



National Center for
Strategic Nonprofit
Planning and
Community Leadership

**A Report of the NPCL
Partners For Fragile Families
Peer Learning College**

**Managing Arrears:
Child Support Enforcement
and Fragile Families**

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Introduction

“It is hard to ask a young man to pay child support unless you steer him in some direction to help him help himself.”¹

Managing arrears is one of the greatest challenges facing child support enforcement today. Wage withholding, tax intercept, and other strong enforcement tools dramatically improved collections from parents who can pay, but child support debt continues to climb in very low-income cases. High arrears make the child support programs look ineffective and inefficient and overwhelm many low-income parents. It is time to address the needs of these fragile families. States should use PRWORA’s strong enforcement tools to collect child support from parents who can pay, establish policies designed to limit the buildup of uncollectable arrears in low-income cases, and help “dead broke” dads become responsible parents who can and do support their children.

The National Center for Strategic Nonprofit Planning and Community Leadership (NPCL) convened the Partners for Fragile Families Peer Learning College in Boston on January 8-9, 2001.² The Peer Learning College is part of an ongoing effort on NPCL's part to maintain a partnership with child support officials from around the country to explore and improve the relationship between child support enforcement and fragile families. This was the second topical college addressing management of child support arrears. Experts from Policy Studies, Inc., the Urban Institute, and the Center for Policy Research discussed recent research with officials from child support enforcement agencies and the Administration for Children and Families. IV-D program directors told the group about their efforts to develop appropriate arrears management policies. Participants shared their experiences with arrears and discussed approaches to arrears management. Finally, the child support professionals developed a set of recommendations for successful arrears management.³

Opening Remarks

Barbara Cleveland, NPCL’s Director of Peer Learning and Education, opened the College, reminding the group that the Temporary Assistance to Needy Families (TANF) program created under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) will be up for reauthorization under a new Republican administration. This reauthorization process will put the child support program under scrutiny as Congress examines the impact of welfare reform on low-income families. The existence of high arrears, used to

¹ Madrey Goode, Boston PLC, January 8, 2001.

² For a description of NPCL and the Partners for Fragile Families Project see Attachment 1, “Background.”

³ The agenda is included as Attachment 2.

justify PRWORA's tough enforcement tools,⁴ makes the child support enforcement system look ineffective. Child support enforcement agencies should anticipate increased pressure to reduce or limit the amount of accumulated arrears in a political environment that will want programs to be cost-effective and that will expect parents to assume responsibility for their children.

Stronger enforcement has already shown itself to be effective in collecting arrears in most child support enforcement cases. However, to the extent that any low-income noncustodial parent's orders are not based on a realistic ability to pay, and to the extent that there are significant barriers to timely modifications during periods of reduced ability to pay, addressing the management of these arrears presents a different challenge to the child support enforcement program.

A related concern is incarcerated obligors. Arrears often derive from incarceration. Nearly 1.5 million American children have a parent in prison, and nearly seven million have a parent who has been involved in the criminal justice system.⁵ Incarceration has serious impact on fragile families and incarcerated obligors present very complicated problems to the child support enforcement system. There is little consistency across states or counties in how child support addresses these obligors. What is consistent is that child support payments often stop while the noncustodial parent is in prison. In addition to depriving the children and custodial parent of needed income, nonpayment generates arrears and can generate enforcement actions that impact employment possibilities after prison. Further, opportunities for earning the money needed for child support payments are limited in the criminal justice system. Child support enforcement agencies need to develop new approaches to dealing with these issues, especially as prison populations continue to grow.

The Peer Learning College is part of NPCL's continuing effort to explore and improve the relationship between child support enforcement and fragile families and to help low-income fathers become responsible parents. The passage of welfare reform expanded the vision of the child support enforcement program, recognizing the importance of fathers in attaining self-sufficiency for low-income families. If the custodial parent needs a job and a child support check to leave welfare and stay off it, then policies and programs must work to get not only the custodial parent a job, but also the noncustodial parent. NPCL and the federal Office of Child Support Enforcement (OCSE) have worked together to foster policies and procedures that address the needs of children in fragile families by working with both parents.

The Partners for Fragile Families Demonstration, testing these ideas, builds on experience with the Young Unwed Fathers Pilot Project and the Parents Fair Share Demonstration and insights

⁴ See, e.g. PL 104, § 101(4), 110 Stat. 2110 (1996), 42 U.S.C.A. § 601 (note); House Report No. 104-651, (1996); Paul Legler, The Coming Revolution in Child Support Policy, 30 *Family Law Quarterly* 517 (1996); and the U.S. Commission on Interstate Child Support, *Supporting Our Children: A Blueprint for Reform* (1992).

⁵ *Washington Post*, April 15, 2001, page 1.

gained from prior Peer Learning Colleges. The Partners for Fragile Families Demonstration⁶ targets young fathers who are new to child support and not estranged from their children's mothers. Few have multiple cases and their arrears are minimal. Child support agencies in the Demonstration have planned carefully and are testing new ways to address the needs of fragile families. Using partnerships between child support enforcement and community-based organizations, the Partners for Fragile Families Demonstration aims to prepare these young men to obtain and retain jobs with real potential for wage growth and to help young never-married fathers assume financial and emotional responsibility for their children.

