



CENTER FOR FAMILY POLICY AND PRACTICE

POLICY BRIEFING

June 2017 — Vol. 17 — No. 6

IN THIS ISSUE:

- Trump Budget Proposal Would Eviscerate Programs for Low-Income Families
- Report Confirms Low-Income Fathers Often Unable to Meet Child Support Obligations and Unlikely to Have Legal Access to Their Children
- Access to Medical Care and Health Outcomes Improve in States that Expanded Medicaid
- Children From Persistently Poor Families Least Likely to Escape Poverty as Adults
- Pretrial Bail and Payment of Traffic Fines Raise Funds for States at the Expense of the Poor
- MDRC Pairs with Fatherhood Programs to Study the Impact of Three Innovations
- State Policy and Practice News
- Also of Note
- Did You Know?

Trump Budget Proposal Would Eviscerate Programs for Low-Income Families

President Trump's 2018 budget proposal, while a statement of his policy and

budgetary goals, [is not expected to be implemented as proposed](#). It is instead the first step in negotiations within Congress where it will likely change dramatically. It is important, however, as a documentation of the priorities of this administration, and because it is the starting point for negotiations. [The Center on Budget Policy and Priorities](#) (CBPP) has several analyses of the impact of the budget proposals, identifying several key impacts.

- The budget contains the largest cuts to programs for low- and moderate-income people of any presidential budget proposal in modern history. Fifty-nine percent, or \$2.5 trillion, of the proposed cuts would be made to programs for low- and moderate-income people.
- The Temporary Assistance for Needy Families (TANF) program would be cut by \$22 billion, despite the fact that the program has lost more than one-third of its funding since the mid-1990s, primarily due to funding that has not kept

pace with inflation. The budget would reduce states' federal TANF funds by 10 to 18 percent, but the impact within states could be much greater. Because TANF is a block grant to states, there is flexibility in how states spend TANF funds. As states increasingly experience budget shortfalls due to the federal budget cuts, there will be incentives to cut into basic assistance in order to use the funds for other purposes. This is a current pattern that will be exacerbated by the new cuts.

- A total of \$1.9 trillion would be cut from health care programs, the vast majority of which would be to Medicaid, over the next decade. The budget would take health insurance away from 23 million people, raise out-of-pocket health costs for millions, and weaken key protections for people with pre-existing conditions.
- The budget would cut federal SNAP funding by more than 25 percent, or \$193 billion, through a combination of eligibility and benefit cuts and a massive cost shift to states.
- The Social Services Block Grant, which provides states with funding for services to people with low and modest incomes, such as child care and adult day care programs, would be eliminated by a \$17 billion cut.
- The Legal Services Corporation (LSC) would be eliminated, meaning that up to 2 million low-income people would lose legal representation every year.
- The Child Tax Credit and Earned Income Tax Credit would be cut by \$40 billion.
- Major job training grants would be cut by 40 percent.
- Housing vouchers for more than 250,000 lower income households would be eliminated.
- Social Security disability benefits would be cut by nearly \$70 billion over the next decade by encouraging and, in some cases, requiring people receiving the benefits to re-enter the workforce.
- Subsidized student loans for low- and moderate-income families would be eliminated.
- The Low Income Home Energy Assistance Program (LIHEAP), which helps poor households pay their heating bills, would be eliminated.
- The budget would prohibit any funding for certain entities that provide abortions, including Planned Parenthood.
- The Centers for Disease Control and Prevention would have its budget cut about 18 percent, to \$6.3 billion, and the National Institutes of Health would be cut by 18 percent, to \$26 billion.
- The budget would continue to cut overall funding for non-defense discretionary programs more deeply in each subsequent year, producing a cut of 41 percent by 2027 (relative to today's levels), after adjusting for inflation. The proposed funding cuts would further erode programs already affected by recent budget cuts by an estimated \$400 billion over the next decade.

A final budget plan is expected by October.

