rates, substance abuse, and juvenile crime have all been related to children going without the involvement of both parents. Quite simply, children need the positive influence of both parents, emotionally as well as economically, to be successful.

By October 1997, only 1 month after receiving the notice of grant award, New York had developed and released a request for a proposal to not-for-profit organizations throughout the State. The RFP gave preferences to proposals that demonstrated some level of local match to ensure local community involvement in these projects. We felt it important to encourage addressing the problem at a community level instead of imposing a standardized Statewide program that may not fit each community's needs.

Thirty-nine organizations submitted proposals with a total dollar value of more than $3 million. The State had slightly more than $600,000 to contract-for-services. We selected nine programs spread throughout the State with two large programs in New York City.

All of our original contracts have been renewed and are continuing to operate successfully today.

But we greatly appreciated the benefits to be derived from these programs outside of the traditional mission of the child support enforcement program. We made clear in all of our contracts that financial support of children be emphasized and expected and that family economic independence be addressed as a desired outcome. The programs we have funded include the Catholic Charities Visitation Program in Buffalo; the Children's Rights Council Program in Vestal that provides counseling and parenting education; and the New York Society for the Prevention of Cruelty to Children in New York City that provides supervised visitation services.

When we began, we projected that the programs would serve 1,200 children during the first contract period. In fact, during that period, the program served 1,368 children. Here are some other key statistics from our experience. 127 families have achieved a level of cooperation that has permitted the court to lift the requirement for supervised visitation. Of the families we serve; one-third are separated; and one-third are never-married. And almost one-third of the visiting parents in supervised visitation situations are mothers.

With regard to child support enforcement, the numbers show that the time of completion of the programs—from the time of the completion of the programs, 70 percent of the families served report some form of child support commitment in place with more than 79 percent of those families complying with that commitment. Notably, when the commitment requires payment through the Child Support Program, the rate of compliance, at 86 percent, is higher than when it does not.

All in all, New York State's experience with access and visitation programs has been positive. The program has enabled diverse community-based organizations to offer greater varieties of services to families and those services have benefited families. The long-term benefits remain to be seen as we conduct further analysis and collect more data. We are cautiously optimistic that community-based access and visitation programs can play an integral part in the resolution of the problems resulting from the break-up of families.

And I just want to add, from someone who's visited these facilities and these programs, the demand in the community and from the courts for these programs, particularly from the absent parents for supervised visitation, is very strong. And we have been able to meet that demand as a result of this funding. So I also want to thank the Subcommittee for making it available.

[The prepared statement follows:]

**Statement of Robert Doar, Deputy Commissioner and Director, Office of Child Support Enforcement, New York State Office of Temporary and Disability Assistance**

On behalf of Governor George Pataki and the New York State Office of Temporary and Disability Assistance, I want to thank you for giving me the opportunity to testify. My name is Robert Doar and I am the Deputy Commissioner for the Division of Child Support within the Office of Temporary and Disability Assistance.

In the wake of the passage of the Federal Personal Responsibility and Work Opportunity Act, New York moved aggressively to apply for and use the funds made available for access and visitation programs. We did this because we knew that there was a strong demand from families and from organizations which work with families for the services covered by the access and visitation program.

Governor Pataki made the decision to place the responsibility for administering the Access and Visitation funds with the child support program because he recognized that the child support program was the one program in the State that had a relationship with most of the key players essential to successful access and visitation programs. We obviously work with the families; we work with the family courts; and we have relationships with community based organizations serving children.

Governor Pataki also recognized the very real problems caused by family situations which do not ensure that both parents play a role in nurturing children. Teen pregnancy, behavioral disorders, drop out rates, substance abuse and juvenile crimes have all been related to children growing up without the involvement of both parents. Quite simply, children need the positive influence of both parents, emotionally as well as economically, to be successful. To Governor Pataki it was and is clear that it takes two parents to successfully raise a child, and to the extent that government can help parents fulfill this vital responsibility, we should try.

By October of 1997, only one month after receiving the notice of grant award from the federal government, New York had developed and released a Request for Proposal to not-for-profit organizations throughout the State. We decided to entertain proposals that addressed the following five activities listed in the federal law:

1. Mediation;
2. Counseling;
3. Education;
4. Development of Parenting Plans;
5. Visitation enforcement.

We made clear in our released RFP that the targeted performance outcomes for the programs were:

1. Support and facilitate noncustodial parents' access to and visitation with their children;
2. Reduce family discord through improved parental functioning and parent-child interactions;
3. Stabilize the family environment emotionally and economically for children with an absent parent.

The RFP gave preference to proposals that demonstrated some level of local match, to ensure local community involvement in the projects. We felt it important to encourage addressing the problem at a community level, instead of imposing a standardized Statewide program that may not fit each community's needs.

Thirty-nine organizations submitted proposals with a total dollar value of more than three million dollars. The proposals reflected the entire spectrum of requested activities, with some organizations seeking to accomplish all of the Stated goals.

The State had slightly more than $600,000 available to contract for services. We reviewed each proposal and selected nine programs spread throughout the State with two large programs based in New York City. The first contract period began March 1, 1998 and ran through November 30, 1998. All of our original contracts have been renewed and are continuing to operate today.

Though we understood and greatly appreciated the benefits to be derived from these programs outside of the traditional mission of the child support enforcement program, we made clear in all of our contracts that financial support of children be emphasized and expected, and that family economic independence be addressed as a desired outcome. We also required each contractor to gather data at the time of a family's enrollment in the program so that we could evaluate to the level of financial support provided by both parents.

We also made clear that these programs had to establish successful working relationships with both local social services offices and the family courts and I should say that in every case the programs now have a much more positive working relationship with the local child support enforcement office.

The programs we have funded include the Catholic Charities Visitation program in Buffalo, a Children's Rights Council program in Vestal that provides counseling and parenting education; and the New York Society for the Prevention of Cruelty to Children in New York City that provides supervised visitation services.

When we began, we projected that the programs would serve 1200 children during the first contract period. In fact during that period the programs served 1368 children. Since we began the programs through May 31, 1999, 127 families have achieved a level of cooperation that has permitted the court to lift the requirement for supervised visitation. Of the 1,573 families referred for enrollment, one third are divorced, one third are separated and one third are never-married.

The second contract required the additional gathering of the gender of the noncustodial parent to give us a more rounded picture of the services. We discovered that of the 271 visiting parents referred in the first six months, 184, or 68%, were fathers, while 87, or 32%, were mothers.

With regard to child support enforcement, the numbers show that at the time of completion of the programs, 70% of the families served report some form of child support commitment in place, with more than 79% of those families complying with that commitment. Notably, when that commitment requires payment through the child support program, the rate of compliance (86%) is higher than when it does not.

In essence the desired results for families are: improvement of parents' individual and cooperative parenting skills; better opportunity for both parents to apply those skills to their child raising responsibilities through mutually supported and meaningful parent-child time (access and visitation); and improvement in noncustodial parents' attitude leading to greater compliance with child support obligations.

I think it instructive to briefly describe each of the nine funded programs within New York State so you can appreciate the variety of approaches taken in access and visitation programs. While all programs are similar in taking stringent security measures and providing services tailored to family need, there are differences in the services provided and the philosophy and make-up of these community based organizations.

CATHOLIC CHARITIES OF BUFFALO, NY

This program expands the existing "Catholic Charities Visitation Program" and provides visitation enforcement services from safety-only through therapeutic supervised visitation to monitored exchange on an individual family basis. Visitation may be monitored either by direct supervision or through one-way glass observation ports, according to family need. The program also provides group parent education, and individual counselor assistance with development of a parenting plan for families experiencing entrenched custody and access disputes. The facility design precludes unauthorized ingress and parent-to-parent contact.

The contractor expected to provide services to benefit approximately 243 children and actually reached 254 children in the first contract period.

CHILD CARE COORDINATING COUNCIL OF THE NORTH COUNTRY, PLATTSBURGH, NY

This is a new program called the "Family Connections Visitation Program." It provides mediation, parent education, parenting plan development and court ordered visitation enforcement through supervised visitation, on an individual family basis. Parents enter the visiting facility through different access points. Visitation may occur in a single family area or as a family activity within a larger shared play area. In addition outdoor recreational facilities exist which allow family visits in a natural yet secure environment due to the agency's location on a large, former military base which includes an on-site security force backed up by the Plattsburgh City Police.

The contractor expected to provide services to benefit approximately 50–75 children and actually reached 72 children in the first contract period.

CHILDREN'S RIGHTS COUNCIL OF NYS, VESTAL, NY

This is a multi-faceted program, which provides new, individual counseling to parents as a follow up to an existing group parent education program known as "WAR TO PEACE." The following are highlights of activities:

1. A group training session for local law guardians and attorneys on issues of access was provided.
2. The establishment of group parent education programs in two other counties in the 6th Judicial District.
3. Creation of a counseling program, called "Special Masters," in which the family court refers embattled parents to a confidential team of trained mental health professionals and trained mediators to resolve access and visitation dispute and create definitive parenting plans to accommodate future situations.

The contractor expected to provide services to benefit a minimum of 200 children and actually reached 398 children in the first contract.

FAMILY NURTURING CENTER OF CENTRAL NY, INC., UTICA, NY

This is a new program called "The Family Place: Child Visitation Program." It provides group parent education, with development of parenting plans and court ordered visitation enforcement through supervised visitation on an individual family basis. Visits take place in a former school building that has other family centered venues simultaneously occurring in the building. Visits may vary in session duration by family, and may move into community settings as visiting parents transition in their relationships with their children. Parent to parent contact is avoided by

staging of drop-off and pick-up of children. Families also benefit from other agency programs that involve child development and nurturing emphasis.

The contractor expected to provide services to benefit approximately 50–75 children and actually reached 80 children in the first contract period.

NEW YORK SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN, NEW YORK, NY

This program expanded an existing supervised visitation program, and is called the "Ezaccess" Supervised Visitation. It provides group parenting education, and counseling with court ordered visitation enforcement through supervised visitation on an individual family basis. Visits are directly monitored on an individual family basis or can be remotely observed through one-way glass. Hand held metal detectors are used to screen visiting parents. This program adds a bilingual visitation supervisor to meet the needs of the Spanish speaking community; and connects families to the agency's guardian or mediation programs as well as other community referrals on an as needed basis.

The contractor expected to provide services to benefit approximately 160 children and actually reached 190 children in the first contract period.

ST. CATHERINE'S CENTER FOR CHILDREN, ALBANY, NY

This is a new program called "The Comprehensive Access and Visitation Program." The program provides group parent education with counseling and development of parenting plan services on an individual family basis. It includes court ordered visitation enforcement through supervised visitation of multiple families in a large, communal environment in the Center's auditorium that allows each family individual space. Families have the opportunity for referral to other services offered by this large agency.

The contractor expected to provide services to benefit approximately 110 children and actually reached 129 children in the first contract period.

SOCIETY FOR THE PROTECTION AND CARE OF CHILDREN, ROCHESTER, NY

This program is called the Supervised Visitation and Exchange Program. It provides individual and group parent education, as well as court ordered visitation enforcement through supervised visitation and monitored visitation exchange on an individual family basis. Each family visit occurs in a single family environment with the visit supervisor in attendance.

The contractor expected to provide services to benefit approximately 150 children and actually reached 190 children in the first contract period.

VICTIM'S SERVICES, NEW YORK, NY

This program is known as the Bronx Family Court Supervised Visitation program. It is an expansion into Bronx County by an agency with existing supervised visitation program experience in other New York City locations. The services are provided in facilities located within the family court building and thus in a very secure environment. The program provides individualized counseling and parent education, as well as enforcement of visitation through supervised visitation in a communal environment that allows each family to have individual space. Two visit supervisors oversee up to four family visits per session. The program plan includes the addition of group custodial parent support sessions.

The contractor expected to provide services to the benefit of approximately 150 children, however unexpected staff shortages and agency leadership changes resulted in a shortfall. Direct care provider staff and supervisory staff positions are expected to reach the necessary level in the next quarter of service assuring the expected service delivery.

YWCA OF DUTCHESS COUNTY, POUGHKEEPSIE, NY

This is a new program called "The YWCA Supervised Visitation Program" with service delivery located in the very secure environment of the Dutchess County Family Court. The program provides mediation, counseling, education, and court ordered visitation enforcement through supervised visitation, on an individual family basis.

The contractors expected that services would be provided to the benefit of approximately 50–60 children and actually reached 53 children in the first contract period.

