CHAPTER I

INTRODUCTION

In 1992, more than one-fifth of all children under the age of 18 in the United States lived in poverty. The plight of those children living in families headed by single women was sharply worse; about 55 percent were poor. If the children were black or Hispanic, the proportion of poor jumped to about two-thirds. But most of those children might have received child support from their noncustodial fathers.

In an attempt to meet the needs of children, the child support system underwent enormous change during the 1980s and early 1990s. The federal government enacted laws that imposed many new requirements on state child support enforcement (CSE) agencies and on the courts in an effort to improve a system that often failed the families it was meant to serve. At the same time, states initiated many of their own reforms.

The child support system is continuing to evolve. Some provisions of legislation enacted years earlier are only now becoming effective. In addition, the impacts of some provisions carried out in past years, such as withholding child support from a noncustodial parent's wages immediately following an award, are building up over time as they affect more and more families. In this changing environment, the Congress is considering further, sometimes extensive reforms of the child support system.

THE STATUS OF CHILD SUPPORT IN 1989

The child support system is complex, involving federal, state, and local CSE agencies and local courts and administrative bodies. Before a family can formally receive child support, a number of steps must be taken by that family and the institutions engaged in ensuring that child support is provided by the noncustodial parent. Following a separation or divorce, a custodial parent must secure a child support award from an administrative agency or court, which also sets the award amount. If the mother has never married, the child's paternity must be established before obtaining a child support award. Having an award, however, does not guarantee payment of child support. Unless the noncustodial parent freely pays the child support, government agencies or the private legal system must enforce payment. At any point in this process, the system may break down, depriving the family of its child support.

The system often breaks down. In 1989, the most recent year for which data on child support from the Bureau of the Census are available, only 58 percent of the mothers eligible to receive child support--that is, mothers with children whose fathers did not have custody--had awards.[1] Of those mothers who were due child support, about one-half received the full amount they were owed, one-quarter received partial payment, and one-quarter received nothing.

Award amounts averaged $3,025 a year for mothers who had awards in 1989.[2] Most of those mothers had only one child with a noncustodial father; about one-third had two children and about 10 percent had three or more. For those mothers who received a payment, the amount of child support received averaged $2,675. Child support provided almost one-fifth of those families' annual income, and more than one-third of their income if the families were poor.

For all of those mothers, $11 billion in child support was received in 1989; another $5 billion was owed but not paid. Those numbers, however, sharply understate the potential for child support payments to children. If all awards were updated to reflect current guidelines and incomes of noncustodial parents, the amount of child support due would rise markedly. Even more important, if most children were awarded child support and if all noncustodial parents paid the full amounts due, payments to children would jump sharply.[3]

The effectiveness of the child support system in securing payments for children varies greatly among mothers. It is least successful for those who have never married. They were only one-third as likely to have an award in 1989 as divorced mothers. Moreover, although they were almost as likely as other mothers to receive a child support payment if they had an award, the amounts they received averaged only 57 percent of the amounts that divorced mothers received. Mothers who were members of a minority, younger, and had less education were less likely to have an award and more likely to have significantly lower child support payments. Those characteristics are generally associated with a higher probability of never having married.

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1. These descriptive data on child support, taken from a 1990 survey of the Bureau of the Census, do not include custodial fathers. In 1990, those fathers numbered 1.4 million, or about 14 percent of all parents eligible for child support. For expositional ease, custodial parents are referred to as mothers.

2. These dollar amounts differ from published numbers of the Bureau of the Census. The published numbers were adjusted by Census; these numbers were not. See Appendix B for more information.

3. By one recent estimate, the full potential for child support paid by noncustodial fathers totals around $50 billion. That figure is an overstatement, however, because many mothers do not want child support awards and award amounts were simulated based on only one state's--rather than each state's--guidelines. See Elaine Sorensen, "Noncustodial Fathers: Can They Afford To Pay More Child Support?" (The Urban Institute, Washington, D.C., 1993).

Never-married mothers grew as a proportion of all single mothers during the 1980s, making the jobs of child support agencies and the courts more difficult. In 1982, 80 percent of mothers eligible to receive child support from noncustodial fathers were divorced or separated; only 20 percent had never been married. By 1990, never-married mothers accounted for 30 percent of all mothers eligible for child support, and divorced and separated mothers accounted for 70 percent. It is in this setting that any child support bills will be debated by the Congress.

RECENT LEGISLATIVE PROPOSALS

Proposals to change the child support system are likely to play a major role in Congressional efforts to alter welfare and related social programs in 1995. Several major child support bills have been introduced thus far. Although it is still too early to know the specifics of all the proposals that the 104th Congress will consider, they are likely to follow the recurring themes of the many child support bills introduced in the last Congress.[4]

Many of the bills considered by the 103rd Congress continued the tradition of legislation enacted in past years requiring state child support enforcement agencies to adopt certain procedures or meet specified performance standards. For example, many proposed laws would have required states to adopt procedures for early voluntary acknowledgment of paternity or for seizure of the assets of legally obligated parents who were in arrears on their child support payments. Other bills would have established a federal registry to track child support orders and collections, and called for a commission to study the desirability of uniform national guidelines for setting awards.

Increasing establishments of paternity was another recurring theme. A number of bills would have expanded education and outreach programs, required states to adopt procedures to make the voluntary establishment of paternity easier and faster, and raised the percentage of paternities that states would have to establish to meet federal performance standards. In addition, the Administration's 1994 welfare reform and child support bill would have defined cooperation in establishing paternity more strictly for women applying for benefits from the Aid to Families with Dependent Children (AFDC) program. It would also have allowed states one year to establish paternity or risk losing a portion of their AFDC matching payments.

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4. For more information on the provisions in the specific bills, see Carmen D. Solomon and Gina M. Stevens, "Child Support: Proposals to Strengthen Enforcement," *CRS Issue Brief* (Congressional Research Service, 1994) and Vee Burke, "Welfare Reform Proposals: Brief Descriptions," *CRS Report to Congress* (Congressional Research Service, 1994).

Most of the bills addressed improving the enforcement of child support orders with dozens of provisions. Many were based on recommendations of the U.S. Commission on Interstate Child Support, which issued its report in 1992.[5] One of the most recurrent provisions would have required new employees to report child support obligations on a revised W-4 form, making location of noncustodial parents easier and wage withholding more effective. Other bills would have denied licenses--professional, occupational, or drivers'--to legally obligated parents or would have placed liens on their property if they failed to pay support. Many bills would have required states to set up central registries that would track child support orders and payments. Some would also have required centralized collection and disbursement of payments. Furthermore, states would have been required to adopt the Uniform Interstate Family Support Act (UIFSA), which makes sure that only one controlling support order exists at a time.

In order to assist states in meeting those major new requirements, some of the bills would have increased the federal government's share of financing CSE agencies. The federal government currently funds 66 percent of most administrative costs and makes incentive payments to states based on the collection-to-cost ratios in their CSE programs. The Administration's bill, for example, would have raised the federal matching rate in steps to 75 percent in fiscal year 1998; further increases of as much as 15 percentage points, based on a state's performance in establishing paternity and in other areas of child support, would have replaced current incentive payments.

As background for any further legislative changes, it is important to know how the child support environment changed in the 1980s and what it might look like in 1995. Legislation enacted in the late 1980s and the early 1990s is affecting the child support system in important ways. The Congressional Budget Office (CBO) projects the 1995 child support environment based on estimated effects of those recent legislative changes and on extrapolations of trends in the 1980s.

5. Commission on Interstate Child Support, *Supporting Our Children: A Blueprint for Reform* (1992).