Report Confirms Low-Income Fathers Often Unable to Meet Child Support Obligations and Unlikely to Have Legal Access to Their Children

A [qualitative study from Mathematica Policy Research](#) for the

Administration for Children

and Families (ACF) of the US Department of Health and Human Services conducted three rounds of interviews with fathers who were enrolled in fatherhood programs, seeking to learn more about their views and experiences with regard to child support and access to their children. Of the fathers interviewed, 85% were African American, 80% were not living with any of their children, 81% had been convicted of a crime at some point, 78% had recently spent time with their children, and 53% had no paid work in the previous 30 days. The findings distinguish between two groups: “lower,” or fathers with child support orders below the national median of \$364 per month (and so with lower incomes) and “higher,” referring to fathers with orders above the national median. Among the study’s findings:

- Almost 75% of fathers with lower child support orders were unemployed or in temporary or part-time jobs. Most were actively engaged in trying to find work.
- Approximately 33% of fathers with lower orders reported that they were often fearful of potential penalties for not meeting their child support obligations. They feared such actions as having their driver’s license taken away or being jailed for failure to pay child support.
- Almost 20% had at some point temporarily lost their driver’s license for failure to pay child support. Others had their tax refunds intercepted or funds from student grants withheld.
- Fathers with lower orders sometimes had some or all of their child support payment withheld by the state to pay arrears or to cover the cost of public assistance received by the child’s mother.
- In one round of interviews, only two fathers reported earning more than \$1,000 per month.
- Approximately half of the fathers had at some point sought a child support modification, or to have their arrearages reduced. Of these, about half were successful, in part because of assistance from the program in which they were enrolled. Fathers who were unsuccessful described confusion about the process and a lack of legal representation.
- More than 40% of the fathers reported that they had minimal to no contact with one or more of their children. Fathers felt that the emotional and social support they could provide their children was as important as financial support, but that their access to and involvement with their children was not taken into account by the system. For unmarried parents, establishment of parenting time is usually a legally distinct proceeding separate from the child support system.

The report encourages fatherhood programs to focus on expanding or intensifying efforts to help men in their programs find employment that is stable and pays a

living wage, and to find ways to help fathers navigate the child support system in order to contend with high arrearages and inappropriately high child support orders. Programs are also encouraged to address the issue of parenting time and to consider ways to facilitate the establishment of parenting time agreements.

**Access to Medical Care and Health Outcomes
Improve in States that Expanded Medicaid**

[A report in Health Affairs](#), a health policy journal, describes medical outcomes four years

after states made the decision whether to expand Medicaid under the Affordable Care Act (ACA). States were allowed to decide on the expansion based on a US Supreme Court decision in 2012 that—while allowing the ACA to apply penalties to individuals who did not sign up for health care coverage and in so doing, enabling the reforms—also changed the Medicaid expansion provision to make it optional for states. If states elected to expand Medicaid under the ACA, the federal government paid for most of the associated costs. Despite this, 19 states, including Texas, rejected the expansion. The report compares Texas, where Medicaid was not expanded, to Arkansas and Kentucky, two southern states that did expand coverage, from 2013 to 2016. The three states were chosen because each had very high uninsured rates among their poor in 2013, similar health demographics, were in the same census region, and each had highly restrictive Medicaid thresholds prior to implementation of the ACA. Key findings include:

- From 2013 to 2016, the percentage of respondents who reported being uninsured fell in each state, but by significantly larger amounts in Arkansas and Kentucky than in Texas. The percentage of uninsured fell in Arkansas from 41.8 percent to 11.7 percent, in Kentucky from 40.2 percent to 7.4 percent and in Texas from 38.5 percent to 28.2 percent. Arkansas expanded coverage in a unique way with a private option, but the study found that coverage expansion provided significant benefits to residents regardless of the type of coverage used to expand it.
- In Arkansas and Kentucky, low-income residents reported better overall health and were more likely to keep chronic conditions at bay.
- The rate of low-income residents delaying care because of cost in Arkansas fell to approximately 29 percent in 2016 from approximately 40 percent in 2013. In Kentucky, the percentage increased from 25.1 percent in 2015 to 29.5 percent last year, although it remained below the 39.6 percent who reported putting off care in 2013. In Texas, however, the percentage delaying care increased from 31.7 percent in 2013 to 38.4 percent in 2015 before falling to 34.4 percent in 2016.
- In Arkansas and Kentucky, there was a consistent reduction in the percentage of respondents who put off taking medicine because of the cost, as well as in the percentage who had visited an emergency room, and increases in the percentages who had received a medical checkup and had their cholesterol checked. Those with chronic health conditions, such as high

blood pressure or diabetes, were more likely to have received care for those conditions.