All of the agencies listed above were required to capture various statistics to allow us to analyze the success of the programs. The following is a compilation of the statistics covering the twelve months of the first Access and Visitation contract and the

six months of the second Access and Visitation contract. The statistics cover the time period of March 1, 1998 through May 31, 1999: [1]

Total number of referred families to enroll for services: 1573

Total number of children in enrolled families: 2605

| | | |
|---|---|---|
| Source of referrals of enrolled families: | | |
| Family Court | 880 | 71.3% |
| Law Guardian | 183 | 14.8% |
| Supreme Court | 20 | 1.6% |
| Local DSS | 19 | 1.5% |
| Public human service agency | 3 | [1] |
| Private human service agency | 6 | [1] |
| Private counselor | 49 | 3.9% |
| Private attorney | 20 | 1.6% |
| Court appointed attorney | 7 | [1] |
| Self | 34 | 2.75% |
| Friend | 5 | [1] |
| Other: (Probation, Parole, D.V. Early Intervention, etc.) | 9 | [1] |

[1] less than 1%

| | | |
|---|---|---|
| Profiles of enrolled families: | | |
| Divorced | 355 | 30.82% |
| Separated | 352 | 30.56% |
| Not-Married | 445 | 38.63% |
| Partner abuse | 540 | 46.88% |
| Child Abuse | 249 | 21.61% |

More than 70% reported some form of child support commitment in place. Overall rate of compliance with the child support commitment is 79%.

| | | |
|---|---|---|
| Enrollment for services by family unit: | | |
| Counseling | 468 | 19.58% |
| Mediation | 50 | 2.09% |
| Education | 614 | 25.69% |
| Development of Parenting Plan | 436 | 18.24% |
| Supervised Visitation | 795 | 33.26% |
| Monitored exchange | 26 | 1.09% |
| Neutral drop/pick-up | 1 | 0.04% |

AAA(Total will exceed family unit enrollment as families may receive more than one service.)

| | |
|---|---|
| Known Supervised Visitation Outcomes by family: | |
| Court restores unsupervised visitation | 127 families |
| Court suspends all visitation | 38 families |
| Court continues S.V. at contract site | 354 families |
| Court continues S.V. at alternate site | 98 families |
| Parents reconcile differences over visitation | 28 families |
| Family reunification | 7 families |
| | 652 |

All in all, New York State's experience with Access and Visitation programs has been positive. The program has enabled diverse community-based organizations to offer greater varieties of services to families, and those services appear to have ben-

[1] It is important to note that these fifteen months of services to families were continuous; that is, there was no break in services to the families between the first and second contracts.

efitted the families. The long term benefits to families remains to be seen as we conduct a cost-benefit analysis and collect more data. We are cautiously optimistic that *community-based* Access and Visitation programs can play an integral part in the resolution of the problems resulting from the breakup of intact families.

—

Chairman JOHNSON of Connecticut. Thank you very for your excellent testimony. I'm going to give my colleague, Ben Cardin, a chance to go first this time.

Mr. CARDIN. Thank you very much, Madam Chair, and let me thank all of our witnesses because I think it's extremely helpful to our work and appreciate you for being here and telling us the experiences in your particular States.

If I might go back first to the paternity determination, particularly in-hospital determinations, and the numbers that you're giving us appear to be very impressive about the number of successful paternity identification for children born out of wedlock. Could you give us some historic—are these numbers better than they used to be? What's happening after the initial birth of the child? Are we still getting significant paternity determinations after that? How many children will never really have a paternity identification? And how does this deal with some of the historical numbers that we've had? Can anybody help me with some of these numbers?

Ms. SAUNDERS. Well, I can tell you that in Ohio in State fiscal year 1990, we established only 17,000 paternities. Here it is not even 10 years later and last year we established 60,000 paternities. So it's quite exciting to us.

Unfortunately, our program, since we're only in the second year of implementation we don't have the statistical data yet pulled together to see what happens afterward, though a lot of what you see for the child support agencies establishing are your older children and your backlog cases. That's why it's so important to have this voluntary process in the hospitals, so that they can get the work done as close to birth as possible or have it done at the register's office or even parents can mail it in. That way, the agencies can focus on the older children, the cases that show up 5 years from now and go, oh, by the way, I think I do want paternity established.

With education and public service announcements that we're releasing—and I think New Jersey has done the same thing—we're starting to get into their brains and they're starting to think about the importance of it. Eventually, what we hope to see the trend that parents are not waiting 5 or 10 years; they're going to establish paternity in that first year of birth.

Ms. GRIFFIN. Yes. I mean, I would agree with the statistics that Ohio has. We, as I said earlier, prior to 1994, we knew that only 46 percent of all out-of-wedlock births had paternity established, either in-hospital or posthospital. I think it's in the one chart that we provided in the written testimony, what you can see is the difference between what we're doing annually with out-of-wedlock births and then what we're doing in addition to that. We're establishing at an average rate of 114 percent. So that we're doing that catch-up; we're able to go back and get the prior years and that

percentage of population so that that's been very effective for us. And we think many more children are benefiting greatly.

Mr. CARDIN. I know the experiences in Maryland with the in-hospital paternity identification, that, where we have established paternity for the child in the hospital, the compliance with paternal responsibility for child support is much higher. Are you finding that to be true when you get early paternity determination that it is more likely that the noncustodial parent will be involved in the family in paying child support and in being part of the family unit?

Ms. GRIFFIN. Yes, well, again, we said that when there's an application—because our program certainly covers the broader out-of-wedlock birth for nonmarried parents—smaller percentages of those come and apply for IV–D services at some point in time, either immediately or, in general, much later on because they're in some sort of relationship at the time of the child's birth, but that doesn't necessarily maintain over time. Our experience has been that we've seen—and, again, I talked about that earlier—was that our paternity establishment rate has led to an order establishment rate and a collection rate that has significantly gone up about 12 percent in the last 2½ years.

So, again, you have to look at that in the context that our public assistance rolls have dropped, but we have continued to increase not only our order establishment, but our paternity establishment and our collections in that category.

Mr. CARDIN. Could you just briefly tell us, how does the hospital cooperate with you in the in-hospital paternity determinations? The parents are in the hospital for such a short period of time today and getting shorter, how do you work with the hospitals themselves in order to bring the noncustodial parent into parental determinations for birth certifications?

Ms. SAUNDERS. Well, we have a—it's not so unique in Ohio; I think New Jersey and several States—we have public and private partnerships where we have a vendor who does our in-hospital paternity work for us. They have gone out to, I believe it's 139 Ohio birthing hospitals and done on-site training. They have a contact person in every hospital. They provide a videotape where the new mother and father can see the tape and realize the importance of establishing paternity. They keep an ongoing connection with each hospital for us, providing them resource materials and pamphlets and actually on-site training.

Then they can monitor what hospitals—what's their affidavit signature rate in hospitals. The vendor can begin to analyze what hospitals are not really coming through for them and go back out and give them hands-on technical assistance.

Mr. CARDIN. Does this start before the mother comes to the hospital to deliver?

Ms. SAUNDERS. It can, yes. I think New Jersey has probably better experience at that because they've been doing it a couple of years longer. But we go out to doctors' offices. We do teen programs in the high schools. They go out to WIC. They go all over the place getting the word out. It's really an information exchange to the communities.

Ms. GRIFFIN. And we do a lot of work with prenatal clinics and our prenatal physicians. Healthy Mothers, Healthy Babies Project.

We've also done a lot of work with our Head Start agencies. So that we're getting out there early on talking about the benefits of establishing paternity, but also, then, talking about the process so that when somebody comes into the hospital, they've already heard about it once; it's not a new event for them.

Mr. CARDIN. Let me change gears and talk a little bit about the Access and Visitation Grant Program. A modest program, $10 million nationwide, so appreciate your desire, Mr. Cady, to have that increased. I think many of us would support that if we can figure out a way to pay for some of those changes.

I'm curious. It seems like in Illinois and seems like in New York, the money acted as seed money or impetus for getting more money and more interest involved in the area and I think that's exactly what Congress intended. I'm curious whether, as happened in your two States, is happening around the Nation. Your observations as to whether—I mean, it's just not enough money to set off a major program in any State of this country.

The need is so great, I think all of us agree that a noncustodial parent is not just a means of support financially, but emotionally and part of a family unit could be more healthy for the child. It's also true that if a noncustodial parent is paying—is seeing the child, it's much more likely to be paying child support. So I'm curious as to how the Federal program has been used nationwide—or is what's happening in your States of what's happening around the country?

Mr. CADY. I'm not sure, to be perfectly honest. But my sense of things, just talking to other Members, is that it's uneven. I think it has a lot to do with the coordinator within the State and how soon they get started and the sense of urgency. And the buy-in to the mission Statement that it is in the best interests of the child to have access. In some cases, the minimum amount I think was $55,000 and it's awfully difficult to get buy-in and to get support at that level.

So I don't have any empirical data, but my sense of it is that there are probably half the States who are implementing it and there are some real success stories and I would suggest in the other half it's still a work-in-progress.

Mr. CARDIN. Have you quantified how much resources have been made available in your State as the result of the Federal grant? How much you've leveraged?

Mr. DOAR. Well, in the testimony I gave you, I gave the numbers of parents we had received. The program in New York State is entirely federally funded, except what comes from the community base. The State does not——

Mr. CARDIN. You said part of the application process was local——

Mr. DOAR. Required some local community involvement or their own privately raised funds. But the State does not add additional dollars to the program, outside of providing the——

Mr. CARDIN. Do you know how much local funds are being put in?

Mr. DOAR. I can't say. But I will tell you that the demand exceeds the supply.

Judge LEUBA. If I could add to that, Representative Cardin.

Mr. CARDIN. Sure.

Judge LEUBA. Looking in my written, filed testimony, the National Center for State Courts did a study of the various States to determine what their needs were and the primary, the single highest item that was reflected, was resources, so that the Federal Government here is filling what the administrators and the chief justices feel is a necessary adjunct to what's already being done to assist the family.

Mr. CARDIN. Thank you. And thank you——

Mr. CADY. If I can just add one comment to that, in DuPage County, the funding is entirely Federal except that, that was one of our points, was to encourage community involvements with the idea that the continuation of the program would be taken over by either the county or the State or possibly even things like corporate gifts in the form of employee assistance programs. This is something that's helping communities and we think that with results that will encourage funding.

Mr. CARDIN. Thank you. Thank you, Madam Chairman.

Chairman JOHNSON of Connecticut. Mr. Doar, I was looking at the profiles of your enrolled families and it was interesting that they were about a third divorced, a third separated, and a third nonmarried. But it was amazing that, in 46 or 47 percent of the cases, there was some partner abuse and in 21 percent some child abuse.

Mr. DOAR. Congressman, one of the things we discovered when we got into this was that when we issued the RFPs that the demand really from community-based organizations and courts, from organizations that had been in this business, was for supervised visitation. And one of the things that is clear about New York's experience was that when we went out to the community, we found that's what was most in need and came from organizations that were most ready to get going and keep going. So our program is, by the way it was funded and the applications we got, is heavily focused on supervised visitation. I don't know whether that's true across the country. But that's what we found people wanted most or was in most desperate need. I think that's what drives the numbers you're seeing there.

Chairman JOHNSON of Connecticut. Judge Leuba, would you have any comment on that?

Judge LEUBA. Yes. My experience in Connecticut is that that's only one of the elements and in all the States that I've tried to review in my written testimony, which the National Center put together for the Subcommittee, suggests that the different States are using many different avenues to approach this important issue and that supervised visitation is only one of them. Counseling, mediation, parenting education are all elements that you'll see used with these grants around the different States. And I think that, in one State or another, you may find more of a need for one or the other partly because of what their funding already through the State system. So you may find a gap there and a difference among States.

Chairman JOHNSON of Connecticut. The HHS report indicates that 73 percent of the participants in these access and visitation grants were either divorced or separated. Why are we getting such

a low percent of participation by never-married parents and, what would you suggest about that? It's not surprising that the 73 percent would be divorced or separated since a lot of this has been implemented through the courts and that's the first group that they would probably come into contact with. I think that's a good point that you make. And even on the mediation services and so on. But it is distressing that, as in so many other areas, it's very hard to reach the never-married, noncustodial, nonsupporting parent.

Mr. DOAR. I would only add one thing about that. This is not the only programs we have. There are, as some of the previous testimony showed, there are some great interest in father programs for low-income dads for never-married families. So we do that also in New York, but we don't do it through the Access and Visitation Grant Program.

Chairman JOHNSON of Connecticut. I see.

Mr. DOAR. We do that through other partnerships that are——

Chairman JOHNSON of Connecticut. I see. OK.

Mr. DOAR. And there is a demand for that, but there's a different avenue.

