

# CENTER FOR FAMILY POLICY AND PRACTICE

23 N. Pinckney St., Suite 210, Madison, Wisconsin 53703

TEL 608.257.3148 FAX 608.257.4686

[www.cffpp.org](http://www.cffpp.org)

## POLICY BRIEFING

October 2004 \_ Vol. 6, No. 8

### OCSE Releases 2005-2009 Strategic Plan for Child Support Enforcement

The U.S. Office of Child Support Enforcement (OCSE) has issued its five-year strategic plan which outlines the department's guiding principles, goals and strategies for collecting child support in the coming years. The plan provides both insight into the department's priorities and a standard toward which states should be working. Emphasis (*italics*) has been added on some points. Among the notable goals and objectives in the plan:

- Indicators for measuring the goal "All Children in IV-D Cases Have Medical Coverage" include "The percentage of IV-D cases (excluding arrears-only cases) with medical coverage *from any source*," (emphasis added) and "Medicaid cost savings attributed to Medicaid eligible children in the IV-D caseload covered by private insurance or receiving cash medical support". This method for meeting the goal of medical coverage could result in an increased emphasis on charging a monthly insurance fee to noncustodial parents who do not have health insurance through employment. A strategy related to this goal is to "develop information about low-cost health insurance available at the local level." See below for further information on the likelihood that noncustodial parents will be increasingly charged for Medicaid and State Children's Health Insurance Program (SCHIP) health coverage for their children.
- Strategies for the coming years include:
  - ◊ Intervene early to modify orders, correcting mismatches between ordered payments and ability to pay.
  - ◊ Leverage debt, *relieving uncollectible debt owed to the State*, or to the custodial parent (obligee) with obligee's permission, in return for regular, reliable payment of current support.
  - ◊ Communicate with parents about child support payments early and consistently. Phone calls initiated by child support staff to explain procedures are vital to ensuring that parents are treated justly.
  - ◊ Prepare state decision-makers to make decisions about *increasing pass-through of child support to families receiving public assistance* and distribute collections to families who formerly received assistance.
  - ◊ Address perceived obstacles to payment, including access to children, matters of procedural justice, and affordability of orders.
  - ◊ Develop targeted, specific initiatives to deal with special populations, *including incarcerated or formerly incarcerated parents*.
  - ◊ Increase use of sanctions for noncooperating parents. (Note: This refers to sanctioning welfare recipients who are custodial parents off of assistance when they do not cooperate with child support, such as helping to find the noncustodial parent. Noncustodial parents can also be sanctioned off of Food Stamps for failing to make child support payments.)
  - ◊ Increase the use of expedited and administrative processes, with *recourse to courts to ensure that parents receive procedural justice*.

The plan, *National Child Support Enforcement Strategic Plan*, is available at <http://www.acf.hhs.gov/programs/cse/>.

### **Report Identifies Potential Impact of TANF Reauthorization on Domestic Violence**

The Center for Law and Social Policy (CLASP) has issued a summary of the provisions contained in both the House and Senate versions of the TANF reauthorization bills that could have an impact on victims of domestic violence and their families. Among the key points:

- Additional work requirements in both bills would require TANF families to engage in work upon receipt of TANF, eliminating the current 24-month period during which states are not mandated to require families to work. Instead, both bills require that a self-sufficiency plan be developed within 60 days of TANF receipt. States that have adopted the Family Violence Option (FVO) have relief from meeting the work requirements for domestic violence victims (see report for further details about the current hardship exemptions and the FVO), but it is not clear how the FVO and the stricter work requirements would interact and how this might affect families that are vulnerable to domestic violence.
- The report includes a chart that clearly demonstrates the distinctions between provisions in the House and Senate reauthorization bills as they relate to domestic violence services that would or would not be countable and allowable under the increased work participation requirements proposed in each bill.
- Both bills would amend the purposes of TANF with regard to marriage and fatherhood. They would change the 4th purpose, “to encourage the formation and maintenance of two-parent families,” to “to encourage the formation and maintenance of healthy two-parent married families, and encourage responsible fatherhood,” and would provide significant new funding for marriage promotion activities.
- The Senate bill includes “modest” domestic violence safeguards, but the House bill does not address the issue of domestic violence. Neither bill provides funding specifically intended to identify or address domestic violence or training that could help to contend with domestic violence among participants in marriage promotion activities.
- Both bills authorize, but do not include in the reauthorization’s allotment, funding for new fatherhood demonstration programs and media campaigns. Both fatherhood program proposals include language on domestic violence. The House bill would require grant applicants to “assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect.” The Senate bill would require grantees to “1)consult with experts in domestic violence or domestic violence coalitions in developing programs or activities; 2) describe how the programs or activities will ‘address, as appropriate,’ issues of domestic violence; and 3) describe what the grantee will do to ensure and inform participants that their involvement is voluntary.” The Senate bill also doubles funding for visitation and access grants from \$10 to \$20 million by fiscal year 2007.

The authors state that:

Domestic violence advocates have raised serious concerns about the requirement in the House bill that funded programs assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including coordination with state and local child protective services and domestic violence programs. One concern is that fatherhood programs will unwittingly encourage increased contact between fathers and their children’s mothers without fully appreciating the risk of domestic violence. Another concern is that fatherhood programs will not have sufficient training or expertise to understand how best to intervene in domestic violence situations without consultation with domestic violence experts. Additionally, there is a concern about potential for inappropriate coordination with child protection agencies, which can have a chilling effect on program participation and cooperation.

