



# **Resolution in Support of New Tools to Improve Child Support Collections**

## **Introduction**

The National Child Support Enforcement Association (NCSEA) is committed to increasing child support collections owed to families and children. To achieve this outcome, it is necessary to continuously improve and expand the collection tools available to child support professionals enabling them to successfully collect support in cases that are not subject to traditional enforcement mechanisms.

NCSEA recognizes that there remains much room for improvement in child support collections. Except for income withholding, most child support collection actions vary from state to state, both in terms of the processes required by state laws and the timing when collection actions are permitted. In addition, the inclination of state legislatures to add or expand existing enforcement tools is often constrained by the competitive disadvantage to certain segments of the business community if the new or expanded enforcement tool is not implemented on a national level. This resolution focuses on potential additions and improvements to the child support enforcement tools mandated by federal law and to the sources of information that can be used to increase the amount of child support collected.

## **Background**

The 1996 Personal Responsibility Work Opportunity Reconciliation Act (PRWORA) provided numerous enforcement tools for which states were required to enact legislation, program into their automated systems, and implement. However, there are still gaps in the enforcement process leaving thousands of dollars available and beyond reach for individual families.

Accordingly, enforcement tools should be comprehensive, uniformly applied across all states, automated, and simultaneous to achieve the maximum amount of collections for the family. To be comprehensive and uniform, federal legislation must mandate the occurrence of certain enforcement actions in every state. If collections are not achieved after a state implements all of the enforcement tools, it is likely that the parent who owes support simply does not have the resources to pay child support and needs assistance from the child support agency to secure job training placement or a referral for other resources.

## **Congressional Actions**

Improvements in federal law identified by NCSEA fall into four types: expand and enhance existing enforcement tools, improve access to information, mandate new collection tools, and improve interaction with the Internal Revenue Service (IRS).



### **Expand and enhance existing enforcement tools**

- a) Require the United States Department of State to develop a process for revoking passports similar to the current process for denying passports to delinquent parents who owe child support.
- b) Mandate states enact laws requiring insurance companies to report pending insurance claims, including the Social Security number of the claimant.
- c) Mandate states enact laws creating centralized online lien registries that apply to all real property, vehicles, and other property of a parent who owes child support by operation of law. Creating an online lien registry for motor vehicles in all states supports the existing registries in some states by removing an incentive for potential vehicle sales to occur in a neighboring state where a registry may not exist. In addition, online functionality allows for satisfaction of any lien by the buyer and seller of a vehicle even outside normal office hours when a child support professional is not available.
- d) Mandate states enact laws requiring a Social Security number or other identifier in order to register a motor vehicle that would support a suspension process that may be even more effective than suspending a driver license.
- e) Require states to create electronic registries of professional licenses to which professional licensing authorities are required to submit information on a periodic basis.
- f) Require states to honor income withholding orders for unemployment insurance benefits from another state, including orders which combine child support and spousal support.
- g) Require the federal Bureau of Prisons to honor an income withholding order without the consent of the inmate. Many federal inmates earn income from prison employment that could be withheld for payment of child support; however, the Bureau of Prisons has taken the position that current law does not allow them to do so.
- h) Require full faith and credit for lien and levy notices and require the federal Office of Child Support Enforcement (OCSE) to send lien and levy notices to banks on state request. Currently a state child support agency must request the service of the corresponding state child support agency which then sends the notice to the bank.
- i) Authorize the Attorney General to utilize the U.S. Marshals Service and other enforcement agencies of the U.S. Department of Justice to assist in the location and apprehension of delinquent child support obligors.



### **Improve access to parent locate, income, and asset information**

- a) Require cell phone companies, cable companies, and utilities participate in an electronic data match with state child support agencies, multi-state child support consortia, or OCSE.
- b) Mandate states enact laws requiring the reporting of independent contractors on a similar basis to the current reporting of new employees (see [NCSEA Resolution on New Hire Reporting and Income Withholding Changes for Independent Contractors](#)).
- c) Mandate states enact laws to create a central database of parents who owe past-due support that must be checked by probate administrators, executors, or attorneys when a probate is filed.
- d) Mandate states enact laws to promote greater coordination with corrections agencies, by calling for more automated interfacing and data matching and for more outreach to incarcerated parents who owe child support.

### **New collection tools**

- a) Mandate states enact laws requiring the reporting and intercept of gambling proceeds in excess of an amount set by OCSE, and the inclusion of similar requirements in Indian gaming compacts.
- b) Authorize OCSE to share the results of any match with the employer and any state that has a child support case involving the employee receiving the lump sum through a single point of contact for employers to report lump-sum payments in lieu of reporting to each state in which the employer does business.

### **Improve internal interaction with IRS**

- a) Prohibit the IRS from holding states liable for fraudulent tax returns and refunds that are later reversed by the IRS.
- b) Authorize IRS information to be disclosed by state and tribal child support agencies for child support purposes with parents (including attorneys and other third parties authorized by the parent), courts, attorneys, public assistance agencies, and vendors providing services to a government child support agency (see [NCSEA resolution on Confidentiality of IRS Information](#)).
- c) Authorize tribal child support programs to access IRS and OCSE databases and processes on a similar basis to existing access by state child support agencies.



## **Regulatory Actions**

As the lead federal agency for the child support program, and as the agency responsible for certain grants, NCSEA believes the Office of Child Support Enforcement (OCSE) is in position to consider certain specific actions to improve child support collections.

**Multi-State Consortia or Federal Initiatives:** Encourage development of federal or multi-state efforts to exchange information with employers, insurance companies, financial institutions, and other business partners of child support. This encouragement should include use of available federal grant funds as seed money for creating multi-state consortia when appropriate to simplify and streamline the interaction between child support agencies and business partners.

**Federal Class Actions:** Contact the Judicial Conference of the United States to recommend a change to the Federal Rules of Civil Procedure to require notification to OCSE or state child support agencies following certification of a class action and, prior to payment of any claim to a class member, notification by one of the parties to the action (as provided by the court) of the Social Security number or other personal identifier of any claimant. Following any successful federal rule change, encourage states to seek similar changes in state rules of procedure regarding class actions.

**Employer Lump-Sum Reporting:** Create a single-point-of-contact tool for employers to report lump-sum payments in lieu of reporting to each state in which the employer does business, and share the match results with states to be able to provide communication back to employers.

### **THEREFORE, NCSEA resolves to urge Congress and OCSE to:**

Amend federal law and regulations that expand and improve the effectiveness of existing child support collection tools, add new collection tools, and improve access to information. These amendments would benefit the child support program and the families it serves.

**Adopted by the NCSEA Board of Directors on August 11, 2020**

**Revised and re-adopted by the NCSEA Board of Directors on February 11, 2021**