

More than half of U.S. children will spend at least part of their childhood not living with two biological parents.¹ Child support enforcement helps ensure that children benefit from the economic support of both parents, regardless of whether they live together.

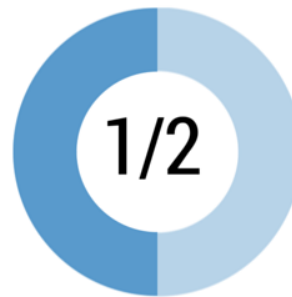
In 2014, the Child Support Enforcement (CSE) program, administered by the U.S. Department of Health and Human Services' Office of Child Support Enforcement (OCSE), served 16 million children, or nearly 1 in 4 children in the United States. After Medicaid, child support reaches more children than any other federally funded program.²

For families living below the poverty line receiving child support, these payments account for more than half of their income. According to the U.S. Census Bureau, child support payments lifted over 500,000 children out of poverty in 2014.³



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These payments go towards a child's everyday needs – from the roof over their head, to a warm coat in the winter. It can mean the difference as to whether a child gets to participate in extracurricular activities like sports, the science club or gets to go on a school trip. A recent study by the National Bureau of Economic Research found that increased cash income can improve a child's behavioral and emotional problems as well.⁴

History of the Child Support Enforcement Program

The CSE program was created in 1975 as Title IV-D of the Social Security Act as a federal-state partnership. The original goals were focused on reducing expenditures on welfare by assisting families to get child support payments from non-custodial parents and using the funds saved for reimbursement of welfare costs, as well as helping families obtain self-sufficiency by increasing their economic security.

The function of the CSE program has now shifted a bit and it provides many services for children and families who qualify, including the establishment and collection of child support orders, paternity establishment and distribution of child support payments. Most families served by the CSE program have never received cash welfare.

States are no longer permitted to withhold child support collected from non-custodial parents in order to reimburse themselves for previous payments to families who used to receive welfare. Yet most still keep at least a portion of child support collected on behalf of families now receiving welfare. Child support agencies collected \$32 billion in FY2014 and 95 percent of this money went to families.⁵

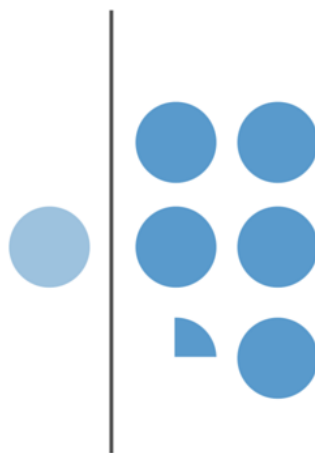
State expenditures are partially matched by the federal government - for every \$1 a state spends on CSE services, it receives 66 cents from the federal government, as well as incentive payments for performance. These payments are determined through five performance measures that examine the establishment of paternity in CSE caseloads, the establishment child support orders, collection of current and past-due child support payments and the cost effectiveness of the state's efforts. States are required to reinvest these incentive payments back into the CSE program or related programs.

The program continues to be extremely cost-effective. In FY2014, the program collected \$5.25 for every \$1 spent.⁶ Tools such as direct garnishment of wages and interception of tax refunds have made CSE increasingly effective at collecting child support from non-custodial parents with income.



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Recent Efforts to Improve the CSE Program

Despite these successes, too many children still do not receive this necessary support and income.

As of 2011, only half of custodial parents had some kind of agreement or child support order in place, and out of those households, 1/3 did not receive those payments throughout the year. Even for those that received payments, almost half did not receive the full amount.⁷

Research from the Urban Institute shows that most of the child support owed is by noncustodial parents with very low or no reported income. In addition, millions of men, disproportionately men of color, are incarcerated or with criminal records, making it difficult for them to earn enough to comply with child support orders.⁸



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Unrealistically high orders result in non-custodial parents owing large amounts of past child support or “arrears.” In turn, research shows that large arrears harm credit scores, and can make it harder for parents to gain employment, and actually reduce the amount of child support actually paid.⁹

OCSE issued a proposed rule last fall to update and improve many aspects of the child support system.¹⁰ Many of these proposed changes aim to address these barriers that noncustodial parents face in complying with child support orders.

