Order Code RL32937

Child Support Enforcement: Side-by-Side Comparison of Current Law and Welfare Reauthorization Bills (S. 667 and H.R. 240)

June 7, 2005

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Summary

In the 109th Congress, the Senate Finance Committee and the House Ways and Means Subcommittee on Human Resources have approved legislation that would reauthorize and revise the Temporary Assistance for Needy Families (TANF) Block Grant. This legislation, S. 667 and H.R. 240, also includes many changes to the Child Support Enforcement (CSE) program, a component of the government's social safety net. In 1996, Congress passed significant changes to the CSE program as part of its reform of welfare. S. 667 was reported by the Senate Finance Committee on March 17, 2005 (S.Rept. 109-51). H.R. 240 was approved by the House Ways and Means Subcommittee on Human Resources on March 15, 2005.

Although not identical, both bills are similar in focus, direction, and content with respect to the CSE provisions. Both bills include provisions that seek to improve the CSE program and raise collections so as to increase the economic independence of former welfare families and provide a stable source of income for all single-parent families with a noncustodial parent. Both bills provide incentives (in the form of federal cost sharing) to states to direct more of the child support collected on behalf of families to the families themselves, thereby reducing the amount that state and federal governments retain (often referred to as a family-first policy). Under both bills, families currently receiving TANF benefits as well as former TANF recipients would potentially receive a larger share of child support that was collected on their behalf.

The approach used by the bills differ significantly, however, with regard to how states would help TANF families receive more child support. S. 667 provides federal cost-sharing for the *entire amount* that the state disregards and passes through to families, whereas, under H.R. 240, federal cost sharing incentives would be offered to encourage states to *establish* a child support pass-through provision *or increase* the amount of existing child support pass-through payments. Also, H.R. 240 provides a more limited amount of federal cost sharing for state pass-through and disregard policies than S. 667.

Both bills revise some CSE enforcement tools and add others; increase funding for the Federal Parent Locator Service (FPLS); increase funding for federal technical assistance to the states; require states to review child support orders of TANF families every three years; require that a report be submitted to Congress on undistributed child support collections; and designate Indian tribes and tribal organizations as persons authorized to have access to information in the FPLS. S. 667 increases funding for the CSE access and visitation program; requires states to adopt a later version of the Uniform Interstate Family Support Act (UIFSA) so as to facilitate the collection of child support payments in interstate cases; and requires that medical child support be provided by either or both parents. H.R. 240 includes a provision that would establish a $25 annual user fee for individuals who have never been on TANF but received at least $500 via CSE services in any given year. This report will be updated as needed.

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Introduction

In the 109th Congress, the Senate Finance Committee and the House Ways and Means Subcommittee on Human Resources have approved legislation that would reauthorize and revise the Temporary Assistance for Needy Families (TANF) Block Grant.[1] This legislation, S. 667 and H.R. 240, also includes many changes to the Child Support Enforcement (CSE) program, a component of the government's social safety net. In 1996, Congress passed significant changes to the CSE program as part of its reform of welfare. S. 667 was reported by the Senate Finance Committee on March 17, 2005 (S.Rept. 109-51). H.R. 240 was approved by the House Ways and Means Subcommittee on Human Resources on March 15, 2005.

Overview of the Child Support Enforcement Program

Background

The CSE program, Part D of Title IV of the Social Security Act, was enacted in January 1975 (P.L. 93-647). The CSE program is administered by the Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services (HHS), and funded by general revenues. All 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate CSE programs and are entitled to federal matching funds. The following families automatically qualify for CSE services (free of charge): families receiving TANF benefits (Title IV-A), foster care payments (Title IV-E), or Medicaid coverage (Title XIX).[2] Collections on behalf of families receiving TANF benefits are used to reimburse state and federal governments for TANF payments made to the family. Other families must apply for

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[1] For background and current status of this legislation, see CRS Issue Brief IB10140, *Welfare Reauthorization: Overview of the Issues*, by (name redacted), (name redacted), (name redacted).

[2] In addition, several states have opted to require food stamp households to cooperate with the CSE agency in establishing paternity and establishing and enforcing child support obligations. These food stamp households also receive CSE services automatically, free of charge.

CSE services, and states must charge an application fee that cannot exceed $25. Child support collected on behalf of nonwelfare families goes to the family (usually through the state disbursement unit).

Between FY1978 and FY2003, child support payments collected by CSE agencies increased from $1 billion in FY1978 to $21.2 billion in FY2003, and the number of children whose paternity was established (or acknowledged) increased by 1,274%, from 111,000 to 1.525 million. However, the program still collects only 18% of child support obligations for which it has responsibility[3] and collects payments for only 50% of its caseload. OCSE data indicate that in FY2003, paternity had been established or acknowledged for about 77% of the nearly 10.0 million children on the CSE caseload without legally identified fathers.

The CSE program is estimated to handle at least 50% of all child support cases; the remaining cases are handled by private attorneys, collection agencies, or through mutual agreements between the parents.

Services

The CSE program provides seven major services on behalf of children: (1) parent location, (2) paternity establishment, (3) establishment of child support orders, (4) review and modification of support orders, (5) collection of support payments, (6) distribution of support payments, and (7) establishment and enforcement of medical support.

Enforcement Techniques

Collection methods used by CSE agencies include income withholding, intercept of federal and state income tax refunds, intercept of unemployment compensation, liens against property, security bonds, and reporting child support obligations to credit bureaus. All jurisdictions also have civil or criminal contempt-of-court procedures and criminal nonsupport laws. Building on legislation (P.L. 102-521) enacted in 1992, P.L. 105-187, the Deadbeat Parents Punishment Act of 1998, established two new federal criminal offenses (subject to a two-year maximum prison term) with respect to noncustodial parents who repeatedly fail to financially support children who reside with custodial parents in another state or who flee across state lines to avoid supporting them.