The report, *Safety in the Safety Net: TANF Reauthorization Provisions Relevant to Domestic Violence*, is available at [www.clasp.org](http://www.clasp.org).

### **Office of Inspector General Recommends Recovery of State Children's Health Insurance Costs from Noncustodial Parents**

In a series of reports, the Office of the Inspector General (OIG), has investigated the potential savings to seven states if they were to require noncustodial parents to contribute toward the costs of SCHIP (health insurance for children who would not qualify for Medicaid) benefits for their children. The additional payments would be made to states, not to custodial parents. Currently, noncustodial parents are required to repay custodial parents for their share of any premiums paid under the SCHIP program. The OIG investigation was looking into how much states could save if, on top of their current child support order and medical support order, noncustodial parents were required to repay the states' costs associated with the benefit. This summary is based in part on the OIG reports and on an analysis of the studies by Paula Roberts of the Center for Law and Social Policy (CLASP), *OIG Studies on Possible Recoupment of SCHIP Costs through the Child Support Program*.

- Potential payments from the noncustodial parent were calculated by finding the amount of potential earnings that could be retained by the state while limited by the federal Consumer Credit Protection Act to no more than 50% of disposable earnings and allowing for either an existing state self-support reserve (the amount of income felt to provide for minimum basic needs) or a reserve set by the OIG at \$700 per month. Additional children were also taken into account. In other words, as stated in the CLASP analysis, "the OIG is determining how much of the *state's cost* could be recouped from the noncustodial parent. It assumes that the noncustodial parent would be required to pay all his/her 'excess' income (income above the cash support obligations and a self-support reserve) toward the state's SCHIP costs."
- The federal laws under Title XXI of the Social Security Act, which funds SCHIP, do not allow for the assignment of medical support rights. In Texas' response, it was noted that this federal law prevented the state's retention of collected medical support. The OIG responds to this barrier by stating that the final report summarizing the results of the seven-state review will call for legislative changes to the assignment rules that would allow states to require an assignment of medical support even when they are funded entirely by Title XXI.
- For each state studied, an estimate of the potential amount of savings to the state was conducted for children who were eligible for, but not enrolled in the SCHIP program and for children already enrolled in the program whose noncustodial parent could have contributed to the cost of the coverage. The savings, when treated as the cost to the noncustodial parent, would mean that noncustodial parent payments for SCHIP would range from \$30 per month *per child* in Texas to \$66 per month per child in North Carolina.

The OIG reports are available at <http://oig.hhs.gov>.

The CLASP report is available at [www.clasp.org](http://www.clasp.org).

### **Studies Document Numbers and Difficulties of Working Poor Families**

*Working Hard, Falling Short: America's Working Families and the Pursuit of Economic Security*, a publication from the Working Poor Families Project, provides an analysis of the state of low-income working families. The report is a compilation of national and state studies and data.

Findings of the national study include:

- One in four working families with children is low-income, defined for the report as a family of four earning less than \$36,784 per year in 2002. Of the 9.2 million low-income working families, 2.5 million are in poverty, earning less than \$18,392 for a family of four. Connecticut and Massachusetts have the lowest percentage of low-income working families, less than 15 percent. At 40 percent, Mississippi has the highest rate.
- Minority working families are twice as likely to be low-income as families with white parents. In seven states, more than half of minority working families are low-income.
- Thirty-seven percent of low-income working families have at least one parent without any health insurance. Texas has the highest rate of uninsured working poor families at 50 percent, and Wisconsin has the lowest at just over 10 percent.
- In 2002, one in five U.S. jobs paid less than \$8.84 per hour, a poverty-level wage for a family of four.
- In 1968, a full-time worker earning minimum wage had annual earnings that were 120 percent of the poverty threshold for a family of three. In 2003, annual earnings at the minimum wage were only 74 percent of poverty for a family of three.

Several facts from the U.S. Census concerning the working poor are reported including:

- Seventy-one percent of low-income families work.
- The average annual work effort for low-income working families is 2,500 hours, equal to 1.2 full-time jobs.
- Fifty-three percent of low-income working families are headed by a married couple.

Increased federal leadership to improve earnings for working families is called for by the authors, based on two primary observations:

- Enormous disparities exist between states with regard to eligibility for programs such as Pell grant supplements for students and health insurance eligibility.
- Combined federal and state spending is far short of the need on many programs important to supporting higher earnings for families.

The report is available at [www.aecf.org/initiatives/jobinitiative/workingpoor.htm](http://www.aecf.org/initiatives/jobinitiative/workingpoor.htm).

A second report on the poverty of women in the United States, finding that women in the labor force are 40 percent more likely than men to be poor and analyzing the U.S. Census data on poverty among women is available at [www.legalmomentum.org/womeninpoverty.pdf](http://www.legalmomentum.org/womeninpoverty.pdf).

### **Update on Prison and Jail Inmates**

The Child Trends Data Bank has released an overview of data on incarcerated young adults. Among its findings:

- Among the estimated 750,700 males ages 18 to 29 who were incarcerated in 2003, 46 percent were black males.
- Among black male high school dropouts ages 20 to 35, more were in custody than in paid employment on an average day in 1996.
- In 2003, among young adult males ages 20 to 24, 11.3 percent of black males were incarcerated, 3.6 percent of Hispanic males and 1.6 percent of white males were incarcerated.
- Up to one-third of youth are reincarcerated within a few years after release.
- Factors associated with ceasing to engage in criminal behavior in young adulthood include employment, marriage, parenthood, job stability, and high school graduation.

The report, *Young Adults in Jail or Prison*, is available at [www.childtrendsdatbank.org](http://www.childtrendsdatbank.org).