The child support program was originally established to recoup welfare costs. However, in the new environment created by PRWORA, child support is reexamining its purpose. Time-limited welfare and work first strategies are moving the program toward a goal of ensuring family self-sufficiency. The focus is shifting to collecting current support and thereby avoiding the buildup of arrears that can serve as a barrier to current payments. When arrears are owed to the state, the interests of the state must be balanced against those of the family. Three recent documents reflect a shift in thinking on arrears: a 1999 report, "Overcoming Barriers," published by the Washington State child support agency; Policy Interpretation Question (PIQ) 99-03 (1999)⁷; and PIQ 00-03 (2000)⁸.

These documents endorse the *Guiding Principles* finalized at the fourth Peer Learning College, established to guide child support enforcement efforts to improve the interaction between child support enforcement and fragile families and to reduce or limit arrears.⁹ They recognize that arrears will remain high unless child support agencies enter realistic orders in low-income cases, compromise uncollectable arrears, and work cooperatively with community-based organizations and state agencies that can help noncustodial parents overcome the underlying problems that prevent them from getting and keeping the kinds of jobs needed to support their children.

In 1999, the Washington State IV-D child support agency completed Child Support Performance Measurements: A Test for Working Hard to Collect Cases. The final report, *Overcoming Barriers to Collection*, suggests that aggressive enforcement remedies are ineffective if the noncustodial parent:

- Has multiple child support cases;
- Is currently or recurrently receiving public assistance or SSI;
- Suffers from physical or mental illness or substance abuse; or
- Is or has recently been incarcerated.

⁶ The Demonstration includes the following sites: Boston, New York, West Chester (PA), Baltimore, Indianapolis, Chicago, Minneapolis, Denver, Racine (WI), and Los Angeles.

⁷ Attachment 3.

⁸ Attachment 4.

⁹ Attachment 5.

To improve collections from parents with multiple cases or unfavorable histories, the study concluded, child support agencies need to identify those parents and partner with appropriate state agencies to address their underlying problems.

The federal Office of Child Support Enforcement likewise recommends new approaches to managing arrears. PIQ 99-03, issued March 22, 1999, clarifies federal policy regarding compromises of child support arrears. This PIQ states that the statutory prohibitions against retroactive modification of arrears, which prevent a court or administrative body from acting to erase or reduce child support debt, do not prevent the child support agency from compromising arrears that were irrevocably assigned to the state. A state can accept less than the full payment of arrears assigned to the state on the same grounds that any other judgments in the state can be compromised.

PIQ-00-03, issued on September 14, 2000, was intended to clarify how much flexibility state child support agencies have in developing child support policies and practices to serve low-income fathers. OCSE encourages states to examine their policies for dealing with low-income obligors in light of the recent Department of Health and Human Services Office of Inspector General report, which questions the utility of large retroactive child support awards, income imputation, and minimum orders. The PIQ repeats OCSE's 1999 endorsement of policies that permit child support agencies to compromise arrears under appropriate circumstances. In order to limit the amount of uncollected arrears, the PIQ recommends that states limit the number of cases where income is imputed and cautions states that they are allowed to use minimum orders only if the minimum amount is rebuttable. OCSE encourages states to make referrals to Welfare-to-Work programs and use other nontraditional approaches to assist low-income noncustodial parents.

Ms. Cleveland concluded that new enforcement tools and automated case processing have helped CSE agencies improve collections from noncustodial parents who can afford to meet their child support obligations. Despite marked increases in current collections, the amount of uncollected arrears remains high. Arrears will continue to grow unless child support agencies establish realistic orders for low-income parents and devise methods of preparing "dead broke" dads to earn enough to pay child support, even if the parents never marry. Child support agencies cannot do this alone. They need to partner with community-based organizations designed to help young fathers grow into responsible parents.

The Peer Learning Process and Format

The *Guiding Principles for Child Support in Working with Fragile Families*, developed in prior Peer Learning Colleges, provide the PLC's analytical framework. The need for strong partnerships and effective cross-agency collaboration permeates these principles, as does the need for employment for noncustodial parents. The peer learning process remains constant: through expert presentations and group discussions, the college disseminates information, shares

models, and analyzes issues surrounding the interaction of child support enforcement, fragile families, and the community-based organizations and public agencies that serve them.

At its opening, this Peer Learning College was asked to determine the elements of a politically feasible and programmatically sound approach to arrears management and establish criteria for successful arrears management programs. Discussions focused on three specific questions:

- What steps do we need to take to begin?
- What are the programmatic and political challenges?
- What is feasible right now?

Madrey Goode, a low-income father, inspired the group when he described his experience with Boston's fatherhood program. He told the group that the program helped him become a responsible parent, able to cooperate with the mother to meet his child's emotional and financial needs. His real-life experience provided valuable insights that echoed through all of the PLC's discussions.

NPCL believes that sound policies are based on sound data. In order to develop effective arrears management policies, child support agencies must understand the nature of the debt and debtors. Who owes what and to whom? Are the debtors high-income or low-income parents? Is the debt owed to the mother or to the state? How old is the debt? How much of the arrears results from default orders, penalties, and interest? Did much of the arrears accumulate because slow review and modification procedures did not respond to rapid ups and downs in the parents' economic and employment situations? How much of the debt is attributable to outdated practices and procedures that emphasize welfare cost recovery by front-loading orders with retroactive support or Medicaid expenditures?