P.L. 104-193 required states to implement expedited procedures that allow them to secure assets to satisfy an arrearage by intercepting or seizing periodic or lump sum payments (such as unemployment and workers' compensation), lottery winnings, awards, judgements, or settlements, and assets of the debtor parent held by public or private retirement funds, and financial institutions. It required states to implement procedures under which the state would have authority to withhold, suspend, or restrict use of driver's licenses, professional and occupational licenses, and

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[3] In FY2003, $122.9 billion in child support obligations ($27.1 billion in current support and $95.8 billion in past-due support) were owed to families receiving CSE services, but only $22.2 billion was paid ($15.7 billion current, $6.5 billion past-due).

recreational and sporting licenses of persons who owe past-due support or who fail to comply with subpoenas or warrants relating to paternity or child support proceedings. It also required states to conduct quarterly data matches with financial institutions in the state in order to identify and seize the financial resources of debtor noncustodial parents. P.L. 104-193 authorized the Secretary of State to deny, revoke, or restrict passports of debtor parents. P.L. 104-193 also required states to enact and implement the Uniform Interstate Family Support Act (UIFSA), and expand full faith and credit procedures. P.L. 104-193 also clarified which court has jurisdiction in cases involving multiple child support orders.

Financing

The federal government currently reimburses each state 66% of the cost of administering its CSE program. It also refunds states 90% of the laboratory costs of establishing paternity. In addition, the federal government pays states an incentive payment to encourage them to operate effective programs. P.L. 104-193 required the HHS Secretary in consultation with the state CSE directors to develop a new cost-neutral system of incentive payments to states. P.L. 105-200, the Child Support Performance and Incentive Act of 1998, established a new cost-neutral incentive payment system.[4] The statutory limit of CSE incentive payments for FY2005 is $446 million.

S. 667 and H.R. 240: Major Provisions Related to Child Support Enforcement

Background

Over the years, the CSE program has evolved into a multifaceted program. While cost-recovery still remains an important function of the program, other aspects of the program include service delivery and promotion of self-sufficiency and parental responsibility.

The CSE program has helped strengthen families by securing financial support for children from their noncustodial parent on a consistent and continuing basis and by helping some families to remain self-sufficient and off public assistance by providing the requisite CSE services. Child support payments now are generally recognized as a very important income source for single-parent families. On average child support constitutes 17% of family income for households that receive it (2001 data). Among poor families who receive it, child support constitutes about 30% of family income (2001 data).[5]

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[4] Before FY2002 child support incentive payments were paid out of the federal share of child support collections made on behalf of TANF families. As of Oct. 1, 2001, child support incentive payments are paid with appropriated funds.

[5] Elaine Sorensen, *Child Support Gains Some Ground*, Urban Institute, Snapshots of America's Families III, no. 11, Oct. 2003.

Both S. 667 and H.R. 240 seek to improve the CSE program and raise collections so as to increase the economic independence of former welfare families and provide a stable source of income for all single-parent families with a noncustodial parent. Although both bills share identical objectives with respect to simplifying CSE assignment and distribution rules and strengthening the "family-first" policies started in the1996 welfare reform law, the approaches used differ. Both bills revise some CSE enforcement tools and add others. The Senate Finance Committee-reported bill includes a larger list of CSE provisions than does the House Subcommittee bill. This section of the report does not discuss all of the CSE provisions included in S. 667 and H.R. 240. For a description of all of the CSE provisions in S. 667 as reported by the Senate Finance Committee and H.R. 240 as approved by the House Ways and Means Subcommittee on Human Resources, see **Table 1** in the last section of this report, which provides a side-by-side bill comparison.

Assignment of Child Support Rights

As a condition of receiving TANF benefits, a family must assign their child support rights to the state. Assignment rules determine who has legal claim on the child support payments owed by the noncustodial parent. The child support assignment covers any child support that accrues while the family receives TANF benefits as well as any child support that accrued before the family started receiving TANF benefits. Assigned child support collections are not paid to families, but rather this revenue is kept by states and the federal government as partial reimbursement for welfare benefits. Nonwelfare families who apply for CSE services do not assign their child support rights to the state and thereby receive all of the child support collected on their behalf.

An extremely important feature of the assignment process is the date on which an assignment was entered. If the assignment was entered on or before September 30, 1997, then pre-assistance and during-assistance arrearages are "permanently assigned" to the state. If the assignment was entered on or after October 1, 1997, then only the arrearages which accumulate while the family receives assistance are "permanently assigned." The family's pre-assistance arrearages are "temporarily assigned" and the right to those arrearages goes back to the family when it leaves TANF (unless the arrearages are collected through the federal income tax refund offset program).

Under S. 667 as reported by the Senate Finance Committee, the child support assignment would only cover any child support that accrues while the family receives TANF benefits. This would mean that any child support arrearages that accrued before the family started receiving TANF benefits would not have to be assigned to the state (even temporarily) and thereby any child support collected on behalf of the former-TANF family for pre-assistance arrearages would go to the family. In contrast, H.R. 240 as approved by the House Ways and Means Subcommittee on Human Resources does not make any changes regarding the child support assignment rules.

Distribution of Child Support

Distribution rules determine the order in which child support collections are paid in accordance with the assignment rules. In other words, the distribution rules determine which claim is paid first when a child support collection occurs. The order of payment of the child support collection is of tremendous importance because in many cases past-due child support (i.e., arrearages) are never fully paid.

