



## Excerpts from the Administration's FFY 2014 Child Support Proposals

In FY 2013, The Office of Child Support Enforcement **plans to promulgate a proposed rule** that will make child support program operations and enforcement procedures more flexible and more efficient by recognizing advancements in technology and the move toward electronic communications and document management. The regulation will improve and simplify program operations, remove outmoded limitations to program innovation to better serve families, and clarify and correct technical provisions in existing regulations. Implementation of the final rule is expected to begin in FY 2014.

**Access and Visitation Grants** – The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Access and Visitation Grants program. Funding for the program began in FY 1997 with a **capped entitlement of \$10 million**. Each governor designated a state agency which uses these grant funds to establish and administer programs to support and facilitate non-custodial parents' access to and visitation with their children. The statute specifies certain activities which may be funded, including: voluntary and mandatory mediation, counseling, education, the development of parenting plans, supervised visitation, neutral drop-off and pick-up, and the development of guidelines for visitation and alternative custody arrangements. This funding is separate from funding for federal and state administration of the Child Support program.

**Ensuring Children Benefit When Parents Pay Support** -- The proposed budget initiative invests \$1.41 billion over ten years to **encourage states to pass through current child support** collections to TANF families, rather than retaining payments for cost recovery purposes.

- Under the proposal, **states would no longer be required to reimburse the federal government for any part of current child support payments that the state distributes to the family** and states would be allowed to discontinue assigning child support payments to the state when a family is receiving TANF assistance. Together these reforms are estimated to cost \$551 million over ten years.
- To encourage states to take up family distribution options, the **proposal also includes short-term funding to offset a significant share of state costs in implementing this policy** (\$759 million over ten years).
- The proposal also provides limited resources to **help states make necessary improvements to their systems technology to support the distribution changes** (\$100 million over ten years).

The benefits to families of the three policy changes exceed their cost, and will result in an additional \$1.7 billion in child support payments received by families, reducing those families' reliance on other social services programs, including the Supplemental Nutrition Assistance Program (SNAP) and the Supplemental Security Income program (SSI). The associated savings to SNAP (-\$544 million) and SSI (-\$53 million) are displayed in the respective accounts.





In addition, the proposal requires **child support payments made on behalf of children in Foster Care to be used in the best interest of the child**, rather than as general revenue for the state (\$254 million over 10 years). It also prohibits the use of child support to repay Medicaid costs associated with giving birth—a practice retained by only a handful of states (cost neutral). Recovery of this debt from noncustodial parents can discourage the participation of pregnant women in Medicaid, discourage fathers' attachment to the formal labor market, and reduce child support payments to the family.

**Promoting Access and Visitation** -The budget provides **\$448 million over ten years to support increased access and visitation services** and integrates these services into the core child support program. As a first step in facilitating a relationship between non-custodial parents and their children, the proposed initiative would update the statutory purposes of the Child Support program to recognize the program's evolving mission and activities that help parents cooperate and support their children. The proposal **also requires states to establish access and visitation responsibilities in all initial child support orders**, just as custody arrangements are typically settled at the same time divorces are finalized.

**Federal resources are made available to states that choose to include parenting time responsibilities in initial child support orders beginning in FY 2014 and all states are required to include parenting time responsibilities in all new child support orders beginning in FY 2019.** This phase-in approach will allow some states to begin immediately and will provide an opportunity for all states to learn from the lessons of "early adopters." The proposal also would encourage states to undertake activities that support access and visitation, while implementing domestic violence safeguards, which are a critical component of this new state responsibility. These services will not only improve parent-child relationships and outcomes for children, but they will also result in improved collections. Research shows that when fathers are engaged in the lives of their children, they are more likely to meet their financial obligations. This creates a double win for children—an engaged parent and financial security.

**Enforcement and Establishment** - The FY 2014 proposal includes several additional proposals aimed at increasing and improving collections and program efficiency, which would collectively save \$95 million over ten years.

*They include:*

- Mandate data comparisons with insurance claims, payments, settlements and awards;
- Require employers to report lump sum payment for intercept;
- Closing a loophole to allow garnishment of longshoremen's benefits;
- Improving the processes for freezing and seizing assets in multistate financial institutions;
- Providing tribal child support programs with access to the Federal Parent Locator Service and
- other enforcement tools and grant programs currently available to state child support programs, as well as sustained support for model tribal computer systems;





- Modifying the threshold at which states become subject to performance penalty based upon their paternity establishment percentage to better reflect state performance;
- Requiring each state's use of procedures to review and adjust child support debt owed to the state, and to discourage accumulation of unpaid child support debt during incarceration;
- Revising title IV-D to consolidate and clarify various data matching, safeguarding and disclosure authorities; and
- Requiring states to pass UIFSA 2008, model uniform state law, to ensure efficient international case processing as required by the Hague Child Support Treaty.