Three experts provided some answers. Each expert's commentary was accompanied by a IV-D Director or Assistant Director who had or planned to use this research. Dr. Jessica Pearson, a sociologist from the Center for Policy Research, reviewed state arrears policies and options. Dr. Jane Venohr of Policy Studies, Inc. discussed state guidelines and low-income obligors, using income and cost-of-living data to illustrate the tension between children's needs and those of poor noncustodial parents. Dr. Elaine Sorensen, Senior Research Associate at the Urban Institute, presented preliminary data that shed light on the nature of California's child support debt and child support debtors. Lively small- and large-group discussions led by IV-D directors were interspersed with presentations.

Finally, the Peer Learning College developed recommendations for limiting the accumulation of child support arrears, reducing the amount of existing arrears, distinguishing "dead beat" parents from those who are simply "dead broke," establishing realistic orders for low-income parents, and partnering with community-based organizations and workforce development agencies to strengthen fragile families. This report will follow the format established by the agenda, concluding with specific recommendations for action.

Presentations

Fathers of Fragile Families and their Arrears -- Madrey Goode, Career Specialist, Y.O.! Boston, and Richard Claytor, Director of Fatherhood Initiatives, Massachusetts Department of Revenue

Madrey Goode, one of the first participants in Boston's fatherhood program, a Partners for Fragile Families Demonstration site, told the group that he was a seventeen-year-old high school student when his daughter was born. He described himself as a typical teenager, whose main interest was basketball. He loved his daughter, but did not consider his financial responsibility. Mr. Goode admitted paternity and the judge set his child support obligation at \$35 per week, based upon his mother's promise to pay that amount. His mother paid the child support, while Madrey completed high school. However, by the time he dropped out of Northeastern University after his freshman year, at age nineteen, he owed \$2,500 in arrears. His child support debt rose to \$4,000 during two or three years of sporadic employment.

Mr. Goode began to focus on his child support obligation after he got a steady job. The child support agency intercepted his income tax refunds, garnished his bank account, and attached his wages. Mr. Goode told the group that he did not understand how child support worked, or what an "arrearage" was. He sometimes gave the mother cash, unaware that the state would not credit such payments against his child support obligation.

The child support agency referred Mr. Goode to one of the programs under the Massachusetts Fatherhood Initiative, where he received parent training and counseling that helped him resolve his child support problems and plan his future. He learned to listen to his daughter, focus on her needs, and cooperate with her mother. The program helped him realize how difficult and expensive it is to raise a child, and understand how important his child support payments are. Mr. Goode now takes pride in the constructive role he plays in his daughter's life. He has regularly scheduled overnight visitation and coaches her basketball team. In addition to scheduled child support payments, Mr. Goode provides extra money for school clothes and other things that his daughter needs. Mr. Goode plans to start a college fund, so that his daughter will have a secure future. Furthermore, regular payments have reduced his child support arrearage from \$4,000 to \$500.¹⁰

Mr. Goode shared several thoughtful suggestions for those working with young dads:

1. Share your personal experience.
2. Try to help fathers separate their relationship with the mother from their relationship with the child.
3. Use the youth opportunity grant program to draw young men to the fatherhood program.
4. Use the participants; men in the group come up with great suggestions.

¹⁰ As of the date of publication the amount in arrears is zero.

5. Address domestic violence through parent training, substance abuse treatment, and anger management. No one can be a good father unless he is drug-free and can manage his anger.

Mr. Goode suggested that negative views of women that emphasize male dominance and abuse, reinforced by popular music and videos, strongly influence many fathers in the program. These men lack adequate role models because they were left to raise themselves. Fatherhood programs try to end the cycle.

Mr. Claytor, who works in the Child Support Division of the Massachusetts Department of Revenue as Director of Fatherhood Initiatives, followed Mr. Goode to close the presentation. He described the Massachusetts Partners for Fragile Families Demonstration Site. It is a father-friendly initiative that is operated as a partnership between the Child Support Division of the Massachusetts Department of Revenue and community-based organizations. Fathers in the program attend two group meetings and meet once with a case manager each week. Case managers help them establish visitation, modify child support orders, and negotiate arrears payment plans. He explained that Mr. Goode is now a career specialist in the city workforce development system, where he directs young parents toward appropriate services. He tries to help young men get jobs so they can pay child support. In closing, Mr. Claytor told the group that child support enforcement and employment must be part of any conversation about fragile families.

Overview of State Arrears Policies and Options -- Dr. Jessica Pearson, Center for Policy Research, and Pauline Burton, IV-D Director, CO

Dr. Jessica Pearson based her presentation on three studies: *A Survey of State Policies and Practices* (based on telephone interviews with child support workers in twenty states), *Analysis of Arrears Data for Colorado*, and *An Evaluation of a Colorado Experiment to Drop Debt and Retroactive Support*.

A review of default order and income imputation policies in nine states revealed that most states use default orders when fathers fail to respond to notices to attend meetings or hearings. When a party defaults, most states base the order on the current minimum wage.