TANF Families. While the family receives TANF benefits, the state is permitted to retain any current support and any assigned arrearages it collects *up to the cumulative amount of TANF benefits which has been paid to the family*. The 1996 welfare law (P.L. 104-193) repealed the $50 required pass through[6] and gave states the choice to decide how much, if any, of the state share (some, all, none) of child support payments collected on behalf of TANF families to send the family. States also decide whether to treat child support payments as income to the family. While states have discretion over their share of child support collections, P.L. 104-193 required states to pay the federal government the federal government's share of child support collections collected on behalf of TANF families. This means that the state, and not the federal government, bears the entire cost of any child support passed through to (and disregarded by) families. As of August 2004, 18 states were continuing the $50 (or higher in one state) pass-through and disregard policy that had been in effect pre-1996.[7]

Both bills would provide incentives (in the form of federal cost sharing) to states to direct more of the child support collected on behalf of TANF families to the families themselves (often referred to as a "family-first" policy), as opposed to using such collections to reimburse state and federal coffers for welfare benefits paid to the families. However, the approaches of the bills differ with respect to the amount of federal cost-sharing provided and whether to help states pay for the current cost of their CSE pass-through and disregard policies or to encourage states to establish such policies or increase the pass-through and disregard already in place.

Under S. 667 as reported by the Senate Finance Committee, the federal government would share in the costs of the *entire* amount of pass-through and disregard policies used by states. S. 667 would allow states to pay up to $400 per month in child support collected on behalf of a TANF (or foster care) family ($600 per month to a family with two or more children) to the family and would not require the state to pay the federal government the federal share of those payments. In order for the federal government to share in the cost of the child support pass-through, the

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[6] Under old law, the first $50 of current monthly child support payments collected on behalf of an Aid to Families with Dependent Children (AFDC) family was given to the family and disregarded as income so that it did not affect the family's AFDC eligibility or benefit status.

[7] The 17 states with the $50 pass-through and disregard policy are: AK, CA, CT, DE, IL, KY, ME, MA, MI, NJ, NM, NY, PA, RI, TX, VT, and VA. Wisconsin passes through and disregards all child support payments. Three states, GA, SC, and TN, pass though and disregard some or all child support for purposes of their "fill-the-gap budgeting" policies. West Virginia passes through and disregards up to $25 per month.

state would be required to disregard (i.e., not count) the child support collection paid to the family in determining the family's TANF benefit.

Unlike S. 667, the House bill is intended to provide states with an incentive to *increase* their pass-through and disregard policies. H.R. 240, as approved by the House Subcommittee on Human Resources, would allow states to *increase* the amount of collected child support they pay to families receiving TANF benefits and would not require the state to pay the federal government the federal share of the *increased* payments. The subsidized child support pass-through payments would be the amount above any payments the state was making on December 31, 2001. The House bill would limit the federal government's cost-sharing of the new pass-through payments to the greater of $100 per month or $50 per month more than the state previously was sharing with the family. In order for the federal government to share in the cost of an increase in the child support pass-through, the state would be required to disregard (i.e., not count) the child support collection paid to the family in determining the family's TANF benefit.

Former TANF Families. Pursuant to the 1996 welfare reform law (P.L. 104-193), beginning on October 1, 2000, states must distribute to former TANF families the following child support collections *first* before the state and the federal government are reimbursed (this is often referred to as the "family-first" policy): (1) all current child support, (2) any child support arrearages that accrue *after* the family leaves TANF (these arrearages are called never-assigned arrearages), plus (3) any arrearages that accrued *before* the family began receiving TANF benefits.[8] (Any child support arrearages that accrue during the time the family is on TANF belong to the state and federal government.)

One of the goals of the 1996 welfare reform law with regard to CSE distribution provisions was to create a distribution priority that favored families once they leave the TANF rolls. Thus, generally speaking, under current law, child support that accrues before and after a family receives TANF goes to the family, whereas child support that accrues while the family is receiving TANF goes to the state. This additional family income is expected to reduce dependence on public assistance by both promoting exit from TANF and preventing entry and re-entry to TANF.

S. 667 as reported by the Senate Finance Committee would give states the option of distributing to former TANF families the full amount of child support collected on their behalf (i.e., both current support and all child support arrearages — including arrearages collected through the federal income tax refund offset program). S. 667 would simplify the CSE distribution process and eliminate the special treatment of child support arrearages collected through the federal income tax refund offset program. Under S. 667 the federal government would share with the states the costs of paying child support arrearages to the family first.

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[8] As mentioned above, these rules do not apply to child support collections obtained by intercepting federal income tax refunds. If child support arrearages are collected via the federal income tax refund offset program, current law stipulates that the state and federal government are to retain those collections.

Similarly, H.R. 240 would give states the *option* of distributing to former TANF families the full amount of child support collected on their behalf. Under the House bill, the federal government would share with the states the costs of paying child support arrearages accrued while the family received TANF as well as costs associated with passing through to the family child support collected through the federal income tax refund offset program, *if* the state chose the "family-first" option.

Expansion of Collection/Enforcement Tools

Both bills include identical or similar provisions with respect to (1) lowering the threshold amount for denial of a passport to a noncustodial parent who owes past-due child support; (2) facilitating the collection of child support from Social Security benefits; (3) easing the collection of child support from veterans' benefits; (4) allowing states to use the federal income tax refund offset program to collect past-due child support for persons not on TANF who are no longer minors; (5) authorizing the HHS Secretary to compare information of noncustodial parents who owe past-due child support with information maintained by insurers concerning insurance payments and to furnish any information resulting from a match to CSE agencies so they can pursue child support arrearages; and (6) allowing an assisting state to establish a child support interstate case based on another state's request for assistance (thereby enabling an assisting state to use the CSE statewide automated data processing and information retrieval system for interstate cases).