Chairman JOHNSON of Connecticut. Mr. Cady, in your testimony, you mentioned that 38 percent of all noncustodial parents don't have access to their children and 33 percent of the noncustodial parents' visitation agreements have been denied access on an ongoing basis.

Mr. CADY. That's correct. That's of the divorced population.

Chairman JOHNSON of Connecticut. Right. That's astounding.

Mr. CADY. It is.

Chairman JOHNSON of Connecticut. That 33 percent of the divorced population could have ongoing denial of compliance with the visitation agreement. I point it out because this is a big problem I see in meeting with fatherhood groups. I am just stunned with our inability to enforce agreements, but also the fact that a lot of these fathers don't have the money to go back to court. So, Judge, is there any effort being made or any developments out there that we should be aware of and should be encouraging that will help people enforce agreements without the cost and time and so on of going back to the courts, either adjusting court orders for support amounts with job changes or unexpected unemployment or visitation rights?

Judge LEUBA. I don't know of any that specifically address that issue that have come to my attention, but I certainly can have that looked at at the National Center for State Courts and at COSCA to determine whether information can be developed and, if so, it will be provided to the staff.

Chairman JOHNSON of Connecticut. Yes. If you would do that, we'll put it in the record. It's also something we're very interested in, as we look at the fatherhood program. One of the comments you get from fathers, particularly fathers who either didn't finish high school or didn't go beyond high school and have an erratic employment history, is they don't know their rights. They only know their obligations. They don't even know how to adjust their obligations to their capacity to fulfill them. And every time they turn around, it costs money. So there is a kind of hopeless bind that we're put-

ting fathers in, even fathers who are willing to be identified and want to participate.

Judge LEUBA. In Connecticut, there is an interesting movement headed in that general direction. It's a bipartisan program that was adopted in the last legislature creating a fatherhood council. And one of my staff members is on that council. The purpose of the program is to develop a workable solution to problems of bringing the fathers into the family and that council is required to report to the Connecticut legislature on January 1 of the year 2000. So if Y2K problems don't intercede, we should have more information about that in Connecticut from that source and I'd be glad to have that forwarded to the Subcommittee.

Chairman JOHNSON of Connecticut. Well, if you would please give me the membership of that Council and contacts, I'd be interested to hear what they're hearing.

[The following was subsequently received:]

The membership of the CT Fatherhood Council is appointed by the Department of Social Services (DSS) Commissioner. The statute requires that the Fatherhood Council include, at least, the following members.

* Commissioner of Labor (or designee)
* Commissioner of Education (or designee)
* Commissioner of Corrections (or designee)
* Commissioner of Children and Families (or designee)
* Director of the Office of Alternative Sanctions (or designee)
* Regional Community-Technical Colleges Chancellor (or designee)
* One expert each on legal assistance to low income populations, family relations, male psychology and health, domestic violence, and child development
* One or more representatives each of the clergy and a local fatherhood program
* One representative each of the Family ReEntry Program, a regional workforce development board, and the Connecticut Employment and Training Commissioners
* One individual each representing the interests of custodial parents, noncustodial parents, and children

—

Chairman JOHNSON of Connecticut. But one last question, because the information you've provided us with as well as that from the preceding panel has been very helpful to us, but, on the other hand, we do compartmentalize these issues and problems. Now that we have paternity identification in place and your data here was really very impressive, that you're identifying 75 percent, on average, in-hospital. And I assume the rest of you are doing pretty well on in-hospital determination?

Eventually, as we stabilize that, then the backlog of people without identified fathers will decline and, if you're doing 116 percent, 114 percent, then every year you're picking up some of the old cases and, eventually, the real issue is going to be that paternity identification program at the time of birth. How can we or to what extent are we or how could we foster integrating that paternity determination with financial counseling, pulling a person immediately into a program of financial counseling; budgeting; a good understanding that, if there is a change of job, what do you do; what's that system that I can rely on for advice and information about my obligations; pulling both parents, particularly important for unmarried parents into family skills, you know, parenting and life skills program?

So that the first 6 months—in communities where they've done this with at-risk children for educational purposes and, preventing family abuse problems, it works fantastically. And the next step is for us to hook together identifying paternity with better preparing young people, men and women, for their economic support responsibilities and family support responsibilities. This would not be limited to those who are unmarried, but certainly that would be the most important group: to help them develop the relational skills that they're going to need both for their children and for the other parent.

So if you can give us examples of programs where that's been integrated or if you can get back to us on suggestions and how we would write this fatherhood bill that we're interested in writing in a way that we do, to the extent we can, and particularly as a priority because there's never enough money for everything, do that.

Judge LEUBA. I have a suggestion in that regard that I would think that funding software programs that would permit the merging of the information may be helpful.

Chairman JOHNSON of Connecticut. Good idea.

Judge LEUBA. If the grant was broadened to cover the tracking process and the integration of these systems. Because I think most systems are running independently, quite often on computers that don't speak to one another and sometimes even in different agencies. And having some kind of method to bring these all together, which could be patterned after what's being done in the criminal justice agency, called CJIS, where all the different programs are coordinated by having their computer programs integrated so that one computer can talk to the other computer and integrate these. It sounds like a——

Chairman JOHNSON of Connecticut. Good. Well if you had a chance to sort of jot down some of the different systems that need to be integrated or need to be looked at if we require cooperation and collaboration, that would be very helpful to us.

[The following was subsequently received:]

In his October 4, 1999 letter to Representative Johnson, Judge Leuba identified the following agencies that potentially need to be involved in the creation of an Integrated Family Information System.

* Judicial Branch
-Superior Court Operations—Juvenile Matters
-Superior Court Operations—Support Enforcement Division
-Superior Court Operations—Child Protection Session
-Superior Court Operations—Office of Victim Services
-Superior Court Operations—Domestic Violence Session
-Superior Court Operations—Regional Family Trial Session
-CSSD—Intake, Assessment and Referral
-Information Technology Division
* Office of the Child Advocate
* Office of the Attorney General
* Department of Child and Families
* Department of Corrections
* Division of Criminal Justice
* Department of Labor
* Department of Mental Health and Addiction Services
* Department of Mental Retardation
* Department of Public Health
* Department of Public Safety
* County Sheriffs
* Department of Social Services

* Department of Information Technologies

—

Ms. GRIFFIN. I came to child support after 27 years in child protection of child welfare, so I have a particular interest in that whole area that you just spoke to. That's why we have taken this year to really try and take our paternity establishment and link it with outreach and information to parents. I mean, we're going out across the State holding community meetings, working with parents around providing them with information on mediation, on supervised visitation programs, on fatherhood initiatives, working at—and trying to tailor that to their communities, the particular areas, because it's very different from Hudson County, New Jersey, to Cape May, New Jersey, and from East to West.

So we've really tried to incorporate that. We're working very closely with our two fatherhood programs at the moment and are in the process of, hopefully, rolling out three more fatherhood programs across the State, one dedicated particularly to the correction and the juvenile justice inmate later this spring. So we've seen that as a real area in which we need to give people the information about what the child support system can do for them. What their rights are; what their responsibilities are; but also to provide them with comprehensive resources. It's not a one-size-fits-all kind of concept, so we want to make sure that if you need counseling services or you need mediation services or you need services through the courts, that you have a variety of places that you can go to do that.

We've taken review and modification and partnered with the court to move that outside of the court so it's only going to the judge for review and final sign-off or if the individual really objects or they can't reach resolution. So we've, again, moved it to more of a mediation kind of concept so that review and modification is not so onerous, does not require the hiring of a separate attorney, except in very egregious circumstances.

Chairman JOHNSON of Connecticut. And, in addition to sort of coordinating that information so people know what all the different possibilities are, do you have any program that does teach parenting skills, relational skills, budgeting, and financial rights and responsibilities, and is hooked into a paternity identification program?

Ms. GRIFFIN. Yes. Our Operation Fatherhood component in Trenton, New Jersey, was one of the original Parent's Fair Share Programs. And they've had a very successful track record. They're even improving their services greatly. But we've done a lot of work with both Work First New Jersey component, which is related to certainly TANF and moving people from welfare to work.

But we've also employed in that guaranteeing a social relationship. They have a fatherhood center that they've established with local funding to really kind of bring all those pieces together using mentoring, working on financial planning, and really helping people dealing with license suspension issues, because you're dealing with, again, an inner-city population that doesn't have a lot of resources, but getting a job often requires a license. Many of our par-

ties don't even have a license or have had that license suspended or, you know, removed for previous or for other problems. But it's a myriad of issues that a community agent has to deal with to help these individuals.

Chairman JOHNSON of Connecticut. Good.

Mr. Doar.

Mr. DOAR. Madam Chairman, I just wanted to add two points. One is that I think you're absolutely right that the first step has to be paternity acknowledgement or paternity establishment. That with benefits come, first, obligations or meeting responsibility and that has to be accomplished before we move folks into programs like that.

And the second is the macro incentives. The more money, particularly once a mom leaves public assistance, that goes to her in child support, then you're sending the right message about financial responsibility. And that is still a subject I think that there is work to be done on.

Chairman JOHNSON of Connecticut. I think that is a very important. You know, the big barrier to that is, as we force States to do that, then it reduces the amount they get to keep. So either we have to afford to replace that, which in today's circumstances is very difficult, but we do it over a longer period of time so they gradually just eat the loss.

Mr. DOAR. Well, in New York State, Governor Pataki did propose an increase in the passthrough from $50 to $100.

Chairman JOHNSON of Connecticut. Good. Excellent.

Mr. DOAR. And he knew that we were going to face that, but——

Chairman JOHNSON of Connecticut. We do have a couple of States that do 100 percent passthrough on their own. But we are conscious of it and we——

Mr. DOAR. But there are still those people who leave welfare who are still having a portion of their collections. And then, also, by changing that both with regard to the families, you also are simplifying for those of us in the child support business the distribution process.

Chairman JOHNSON of Connecticut. No, I think your point is very well-taken and that, I think, has been brought back to us again. It's certainly a point that my friend Mr. Cardin has been working on very hard. Thank you very much for your testimony. We appreciate your thoughts. And if you have follow-up ideas, please feel free to offer them.

[Whereupon, at 2:05 p.m., the hearing was adjourned.]

[Submissions for the record follow:].

**Statement of John Smith, Research Analyst, Alliance for Non-Custodial Parents' Rights, Burbank, CA**

FOCUS OF THE HEARING

The Subcommittee will examine four major issues raised by implementation of the 1996 child support reforms.

First, perhaps the most important reform in the 1996 legislation was the creation of a directory of basic information on every person hired in the United States.

Second, every State is now operating a hospital-based program aimed at establishing paternity for births outside marriage.

Third, States are organizing programs that systematically search financial institutions for the assets of noncustodial parents who owe past-due child support.

Finally, the welfare reform law created a new program to improve relations among separated, divorced, and never-married parents in order to facilitate access to, and visitation of, children by noncustodial parents.

## OVERVIEW

What clearly jumps out is that half of the four issues are a direct assault on privacy, personal freedoms and Constitutional rights. The paternity establishment issue could lead to an even greater governmental invasion of privacy if the government is allowed to maintain a paternity database.

Since 1975, the federal government has been trying to make child support work. It hasn't. That's the only thing that both sides agree on. It is time to get government out of the business of attempting to micro-manage families, something which has been a complete failure in all government programs (the war on poverty, welfare and child support).

## POINT-BY-POINT COMMENTS

*New Hires Database*

The National Directory of New Hires (NDNH) database, aside from its Orwellian connotations, will most likely fail. First, when a noncustodial parent is hit with an excessive child support order, s/he will simply quit and get another job. Because support orders are so high, it makes it economically feasible for them to leave their job (for example, a 50% wage garnishment is not uncommon in arrearage cases, so by leaving and getting a job that pays the same, the person has effectively doubled their pay).

As the economy becomes increasingly entrepreneurial, self-employment will dominate. This is already happening and will render the NDNH database impotent for the non-TANF cases.

As for the welfare (TANF) cases, most jobs will be at minimum wage or temporary, limiting the amount of money to be collected (and should someone working at minimum wage—something liberals are already saying is not a living wage—have to pay child support anyway?). In both cases, the incentive to work underground—escaping both child support payments and all taxes—now becomes an attractive option.

*Paternity Establishments*

People are acting surprised that 70% of fathers eagerly and willingly establish paternity—so much for the "disappearing dad" myth. The reason why most fathers disappear, is that child support forces them into exile, due to its excessive awards and draconian punishments.