Default Order and Income Imputation Policies: Selected States

State	When Default Order Is Used	Basis for Order Amount or Income Imputation When Information Is Lacking
Iowa	When party fails to respond	Either 80% of the gross occupational annual wage information (when occupation is known) or 80% of the gross IV-D income amount
Minnesota	When party fails to respond	150% of minimum wage
Oregon	Used often as part of administrative process	Minimum wage
Virginia	Default orders limited to use by courts	
Washington	Used as part of administrative process or when party does not respond	U.S. DOL Net Income charts for gender and age groups
West Virginia	When party fails to respond	Public assistance rate by family size
Wisconsin	When party fails to respond	% of standard minimum wage
Wyoming	When party fails to respond	Minimum wage
Colorado	When party fails to respond	Current federal minimum wage

A review of arrears data for Colorado shows a correlation between default orders, low payment, and high arrears. Most cases have a monthly support obligation that was established by a judge during a court hearing. This probably reflects the fact that over half of the cases involve parents who were formerly married, and would therefore involve the courts in a marital dissolution and the establishment of a child support order.

The table below indicates that there are no statistically significant differences in the monthly support obligation based on where the order was established. In addition, each group's contribution to the total state arrears is proportionate to its incidence in the state. That is, cases with orders set through a default administrative hearing make up 11 percent of all cases, and the arrears of these cases make up 10 percent of the state total.

Average Order, Arrears and Payments by Source of Order ^a

	Percent established	Average Original MSO	Current Arrears Balance	State Arrears Estimate	Arrears for Each Group as a Percent of Total Arrears	Percent Making No Payments Toward MSO or Arrears in 1998 and 1999
Administrative hearing stipulation	7.7%	\$222	\$8,492.52 ^b	\$55,760,757	5%	34.5% ^c
Default at administrative hearing	11.1%	\$247	\$12,974.33	\$122,803,084	10%	54.8%
Court hearing stipulation	20.4%	\$241	\$9,962.13	\$173,294,081	15%	24.7% ^d
Court hearing	60.3%	\$266	\$16,064.98	\$826,035,776	70%	30.7%
	(378)	(365)	(378)	\$1,177,893,698		(376)

^a There are too few court hearing default order to include in the analysis

^b Differences in the average arrears for these two groups (\$8,492.52 vs. \$16,064.98) are statistically significant (F test .003)

^c Differences between administrative stipulation and administrative default are significant at .08

^d Differences between court stipulation and court hearing are significant at .03

Among cases with orders established through administrative process, payments were lowest among those with default orders. Over half of the administrative default orders compared to a third of the administrative stipulations produced no payments during 1998-1999. Too few court cases were set by default to permit a default vs. stipulation comparison among court orders. However, cases that stipulated at court were more likely to make some payment than were those that were set after a contested hearing.

Dr. Pearson then turned to the issues surrounding incarcerated parents. Incarceration has an enormous impact on fragile families. As noted above, nearly seven million American children have a parent who has been involved with the criminal justice system. Child support payments usually stop when the noncustodial parent is incarcerated, depriving the family of needed support and contributing to the growth of arrears. Yet Dr. Pearson found no state that automatically modifies a child support order when the obligor is incarcerated. Practices vary across states and across jurisdictions within states. Some states are willing to modify the order, while others treat incarceration as voluntary unemployment.

Rather than increasing child support collections, these policies inflate arrears, erect barriers to the parent's reintegration into the workforce, and decrease the likelihood the parent will be able to pay child support after release. The parent may have lost his driver's or professional license and

had assets seized during incarceration. Colorado child support data show that an estimated 18 percent of the total IV-D arrears (\$212,388,958) is associated with cases where the obligor is or has been incarcerated, although these arrears may have accumulated before or after incarceration. This is probably an underestimate. Washington State found that 30 percent of its hard to serve child support debtors had been incarcerated. Some states are trying to streamline the modification process for incarcerated parents. Colorado is preparing a Handbook for Incarcerated Parents that will include information on how to request a modification and will include sample forms. The plan is to distribute it to parents in all Department of Corrections facilities and at the prison reception facility. Colorado is also experimenting with mailing invitations to incarcerated parents with open child support cases requesting them to initiate a review and adjustment. Colorado is monitoring the response of prisoners, custodial parents, and child support agencies to this manual review and adjustment process and the work load impact.

As the child support program reexamines its role moving away from cost recovery and toward the promotion of family self-sufficiency, child support agencies have developed new approaches to arrears management. Of the twenty interviewed states, Dr. Pearson identified thirteen that have established innovative programs to address the need to collect arrears and resolve underlying problems that make it difficult for parents to maintain steady employment and pay child support. They are California, Colorado, Indiana, Iowa, Maryland, Massachusetts, Minnesota, Missouri, Oklahoma, Oregon, Virginia, Washington and West Virginia. Some states suspend enforcement, forgive interest and penalties, or compromise arrears to reward lump sum payments, consistent child support payments, or participation in substance abuse treatment, employment, or fatherhood programs. Maryland has one of the most progressive schemes, compromising 25 percent of state debt upon graduation from the fatherhood program and getting a job. Then, after the father has made current payments for six months, an additional 25 percent is compromised. The process continues as long as he pays current support for the six-month period. Iowa has initiated a similar program.