Additional provisions that would expand and/or enhance the ability of states to collect child support payments are contained in S. 667 as reported by the Senate Finance Committee. They include: (1) authorizing the HHS Secretary to act on behalf of states to seize financial assets (held by a multi-state financial institution) of noncustodial parents who owe child support; (2) requiring that medical support for a child be provided by either or both parents; and (3) requiring the CSE agency to notify health care plan administrators under certain circumstances when a child loses health care coverage.

Other Provisions

Both bills include provisions that would (1) require states to review and if appropriate adjust child support orders of TANF families every three years; (2) require the HHS Secretary to submit a report to Congress on the procedures states use to locate custodial parents for whom child support has been collected but not yet distributed; (3) establish a minimum funding level for technical assistance; (4) establish a minimum funding level for the Federal Parent Locator Service; and (5) designate Indian tribes and tribal organizations as persons authorized to have access to information in the Federal Parent Locator Service.

H.R. 240 includes a provision that would establish a $25 annual fee for individuals who have never been on TANF but receive CSE services and who received at least $500 in any given year.

S. 667 includes provisions that would (1) increase funding for the CSE access and visitation program; (2) require states to adopt a later version of the Uniform

Interstate Family Support Act (UIFSA) so as to facilitate the collection of child support payments in interstate cases; and (3) allow the state of Texas to continue to operate its CSE program for automatic monitoring and enforcement of court orders on behalf of nonwelfare families without applying for a federal waiver.

Detailed Comparison of CSE Provisions in S. 667 and H.R. 240

Table 1 provides a detailed and comprehensive comparison of the CSE provisions of S. 667 as reported by the Senate Finance Committee and H.R. 240 as approved by the House Ways and Means Subcommittee on Human Resources with current law. The table specifies the section number in each of the bills in which the provision is found.

Table 1. Comparison of Current Law with S. 667, the "Personal Responsibility and Individual Development for Everyone Act (PRIDE)" as Reported by the Senate Finance Committee and H.R. 240, the "Personal Responsibility, Work and Family Promotion Act of 2005": Child Support Provisions

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
Assignment of child support rights	In order to receive benefits, Temporary Assistance to Needy Families (TANF) recipients must assign their child support rights to the state. The assignment covers any child support that accrues while the family receives TANF and any support that accrued before the family began receiving TANF.	Stipulates that the assignment covers only child support that accrues during the period that the family receives TANF. (In other words, pre-assistance arrearages would be eliminated from the assignment.) [Section 301(a)]	No provision.
	Any assignment of rights to child support that was in effect on September 30, 1997 must remain in effect. This means that any child support collected as a result of the assignment is owed to the state and the federal government.	Gives states the option to discontinue pre-assistance assignments in effect on September 30, 1997, or pre-assistance arrearage assignments in effect after September 30, 1997 and before the implementation date of this provision. If a state chooses to discontinue the child support assignment, the state would have to give up its legal claim to collections based on such arrearages and the state would have to distribute the collections to the family. [Section 301(c)]	