Some of these proposed changes include, but are not limited to:

- **Requiring states to consider noncustodial parents’ actual earnings and income in establishing orders** in order to set more realistic child support orders.
- **Prohibiting the treatment of incarceration as “voluntary unemployment.”** While noncustodial parents are incarcerated, they do not have the capacity to comply with child support orders, so large arrearages often accumulate. This practice does not result in any more child support being collected, and the large arrearages make it more difficult for a non-custodial parent to gain employment and comply with the support order upon being released.
- **Allowing OCSE to utilize federal child support funds for job services for noncustodial parents.** Programs that assist noncustodial parents in accessing available jobs or gain skills and training will help them to increase earnings and comply with orders.¹¹

First Focus Campaign for Children applauds efforts to improve the child support system and remove barriers for noncustodial parents who are trying to comply with child support orders but are unable to do so. This proposed changes address the reality that punishing noncustodial parents does not lead to increased payments, and also punishes children in the process.

Other Needed Reforms

In addition to the Administration’s proposals, there are other financing reforms that if implemented, could greatly increase the amount of child support orders for families in need.

For families with child support orders receiving Temporary Assistance for Needy Families (TANF), the state is allowed to collect the child support payments directly from the non-custodial parent and reimburse itself for the cost of the TANF benefit (up to the amount of the child support order).

Yet states are not obligated to do this – they have the option to pass-through any or all the child support payment directly to the family, as well as disregard the child support order when determining financial

eligibility for TANF. States that choose this pass-through option do not have to pay the federal government for its share if the amount passed through and disregarded by the state is \$100 or less per month (\$200 for a family with two or more children).¹²

As of July 2013, 21 states and DC¹³ that have taken up this option and at least partially passed through and disregarded child support collected for families receiving TANF. The Obama Administration has encouraged states to take up this option and in Congressional budget requests has included short-term incentive funding to states that take up this option.¹⁴

According to the Children's Defense Fund, if all states fully took up this option to pass through and disregard child support funds, 89,300 children would be lifted out of poverty. (This includes also disregarding \$100 per month of child support when considering eligibility and benefit amounts for the Supplemental Nutrition Assistance Program, or SNAP).¹⁵

In addition, in the past states could claim the funds they receive for state incentive payments to draw down additional matching federal funds. A quarter of the money spent in child support enforcement was from this source.¹⁶ The Deficit Reduction Act of 2005 cut the funds for these matching federal performance-based incentive payments, resulting in the loss of significant funds to the system.¹⁷ While these matching funds were temporarily restored under the American Recovery and Reinvestment Act for FY2009 and FY2010, they have not been available since this time.

The Congressional Budget Office estimated that the federal share of administrative costs for child support would fall by \$5.3 billion from 2008-2015, and expects that lower spending on the child support program would lead to lower collections.¹⁸

Research done in 2007 anticipated that the cuts would have a significant effect on state performance, and if states fail to fully replace these lost matching funds, the number of cases with established orders would decrease by 10 percent.¹⁹ According to a 2011 Government Accountability Office report, state officials reported that they were using the federal match funds from incentive payments to sustain program operations and prevent layoffs, and felt very uncertain about their ability to increase the child support collections with the loss of these funds.²⁰

There have been bipartisan legislative efforts to permanently restore these payments, most recently in the 112th Congress with the Child Support Protection Act of 2011. But there has been no legislation introduced since in subsequent sessions of Congress.

Child Support Matters for Kids

Children continue to disproportionately experience poverty – while they only make up 23 percent of the total population, they comprise 33 percent of those living in poverty in the United States. They need all the help they can get, and for children living with only one custodial parent, child support is crucial to their well-being.

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