The Internal Revenue Service estimates that only 13 percent of arrears owed by taxpayers will ever be paid.¹¹ As with federal tax debt, current support is always easier to collect, so prevention is essential. Direct wage withholding is the most effective way of collecting child support -- current and arrears -- from parents who are employed. Wage assignments account for over a third of all arrears payments and IRS intercepts for almost a quarter. These tools are less effective when the parent is unemployed, works sporadically, is self-employed, or works under the table.

To determine whether the suspension of debt and retroactive support orders lead to better payment of current child support obligations, child support workers in Jefferson and Mesa County, Colorado, randomly assigned new intrastate child support cases needing an order to be established to an experimental group (n=166) for which debt or retroactive support obligations

¹¹ GAO Report, *Internal Revenue Service: Composition and Collectibility of Unpaid Assessments*. October, 1998.

were dropped, and a control group (n=186) that received normal treatment with respect to debt or retroactive support. The two groups were subsequently refined to consist exclusively of cases that had incurred a financial obligation to the state or the custodial parent prior to the establishment of a child support order and would have been required to pay debt and/or retroactive support under regular case processing procedures in Colorado. The debt treatment was invisible to noncustodial parents (NCPs) in both groups; those who experienced debt relief were not told that they had received more advantageous treatment. The two groups were statistically equivalent, with 25-29 percent of each group failing to appear and receiving a default order. Average monthly support orders for cases in both groups was \$234 and \$239, respectively. Mean debt and retroactive support levels for cases in the control group were \$2,552 and \$1,338, respectively. Colorado goes back to the birth of the child to determine charges of past due support for NCPs.

A review of child support records conducted at six, twelve, and twenty-four months following establishment of the order shows that noncustodial parents in both the experimental and control group paid equal amounts of what they owed for monthly child support, ranging from 32 to 37% respectively. Nearly one-third of the parents in both groups paid virtually nothing at 6 months, by 24 months this had fallen to 10-20%. Across the 24 month study period 13-20% of parents in both groups paid virtually everything (75%+) they owed in current support. Payment patterns were equivalent in public assistance and non-public assistance cases. How noncustodial parents handle their child support obligations tends to be consistent with how they handle their consumer debt. While many of the parents in the study had late payments, charge offs and collection agency activity, the most delinquent child support payers also had the worst commercial credit records.

Future experiments should be conducted with larger samples permitting the analysis of payment patterns for various sub-groups (e.g., those with other child support orders versus those with single orders; those in higher and lower income categories). Future experiments should also be crafted so NCPS are aware of incentives like debt forgiveness in order to determine the impact of psychological factors on payment behavior.

The information that Colorado was able to glean from the analysis of the child support arrears on their IV-D cases will be utilized to assist in their review of their policies relating to:

- establishment of child support debt and retroactive support
- interest on child support arrears
- modification of monthly support obligations for incarcerated obligors
- compromising IV-A arrears
- collection of IV-A arrears when parents are reconciled
- collectability of old arrears
- imputing income
- default orders
- responsible modification of monthly support obligations

“The issue of guidelines is fundamental to the arrears issue, because if we really want to prevent the accumulation of long-term arrears ... we have to look at what we are doing with the very-low-income obligors in terms of setting the amount of support to begin with.”¹²

Dr. Jane Venohr of Policy Studies, Inc. has helped several states review guidelines. Federal law gives states wide discretion in setting guidelines, as long as they consider the child’s needs and the parent’s ability to pay. Whether based on income shares, percentage of income, or the Melson formula, no guideline is perfect. Several are out of date. Multiple families present particularly difficult issues; some state guidelines adjust the amount of the child support obligation to account for multiple families, others do not. Federal law requires presumptive guidelines and requires states to review their guidelines every four years. Low income is one of the top issues discussed in guideline reviews.

Low-income cases challenge guidelines review committees, as they struggle to balance the children’s needs with those of the noncustodial parent.

Concerns of Child Support Guidelines Review Committees

Allowing noncustodial parent “enough income” after payment of child support (i.e., ability to pay issues)

Allowing “enough” of an order to support the children

Setting current support amounts

X that result in 100 percent compliance

X that avoid the accumulation of arrears that will never be paid

X that do not lead to the alienation of the noncustodial parent from his or her child

Impact of any change on existing guidelines model and amounts

Most child support guidelines include low-income adjustments. In some states, these adjustments have not kept up with changes in the poverty level. Approximately six states have not updated

¹² Laura Kadwell

their guidelines for more than ten years. These cause the greatest problems. Dr. Venohr suggests that child support guidelines could be improved by considering how low-income adjustments interact with other special factors such as adjustments for child care, shared parenting, and children's medical expenses.

Discussion

Setting orders that reflect a parent's ability to pay reduces the amount of long-term arrears. This is easier said than done, as there is a constant tension between the needs of low-income parents and their children. As guidelines committees struggle to balance the needs of parent and child, they wonder how they can leave the noncustodial parent with enough to live on after he pays child support. In many cases, there simply is not enough income.

Current Research on California Child Support Debt and Debtors - Elaine Sorensen, Principal Research Associate, the Urban Institute, and Leora Gershenson, Assistant Director, Office of Research and Program Design, California Department of Child Support Services

Leora Gershenson discussed California's recent reform of its child support system. Motivated, in part, by growing child support arrears, the California legislature dramatically restructured the child support program in 1999, shifting the day-to-day operation of the program from local district attorneys' offices to independent county agencies with significantly stronger state oversight and accountability. Child support arrears topped \$14 billion in 2000 and continues to grow.