- The percentage of residents who reported having a primary care doctor increased in Arkansas from 57.2 percent in 2013 to 63.8 percent in 2015 and 67.7 percent in 2016. It fell in Kentucky, from 71.7 percent in 2015 to 66.1 percent in 2016, but was still higher than the 56.6 who reported having a doctor in 2013. In Texas, the percentage with a doctor fell from 52.4 percent in 2013, to 51.3 percent in 2015, and to 44.9 percent in 2016.

Children From Persistently Poor Families Least Likely to Escape Poverty as Adults

A new analysis from [the Urban Institute](#) looks at the predictors of success for the persistently poor.

The report compares outcomes according to the consistency of poverty over a childhood, race, and education, among other factors. Data on children were followed from birth through age 30 using longitudinal data from the Panel Study of Income Dynamics (PSID), focusing on children born from the late 1960s to the mid-1980s. Key findings include:

- Almost 12 percent of children in the United States grow up persistently poor, which is defined for the report as spending at least half of one's childhood in poverty; over 40 percent of black children are persistently poor, compared with less than 6 percent of white children. Despite the racial disparities in the likelihood of being persistently poor, white and black persistently poor children have similar young adult outcomes that include a greater likelihood of experiencing poverty as adults, being less likely to graduate high school and go on to college, and a smaller likelihood of being consistently employed as young adults.
- Just 16 percent of persistently poor children are connected in a consistent manner to work or school when they become young adults and are not poor by the time they reach their late 20s.
- Of persistently poor children, 89 percent are poor by age 2 and 98 percent are poor by age 5. Children who experience poverty but are not persistently poor (about 30 percent of children) often first experience poverty later in their childhood.
- For the persistently poor, sixty-nine percent of young women in the "most successful" group, defined as consistently connected to work and/or school and living above the poverty level as young adults, had not had a child as a teenager, compared with just 38 percent of those in the middle group and 23 percent of those in the least successful group.
- High school completion rates were 85 percent for the most successful among the persistently poor, but 44 percent for the least successful. Eighteen percent of the persistently poor in the most successful group completed a bachelor's degree, while 0 percent completed the degree among the least successful group.

- Persistently poor children experience greater income volatility during childhood than is true for all children, experiencing a large drop in annual family income of at least 25 percent almost twice as often.

**Pretrial Bail and Payment of Traffic Fines
Raise Funds for States at the Expense of the Poor**

Three developments in two states highlight the growing discontent with

state practices that seek to raise revenue by punishing the poor. The bail system in the state of California is described in a recent report from Human Rights Watch, a class action lawsuit in Michigan seeks to end the state's practice of suspending driver's licenses for unpaid traffic fines, and a bill in California would end the same practice in that state.

A [report from Human Rights Watch](#) concludes that California's system of pretrial detention keeps people in jail who are never found guilty of any crime, and encourages judges and prosecutors to use the detention as leverage to pressure guilty pleas. The state uses pretrial detention even when prosecutors never file criminal charges, leading to the forfeit of constitutional rights by tens of thousands of people who are arrested but cannot post bail. The inability to afford bail leads many to accept a plea deal that allows them to leave jail and return to work and their families. Among report's key findings:

- In California, more than half of county jail inmates have not been sentenced, but are serving time because they are unable to pay for pretrial release.
- Those detained pretrial are overwhelmingly poor, working class, and from racial and ethnic minorities.
- California's median bail rate is five times higher than that of the rest of the country.
- There is a clear correlation between the poverty rate and the unsentenced pretrial detention rate at the county level in California.
- There are also profound racial disparities in pretrial detention rates due to racial disparities in arrest and booking rates in the state. The rate at which black people are booked into California jails is many times higher than it is for white people. In San Francisco, for example, the rate is nine times higher.
- From 2011-2015, police in California made almost 1.5 million felony arrests. Of those, nearly one in three, close to 500,000 people, were arrested and jailed, but never found to be guilty of any crime.
- In the six California counties examined in detail (Alameda, Fresno, Orange, Sacramento, San Bernardino, and San Francisco), the total cost of jailing people whom the prosecutor never charged or who had charges dropped or dismissed was \$37.5 million over two years.
- In these six counties, from 2014 to 2015, 71–91 percent of misdemeanor and 77–91 percent of felony defendants who stayed in jail until they received their sentence were released before the earliest possible trial date, meaning that they accepted a plea agreement before they had a chance to assert their innocence.