At the same time that DNA tests can establish paternity, we need to use these same results to clear men who are proven not to be the fathers. Over 70% of paternity establishments in Los Angeles County are done so using default judgments ("Net to Snag Deadbeats Also Snares Innocent," Los Angeles Times, April 12, 1998). Default judgments should not be allowed to establish paternity or child support. Personal service must be mandatory.

In Los Angeles County, over 350 men are billed for child support even though paternity cannot be established ("In 9 of 10 Child Support Cases, D.A. Comes Up Empty-Handed," Los Angeles Times, Oct. 11, 1998) and no one—the District Attorney or the mother—is prosecuted. Men falsely accused of being fathers must be allowed to sue government agencies and individuals and collect punitive damages.

The problem is that child support agencies are awarded incentive funding based on quantity of cases, not quality of cases or child well-being. Until this changes, expect more shoddy work.

*Systematically Search Financial Institutions*

As predicted by ANCPR, in their vain attempt to collect money (as if money will solve the problem), the government is taking increasingly drastic steps. Now, everyone—not just delinquent parents—is being affected by this 25-year-old policy failure.

The Los Angeles Times reports that small and medium-sized banks that cannot afford to search for delinquent parents, have been turning over all of their customers' account information to the government so that the government can search for it ("Many Banks Giving State Extensive Customer Data," Los Angeles Times, July 16, 1999). When Congress attempted to introduce the "Know Your Customer" banking invasion of privacy bill, it was soundly defeated. Because the public is not educated on child support issues, there has not been a similar outcry. ANCPR's education and awareness efforts combined with the increasingly desperate measures

taken by Congress should cause the dam to break, opening up the road to true child support reform.

*Access and Visitation Programs*

For years, Congress and the courts have tried to ignore the obvious—child support payments and visitation are linked. Fruitless efforts have been made by CSE agencies and judges saying they are not legally linked, even though the amount of visitation directly and legally affects the amount of the child support award.

How important is visitation enforcement to our government? DHHS boasts in a 1999 press release that they have allocated $10M to fund various pilot programs across the country for visitation and access. By comparison, Los Angeles County spends $125M per year in child support enforcement.

Has the number of visitations increased? Has the amount of time spent during visitation increased? Have visitation violations decreased? If the answer to any of these is no, then more resources must be added to make this program effective. In fact, visitation enforcement should have the same amount of resources as the CSE programs have—including staff, budget and infrastructure. The FPLS database must be open and accessible to noncustodial parents, so that they may track down custodial parents who have moved away with their children and prosecute illegal move-aways, as exemplified by Geraldine Jensen, founder of ACES. CSE agencies should dedicate half of their staff to helping noncustodial parents locate their children.

If shared parenting became the presumption in law, the concepts of custody, visitation and primary caretaker all become obsolete and visitation programs would become moot.

## CONCLUSION

Child support has been a 25-year policy failure and will continue to be so until true reforms are taken to eliminate greed (child support awards) and revenge (custody) from family law.

Are our children better off today than they were 25 years ago? According to the child support experts, they should be, as we have been receiving record-high collections for the past several years. No accountability exists to prove that any of this money ever reaches the children. A Bureau of Labor Economics Journal study shows that only $1 out of every $5 can be expected to be spent on the child ("Child Support Feels Different on Male Side," Los Angeles Times, Feb 22, 1999).

Why do we allow the assumption that collecting money is directly linked to child well-being? Especially when studies have shown just the opposite. If the goal is to raise better children, why aren't CSE agencies' funding based on child well-being measurements?

As Karen Winner points out in her book, Divorced From Justice, "There is accumulating evidence that men are challenging their wives for custody of the children precisely because it is cheaper to keep them than to pay child support." (p. 52). It's time we removed money and revenge from family law and replaced them with personal responsibility and the work ethic. Both parents should be required to evenly split child-rearing chores, in cases where a voluntary agreement cannot be reached. This would eliminate the need for child support and its associated bureaucracy.

The government has never been able, is not able and will never be able to raise a family. The sooner our government exits this area of micro-managing raising families, the better off our country will be. ABC's John Stossel aired a special (9/19/99) "Is America No. 1?" While this program looked at socioeconomic factors and not families per se, it showed that countries who got out of the way of individuals, had the best economies (e.g. Hong Kong) whereas countries that had the most government (e.g. India), had the worst economies and standard of living. We need to realize this same principle applies to families and act accordingly.

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### Statement of David A. Roberts, President, American Coalition for Fathers and Children

Honorable Chairman and Members of the Subcommittee:

## I. INTRODUCTORY COMMENTS

Although I am President of one of the largest and fastest growing fatherhood support organizations in American today, with a clear interest in the proceedings of this

Subcommittee, I would first State that with such short notice of this hearing it has been impossible for our organization to complete the internal review process that we normally take before issuing any public comments on a matter such as this, and therefore the following comments are entirely my own. After discussion of several related issues, I will address the specific four major issues indicated in the hearing announcement, followed by a brief conclusion.

Before anyone gets the wrong impression that the American Coalition for Fathers and Children (ACFC) represents only fathers and children, I should tell you that about half of our members are women, including second wives, grandmothers, sisters and friends of fathers. These women have seen from personal experience how unfair the current system is to millions of fathers, and how destructive it can be to their children, and are some of our most ardent advocates. This includes Dianna Thompson, who is Chairman of the Board of ACFC. I wish that Dianna could be here today because I believe that this Subcommittee desperately needs to hear from her. But Dianna runs our California office and it is impossible for her to be here on short notice.

The half of ACFC supporters who are women understand from direct personal experience that ACFC stands unalterably for the principle that mothers, fathers and children equally deserve to be treated with the respect, honor, and dignity as a person that is the birthright of every person on this planet. Unfortunately this principle is poorly reflected in current federal and State family policy, and in particular in child support policy and practice. ACFC is not opposed to child support per se, but believes that the best assurance that child support will be paid in full and on time, is when child support is set at fair and reasonable levels, and access of children to both of their parents is assured.

ACFC is not a "gender advocacy" organization, but an "equal rights" organization. ACFC believes that children need both parents. ACFC equally supports the natural human right of non-custodial mothers to remain a part of her children's lives, as we do in the far more common circumstance of fathers in that situation. The name of our organization merely reflects the fact that it is overwhelmingly fathers who are most directly and most adversely affected by massive inadequacies in current federal and State family policies, including child support policies. Our name also reflects recent Gallup Polls indicating that some 86% of the American public believes that fatherhood is one of the most important social issues facing America today.

But although many people see child support as a "gender issue," from where I sit, I believe that it is poorly understood as a gender issue. In addition to the fact that about half of ACFC supporters are women, the Subcommittee should also consider that half of the children adversely affected by inadequacies in current child support theory and practice are also young girls, who are likely to grow up with quite a different perspective on this issue than many of those who pretend to "speak for women" today. The plain fact is that thirty years of what could be called "mother-centered" Federal and State family policies have served the interests of women and children extremely poorly.

While the 1996 Welfare Reform Act was a step in the right direction, the fact remains that despite $6 trillion in combined Federal and State spending on mother-centered family policies in the last thirty years, the vast majority of the millions of sole-mother-custody families remain the poorest in the nation. Meanwhile, the crisis of fatherless children has reached epidemic proportions. Calls for intensification of mother-centered family policies, such as you will hear from administration and gender advocacy representatives today, are unlikely to serve women and children any better in the future, than such policies have in the past.

If $6 trillion dollars made the situation of millions of mothers and children worse than it was, attempts to transfer the cost of a mother-centered family policy onto the backs of fathers are unlikely to help, even if non-custodial fathers had that kind of money, which they most certainly do not. Even if this Subcommittee cares not a wit about the millions of non-custodial fathers whose lives have been devaStated by draconian child support collection efforts of recent years, I urge you to give the most sober reflection to the long-term implications just for mothers and children, of continuation of a mother-centered family policy. Market economics alone suggest that intensification of subsidies for fatherless homes are likely to produce more of the same.

ACFC believes that this is not a "gender issue," but a civil rights issue. Many years ago in the Lincoln-Douglas Debates, Abraham Lincoln argued forcefully that it is impossible for any society to enslave part of its population, without to an extent enslaving the entire society. ACFC believes it is equally impossible to continue the massive unfairness of the current child support practice without ultimately having equal numbers of women as men treated unfairly. Lincoln lost the Senatorial election of 1858 to Douglas, but went on to win the Presidency in 1960, and as we all

know, went on to end the practice of slavery in America. ACFC may also lose the debate here today, but as indicated below, we believe that the current child support system is in a State of near collapse, and have no doubt that the massive unfairness of this system must be reformed in some major ways, and the sooner the better.

## II. Inadequate Representation

The financial condition of the fatherhood movement in America today could best be described as "barely having two nickels to rub together." Millions of non-custodial fathers have been economically devaStated to the point that "two nickels" is an optimistic assessment of their net worth, considering "arrearages" that they will never be able to pay. ACFC has never received a penny of taxpayer subsidies, and is not seeking any such subsidies. Meanwhile, gender advocacy organizations have been lobbying Congress for decades for Federal subsidies, and have received billions of dollars of Federal subsidies. Federal agencies that are essentially operating as gender advocates have had trillions of Federal dollars. This situation has resulted in an extreme imbalance in the ability of fatherhood organizations to be heard in the halls of Congress, even in a hearing such as this that so seriously affects the interests of fathers and their children. While I apologize for any shortcomings of this Report, I would urge Congress not to take it any less seriously than it would if we had legions of lobbyists prowling the halls of Congress. If the voice of fathers and children is not heard now, it could be a long time before you will hear from us again, because quite frankly, we just can't afford to get here very often.

## III. The ACFC Child Support Survey

Most of the thousands of members I represent are highly dissatisfied with current child support practice by both Federal and State agencies. ACFC recently conducted a survey, and although we have not yet had time to compile all of the results, I can tell you that from what I saw of the hundreds of survey forms as they came in, that when asked to rate the overall performance of child support agencies on a scale from 1 to 5 as Excellent (1) to Very Poor (5), the overwhelming response was Poor (4) to Very Poor (5). While I would expect that such a survey conducted on a random basis from the actual client population served by child support agencies would be somewhat better than this, from discussions with hundreds of people all over the country, my impression is that it would not be that much better, whether the rating is from mothers or fathers. The amazing thing is that I have never heard of ANY child support agency conducting such a survey of their client population. Any private business that totally ignored its client base dissatisfaction for decades would have disappeared long ago, but somehow these folks keep churning out rosy reports of "progress" for Congress. ACFC would be pleased to provide this Subcommittee with the results of our survey as soon as we have it, if this Subcommittee would be willing to accept it, but I would also urge this Subcommittee to recommend that OCSE conduct similar surveys on a random basis of its actual client base nationwide, and report the results to Congress. I would suspect that the picture that you will get when you hear from the people affected by current child support policies, will be quite different from the picture you will get from bureaucrats and lobbyists.

## IV. False Claims of Gender Advocates

First, no doubt you are going to hear claims of an "80% increase in child support collections" in recent years. But if you look carefully at the latest figures from OCSE, you will find that low-income family IV–D collections have remained static or actually declined over the same period of time. The claimed "80% increase" is actually the result of bringing increasing numbers of non-IV–D fathers into the Federal reporting system. This is a false claim, because much of this non-IV–D child support was already being paid anyway through the ordinary operation of the courts, without any Federal assistance whatsoever. It's hard to get the truth out of OCSE and for this reason I would urge the Subcommittee to request a GAO audit of the claimed increase in collections to determine how much of this increase resulted from the massive amounts spent on the new collection apparatus, and how much would probably have been paid even if no Federal effort was involved.

Second, no doubt you are going to hear wild claims of $40 to $50 billion that "could be collected" through increased effort. The first thing that I would ask the Subcommittee to consider about such claims is to suppose that the claim is true—what overall impact would this have on the $600 billion Federal and State annual spending on a mother-centered family policy? Because that doesn't take very long to figure out, the next question is, is there any truth to such claims? Despite the

fact that at great expense, the "get tough on deadbeat dads" campaign has systematically eliminated almost all due process protections for non-custodial parents, claims of increased collection are suspect (See above). According to OCSE itself, collections for low-income families that the Subcommittee ought to be most concerned with have remained static or actually declined. According to the GAO Report, HEHS–99–105, June 30, 1999, 22 States now report that cost of collection of child support already exceeds the amounts of child support retained by the States to offset this cost, up from such 12 States in 1994. According to the pie chart in Figure 3, page 36, Preliminary Data Report for FY 1998, DCL–99–55, June 4, 1999, Federal and State CSE programs already retain 92% of child support collected in IV–D programs, to offset the cost of collection. Given that only 8% of child support collected by draconian efforts in the most critical IV–D cases now actually goes to children, it is hard to see how this could be significantly increased without rendering the entire program of no benefit to children at all. Given these stubborn facts, I urge the Subcommittee to request a GAO audit to determine how much increased collection might realistically be expected from any reasonable level of increased collection effort? Based on my experience, my guess would be that at this point, the net effect of increased spending on collection efforts would be negative—i.e. that it would cost more than the increased amount that might realistically be expected to be collected. But this Subcommittee ought to base its recommendations on facts developed in a businesslike manner by the GAO, not on guesses, and certainly not on the wild claims of gender advocates.