One factor thought to contribute to the large arrears in California is its practice regarding default orders. According to the California Judicial Council, 70 percent of California's arrears are attributable to default orders. In Los Angeles, 75 percent of the child support orders are entered by default. These orders are set at a minimum basic standard of adequate care (\$402 for one child), which outstrip most low-income fathers' ability to pay child support. In addition, child support debt accrues at the rate of 10 percent per annum.

The California child support agency asked Dr. Sorensen to determine how much of California's \$14 billion child support debt was collectable. Based on California's Support Intercept Database, Dr. Sorensen found that approximately 800,000 individuals hold the \$14 billion in child support debt, owing, on average, \$17,000. Seventy percent of this debt is owed to the state of California; 30 percent is owed to individual families.

Dr. Sorensen was able to learn more about these parents' ability to pay child support debt by using their Social Security numbers to match to California earnings and tax records. Using quarterly earnings data from California's Employment Development Department (EDD), Dr. Sorensen found that about half of the 800,000 debtors had reported earnings in 1999. For those with reported earnings that year, annual earnings averaged \$18,000. Nearly 200,000 debtors had earnings below \$10,000. For those with earnings below \$10,000, the debt was, on average, four times as large as annual earnings. In contrast, those with annual earnings over \$10,000 had debt

that was only half the size of their annual earnings. Thus, the debt burden is significantly greater for low-income noncustodial parents than higher income noncustodial parents.

Nearly 30 percent of California's debtors did not show up in Dr. Sorensen's examination of three years of tax and earnings records. The last known address for half of these debtors was outside of California, while the other half lived in California. The average debt amount among these parents was \$21,000. Most of these debtors have not made recent payments on their debt and have held their debt for at least three years. These are the debtors that are the least likely to pay their debt in the future.

Incarcerated Dads and Child Support Enforcement in Massachusetts -- Marilyn Ray Smith, Chief Legal Counsel, Child Support Enforcement Division, and Richard Claytor, Director of Fatherhood Initiatives, Massachusetts Department of Revenue¹³

Seven million American children have a parent who is incarcerated or on parole or probation; 90 percent of these parents are fathers. Sixty-five to 70 percent of Massachusetts offenders are dads, although most do not show up in child support caseloads. Any effective arrears management program needs to address this population.

Massachusetts' Fathers in Criminal Justice program,¹⁴ a seventeen-month pilot project, aims to improve inmates' financial and emotional support of their children by increasing the knowledge of inmates and staff about child support, streamlining procedures to handle inmates' child support orders, and providing connections to services in the community to help released offenders become responsible parents. Child support and criminal justice departments are working together to establish paternity and child support orders, file modifications, and train responsible fathers. The child support agency has developed a pro se modification package that inmates can use to initiate modification proceedings. After release, the inmate can appear in court and argue for modifications from the date of service on the custodial parent. This program gives the inmate an incentive to come to the child support agency after release. In the future, telephonic hearings or video conferences may offer realistic means to help inmates obtain child support reductions during incarceration. The prison-based program is seeking demonstration grants to make the fatherhood program part of parole and probation programs.

Massachusetts inmates owe more than \$22 million in child support arrears, with a median debt level of \$18,000. The highest amount owed by an inmate is \$117,000. Child support is now matching data with the criminal justice system. If an inmate collects damages from the state, the child support agency garnishes the award. Massachusetts has collected more than \$400,000 in child support from the program.

¹³ Marilyn Ray Smith sits on the Massachusetts Governor's Committee on Fatherhood, which now includes criminal justice officials. Richard Claytor is responsible for three outstanding fatherhood programs, including the new Fathers in the Criminal Justice System pilot

¹⁴ Partially funded with a grant from the federal Office of Child Support Enforcement. A description of the program is included as Attachment 6.

Richard Claytor talked about the new pilot program for incarcerated dads and shared insights gained through experience with the PFF Demonstration site, which works with many inmates after release from the county jail. Mr. Claytor told the group that inmates with children want to know about child support. Four or five staff will be devoted to the new pilot. They will provide parenting and domestic violence training to incarcerated dads. Facilitators will obtain information on the participants individual child support cases, so that they can answer the inmates' questions.

State Achievements and Challenges

Representatives of each participating state presented a brief overview of arrears management strategies. All agreed that obligors who are subject to multiple orders and very-low-income cases present the greatest challenges. Frequently, there just isn't enough income to support parents and children.

Several states, including Colorado, Maryland, Massachusetts, Minnesota, and California, are trying to develop sound arrears management policies based on solid research. Colorado caseworkers use automated software to design reasonable payment plans for child support debtors. The child support program is trying to develop statewide policy on arrears payments that will permit development of software that determines how arrears should be adjusted when related orders have been issued in different counties.

Illinois CSE provides comprehensive services to assist fragile families. These include a noncustodial parent services unit within the child support agency, visitation sites for never-married parents, a program that serves incarcerated fathers in twenty-seven correctional facilities throughout the state, a program for formerly incarcerated dads, and a hospital-based site that recruits dads to the fatherhood program.