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
Federal matching funds for limited pass through of child support payments to families receiving TANF	While the family receives TANF benefits, the state is permitted to retain any current child support payments and any assigned arrearages it collects up to the cumulative amount of TANF benefits which has been paid to the family (i.e., state decides how much of the state share (some, all, none) of the child support payment collected on behalf of TANF families to send to the family. The state is required to pay the federal government the federal share of the child support collected. Child support payments collected on behalf of TANF families that are passed through to the family and disregarded by the state count toward the TANF Maintenance-of-Effort (MOE) expenditure requirement.	Same as current law. For families who received assistance from the state (which could include TANF or foster care), requires the federal government to waive its share of child support collections passed through to TANF families by the state and disregarded by the state — up to an amount equal to $400 per month in the case of a family with one child, and up to $600 per month in the case of a family with two or more children. Like current law, disregarded pass-through amounts would count as TANF MOE expenditures. [Section 301(b)] Allows states with Section 1115 demonstration waivers (on or before October 1, 1997) related to the child support pass-through provisions to continue to pass through payments to families in accordance with the terms of the waiver. [Section 301(b)]	Same as current law. For TANF families, requires the federal government to waive its share of an *increase* in the child support pass-through (up to the greater of $100 per month or $50 over the state's stipulated child support pass-through as of December 31, 2001) for families that receive TANF benefits. To obtain the federal matching funds, the state would have to disregard the amount passed through to the family in determining the family's TANF benefit amount. This provision would apply to amounts distributed on or after October 1, 2007. [Section 301]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
State option to pass through all child support payments to families that formerly received TANF	Current child support payments must be paid to the family if the family is no longer on TANF. With respect to former TANF families: Since October 1, 1997, child support arrearages that accrue *after* the family leaves TANF also are required to be paid to the family before any monies may be retained by the state. With respect to former TANF families: Since October 1, 2000, child support arrearages that accrued *before* the family began receiving TANF also are required to be distributed to the family first. However, if child support arrearages are collected through the *federal income tax refund offset program*, the family *does not* have first claim on the arrearage payments. Such arrearage payments are retained by the state and the federal government.	Simplifies child support distribution rules. Eliminates the special treatment of child support arrearages collected through the federal income tax refund offset program. Therefore, all child support collections to former TANF families would go to the family first. [Section 301(b)] To the extent that the arrearage amount payable to a former TANF family in any given month exceeds the amount that would have been payable to the family under current law, the state would be able to elect to have the amount paid to the family considered an expenditure for Maintenance-of-Effort (MOE) purposes. In addition, amends the CSE State Plan to include an election by the state to include whether it is using the new option to pass through all arrearage payments to former TANF families without paying the federal government its share of such collections or whether it has chosen to maintain the current law distribution method. Stipulates that no later than six months after the date of enactment of this legislation, the Health and Human Services (HHS) Secretary, in consultation with the states, would be required to establish the procedures to be used to make estimates of excess costs associated with the new funding option. [Section 301(b)] The provisions of Section 301 of this bill would take effect October 1, 2009, or earlier	Gives states the option of providing families that have left TANF the full amount of the child support collected on their behalf (i.e., both current child support and child support arrearages). The federal government would have to share with the states the costs of paying child support arrearages to the family first. This provision would apply to amounts distributed on or after October 1, 2007. [Section 302]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
		at state option — at any date that is 18 months after the date of enactment of the bill but not later than September 30, 2009. [Section 301(e)]	
Mandatory review and adjustment of child support orders for families receiving TANF	Federal law requires that the state have procedures under which every three years the state review and adjust (if appropriate) child support orders at the request of either parent, and that in the case of TANF families, the state review and update (if appropriate) child support orders at the request of the state CSE agency or of either parent.	Requires states to review and, if appropriate, adjust child support orders in TANF cases every three years. This provision would take effect on October 1, 2007. [Section 302]	Same as S. 667. [Section 303]
Mandatory fee for successful child support collection for family that has never received TANF	Federal law requires that non-welfare families must apply for CSE services, and states must charge an application fee that cannot exceed $25. The state may charge the application fee against the custodial parent, pay the fee out of state funds, or recover it from the noncustodial parent. In addition, states have the option of recovering costs in excess of the application fee. Such recovery may be from either the custodial parent or the noncustodial parent.	No provision.	Requires families that have never been on TANF to pay a $25 annual user fee when child support enforcement efforts on their behalf are successful (i.e., at least $500 annually is collected on their behalf). Such fees could be recovered from the custodial parent, the noncustodial parent, or the state (with state funds). This provision would take effect on October 1, 2006. [Section 304]
Report on undistributed child support payments	No provision.	Requires that within six months of enactment, the HHS Secretary must submit to the House Ways and Means Committee and the Senate Finance Committee a report	Same as S. 667. [Section 305]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
		on the procedures states use to locate custodial parents for whom child support has been collected but not yet distributed. The report must include an estimate of the total amount of undistributed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the report must include recommendations as to whether additional procedures should be established at the state or federal level to expedite the payment of undistributed child support. [Section 303]	
Decrease in amount of child support arrearage triggering passport denial	Federal law stipulates that the HHS Secretary is required to submit to the Secretary of State the names of noncustodial parents who have been certified by the state CSE agency as owing more than $5,000 in past-due child support. The Secretary of State has authority to deny, revoke, restrict, or limit passports to noncustodial parents whose child support arrearages exceed $5,000.	Authorizes the denial, revocation, or restriction of passports to noncustodial parents whose child support arrearages exceed $2,500, rather than $5,000 as under current law. This provision would take effect on October 1, 2006. [Section 304]	Same as S. 667. [Section 306]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors	Federal law prohibits the use of the federal income tax offset program to recover past-due child support on behalf of non-welfare cases in which the child is not a minor, unless the child was determined disabled while he or she was a minor and for whom the child support order is still in effect. (Since enactment in 1981 (P.L. 97-35), the federal income tax offset program has been used to collect child support arrearages on behalf of welfare families regardless of whether the children were still minors — as long as the child support order was in effect.)	Permits the federal income tax refund offset program to be used to collect arrearages on behalf of non-welfare children who are no longer minors. This provision would take effect on October 1, 2007. [Section 305]	Same as S. 667. [Section 307]
Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations	The disability compensation benefits of veterans are treated differently than most forms of government payment for purposes of paying child support. Whereas most government payments are subject to being automatically withheld to pay child support, veterans disability compensation is not subject to intercept. Before enactment of P.L. 108-136, there was one exception to this rule. The exception occurred when veterans had elected to forego some of their retirement pay in order to collect additional disability payments. The	Allows veterans' disability compensation benefits to be intercepted (withheld) and paid on a routine basis to the custodial parent. This provision prohibits the garnishment of any veteran's disability compensation in order to collect alimony unless that disability compensation is being paid because retirement benefits were waived. The provision would take effect on October 1, 2007. [Section 306]	Allows veterans' disability compensation benefits to be intercepted (withheld) and paid on a routine basis to the custodial parent if the veteran is 60 days or more in arrears on child support payments. This provision is prohibited from being used to collect alimony and no more than 50% of any particular disability payment may be withheld. This provision would take effect on October 1, 2007. [Section 308]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	advantage of veterans replacing retirement pay with disability pay is that the disability pay is not subject to taxation. With this exception, the only way to obtain child support payments from veterans' disability compensation was to request that the Secretary of the Department of Veteran Affairs intercept the disability compensation and make the child support payments. P.L. 108-136, enacted November 24, 2003, permits veterans to receive *both* military retired pay and veterans' disability compensation.		
Improving federal debt collection practices	Federal law stipulates that any *federal agency* that is owed a nontax debt (that is more than 180 days past-due) must notify the Secretary of the Treasury to obtain an administrative offset of the debt. The Department of the Treasury (or other designated federal disbursing agency) has the authority to offset Social Security benefits, certain Black Lung Board benefits, and certain Railroad Retirement benefits to collect delinquent debt owed to the United States, subject to an annual $9,000 ($750 per month) exemption.	Similar to H.R. 240, but only allows Social Security benefits to be offset to collect past-due child support. The Committee bill specifically overrules section 207 of the Social Security Act which states that Social Security benefits are not transferrable by garnishment. The provision would take effect on a date that is 18 months after the date of enactment. [Section 307]	Expands the federal administrative offset program by allowing Social Security benefits, certain Black Lung benefits, and certain Railroad Retirement Board benefits (RR) to be offset to collect past-due child support (on behalf of families receiving CSE [Title IV-D of the Social Security Act] services) in appropriate cases selected by the states. This provision would take effect on October 1, 2006. [Section 309]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	Currently, states have the authority to *garnish* Social Security benefits for child support payments. But, Social Security payments can only be *offset* for federal debt recovery. (Thus, under current law child support arrearage payments which are enforced by states cannot be offset from Social Security benefits/payments.)		
Maintenance of technical assistance funding	Federal law appropriates an amount equal to 1% of the federal share of child support collected on behalf of TANF families the preceding year for the Secretary to provide to the states for: information dissemination and technical assistance, training of state and federal staff, staffing studies, and related activities needed to improve CSE programs (including technical assistance concerning state automated CSE systems), and research demonstration and special projects of regional or national significance relating to the operation of CSE programs. Such funds are available until they are expended.	Changes the amount available for technical assistance funding to an amount equal to 1% of the federal share of child support collected or the amount appropriated for FY2002, whichever is greater. [Section 308]	Same as S. 667. [Section 310]
Maintenance of Federal Parent Locator Service funding (FPLS)	Federal law appropriates an amount equal to 2% of the federal share of child support collected on behalf of TANF families the	Changes the amount available for the FPLS to an amount equal to 2% of the federal share of child support collected or the amount appropriated for FY2002,	Same as S. 667. [Section 311]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	preceding year for the Secretary to use for operation of the FPLS to the extent that the costs of the FPLS are not recovered by user fees. Funds that were appropriated for FY1997-FY2001 remain available until expended.	whichever is greater. Makes all funds appropriated for this purpose available until expended. [Section 309]	
Identification and seizure of assets held by multi-state financial institutions	The 1996 welfare reform law required states to enter into agreements with financial institutions conducting business within their state for the purpose of conducting a quarterly data match. The data match is intended to identify financial accounts (in banks, credit unions, money-market mutual funds, etc.) belonging to parents who are delinquent in the payment of their child support obligation. In some cases, state law prohibits the placement of liens or levies on accounts outside of the state and some financial institutions only accept liens and levies from the state where the account is located. In 1998, Congress made it easier for multi-state financial institutions to match records by permitting the FPLS to help them coordinate their information.	Authorizes the HHS Secretary, via the FPLS, to assist states to perform data matches comparing information from states and participating multi-state financial institutions with respect to persons owing past-due child support. Authorizes the Secretary via the FPLS to seize assets, held by such financial institutions, of noncustodial parents who owe child support arrearage payments, by issuing a notice of a lien or levy and requiring the financial institution to freeze and seize assets in accounts in multi-state financial institutions to satisfy child support obligations. Requires the Secretary to transmit any assets seized under the procedure to the state for accounting and distribution. Stipulates that the Secretary must inform affected account holders/ asset holders of their due process rights. (In effect, the Committee bill would resolve problems of jurisdiction in cases where a state was pursuing an asset in a different state.) [Section 310]	No provision.
Information comparisons with	No provision.	Authorizes the HHS Secretary, via the FPLS, to compare information of	Same as S. 667. [Section 312]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
Insurance data		noncustodial parents who owe past-due child support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments; and to furnish any information resulting from a match to the appropriate state CSE agency in order to secure settlements, awards, etc. for payment of past-due child support. Stipulates that no insurer would be liable under federal or state law for disclosures made in good faith of this provision. [Section 311]	
Tribal access to the Federal Parent Locator Service	The FPLS is a national location system operated by the federal Office of Child Support Enforcement to assist states in locating noncustodial parents, putative fathers, and custodial parties for the establishment of paternity and child support obligations, as well as the enforcement and modification of orders for child support, custody and visitation. It also identifies support orders or support cases involving the same parties in different states. The FPLS consists of the Federal Case Registry, Federal Offset Program, Multi-state Financial Institution Data Match, National Directory of New Hires, and the Passport Denial Program. Additionally, the FPLS has access to external	Includes Indian tribes and tribal organizations that operate a CSE program as "authorized persons." [Section 312]	Same as S. 667. [Section 313]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	sources such as the Internal Revenue Service (IRS), the Social Security Administration (SSA), Department of Veterans Affairs (VA), the Department of Defense (DOD), and the Federal Bureau of Investigation (FBI). The FPLS is only allowed to transmit information in its databases to "authorized persons," which include (1) child support enforcement agencies (and their attorneys and agents); (2) courts, (3) the resident parent, legal guardian, attorney, or agent of a child owed child support; and (4) foster care and adoption agencies.		
Reimbursement of Secretary's costs of information comparisons and disclosure for enforcement of obligations on higher education act loans and grants	Federal law (P.L. 106-113) authorized the Department of Education to have access to the National Directory of New Hires. The provisions were designed to improve the ability of the Department of Education to collect on defaulted loans and grant overpayments made to individuals under the Higher Education Act of 1965. Under the Computer Matching Agreement, the Secretary of Education is required to reimburse the HHS Secretary for the *additional* costs incurred by the HHS Secretary in furnishing requested information.	Amends the reimbursement of costs provision by eliminating the word "additional." Thus, the Secretary of Education would be required to reimburse the HHS Secretary for any costs incurred by the HHS Secretary in providing requested new hires information. [Section 313]	Same as S. 667. [Section 314]