Third, OCSE often makes the claim of a 1–4 ratio of cost of collection versus collection received (see page 39 of DCL–99–55). I would urge the Subcommittee to take a long hard look at the basis of this claim. When you do, you will see that it is highly misleading at best. As indicated in the chart on page 39 of DCL–99–55, the ratio is actually negative and continuing to decline in the most critical IV–D cases. The ratio in non-TANF cases has been increasing in recent years to offset this decline, but again this is deceptive because most of this increase is simply due to including already paying cases in OCSE reporting. Lumping these two types of cases together totally obscures the fact that for the most critical low-income families, more is spent on collection efforts than is received in benefits to children. Nor should it surprise any reasonable person that low-income mothers tend to have children by low-income fathers. Because IV–D fathers generally don't have any more money that IV–D mothers, increased expenditures for collection efforts are unlikely to produce positive results. The irony is that low-income fathers need just as much assistance as low-income mothers in things like health care, housing, and job training, but under current policy, the mother gets a check, while the father faces garnishment of wages, seizure of bank accounts and tax refunds, lose of driver's license and other identity papers, and quite likely time in jail. The social costs of these punitive measures are not taken into account in OCSE claims of effectiveness.

## V. Social Costs of Current Policy

What is most deceptive about the OCSE claims of a 1–4 "effectiveness" ratio is that it includes only program administrative costs of about $3.9 billion annually, and totally fails to take into account the social costs of the father-punitive measures necessary to maintain current policy. Social costs are always difficult to estimate, but the following is a very reasonable estimate. Studies have shown that domestic discord is the leading cause of lost productivity in the business world. Roughly half of about 20,000,000 active non-custodial parent cases are settled fairly reasonably, but this leaves 10,000,000 difficult cases. If productivity loss is reasonably estimated at $10,000 annually per difficult case, this alone would be $100 billion annually in social costs. If half of these social costs are caused by the disruptive effects of current father-punitive policies, this suggests annual social costs in the range of $50 billion caused by current policy. Based on my experience, I believe this is a very reasonable figure from loss of productivity alone, but there are a number of other social costs to be taken into account. If any reasonable estimate of social costs is factored into the OCSE claims of effectiveness, it would indicate that instead of any net gain, current child support policy is an economic disaster for America. Common sense should tell you that money spent on punitive measures against low-income fathers might be far better spent on supportive policies, so they could actually be able to begin to pay child support. I would urge the Subcommittee to request that the GAO conduct a study to estimate the social costs of current punitive policies, in order to be able to develop a realistic estimate of the "effectiveness" of current child support policy.

## VI. Four Major Issues

1. New Hires Directory—My first comment on this program is that it is an example of the dynamic that Lincoln observed with respect to slavery, that you cannot disparage the rights of part of the people, without disparaging the rights of all the people. In order to track down perhaps a few hundred thousand "deadbeat dads" that might otherwise not be found, the government launched an unprecedented intrusion into the privacy rights of 100 million employed Americans. The social costs of this unfunded mandate on employers do not seem to be included in OCSE estimates of their "effectiveness." The law of unintended consequences is also involved here. An all-to-common reaction of many employers faced with a garnishment order for a low-income worker who is also likely to be behind in child support, is to find an excuse to fire him. Unable to find legitimate employment, many such workers drift into an underground economy of barter and under-the-table employment, with consequent loss to the government of taxable income, another social cost not reflected in OCSE estimates of their effectiveness. To my knowledge, the overall cost-effectiveness of this program has never been properly evaluated. Quite aside from civil rights implications of unwarranted intrusion into what ought to be private relationships, I would recommend a GAO study of the cost-effectiveness of this program before drawing any conclusions about whether it should continue.

2. Hospital Paternity Establishment—I can tell you from personal experience that the emotional bonds that develop between father and child when a father is present at the birth of the child are perhaps the most powerful force linking fathers to their children. I cannot imagine a father who would ever forget his child if he was present at their birth. But unfortunately, I believe that the law of unintended consequences will also comes into play in the hospital paternity establishment program for unmarried fathers. It is probably true that 70% of unmarried fathers who are present at the birth of their child, are currently willing to sign paternity acknowledgement. But I would expect that as more and more such fathers come to realize that the current mother-centered policy offers such fathers essentially no due process protection for the right to a continuing relationship with their child, but only a potentially huge liability for child support, that the long-term application of this policy will be that large numbers of fathers will simply avoid being present at the birth of their children, with consequent weakening of father/child bonds that are the best assurance that child support will be paid. My general feeling is that I am simply ashamed of a government that would resort to insidious exploitation of emotional vulnerability at such a time, for the sole purpose of taking money from a father, when it has no intention of assuring his continuing relationship with his child. I believe that the government should either get serious about visitation and access, or terminate its involvement in this program as soon as possible.

3. Financial Reporting Program—My thoughts on this program are similar to the New Hires Registry—once again it is an unprecedented intrusion into the privacy rights of all Americans for the purpose of obtaining payments from only a few. But in addition, because of the sensitive nature of banking relationships, which depend entirely on trust between a bank and its clients that money deposited in the bank will be secure, the law of unintended consequences could come into play with a vengeance. I would expect that if this program continues for any length of time, non-custodial parents will simply stop using banks in large numbers, and any short-term gains from this program will soon evaporate. I find it hard to believe that it will ever recover the cost to implement the program, let alone the unfunded mandate costs to financial institutions. But I would also expect that insofar as the very existence of this program tends to undermine confidence in the security of American banks, large numbers of people who have no immediate concern about child support, might begin to look overseas for greater security in their banking relationships. Again I would recommend a GAO study of cost effectiveness this program before reaching any conclusions as to whether it should be continued.

4. Access and Visitation Grants—This is an area where I believe the government is on the right track, even if the $10 million initial funding of this program is a pittance compared to the $3.9 billion budget for child support collection. Despite an often repeated legal opinion that visitation and child support should be separate issues, human nature being what it is, common sense tells any reasonable person that these issues are inextricably linked. The best guarantee that child support will be paid, is to assure not only that visitation is not obstructed, but that it is actually encouraged. As a national organization, ACFC has had no direct involvement in this program, which consists entirely of grants to local State organizations. But we have heard some disturbing reports from our State affiliates about mis-management of this program by allocation of funds to projects that have no direct connection to assuring visitation and access, while denying funding to worthy projects by fatherhood

groups that are directly connected to the goals of the program. Rather than get into the details here of the complaints we have received, I would only say that I do not know of any fatherhood group likely to apply for such a grant that would not manage it in a responsible manner. Contrary to the rhetoric of gender advocates, the primary focus of the leaders of the local groups that I deal with would be counseling for newly divorced fathers, who may be in emotional shock from a divorce that they didn't expect or want, that nevertheless such fathers need to conduct themselves in a responsible manner in visitation if they want to have a continuing relationship with their children. Often having learned their lessons the hard way, these leaders know what they are talking about, and are likely to be even harder on newly divorced fathers than any government bureaucrat could ever be. I would urge continuing Congressional oversight of the Visitation and Access program to assure that its intended purpose is complied with.

VII. CONCLUSION

My general assessment of Federal and State child support programs is that they are a shambles near a State of collapse, with a lot of patchwork solutions that probably do as much harm as good. But the good news is that there is no actual child support crisis in America. You don't see hordes of children on the streets dressed in rags and begging for scraps of food as in many countries. Any crisis that exists is mostly confined to the management of the child support bureaucracy itself. I urge Congress to continue its oversight by the GAO audits and studies indicated above, so that all mothers, fathers and children can be treated equally with the dignity, honor and respect that is their birthright, and public confidence in the child support bureaucracy can be restored.

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**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 of public assistance. Collection of child support enables our low income working poor members to stay in the job force long enough to gain promotions and better pay. The collection of child support means our 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.

ACES has been monitoring State government child support agencies as they implement the child support provisions of the Personal Responsibility and Work Opportunities Act of 1996. Our general findings are:

- 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

- States are encountering problems with payment distribution by New Central Payment Distribution Units
- No increased collection rates are reported after receipt of data from National Directory of New Hires
- Most States lack management and tracking systems for new hire reporting
- Some State computer systems are nonexistent or ineffective

In response to an ACES survey requesting information about undistributed and/or unidentified funds, thirty-four States reported that they have $68,712,546 on hand as of the end of December 1998. [See an attached chart for specific amounts and explanations.] Some of the reasons listed by States for the undistributed funds were unknown addresses of the custodial parent, computer distribution problems, interstate cases with unknown case number or non-matching case numbers in both States, uncashed checks, and internal accounting and processing issues. ACES monitoring of the New Central Payment Distribution Units led to the discovery of large amounts of undistributed funds. Sixteen States failed to respond to a Freedom of

Information request about the amount of undistributed/unidentified funds they have on hand. Since 1984, States have had access to the Federal Parent Locator System. Few have used this service to find the addresses of families for whom payments are being held. The majority of children entitled to child support payment being held are growing up in single parent households that are the poorest families in the nation. Between 1996–97, because of loss of public assistance, there is a 26% increase in poverty in the number of children growing up in single parent households.

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 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.

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 which was 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.

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 Statewide 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?

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 has 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 Initiative 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 Initiative Program 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!

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.

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 bureaucracy full of loopholes and red tape.

A congressional bill, H.R. 1488, sponsored by Representative Henry Hyde (R) IL and Lynn Woolsey (D) CA, 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, make children as important as taxes!

**Child Support Enforcement Survey Results**

ACES, Association for Children for Enforcement of Support, conducted a survey with all State Offices of Child Support about the use and effectiveness of the National Directory of New Hires. The information contained in this table is the response we received from the States for the following questions:

How many matches did your States receive from the National Directory of New Hires?

*Results from the New Hire Matches:*

- Of the matches made, how many matches resulted in support Order? Income withholding orders? Paternity orders? Court enforcement?
- Other administrative enforcement?
- Number of cases with payments received as result of the above actions?

We also asked the States for the amount of undistributed/unidentified child support payments as of December 1998 because they did not have a current address of the custodial parent.

| State | Number of Matches | Results of the Matches | Unidentified Child Payments as of 12/31/98 |
|---|---|---|---|
| Alabama ..... | The computer does not tabulate the numbers of matches. | Computer does not tabulate the number of matches. | |
| Alaska ..... | Not available ..... | Not available ..... | $3,967,484.21 as of 12/98 |
| Arizona ..... | Not available ..... | Not available ..... | $2,535,727 |
| Arkansas ..... | First reports received 3/99. | Data unavailable ..... | $149,000 |
| California ..... | California is currently unable to submit data to the National Directory of New Hires due to lack of automation.. To compensate for this inability, OCSE conducted a one time data match of new hire records with the 69,811 Tax Refund Offset requests sent for the 1997 Tax Year.. New Hire Matches: 6,162. Quarterly Wage: 19,301 Unemployment Insurance: 2,710. Of the 422,735 cases processed through the Federal Parent Locator Service for 10/97–5/98, 102,999 delinquent California parents were matched to non-California employers. | As California is a State supervised, county run operation, we at the State level are unable to track how the county Family Support Division uses the data.. | "Following the Public Records Act request CDAA's Office of Child support has no data on the dollar amount of undistributed child support payments. We are not required to report any such information to the Federal OCSE, and do not collect this information from the counties" |
| Connecticut .. | No response ..... | No response ..... | $385,302 |
| District of Columbia. | 2,400 for 1998 ..... | Unknown ..... | $1,376,298 |