The majority of the arrears owed in Iowa are owed to the custodial parent and not to the state. Thus, the opportunities to use state debt forgiveness as a tool to motivate the obligor will evaporate over time as more work is completed in the area of family first.

Iowa officials believe that TANF has allowed states to focus on the support necessary to help the custodial parent develop the skills necessary to improve the ability to provide for themselves and their children. What is missing is a set of supports to help the low-income noncustodial parent develop these skills. These supports would have the potential of helping these noncustodial parents who want to be a source of support for their children by creating the same opportunities as for the custodial parent.

Iowa child support enforcement takes a proactive approach that emphasizes the collection of current support and slows the growth of arrears. As a short-term strategy, the agency establishes low minimum orders, charges no interest on debt owed to the state, and rewards consistent

payment of current support and participation in the fatherhood pilot program by satisfying debt owed to the state when a pattern of paying current support to the family is established.¹⁵

Iowa views TANF as an investment in its families, using TANF funds to give parents job skills that will increase their earning ability and increase child support collections to raise the children's standard of living and to fund access and visitation programs. The child support agency is trying to recruit more partners to meet the needs of fragile families.¹⁶

Maryland's IV-D director, Teresa Kaiser, described several new initiatives, developed in partnership with community-based organizations, including: a program to use child support debt assigned to the state as leverage to encourage low-income parents to pay current support and participate in fatherhood, substance abuse, employment training, and other programs; twenty-seven privately run access and visitation sites, funded with state CSE and TANF funds and federal grants; a fatherhood unit in the state child support agency; and aggressive efforts to recruit community-based organization partners.¹⁷

Massachusetts strives to ensure that similarly situated parents are treated similarly throughout the state. Marilyn Ray Smith described policies that permit CSE to waive interest and penalties owed to the state in exchange for lump sum payment of an obligor's entire child support debt. This has been a highly successful program, with approximately two-thirds of the payments going to debt owed to the state. This is partly a result of the fact that Massachusetts pays arrears owed to the family before arrears owed to the state (except for federal tax refund intercept), and partly a result of the fact that as low-income noncustodial parents mature, their earning capacity increases and many are later able to retire their welfare debt. She told the group that Massachusetts is trying to develop a strategy to close uncollectable cases, rather than forgiving arrears. In addition, Massachusetts is developing a payment plan that will allow the noncustodial parent to manage the negative consequences of owing child support arrears. If the noncustodial parent pays current support, plus 25 percent of the current support amount as a payment towards the arrearage, he will not accrue interest and penalties or be subject to such enforcement remedies as license revocation, credit clouding, or contempt of court. Certain enforcement remedies, such as federal and state tax refund intercept, worker's compensation settlement awards, and insurance settlements remain available to collect lump sum payments. Finally, Massachusetts is in the process of developing a policy that may be referred to as "equitable adjustments," to address cases where the original order appears to have been flawed, or where there were circumstances casting "doubt as to the liability, doubt as to the collectability," a concept borrowed from tax collection.

¹⁵ Iowa forgives up to 80 percent of child support debt owed to the state for fathers who participate in the fatherhood program and consistently pay current support and something toward accumulated arrears.

¹⁶ The governor recently ordered related agencies to meet in order to explore their joint roles and devise methods of better coordinating services to fragile families. Gov. Vilsack is also preparing to call statewide meetings of constituent groups.

¹⁷ A description of the debt leveraging program is included as Attachment 7.

Minnesota's IV-D director, Laura Kadwell, told the group that her agency is shifting its emphasis from welfare cost recovery to passing support through to families. Child support enforcement has developed an interim debt compromise policy that will be sent to counties for their use. At a local level, Hennepin County is piloting an arrears forgiveness policy for a limited number of cases. They have also developed a policy for setting retroactive support that attempts to address the needs of low-income fathers. In addition, they are piloting the mailing of informational brochures to noncustodial parents.

Missouri takes special pride in its Mediation Achieving Results for Children (M.A.R.C.H.)¹⁸ program, which helps divorced, separated, and never-married parents resolve disputes over child support, custody, and visitation. Program goals include: increasing the number and amount of child support payments; increasing cooperation between parents; decreasing the paternal conflict; reducing litigation on custody, visitation, and child support matters; and reducing the amount of time Division of Child Support Enforcement staff spend with parents. M.A.R.C.H. is a pilot program in its fourth year and is funded through the Missouri Division of Child Support Enforcement, primarily with funds from the U.S. Department of Health and Human Services and partly with general revenue funds from the Missouri Legislature. The University of Missouri has continually studied the program.

The New York Office of Temporary Disability Assistance, through TANF, provides services to noncustodial parents with incomes up to 200 percent of poverty. IV-D director Margot Bean reports that 75 to 80 percent of parents in New York access and visitation programs pay support. The child support agency developed brochures for low-income fathers, while outreach efforts are being made to incarcerated dads.

Conclusion

Peer Learning College participants agree that managing arrears is one of the most challenging and politically sensitive issues in child support. High levels of arrears make the child support program look inept, while support debt overwhelms some low-income fathers and makes it difficult for them to enter the mainstream economy. At the same time, the income of the custodial parent is limited also and a low order level for the noncustodial parent means that more is expected of the custodial parent. IV-D agencies are working hard to develop effective arrears management policies.