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
Technical amendment relating to cooperative agreements between states and Indian tribes	Federal law requires that any state that has a child welfare program and that has Indian country may enter into a cooperative agreement with an Indian tribe or tribal organization if the tribe demonstrates that it has an established tribal court system with several specific characteristics related to paternity establishment and the establishment and enforcement of child support obligations. The HHS Secretary may make direct payments to Indian tribes and tribal organizations that have approved child support enforcement plans.	Deletes the reference to child welfare programs. [Section 314]	Same as S. 667. [Section 315]
Claims upon longshore and harbor workers' compensation for child support	The Longshore and Harbor Worker's Compensation Act is the federal worker's compensation law for maritime workers and persons working in shipyards and on docks, ships, and offshore drilling platforms. It exempts benefits paid by longshore or harbor employers or their insurers from all claims of creditors. Thus, Longshore and Harbor Worker's Compensation Act benefits that are paid by longshore or harbor employers or their insurers are not subject to attachment for payment of child support obligations.	Amends the Longshore and Harbor Workers' Compensation Act to ensure that longshore or harbor workers benefits that are provided by the federal government or by private insurers are subject to garnishment for purposes of paying child support obligations. [Section 315]	No provision.

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
State option to use statewide automated data processing and information retrieval system for interstate cases	The 1996 welfare reform law mandated states to establish procedures under which the state would use high-volume automated administrative enforcement, to the same extent as used for intrastate cases, in response to a request from another state to enforce a child support order. This provision was designed to enable child support agencies to quickly locate and secure assets held by delinquent noncustodial parents in another state without opening a full-blown interstate child support enforcement case in the other state. The assisting state must use automatic data processing to search various state data bases including financial institutions, license records, employment service data, and state new hire registries, to determine whether information is available regarding a parent who owes a child support obligation. The assisting state is then required to seize any identified assets. This provision does not allow states to open/establish a child support interstate case.	Allows an assisting state to establish a child support interstate case based on another state's request for assistance; and thereby an assisting state would be able to use the CSE statewide automated data processing and information retrieval system for interstate cases. [Section 316]	Same as S. 667. [Section 316]
State law requirement concerning the	The 1996 welfare reform law (P.L. 104-193) required that on and after January 1, 1998, each state must	Requires that each state's Uniform Interstate Family Support Act (UIFSA) include any amendments officially adopted	No provision.

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
Uniform Interstate Family Support Act (UIFSA)	have in effect the Uniform Interstate Family Support Act (UIFSA), as approved by the American Bar Association on February 9, 1993, and as in effect on August 22, 1996, including any amendments officially adopted as of such date by the National Conference of Commissioners on Uniform State Laws. Federal law requires states to treat past-due child support obligations as final judgments that are entitled to full faith and credit in every state. This means that a person who has a child support order in one state does not have to obtain a second order in another state to obtain child support due should the noncustodial parent move from the issuing court's jurisdiction. P.L. 103-383 restricts a state court's ability to modify a child support order issued by another state unless the child and the custodial parent have moved to the state where the modification is sought or have agreed to the modification. The 1996 welfare reform law (P.L. 104-193) clarified the definition of a child's home state, makes several revisions to ensure that the full faith and credit laws can be	as of August 2001 by the National Conference of Commissioners on Uniform State Laws. Clarifies current law by stipulating that a court of a state that has established a child support order has continuing, exclusive jurisdiction to modify its order if the order is the controlling order and the state is the child's state or the residence of any individual contestant; or if the state is not the residence of the child or an individual contestant, the court has the contestant's consent in a record or in open court that the court may continue to exercise jurisdiction to modify its order. Also modifies the current rules regarding the enforcement of modified orders. [Section 317]	

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	applied consistently with UIFSA, and clarifies the rules regarding which child support orders states must honor when there is more than one order.		
Grants to states for access and visitation programs	The 1996 welfare reform law (P.L. 104-193) authorized grants to states (via CSE funding) to establish and operate access and visitation programs. The purpose of the grants is to facilitate noncustodial parents' access to and visitation of their children. An annual entitlement of $10 million from the federal CSE budget account is available to states for these grants. Eligible activities include but are not limited to mediation, counseling, education, development of parenting plans, visitation enforcement, and development of guidelines for visitation and alternative custody arrangements. The allotment formula is based on the ratio of the number of children in the state living with only one biological parent in relation to the total number of such children in all states. The amount of the allotment available to a state will be this same ratio to $10 million. The allotments are to be adjusted to ensure that there is a minimum	Increases funding for Access and Visitation grants from $10 million annually to $12 million in FY2006, $14 million in FY2007, $16 million in FY2008, and $20 million annually in FY2009 and each succeeding fiscal year. Extends the Access and Visitation program to Indian tribes and tribal organizations that had received direct child support enforcement payments from the federal government for at least one year. Includes a specified amount to be set aside for Indian tribes and tribal organizations: $250,000 for FY2006; $600,000 for FY2007; $800,000 for FY2008; and $1.670 million for FY2009 or any succeeding fiscal year. Increases the minimum allotment to states to $120,000 in FY2006, $140,000 in FY2007, $160,000 in FY2008, and $180,000 in FY2009 or any succeeding fiscal year. The minimum allotment for Indian tribes and tribal organizations would be $10,000 for a fiscal year. The tribal allotment would not be able to exceed the minimum state allotment for any given fiscal year. The allotment formula for Indian tribes and	No provision.