- In the six counties, 70–80 percent of arrestees could not, or did not, pay bail. Those who did not pay were either eventually released from jail in other ways, such as on their own recognizance or by court orders, or stayed in jail until they were sentenced.
- A high rate of incarceration in the state disproportionately affects black state residents, who are over 6.5 times as likely as white people to be incarcerated. Data analyzed from a number of California counties demonstrated that jail booking rates for blacks are significantly higher than for whites and Latinos.
- California law does not require a judge to inquire into a defendant’s ability to pay, and judges rarely do so when setting bail amounts.

The report recommends a default rule under which only those accused of serious felonies would merit consideration for pretrial detention. The rest, with narrow exceptions, would be released from custody at the arrest stage and issued a citation requiring them to appear in court on a particular date. This system of “cite and release” would greatly reduce the number of people jailed without having charges filed against them. Those remaining in custody would have a full adversarial hearing, with an enforceable legal presumption of release absent proof by the prosecutor of a specific need to detain. Defendants would have capable legal representation when they appear in court.

In Michigan, a class action lawsuit filed by [Equal Justice Under Law](#) seeks to end the state’s practice of suspending driver’s licenses for failure to pay fines. The lawsuit alleges that the Michigan Department of State is running “a wealth-based drivers’ license suspension scheme that traps some of the state’s poorest residents in a cycle of poverty.” Equal Justice Under Law states that “the State of Michigan—like many other states—uses driver’s license suspension as an extra punishment for people who are poor. If a person cannot pay his or her routine traffic fines or court costs, then the state suspends their driver’s license.” It points out that:

- In 2010 alone, Michigan suspended 397,826 licenses for failure to pay court debt and failure to appear, meaning that thousands of state residents are punished simply for being poor.
- When people lose their ability to drive, they often lose their jobs or have difficulty finding employment, making it even more unlikely that they will be able to pay their debts to the state.
- Residents with suspended licenses cannot fulfill daily responsibilities such as taking their children to school, caring for elderly family members, or going to the doctor’s office.

And in California, the state is considering [legislation](#) to [end its similar practice of suspending driver’s licenses for unpaid traffic fines](#). Californians owed the state \$9.7 billion in traffic debt in 2016, and between 2006 and 2015, there were over four million Californians, or 17 percent of the state’s adults, with licenses suspended

because they did not pay citation fines and fees. Seventy-eight percent of Californians regularly drive to work.

The bill would eliminate license suspension as a penalty for accruing traffic-ticket debt and would reduce base fines by 80 percent. A current payment-plan mechanism already in place in the state that allows for minimal monthly payments based on income would be retained. It has been passed by the state Transportation and Housing Committee and by the Public Safety Committee, and is currently in the Appropriations Committee.

MDRC Pairs with Fatherhood Programs to Study the Impact of Three Innovations

A new brief, [*Three Innovative Approaches to Serving Low-Income Fathers: The Building Bridges And*](#)

[*Bonds Study*](#), from MDRC, introduces the Building Bridges and Bonds Study (B3), which is designed to identify services that can measurably improve outcomes for fathers who participate in Responsible Fatherhood programs. “Responsible Fatherhood” is a commonly accepted term for programs focused on the well-being of fathers and their children and on increasing financial contributions of fathers to their children. The Healthy Marriage and Responsible Fatherhood (HMRF) initiative, originally authorized in 2005, is a \$150 million discretionary grant program administered by the Office of Family Assistance. In 2015, OFA awarded five-year Responsible Fatherhood grants to 39 organizations, Healthy Marriage grants to 46 organizations, and an additional five awards to programs that serve incarcerated fathers and fathers post incarceration. B3 is a partnership between six of these grantees, the MDRC-led study team, and the Administration for Children and Families (ACF). The six participating programs added one or two program components or innovations to the usual services they offered in 2016. The study seeks to provide evidence on whether any or all of the innovations have a significant impact on the lives of participating fathers and their children and on how the programs engaged fathers and implemented both the innovative and existing services. This brief is the first in a series of publications on B3, its findings, and the lessons learned. The three innovations to be evaluated are:

- A cognitive behavioral workshop that seeks to improve employment outcomes for incarcerated men by helping them address some of the psychological and behavioral problems that can inhibit finding or retaining higher paying, stable employment.
- A new intervention, *Just Beginning*, that identifies strategies that support fathers in building emotionally and financially supportive relationships with their children from their earliest years. The curriculum comprises five one-on-one sessions that are scheduled approximately once per week and that consist of three components: a parent learning lesson in which the father is introduced to parenting concepts through videos; a father-child play session; and a debrief session in which the facilitator provides feedback and brainstorms with the father.

- A smartphone-based mobile application, DadTime, that provides a father with automated program attendance reminders and interactive tools to help him apply what he has learned in Just Beginning sessions to subsequent interactions with his child.

Future publications will provide updates on the lessons learned about these approaches over the course of the study.

State Policy and Practice News

- [House Bill 680](#) is advancing through the House in **Louisiana**; the bill would [waive child support obligations for parents incarcerated for longer than 180 days](#). The proposed law is intended to reduce recidivism by alleviating financial burdens for people who are incarcerated. Exceptions would be made in the case of parents who are in jail for failure to pay child support or for an offense on the custodial parent such as domestic abuse, and for parents with the financial means to pay child support despite their period of incarceration.

According to the bill's sponsor, state Senator Joe Marino, "When you have a large financial burden sitting over your head when you leave jail, it increases your chances of not making it when you're on the outside. When someone is incarcerated, unless they have work release, their actual earnings go to zero. What we're trying to do is recognize that they have zero income and it's not voluntary unemployment."

- In a case that could have wider repercussions, the 1st District Court of Appeals in **Florida** has ruled that a child support hearing officer [wrongly ordered the arrest of a man who failed to pay his support](#). Senco Crawford, a 30-year-old man who owed nearly \$11,000 in child support payments, argued that he was unable to afford the bill because he had applied to 30 different jobs, but his lack of transportation left him unable to find work other than for a temp agency that paid \$9.30 an hour. Nevertheless, his hearing officer declared him in contempt of court and ordered him arrested. Crawford had earlier been arrested multiple times for failure to pay but had not had an attorney who objected to his arrest before this case. Hearing officers do not have the right to declare people in contempt of court, Crawford's attorney Neil Weinreb argued; only a circuit judge has the right. When Weinreb objected, the hearing officer arrested Crawford anyway.

The hearing officer's report, which is supposed to be referred to a judge, recommended his arrest for 60 days unless he could pay \$500, but no judge signed off on it before the arrest. The judge in this case reported that he suspects whenever this happened in the past, the people arrested would somehow find whatever money was necessary to get them out of jail and no one would realize they were wrongly arrested.

Weinreb, who specializes in child support cases, estimates that as many as 75 percent of his clients say that before they hired him, they had been arrested by hearing officers without judges signing off. Weinreb also noted that before a new courthouse was built, the hearings would happen at the jail, making it even easier for hearing officers to make such arrests. He added that the arrests reduce his credibility with his clients because he tells them that when they appear before a hearing officer they cannot be arrested because only a judge can order the arrest. “My feeling is this is a technique — a strong-arm kind of technique — to enforce child support and it’s blatantly against the law.”