| State | Number of Matches | Results of the Matches | Unidentified Child Payments as of 12/31/98 |
|---|---|---|---|
| Delaware ..... | "State computer does not process matches from federal registry, being done manually. No records available of number of matches". | 6,000 wage withholding notices sent out since 1/29/99, impossible to tell which are from State new hire data and which from federal new hire data. | $2,040,215 |
| Florida ..... | No response ..... | No response ..... | "Our undistributed balance includes receipts that are awaiting normal monthly processing as well as those which require additional research. Unfortunately, neither the Florida Online Recipient Integrated Data Access(FLORIDA) computer system or the State Automated Management Accounting Subsystem (SAMAS) can differentiate between these two. Consequently, we cannot provide a specific delineation of those funds which are being held pending additional research." |
| Georgia ..... | As of April 1999, "Georgia's system has not successfully interfaced with the federal new hire information.". | Not successfully interfaced with federal new hire information.. | $966,403 |
| Iowa ..... | 12,887 ..... | 30% resulted in income withholding, does not track orders established, paternity, or other administrative or judicial enforcement. | $712,330 in undistributed collections of IV–D families whose addresses were not verified. In a typical month, the percentage of payments processed that are held until a IV–D family's address is verified is .06% |
| Indiana ..... | Not available at current time. | Not available at current time. | No response |
| Kansas ..... | 94,418 with State new hire registry. We don't know how many matches were made at the national level and sent to us through the Federal Parent Locator Service. | Unknown, don't track .... | $528,931, "this includes money eventually retained by the State as well as money due to the family. We do not track the reason the money could not be distributed." |
| Kentucky ..... | 115,343 ..... | System does not gather this information. | $1,726,981 |
| Louisiana ..... | We receive around 50,000 records each month, of these we match about 7% or 3,500. | Information not available. | $60,825 |

| State | Number of Matches | Results of the Matches | Unidentified Child Payments as of 12/31/98 |
|---|---|---|---|
| Maryland ..... | 10,958 ..... | Support Orders: 2,164 .... Income Withholdings: 8,493. Court Enforcement: 7,473* (totals more than received). | $228,244 |
| Michigan ..... | "We do not have this information available in Michigan". | "We do not have this information available in Michigan". | As of 12/98, $21,974,063, This amount is in the process of being revised due to the submission of additional collection reports by the offices of the Friend of the Court |
| Minnesota .... | Unknown ..... | Unknown ..... | $255,632 unknown address of custodial parents, 43,673 interstate cases, unknown case numbers |
| Mississippi ... | 101,286 ..... | "8,544 matched our records. We receive employer name and address for NCP, which is very helpful". | No response |
| Montana ..... | 172,686 (State and federal new hire matches). | Does not have information. | $295,208 |
| Nebraska ..... | 901 ..... | Does not have information. | No response |
| Nevada ..... | Statistical data is not kept on matches. | Statistical data is not kept on matches. | $121,835 |
| North Dakota | 31,968 reports received; 1,410 matches. | Not tracking results ..... | No response |
| North Carolina. | 142,967 ..... | 381 orders established, order data not available. | $7,862,986 total consists of: $3,857,585: futures; $390,922: canceled checks; $508,725: hold transactions; $583,794: hold accounts; $2,490: adjusted. not approved; $125,251: no mail address; $962,692: miscellaneous; $16,672: unidentified payor; $1,414851: agency level |
| Ohio ..... | 98,437 ..... | Not a federal requirement to track this information. | $10,897,870 IV–D funds and $677,141 non-IV–D Funds; $15,561,361 as of 9/99 |
| Oklahoma ..... | 4,158 received ..... | Not available ..... | No response |
| Texas ..... | 1.34 million matches ..... | Unable to track results, in process of automating. | As of December 1998, $16,298,991, of this $3,179,002 is due to unknown addresses of custodial parents, $6,361291 undistributed as of 3/26/99 |
| Tennessee ..... | We sent our test load of 500 cases and received matches of 16. | Did not track results ..... | No response |

| State | Number of Matches | Results of the Matches | Unidentified Child Payments as of 12/31/98 |
|---|---|---|---|
| Utah ..... | 12,441 ..... | "We do not have computer capability to track". | $268,313 |
| Vermont ..... | 5,010 ..... | Still determining ..... | $1,434,499 as of 12/98; this includes contested tax intercept money and 2 month delay on EOG's |
| Virginia ..... | 57,000 ..... | Have not yet studied the results. | $40,900 due to unknown address of custodial parents |
| Washington .. | 23,722 total, 10/98: 9,049; 11/98: 8,796; 12/98: 5,877. | Washington does not technologically link new hire data to child support or payments. Current electronic tracking methods are inaccurate and unreliable. Resources not available to do manual tracking. | $3,036,757 |
| Wisconsin ..... | 35,911 NCP* matches .... | Income withholding 25,000, approximately, based on worker estimates of 75%. | $3,168,757 accumulated since 10/1/96 of which $1,761,472 is held because of unknown custodial parent address |

*NCP—Non-Custodial Parents

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**Statement of Stephen Baskerville, Washington, DC**

Q: IS COURT-ORDERED CHILD SUPPORT DOING MORE HARM THAN GOOD?; YES: THIS ENGINE OF THE DIVORCE INDUSTRY IS DESTROYING FAMILIES AND THE CONSTITUTION.

Geoff came home one day to find a note on the kitchen table saying his wife had taken their two children to live with their grandparents. He quit his job as head of his department in a university and followed. He was summoned to court on eight-hours' notice and, without a lawyer and without being permitted to speak, was stripped of custody rights and ordered to stay away from his wife and children most of the time. Because he had no job, no car and no place to live, his mother cancelled a pending sale of her house, and he moved in with her. Geoff and his mother now pay about $1,200 a month to his wife and her wealthy parents, and he is left to live and care for his two children on about $700 a month. A judge also threatened him with jail if he did not pay a lawyer he had not hired. When his temporary job ends, the payments must continue, and he is not permitted to care for the children while unemployed. He also expects to be coerced into paying more legal fees. He has never been charged with any wrongdoing, either criminal or civil.

Geoff's experience increasingly is common. In fact, it is epidemic. Massive numbers of fathers who are accused of no wrongdoing now are separated from their children, plundered for everything they have, publicly vilified and incarcerated without trial.

About 24 million American children live in homes where the father is not present, with devastating consequences for both the children and society. Crime, drug and alcohol abuse, truancy, teenage pregnancy, suicide and psychological disorders are a few of the tragic consequences. Conventional wisdom assumes that the fathers of these children have abandoned them. In this case the conventional wisdom is dangerously wrong. It is far more likely that an "absent" father is forced away rather than leaving voluntarily.

In his new study, Divorced Dads: Shattering the Myths, Sanford Braver of Arizona State University has shown conclusively that the so-called "deadbeat dad," one

who deserts his children and evades child support, "does not exist in significant numbers." Braver confirms that, contrary to popular belief, at least two-thirds of divorces are filed by mothers, who have virtual certainty of getting the children and a huge portion of the fathers' income, regardless of any fault on their part. The title of Ashton Applewhite's 1997 book says it succinctly: Cutting Loose: Why Women Who End Their Marriages Do So Well.

Other studies have found even higher percentages of divorces filed by mothers, and lawyers report that, when children are involved, divorce is the initiative of the mother in virtually all instances. Moreover, few of these divorces involve grounds such as desertion, adultery or violence. The most frequent reasons given are "growing apart" or "not feeling loved or appreciated." (Surveys consistently show that fathers are much more likely than mothers to believe parents should remain married.) Yet, as Braver reports, despite this involuntary loss of their children, 90 percent of these deserted fathers regularly pay court-ordered child support (unemployment being the main reason for nonpayment), often at exorbitant levels and many without any rights to see their children. Most make heroic efforts to stay in contact with the children from whom they are forcibly separated.

The plight of unmarried inner-city fathers is harder to quantify, but there is no reason to assume they love their children any less. A recent study conducted in Washington with low-income fathers ages 16 to 25 found that 63 percent had only one child; 82 percent had children by only one mother; 50 percent had been in a serious relationship with the mother at the time of pregnancy; only 3 percent knew the mother of their child only a little; 75 percent visited their child in the hospital; 70 percent saw their children at least once a week; 50 percent took their child to the doctor; large percentages reported bathing, feeding, dressing and playing with their children; and 85 percent provided informal child support in the form of cash or purchased goods such as diapers, clothing and toys. University of Texas anthropologist Laura Lein and Rutgers University professor Kathryn Edin recently found that low-income fathers often are far worse off than their government-assisted families, "but economically and emotionally marginal as many of these fathers are, they still represent a large proportion of low-income fathers who continue to make contributions to their children's households and to maintain at least some level of relationship with those children."

Yet the voices of these fathers rarely are heard in the public arena. Instead we hear the imprecations of a government conducting what may be the most massive witch-hunt in this country's history. Never before have we seen the spectacle of the highest officials in the land—including the president, the attorney general and other Cabinet secretaries, and leading members of Congress from both parties—using their offices as platforms from which publicly to vilify private citizens who have been convicted of nothing and who have no opportunity to reply.

Under the guise of pursuing deadbeat dads, we now are seeing mass incarcerations without trial, without charge and without counsel, while the media and civil libertarians look the other way. We also have government officials freely entering the homes and raiding the bank accounts of citizens who are accused of nothing and simply helping themselves to whatever they want—including their children, their life savings and their private papers and effects, all with hardly a word of protest noted.

And these are fathers who are accused of nothing. Those who face trumped-up accusations of child abuse also must prove their innocence before they can hope to see their children. Yet now it is well established that most child abuse takes place in the homes of single mothers. A recent study from the Department of Health and Human Services, or HHS, found that "almost two-thirds of child abusers were females." Given that male perpetrators are not necessarily fathers but much more likely to be boyfriends and stepfathers, fathers emerge as the least likely child abusers. A British study by Robert Whelan in 1993 titled Broken Homes and Battered Children concluded that a child living with a single mother is up to 33 times more likely to be abused than a child living in an intact family. The argument of many men legally separated from their families is that the real abusers have thrown the father out of the family so they can abuse his children with impunity.

In Virginia alone the State Division of Child Support Enforcement now is "pursuing" 428,000 parents for up to $1.6 billion, according to its director, Nick Young. In a State of fewer than 7 million people, the parents of 552,000 children are being "pursued." That is the parents of roughly half the State's minor dependent children. HHS claims that almost 20 million fathers in the nation are being pursued for something close to $50 billion. We are being asked to believe that half the fathers in America have abandoned their children willfully.

These figures essentially are meaningless. If they indicate anything it is the scale on which families are being taken over by a destructive and dangerous machine con-

sisting of judges, lawyers, psychotherapists, social workers, bureaucrats and women's groups—all of whom have a direct financial interest in separating as many children from their fathers as possible, vilifying and plundering the fathers and turning them into criminals. The machine is so riddled with conflicts of interest that it is little less than a system of organized crime. Here is how it works: Judges are appointed and promoted by the lawyers and "custody evaluators," into whose pockets they funnel fees; the judges also are influenced with payments of federal funds from child-support enforcement bureaucracies that depend on a constant supply of ejected fathers; child-support guidelines are written by the bureaucracies that enforce them and by private collection companies that have a financial stake in creating as many arrearages and "deadbeat dads" as possible. These guidelines are then enacted by legislators, some of whom divert the enforcement contracts to their own firms, sometimes even taking personal kickbacks (as charged in a recent federal indictment in Arkansas). Legislators who control judicial appointments also get contracts (and kickbacks, again the case in Arkansas) for providing legal services at government expense in the courts of their appointees. And, of course, custody decisions and child-support awards must be generous enough to entice more mothers to take the children and run, thus bringing a fresh supply of fathers into the system. In short, child support is the financial fuel of the divorce industry. It has very little to do with the needs of children and everything to do with the power and profit of large numbers of adults.

For their part, politicians can register their concern for fatherless children relatively cheaply by endlessly (and futilely) stepping up "child-support" collection while creating programs ostensibly designed to "reunite" fathers with their children. Even some fatherhood advocates jump on the bandwagon, attacking "absent" fathers while holding their tongues about the judicial kidnapping of their children. Though almost everyone now acknowledges the importance of fathers, for too many there are more political and financial rewards in targeting them as scapegoats than in the more costly task of upholding the constitutional rights of fathers and their children not to be ripped apart.

There is no evidence that endless "crackdowns" on evicted fathers serve any purpose other than enriching those in the cracking-down business. With child-support enforcement now a $3 billion national industry, the pursuit of the elusive deadbeat yields substantial profits, mostly at public expense. "In Florida last year," writes Kathleen Parker in the Orlando Sentinel, "taxpayers paid $4.5 million for the State to collect $162,000 from fathers"; and the story is the same elsewhere.

Instead of the easy fiction that massive numbers of fathers are suddenly and inexplicably abandoning their children, perhaps what we should believe instead is that a lucrative racket now is cynically using our children as weapons and tools to enrich lawyers and provide employment for judges and bureaucrats. Rather than pursuing ever greater numbers of fathers with ever more Draconian punishments, the Justice Department should be investigating the kind of crimes it was created to pursue—such as kidnapping, extortion and racketeering—in the nation's family courts.

