

CRS Report for Congress

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The Child Support Enforcement Program: A Fact Sheet

Carmen Solomon-Fears
Domestic Social Policy Division

The Child Support Enforcement (CSE) program, Part D of Title IV of the Social Security Act, was enacted in January 1975 (P.L. 93-647). Its main goals are to reduce spending for actual and potential recipients of public welfare by obtaining support from noncustodial parents on an ongoing basis; and to establish paternity for children born outside of marriage so that child support can be obtained. All 50 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands operate CSE programs and are entitled to federal matching funds. To qualify for federal matching funds, each state's CSE plan must be approved by the Office of Child Support Enforcement, Department of Health and Human Services. The CSE program provides seven major services on behalf of children: parent location, paternity establishment, establishment of child support orders, review and modification of support orders, collection of support payments, distribution of support payments, and establishment and enforcement of medical support. Collection methods include wage withholding, intercept of federal and state income tax refunds, intercept of unemployment compensation, liens against property, and providing child support debt information to credit bureaus. (For more information, see CRS Report RS22380, *Child Support Enforcement: Program Basics*.)

P.L. 104-193, enacted August 22, 1996, made significant changes to the CSE program. It required states to establish an integrated, automated network linking all states to information about the location and assets of parents, requires states to increase the percentage of fathers identified, requires states to implement more enforcement techniques to obtain support collections from noncustodial parents (such as withholding, suspending, or restricting the use of driver's licenses, professional and occupational licenses, and recreational licenses of debtor parents), and made many other changes.¹ Federal law requires applicants for, and recipients of, Title IV-A benefits (i.e., formerly Aid to Families with Dependent Children (AFDC), now the Temporary Assistance to Needy Families (TANF) block grant) to assign their support rights to the state in order to receive Title IV-A benefits; and to cooperate with state CSE agencies if necessary to establish paternity and collect payments. Families that refuse to cooperate (without good

¹ For more information on the 1996 CSE law, see CRS Report 97-408, *Child Support Enforcement: Recent Reforms and Potential Issues*, by Carmen Solomon-Fears (archived, available upon request).

cause) must have their Title IV-A benefit reduced by at least 25% or could have it terminated completely.

Families receiving TANF benefits, foster care payments, or Medicaid coverage automatically qualify (free of charge) for CSE services. Other families must apply for 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). Child support collections made for families receiving TANF benefit payments are used to reimburse state and federal governments for TANF payments made to the family. The federal government pays 66% of state and local CSE costs, makes incentive payments to states, and provides higher matching funds for laboratory testing for paternity determination. (For more information, see CRS Report RL33422, *Analysis of Federal-State Financing of the Child Support Enforcement Program*.)

Child Support Data — FY2005 (Preliminary)

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| Total CSE caseload | <i>Total</i> , 15.9 million; <i>TANF</i> , 2.5 million; <i>former-TANF</i> , 7.3 million; <i>never-TANF</i> , 6.1 million |
| Total CSE collections | <i>Total</i> , \$23.006 billion; <i>TANF</i> families, \$1.043 billion; <i>former-TANF</i> , \$9.254 billion; <i>never-TANF</i> , \$10.445 billion (plus \$2.264 billion on behalf of Medicaid-only families) |
| Payments to families | <i>Total</i> , \$20.8 billion; <i>TANF</i> , \$140 million; <i>former-TANF</i> , \$8.0 billion; <i>never-TANF</i> , \$10.4 billion (plus \$2.2 billion on behalf of Medicaid-only families) |
| Federal share of TANF collections | \$1.129 billion |
| State share of TANF collections | \$911 million |
| Medical support payments | \$130 million |
| Total CSE expenditures | \$5.353 billion; <i>federal share</i> , \$3.540 billion, <i>state share</i> , \$1.813 billion |
| Incentive payments to states | \$365 million (estimate); maximum statutory amount \$454 million |
| Paternities established and acknowledged | 1,629,971 |
| Support orders established | 1,180,238 (includes only new orders; excludes modifications) |
| Collections made | For 8,303,946 <i>total</i> families; <i>TANF</i> families, 755,588; <i>former-TANF</i> families, 3,908,320; <i>never-TANF</i> families, 3,640,038 |

Source: Table prepared by the Congressional Research Service, based on data from the Office of Child Support Enforcement, Department of Health and Human Services.

Note: Some totals are imprecise because of rounding.

Among other things, P.L. 109-171 (the budget reconciliation measure, now referred to as the Deficit Reduction Act of 2005 — S. 1932, enacted February 8, 2006) made a number of changes to the Child Support Enforcement (CSE) program. The act will reduce the federal matching rate for laboratory costs associated with paternity establishment from 90% to 66%, end the federal matching of state expenditures of federal CSE incentive payments reinvested back into the program, and require states to assess a \$25 annual user fee for child support services provided to families with no connection to the welfare system. P.L. 109-171 also simplifies CSE distribution rules and extends the “families first” policy by providing incentives to states to encourage them to allow more child support to go to both former welfare families and families still on welfare. In addition, P.L. 109-171 revises some child support enforcement collection mechanisms and adds others.