- Calhoun County, **Alabama** Family Court Judge Peggy Lacher is responding to an increasing number of cases on her child support docket by [issuing criminal charges](#) when a parent fails to appear in court after a contempt order is issued. Judge Lacher says that unless there is a criminal charge, the case is not put into the sheriff’s data system, so police are not aware of a warrant for the parent’s arrest if they are pulled over. A criminal charge for nonpayment of child support results in the arrest of the parent when the warrant is seen by police.
- **South Carolina** is currently the only state in the country [without an automated and centralized child support enforcement computer system](#). In 1988, the federal government required all states to upgrade their child support enforcement systems, and the states were given almost ten years to accomplish it; South Carolina has still not done so. As a result, the state has accrued over \$145 million in fines in addition to millions more in project costs. After several companies quit or failed to meet deadlines, the project to create the automated system is now in the hands of the state’s third vendor since 1995. It is expected to be implemented by September 2019. Until then, all 46 counties in the state and the Department of Social Services use different computer systems to track and enforce child support orders.

Also of Note

- [The Coalition on Human Needs](#) tracked 167 critical human needs programs that serve low-income people and found that, even before considering the proposed cuts to such programs in President Trump’s budget proposal, 80 percent of them have lost ground financially from FY 2010 to FY 2017. The review found that 135 of the programs had experienced funding cuts after taking inflation into account. Programs that saw substantial reductions over this time period include:
 - minority health programs, cut by 10 percent;
 - juvenile justice programs, cut by almost 50 percent;
 - housing for the elderly, cut by 46 percent;
 - housing for people with disabilities, cut by nearly 57 percent;

- job training to assist ex-offenders reintegrating into their communities, cut nearly 28 percent;
 - emergency medical services for children, cut by more than 16 percent;
 - employment services for older Americans, cut 57 percent;
 - substance abuse treatment programs, cut by 31 percent; and
 - the Low Income Home Energy Assistance Program (LIHEAP), cut by 33 percent.
- An analysis of data by [the Institute for Women’s Policy Research \(IWPR\)](#) finds that in 2015, mothers’ median annual earnings for full-time, year-round work were \$40,000, just 71.4 percent of fathers’ earnings of \$56,000. Mothers have substantially lower earnings, at just 73.4 percent of fathers, even when they are married or cohabitating. Single mothers’ full-time, year-round median annual earnings were just \$31,100, compared with \$44,000 for single fathers, a wage ratio of 70.7 percent.

When all working parents with earnings are included—whether they were working full-time, year-round, part-time, or part-year—mothers’ median annual earnings (\$30,000) were only 58.8 percent of fathers’ (\$51,000) in 2015. Almost three quarters (73.9 percent) of the 33 million households with children under age 18 included an employed mother.

The analysis looked at all working households and did not differentiate the data by race.

- A [National Bureau of Economic Research](#) study looked at the growing inequality in life expectancy and its effect on lifetime benefits from Social Security, Medicare, and other programs. The study estimates that life expectancy at age 50 for the top 40 percent in the income distribution will rise by 7 to 8 years for those born between 1930 and 1960, but that the bottom 40 percent will experience little to no increase in life expectancy. This difference will cause the gap between average lifetime program benefits received by those in the highest and lowest 20 percent to widen by \$130,000 over this period.

A [Vox article](#) points out that the discrepancy means that raising the minimum age for claiming Medicare benefits by even a year or two reduces a much larger share of the expected retirement period for a person with low income than one with high income. Conversely, raising the “normal retirement age,” or the age at which one can maximize benefits at retirement, by three years, from 67 to 70, cuts benefits more for the high income, because wealth is reduced for the poorer by 4.8 percent, while for more affluent it falls by 5.2 percent.

Did You Know?

- The most common reason for wage garnishment is for child support payments, which [accounted for 49% of wage garnishments in 2016](#). Since 1988, all child support orders automatically include a wage withholding order, which allows for wage garnishment without additional court action. A wage garnishment order can also be obtained when child support or alimony obligations are not met.

Wage garnishment limits for child support and alimony are also usually much higher than for other types of debt. For child support obligations, federal law allows garnishment of up to 50% of disposable earnings (gross wages less deductions required by law) if there are other family members who are supported financially. If not, the garnishment rate can reach 60%. The garnishment may also be increased by an additional five percent if child support is not paid for a period of 12 weeks or more.

- Under current federal law, child support agencies are prohibited from using Title IV-D (child support enforcement) federal funds to assist parents in negotiating or establishing a custody or parenting time order.