Baskerville teaches political science at Howard University, serves as spokesman for Men, Fathers and Children International and writes about the family-court system.

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**Statement of Richard Bennett, President, Coalition of Parent Support, Livermore, CA**

GENERAL REMARKS

The Coalition of Parent Support is a California advocacy group representing divorced fathers and non-custodial mothers. Many of our members are remarried, and many of our families include both obligors and obligees of child support. 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. It is in the spirit of promoting a deeper and broader discussion on child support that we offer these remarks to Congresswoman Johnson's Subcommittee today.

Child support collections get a lot of attention, not so much because anyone really believes that child support is going to alleviate all the problems faced by the chil-

dren of divorce or the increasing numbers of children born out-of-wedlock. Research tells us that full compliance with child support orders would make a small dent in the problem of child poverty,[1] and that it would alleviate few, if any, of the emotional problems faced by these children.[2]

But child support gets all the attention because it's so easy to measure. It's either paid, or it's not; when it's not paid, there's a deadbeat somewhere who needs to be punished.

Wouldn't it be nice if the more pervasive problems caused by father-and mother-absence, such as teen pregnancy, child abuse, lower educational achievement and professional expectation, could be put into neat, numerical categories? Perhaps then these problems would get the attention they deserve as well.

It's important, then, when reviewing the child support enforcement system to keep the issues in perspective and refrain from making this one system so efficient that it compromises children's prospects by driving fathers out of the family system altogether.[3]

## General Issues with the IV–D Program

Since its inception in 1975, the Title IV–D program has suffered from conflicting goals. It is supposed to serve the taxpayers by reimbursing us for welfare expenditures, and its supposed to benefit children by transferring money into the home where they spend most of their time. Welfare reimbursement hasn't proven to be an effective method of getting and keeping people off public assistance. How can we expect that sending a bill to one parent for what amounts to a tax increase is going to change the behavior of the other parent, the one who gets the welfare checks? This policy didn't work; parents cooperate with each other to evade the system, as the San Jose Mercury News reported in a story on welfare dads in 1997—but obligors run up huge debts to the government in the process. (Joe Rodriquez, The Father Factor, San Jose Mercury News, July 27, 1997, p. 1F.)

But the PRWORA is working, and people are now leaving the welfare roles. They will leave faster if you allow them to collect the child support that they're entitled to collect. We therefore support legislation that would pass child support through to child support obligees, regardless of their status with the welfare system.

*Recommendation 1: Suspend welfare reimbursement and make Title IV–D exclusively a child support program.*

## Failures of Congressional Oversight

The child support system suffers from a lack of realistic expectations. States set guidelines well above the ability of the typical moderate-to-low-income father, and well above the needs of the children of high-income fathers. By way of reference, consider the child support guidelines of the two most unrealistic States, California and Indiana.

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[1] "While full payment of child support would have increased total money income of custodial parents owed support, the percentage of parents due child support whose family incomes fell below the poverty level would not have changed significantly. Approximately 24 percent of custodial parents due child support were in poverty in 1991, a figure not significantly different from that derived had all payments been made (21 percent) due them in 1991." (U.S. Bureau of the Census, Current Population Reports, Series P60–187, Child Support for Custodial Mothers and Fathers: 1991, U.S. Government Printing Office, Washington, DC, 1995, Page 9)

[2] "Does family structure matter more than income? The answer is also ambiguous. The twelve studies show that although family structure is related to poverty, the two are not proxies for one another. In most instances, coming from a non-intact family reduces a child's chances of success, even after low income is taken into account. In some instances, the net effect of family structure is larger than the net effect of poverty; on others, it is smaller.

"Based on these studies, I suspect that family structure is more important than poverty in determining behavioral and psychological problems, whereas poverty is more important than family structure in determining educational attainment. (Sara McLanahan, Parent absence or poverty: Which matters more? in Duncan and Brooks-Gunn, The Consequences of Growing Up Poor, Russell Sage Foundation, 1997, p. 47–48.)

[3] "Poor fathers should be expected to pay child support; but their child support orders should be set at levels commensurate with their ability to pay. The [PRWORA] adds a layer of unfairness to the child-support system, which is already unfair to this population.

"Fathers who perceive gross inequities in the child support system will turn their backs on it and choose not to comply, taking with them potential sources of increased child support." (Elaine Sorensen, A Little Help for Some "Deadbeat" Dads, Washington Post, Nov. 15, 1995)

*TABLE 1: CHILD SUPPORT GUIDELINES BY INCOME LEVELS IN TWO STATES.*

| Income level | $510 | $670 | $1,279 | $2,183 | $4,583 |
|---|---|---|---|---|---|
| Indiana; | 42% | 49% | 54% | 41% | 32% |
| California | 46% | 41% | 37% | 35% | 32% |

Source: interstate Comparisons of Child Support Orders Using State Guidelines, Maureen A. Pirog, Marilyn E. Klotz, and Katharine V. Byers, Family Relations,July 1998, Vol. 47 Issue 3, page 289. Gross income levels in study converted to nets, before child support.

A California father at the lowest rungs of the economic ladder is expected to pay forty percent of his income in child support, including the mandatory add-ons for health insurance and day care. An Indiana father has to pay as much as 54% of his meager income for child support if he's unlucky enough to earn only $1,279 a month after taxes.

It's no coincidence that Indiana and California lead the nation in levels of uncollected support: Indiana collects an annual amount of child support equal to about 9% of arrears and current amounts, where California collects only 10% of historical arrears and current amounts.

This isn't an enforcement problem that's going to magically disappear as soon as these States adopt centralized collection systems instead of county-based systems. Fathers and mothers have a hard time keeping a roof over their heads and a car on the road when they are required by the State to cough up 60% and more of their monthly gross for income taxes and child support: it's not going to happen.

We certainly don't mean that parents shouldn't support their children or that States shouldn't have guidelines. The guidelines simply need to be fair and realistic, and the States should constantly examine them to ensure they're correct.

The IV–D legislation requires States to conduct a periodic review of their guidelines, but this isn't happening either. California gave the job of conducting the review to the Judicial Council, the administrative and research arm of the courts. But when the time came for the Judicial Council to conduct their reviews, the Legislature refused to appropriate any money for a study. Consequently, the Judicial Council undertook a minimal study, performed by people who were already assigned other responsibilities, and failed to conduct any economic analysis at all.

If there were a mechanism for the Congress or the DHHS to conduct an audit of the States' reviews of their guidelines, California would be out of compliance and theoretically subject to losing its PRWORA block grant. But there isn't, so we have large numbers of fathers fleeing the enforcement system, grandstanding politicians vowing to catch them, and children growing up without any of the love and support they should be getting from their fathers.

*Recommendation 2: Make States conduct a thorough economic review of their child support guidelines, as existing law already requires.*

Congress has also been lax in the enforcement of data collection rules against the States. Not only do we need to know how well the IV–D system is doing, we need to know how well the private system of child support collection is doing, and we need to know how well our children are doing. Much of the apparent increase in IV–D collections over the last few years is simply migration of paying cases from the private system into the taxpayer-funded system, as the word gets out that free attorneys are available from the State.

*Recommendation 3: Child support data reported by States to the federal government should include IV–D and non-IV–D cases.*

The ethic that guides this system says the goal is "to collect as much money as possible." Even the Internal Revenue System is not this brazenly mercenary, stating its goal as "to collect the correct amount of tax from each citizen." Child support reform needs to begin with a change in this basic sense of mission. This system does not exist for the purpose of squeezing fathers and non-custodial mothers to the point of poverty and bankruptcy. It exists to help children enjoy reasonably similar standards of living in the two homes they have when their parents are separated. If it radically under-equalizes or if it over-equalizes, it fails, and children lose.

*Recommendation 4: Revise incentives to encourage States to adopt realistic guidelines and apply them correctly.*

"A higher percentage of noncustodial fathers with joint custody paid child support due (85 percent) than did fathers who had visitation privileges only (79 percent), or those who had neither joint custody nor visitation privileges (56 percent)." (U.S. Bureau of the Census, Current Population Reports, Series P60–187, Child Support

for Custodial Mothers and Fathers: 1991, U.S. Government Printing Office, Washington, DC, 1995, page 6.)

Figure 5.
**Child Support Payment Status of Noncustodial Parents With and Without Visitation or Joint Custody: 1991**

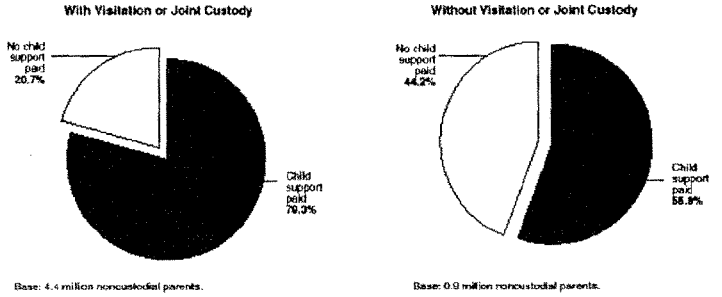


Table C. **Custodial Parents by Sex Based on Residence, Visitation and Joint Custody Arrangements, and Health Care Provisions of Noncustodial Parents**

(Numbers in thousands. Custodial parents 15 years and older with own children under 21 years of age present from absent parents as of spring 1992)

Census Bureau chart on payment of child support by type of custody.

*Recommendation 5: Expand federal funding for access and visitation programs.*

The obligor pays income tax on child support, while taxes on spousal support are paid by the obligee. Since obligees are typically in a lower tax bracket than obligors, the total tax burden on the two households created by a divorce or separation is lower when spousal support is used for transferring income between households.

Maccoby and Mnookin [4] report than the practice in California courts prior to our major upward revision of the child support guideline in 1991 and 1992 was to use spousal support as the primary transfer vehicle: the average child support award was $300 per month, while the average spousal support award was $540 (p. 129.) An award of $840 in child support costs the typical obligor $150 more in taxes than an award of $300 in child support and $540 in spousal support, while the benefit to the recipient is essentially the same. Yet the law requires that child support be transferred before spousal support.

Revising the federal tax code to allow States to make child support deductible to the payor allows more money to remain in both the child's two households.

*Recommendation 6: Revise the IRS code to allow States to make child support payments deductible to the payor.*

Our IV–D administrators have little or no control over the information systems they use in the day-to-day operation of their programs. The State has little or no control over Federal requirements for these systems. The ten largest States have all experienced major problems in implementing systems conforming to unrealistic Federal expectations.

While magic wand solutions rarely translate into technical excellence, the States may well benefit by convening a task force of child support stakeholders to design a next-generation child support and court information system.

The system should allow customers to look up the status of their child support accounts over the Internet, and to schedule meetings to review agency actions and to notify the State oversight agency of such actions. Corrections to accounts should automatically propagate to licensing and credit agencies, and changes to orders should automatically propagate to the courts.

Obligors who don't own computers would be able to access their accounts at any public library or information kiosk with Internet access, provided they have a PIN for security. Thus, routine matters could be attended to without direct human intervention, and agency personnel would be free to concentrate on more pressing concerns.

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[4] Dividing the Child, Eleanor E. Maccoby and Robert H. Mnookin, Harvard University Press, 1994.

Information systems design goals dictated by the Federal government emphasize "tracking down deadbeats" and other outcomes which are generally outside the ability of information systems to provide, while ignoring meaningful, practical applications of existing computer technology. This needs to be corrected.

*Recommendation 7: Establish meaningful and technically achievable goals for child support information systems, and leave the technical architecture to the States.*

CONCLUSION

Title IV–D child support programs are complicated and deeply troubled, nationwide. The program has evolved first in one direction and then in another since it was originally created by Congress in 1975. The program serves a variety of masters, none well. It lacks clear lines of accountability and rarely imposes sanctions for poor administration.

Its fundamental weaknesses stem from the dubious nature of the child support laws it must enforce, but it is poorly administered as well. A restructuring toward equity and accountability will solve many of its problems, but a great deal of work remains on the underlying body of law it is required to enforce.

While we congratulate the Subcommittee for taking on this task, we urge you to consider that the proper administration of an unjust law is a fundamentally different proposition than enforcement of a just law.

Programmatic changes that fail to face the unjust and unequal nature of the financial provisions of the child support statutes are little more than Band-Aids on a gushing wound.

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**Statement David Allen Shelton, Director of Legislative and Judicial Relations, Fathers for Equal Rights, Dallas, TX**

**We were told that the grants were going to help the denial of visitation problem. But is the grant money going to help noncustodial parents and their children?**

NO, IT IS NOT!