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	allotment amount of $50,000 per state for FY1997 and FY1998, and a minimum of $100,000 for any year after FY1998. States may use the grants to create their own programs or to fund programs operated by courts, local public agencies, or nonprofit organizations. The programs do not need to be statewide. States must monitor, evaluate, and report on their programs in accord with regulations issued by the HHS Secretary.	tribal organizations that operate child support enforcement programs would be based on the ratio of the number of children in the tribe or tribal organization living with only one parent in relation to the total number of children living with only one parent in all Indian tribes or tribal organizations. The amount of the allotment available to an Indian tribe or tribal organization would be this same ratio to the maximum allotment for Indian tribes and tribal organizations (i.e., $250,000 for FY2006; $600,000 for FY2007; $800,000 for FY2008; and $1.670 million for FY2009 or any succeeding fiscal year). (Pro rata reductions would be made if they are necessary.) [Section 318]	
Timing of corrective action year for state noncompliance with CSE program requirements	Federal law requires that audits be conducted at least every three years to determine whether the standards and requirements prescribed by law and regulations have been met by the child support program of every state. If a state fails the audit, federal TANF funds must be reduced by an amount equal to at least 1% but not more than 2% for the first failure to comply, at least 2% but not more than 3% for the second failure, and at least 3% but not more than 5% for the third and subsequent failures.	Changes the timing of the corrective action year for states that are found to be in noncompliance of child support enforcement program requirements. Changes the corrective action year to the *fiscal year following the fiscal year* in which the Secretary made a finding of noncompliance and recommended a corrective action plan. This change would be made retroactively in order to allow the Secretary to treat all findings of noncompliance consistently. The provision would take effect with respect to determinations of state compliance for FY2002 and succeeding fiscal years. [Section 319]	No provision.

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	The HHS Secretary also must review state reports on compliance with federal requirements and provide states with recommendations for corrective action. The purpose of the audits is to assess the completeness, reliability, and security of data reported for use in calculating the performance indicators and to assess the adequacy of financial management of the state program. Federal law calls for penalties to be imposed against states that fail to comply with a corrective action plan in the *succeeding* fiscal year.		
Requirement that state child support enforcement agencies seek medical support for children from either parent	Federal law requires that a state CSE agency issue a notice to the employer of a noncustodial parent, who is subject to a child support order issued by a court or administrative agency, informing the employer of the parent's obligation to provide health care coverage for the child(ren). The employer must then determine whether family health care coverage is available for which the dependent child(ren) may be eligible, and if so, the employer must notify the plan administrator of each plan covered by the National Medical Support Notice. If the dependent child(ren) is/are	Requires that medical support for a child be provided by either or both parents and that it must be enforced. Includes language that authorizes the state CSE agency to enforce medical support against a custodial parent whenever health care coverage is available to the custodial parent at reasonable cost. Stipulates that medical support may include health care coverage (including payment of costs of premiums, co-payments, and deductibles) and payment of medical expenses incurred on behalf of a child. [Section 320]	No provision.

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	eligible for coverage under a plan, the plan administrator is required to enroll the dependent child(ren) in an appropriate plan. The plan administrator also must notify the noncustodial parent's employer of the premium amount to be withheld from the employee's paycheck.		
Notice to state child support enforcement agency from health care plan administrator under certain circumstances when a child loses health care coverage	Federal law requires the health care plan administrator to notify qualified beneficiaries of their beneficiary rights with regard to health care coverage when or if one of the following events occurs: (1) the noncustodial parent with the health care coverage dies; (2) the noncustodial parent with the health care coverage loses his or her job or starts working fewer hours; (3) the noncustodial parent with the health care coverage becomes eligible for Medicaid benefits; (4) the noncustodial parent with the health care coverage becomes involved in a bankruptcy proceeding pertaining to his or her former employer; (5) the noncustodial parent with the health care coverage gets divorced or obtains a legal separation; or (6) the child of the noncustodial parent with the health care coverage ceases to be a	Requires the health care plan administrator to notify the state CSE agency if the noncustodial parent with the health care coverage dies, loses his or her job or is working fewer hours, becomes eligible for Medicaid benefits, or is involved in a bankruptcy proceeding pertaining to the noncustodial parent's former employer. In addition, requires the health care plan administrator to notify the state CSE agency if the noncustodial parent with the health care coverage gets divorced or obtains a legal separation, or if the noncustodial parent's child ceases to be a dependent child (in cases where the noncustodial parent has notified the plan administrator of such an occurrence). [Section 321]	No provision.

	Current law	S. 667 (as reported by the Senate Finance Committee)	H.R. 240 (as approved by the House Ways and Means Subcommittee on Human Resources)
	dependent child. (With respect to (5) and (6), the noncustodial parent (i.e., the covered employee) is required to notify the health care plan administrator of such an event.)		
Authority to continue state program for monitoring and enforcement of child support orders	Federal law stipulates that the following families automatically qualify for CSE services: families receiving TANF benefits (Title IV-A), foster care payments (Title IV-E), Medicaid coverage (Title XIX), or food stamps (if cooperation is required by the state). Other families must apply for CSE services.	Allows the state of Texas to continue to operate its CSE program for automatic monitoring and enforcement of court orders on behalf of a nonwelfare families without applying for a federal waiver. Currently the state of Texas does not require these families to *apply* for CSE services. [Section 322]	No provision.
Technical amendment relating to information comparisons and disclosure to assist in federal debt collection	P.L. 108-447, the Consolidated Appropriations Act of 2005, added provisions related to the comparison of data from the Secretary of the Treasury with data in the National Directory of New Hires for the purpose of collecting nontax debt owed to the federal government.	Makes technical changes to the Consolidated Appropriations Act of 2005 with respect to references to Title IV-D provisions related to information comparisons and other disclosures. [Section 323]	No provision.