Most noncustodial parents were pleased three years ago when they discovered that the Federal Government was going to spend $10,000,000 for the establishment and enforcement of court ordered possession and access. We thought someone in Washington was finally doing something about a problem that has gone unnoticed since the first divorce or the first child was born to an unwed mother.

I have been both a noncustodial parent and a custodial parent. I have been on both sides of the custody issue, and neither side is very pretty if you consider the effect that divorce has on children. But, when you are the noncustodial parent, and there is no one out there who will establish visitation for you or help enforce your visitation with the same gusto that any one of several agencies will enforce child support when you get behind, your child suffers and you suffer.

**We were told that the grants were going to help the denial of visitation problem, but is the grant money going to help noncustodial parents and their children? NO, IT IS NOT!** In the last two years, Texas has handed out over $1,500,000 to nonprofit agencies. Over $1,480,000 of that money has been wasted on agencies who so absolutely nothing to establish or enforce visitation. Only one agency, Fathers for Equal Rights in Dallas, used the $20,000 it received in FFY 1998 grant program to set up a program to establish and enforce court ordered visitation. The State chose not to renew that grant this year. The rest of the money went to women's centers, the YWCA, Domestic Relation Offices, child exchange agencies, and Victim Assistance Centers. An example: Legal Services of North Texas has Received $85,000 in the last two years. Many of the attorneys that set on the Board of Directors at Legal Services Of North Texas, also set on the Board of Directors of ACES, the battered women' shelters, and other agencies that cater only to mothers. These same board members even offer free legal services to custodial mothers, while refusing to assist noncustodial fathers with visitation enforcement. They should not have received any funding at all.

**The block grant for Access and Visitation was a great idea. However, in Texas, and most of the other States, the money is** *not* being used to provide the noncustodial parent with the services that they really need, services that will insure that they can see their children. The money is going to agencies that support

custodial parents and most of the time just mothers. Some of the agencies put the word kids or families in front of their names to make them look like something they are not. The programs are at best very gender biased.

**I truly believe that the Federal Government should discontinue this program unless the money is going to be used to establish and enforce visitation.** Noncustodial parents need to have court approved time with their children and their court ordered periods of possession of and access to their children enforced. Noncustodial parents don't need the Federal Government building more neutral drop off sites and supervised visitation locations. These programs end up costing the noncustodial parent financially, because the courts always require that the noncustodial parent pay for the services.

Providing parental education, counseling, monitored visitation and neutral drop off services can be a useful tool to encourage the custodial parent to build a better relationship between the father and child. However, these programs serve no purpose if the person does not have a court order allowing visitation or if that visitation is not enforced. Dick Woods of Fathers for Equal Rights of Iowa was very successful with a program that was funded by a one-year Federal demonstration grant in the early 90's. The Iowa program was a mixture of mediation, counseling and court enforcement. That program should be the model that is used for all States.

Statistics show that over 400,000 children in Texas each year are being denied their right to have access to both parents because of interference by the custodial parent. If we consider that 77% of those mothers have interfered with visitation, one must conclude that the real need for noncustodial parents is to have their court ordered possession and access enforced.

**Congress should require that organizations that receive the grants use the money to establish legal relationships between parent and child and enforce that relationship when the custodial parent denies the court approved parenting time.**

EITHER MAKE THE STATES USE THE MONEY TO ENFORCE A PARENT'S RELATIONSHIP WITH HIS OR CHILD OR DISCONTINUE THE ACCESS AND VISITATION GRANT PROGRAM.

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**Statement of Tracie Snitker, Director, Government Relations, Men's Health Network**

We welcome the opportunity to submit testimony on these important family issues. Our testimony is brief and examines three problem areas:

- Fatherhood initiative programs developed by Congress and the Administration.
- Access and visitation grants created by the 1996 Welfare Reform Bill.
- Outdated child support laws which create problems instead of solving them.

A child's need for two loving and involved parents is now accepted fact. Researchers are discovering what fatherhood counselors have known all along, that fathers care for their children deeply and wish to have a loving relationship with them. Researchers are finding that this is as true for unwed fathers as it is for married fathers. This Committee heard from Sara McLanahan earlier this year, who Stated:

> ". . .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)

We share our concerns that fatherhood initiatives may prove unproductive unless certain basic protections are undertaken and child support laws are upgraded to meet the needs of the target population.

FATHERHOOD INITIATIVE PROGRAMS DEVELOPED BY CONGRESS AND THE ADMINISTRATION.

Welfare to Work
Visitation Access grants
Fatherhood Counts bills

Just as Congress decided that the financial child support program was floundering and needed direction, it also needs to provide direction for the growing number of father involvement initiatives. Funding programs that claim to promote father involvement does not guarantee that the Stated goal is being accomplished. Providing guidance for these programs will insure that maximum benefit is being derived from the scare funds available for these initiatives. Guidance will also insure that the maximum number of children are able to maintain a relationship with a caring parent.

The solution is rather simple and not intrusive on the right of the State to develop diverse programs to meet each State's needs:

• States should be required to submit a "State Plan" explaining how the programs will be implemented. Among the items in the State plan should be a requirement that parenting plans be developed and enforced for parents entering the programs. The parenting plan must provide for both financial and emotional support of the children.

ACCESS AND VISITATION GRANTS CREATED BY THE 1996 WELFARE REFORM BILL.

There appears to be a growing anxiety that some of the programs being funded do not actually establish or enforce parenting time between unwed, divorced, or separated parents.

Again, the solution is simple:

• Authorizing language should make it clear that the grants should be directed to programs that can demonstrate an ability to establish and maintain parenting time between noncustodial parents and their children.

OUTDATED CHILD SUPPORT LAWS WHICH CREATE PROBLEMS INSTEAD OF SOLVING THEM.

Bradley Amendment (1986)
Disabled obligor double-dip

BRADLEY AMENDMENT (1986):

Who are these unwed and low income fathers who need our assistance? Lets look again at Sara McLanahan's testimony:

> ". . .most unwed fathers are not in a good position to support their new family. Nearly half the men in our study had no high school degree, and only 20 percent had education beyond high school. Twenty percent of the fathers did not work at all during the past year, and those who worked had very low earnings. Ten percent of the fathers had problems with drugs or alcohol, and nearly 5 percent were in jail or prison at the time of the interview. In sum, despite good intentions, most of the fathers in our study have serious handicaps and need help to achieve their goals."
>
> (Sara S. McLanahan, Professor of Sociology and Public Affairs Princeton University, Center for Research on Child Wellbeing, Princeton, New Jersey, April 27, 1999)

As Dr. McLanahan observes, these men may not have high school degrees and may not have worked in the past year, but they want to be involved with their children, appearing at hospitals to see the newborn child and attempting to see their child after he or she leaves the hospital.

From Friend of the Court (FOC) records in Michigan, we also 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.

Trying to enroll fathers in fatherhood programs when they have improper arrearages hanging over their heads is a futile gesture.

A similar set of unintended consequences occurs when a person becomes ill and falls behind in payments, or loses their job and is unemployed for an extended period of time.

The solution? 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.~~

*Disabled obligor double-dip:*

And what about disabled obligors whose children receive direct support payments from government because of the parent's disability? The latest information indicates that over 411,000 dependent children of disabled veterans receive compensation because of a parent's disability, and that over 1,420,000 dependent children and students receive compensation from the Social Security Administration because of a parent's disability. The average monthly Social Security payment to a dependent or student child is $ 453.00.

When a support obligation is established, disabled parents should be credited for the amount paid directly to the children because of the parent's obligation, but that only happens in two States, New Jersey and Texas. To quote the June, 1999, New Jersey Supreme Court decision which corrected this oversight:

> ". . .the supporting parent was entitled to a...credit against his child support. . .for a portion of the social security disability benefits paid to his dependent children during the period of his disability. . . .the primary purpose of the social security payments which is to meet the current needs of the dependents in periodic, regular payments."

We offer language similar to the corrections made in Texas:

> In applying the child support guidelines for an obligor who has a disability and who is required to pay support for a child who receives benefits as a result of the obligor's disability, the court shall apply the guidelines by determining the amount of child support that would be ordered under the child support guidelines and subtracting from that total the amount of benefits or the value of the benefits paid to or for the child as a result of the obligor's disability.

SUMMARY:

For fatherhood initiatives to work, they must be focused on the basic need of children to have contact with their fathers, and that can only be accomplished in the context of child support rules that allow States to work with fragile families in innovative creative ways.

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**Statement of Moms Against Abuse, Memphis, TN**

What type Mom loses her children in custody? Is she neglectful, is she abusive emotionally, physically or sexually, is she uneducated? What if you were to find she is intelligent, witty, educated, responsible, and non-abusive? What if you were to find that the only reason she is not the custodial parent is because she refused to endure additional abuse from the father of her children. What if you were to find out she lost custody simply because she did not have the finances to wage a more effective battle?

Our group is NOT exclusive to non-custodial Moms. . . .it is set up for women who fight for the right of women and children to live without the abuse of men or other women, whether legally, financially, physically, sexually or emotionally, and or to give them emotional tools and support to deal within those abuses until the day these activities WILL subside. We welcome men & women who truly wish to HELP women and children. Persons who we find not of this theme will be asked to leave.

Our newly formed organization comprises over 60 women who have lost custody of their children, and we have numerous more applying for membership. A common

thread is the lack of substance as to why these children are being denied their mothers.

One mom was denied her child and consequently her case became the Bobby Lynn Wilkes Bill in Tennessee.

Another Tennessee case. . .the judge denied a 5 year old girl her mother and three years later has yet to respond to Motion for Cause. The mother makes herself part of the daughter's life. . .dad continues to fight to keep her out.

We have a Georgia case and a Texas case of young boys molested by their fathers. . . .no action taken. . . .and in the Texas case. . . .judge felt not so bad since it was determined by the psychologists "Dad not receiving sexual gratification from it".

List members tell of teenage daughters living with Dad, becoming pregnant when Dad allows boyfriends to move into the home. . . .new moms at age 14 and 15, and the girls and newborn then allowed to come home to Mommy.

We have molestations of children ignored, placated, justified, etc., from those who are placed to protect children, and rather than addressing or helping, Moms are being accused of coaching the children against the abuser and thereby losing custody. In actuality, the molestation has occurred, some MOST clearly physically and emotionally real, and in some cases, Dads have been "coached" by organizations how to molest just enough to gain custody, by claiming the "bogus" parental alienation syndrome of false accusation.

We have Moms whose children have not only been adversely and without cause separated, but who then with lesser income, must pay child support to the at the very least, emotional abuser of themselves and their children, and at the same time retain a cordial attitude toward Dad or she can be accused of being uncooperative.

We find a societal trend that anyone but a child's natural mother fully capable of caring for the child

We have Moms from California, Colorado to Florida and all stops in between.

We have Moms who are financially incapable of fighting for their children, yet they persevere. Our Moms are trusting there will surface legislators whose love for their own mothers, spouses and children, WILL thereby recognize and act upon the need for theirs and ours, in our country for today and its future.

Thank You.

—

MOTHERS OF LOST CHILDREN
DAVIS, CA 95617
*October 5, 1999*

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

Dear Mr. Singleton,

I am writing as an advocate for women and children who are involved in custody/visitation disputes.

Our organization has found that, when a child alleges incest by the father, the custody case takes an unusual and alarming turn. Rather than being protected by the court and child protection system, the child is ultimately placed in the unsupervised custody of the identified offender. Astonishingly, the non-offending parent is ordered to have supervised visitation. The rationale used is that the non-offending parent is alienating the child. This rationale is based on an idea proposed by Richard Gardner, MD which is unproven, untested and rejected by ethical professionals.

We researched this issue in 1998 in California. We found that the non-offending mothers were placed on supervised visitation in over half of the cases in which sexual abuse was alleged. The identified offenders were given full custody or unsupervised access to the child in 91% of the cases. Out of 22 cases examined, none of the alleged perpetrators were criminally charged. One-third of the children had medical evidence of abuse, and were receiving Victims of Crime funding for therapy due to the abuse perpetrated upon them. All displayed symptoms of trauma in their behavior. Nevertheless, the family law courts chose to ignore the evidence, and to place the children in the unsupervised custody of the identified offender. The fit parent, not accused of any crime, received monitored visits and many were not allowed any contact with the child.

Access to Visitation programs are designed to protect a child from being abused by a violent parent, not to be used as a shield to protect a pedophile from prosecution. The program is being used to limit the child's contact with the protective parent. Thus, the young victim-witness is effectively silenced, and the perpetrator of the crime is protected. These Federal monies are being grossly misspent. We urge you to stop this program until adequate controls are in place to prevent these absurd and dangerous outcomes.

ANNE HART