¹⁸ M.A.R.C.H. is a private, not-for-profit corporation governed by a board made up of representatives from participating judicial circuits, mainly mediators. Other members include a state legislator, judges, a family court commissioner, representatives from the Missouri Division of Child Support Enforcement, and a member of the Family Law Section of the Missouri Bar. Board and Advisory Committee members share a common goal in promoting mediation as a first alternative to be utilized by separated families in the dispute resolution process. The program is available to parents in 19 Missouri counties that collectively contain approximately 30 percent of the state's population.

Information, models, and data generated by research in California, Minnesota, and Colorado informed participants' analysis of issues related to arrears. After two days of lively discussions, the child support professionals developed recommendations to help child support agencies manage arrears. Policies, procedures, populations, and other circumstances vary widely from state to state. Different conditions will require different solutions. States can tailor these broad recommendations to address the root causes of their arrears and to suit their unique environment.

The group endorsed PRWORA's strong enforcement tools, which efficiently collect child support from fathers who can pay and inspire some low-income fathers to contact the child support agency and work with the system. Participants agreed that prevention is key to successful arrears management. Child support agencies need to establish realistic orders and partner with other state agencies and community-based organizations that prepare young fathers to give their children emotional and financial support, slowing the growth of child support debt.

Recommendations

General Recommendations

- *Analyze your arrears.* Effective arrears management must be tailored to address local problems.
 - Who owes how much?
 - How much of the debt is attributable to interest and penalties?
 - How much is permanently assigned to the state?
 - How much is owed to current support cases, emancipated children, and public assistance cases?
 - How much of the arrears is due to a policy of allowing for defaults at high imputed income?
 - How much of the arrears is due to an initial large retroactive order?
- *Sort cases for appropriate treatment.* Participants suggested that community-based organizations could help the child support agency screen obligors for needed services and incentive programs.
- *Partner with community-based organizations,* who can work effectively with low-income fathers.
- *Ensure that the provisions of the guidelines are being fully implemented with regard to low-income obligors.*
- *Ensure that all PRWORA initiatives* are in place and being used throughout the state.
- *Consult with all stakeholders and constituencies,* including children's advocates, community-based organizations, members of the private bar, judges, and custodial and noncustodial parents, when devising new arrears policies.

- *Establish uniform settlement standards*, so as to avoid the appearance of different treatment for similarly situated cases.
- *Communicate effectively with both parents*; they need to understand their rights and responsibilities and know how the system works.
 - Use an ombudsman to communicate with parents and cultivate an atmosphere of conciliation and respect.
 - Work with community-based organizations to produce brochures that explain child support to fathers and mothers. Brochures should explain child support jargon in lay terms and publicize services available to both parents.
 - Work with community-based organizations to teach parents about their rights and responsibilities, including the right to seek modification.
 - Educate both parents about arrears, so that they can understand how they accrue, what they can do to manage arrears, and how to obtain modification when circumstances change.
 - Let noncustodial parents know that it is worth their while to come in.
- *Develop and promote appropriate measures of success.*
 - Measure performance by the percent of current support collected, rather than the amount of accumulated arrears.

Limiting Accumulation of Arrears

- *Work with the TANF organization to develop programs that provide the support necessary to secure job skills for the noncustodial parents.* TANF has focused on helping the custodial parent to secure skills necessary to become self-sufficient. But if TANF and child support agencies seek to have both parents involved and supporting their children, they will need to address the barriers that exist for each parent.
- *Eliminate statutory provisions and federal, state, and local policies that unnecessarily cause arrears to accumulate in low-income cases.*
- *Avoid default orders where possible in low-income cases and use active case management for orders entered by default.* Outreach is very important here.
- *Set realistic orders, based on the child's needs and the obligor's actual ability to pay,* recognizing that children's needs will often exceed the obligor's ability to pay.
- *Minimum orders should not exceed low-income parents' ability to pay.*
- *Tie the self-support reserve to the federal poverty level* so that it will keep pace with the cost of living, or discount the percentage of income that the obligor is required to pay in child support at the lower end of the income scale. (Not all members of the College agreed with this.)
- *Avoid large retroactive support awards in low-income cases.*
- *Review guidelines to ensure that they are up-to-date and appropriate.*
- *Devise policies and procedures that help low-income fathers develop the ability to pay.*

- Connect them with community-based organizations, employment agencies, etc.
- *Suspend enforcement and interest on arrears and state debt to induce parents to pay current support and arrears owed to mothers.*
- *Develop a good working relationship with the IV-A program. A slow handoff will cause arrears to accumulate.*
- *Work closely with the criminal justice system.*
 - Institute prison-based fatherhood programs.
 - Encourage incarcerated parents to seek modification of their child support orders.
 - Suspend enforcement against low-income fathers during incarceration.
- *Make all the state's citizens aware of child support services so that parents know that the state has an interest in all children receiving support from both parents. This may mean informing custodial parents of the tools available at low cost and letting noncustodial parents know of the potential for modification or of programs to help them stay involved with their children.*
- *Educate private attorneys regarding the filing of cases in, and the practices and procedures of, the public child support system.*

Reducing the Amount of Existing Arrears

- *Modify current rules to allow child support agencies to differentiate cases to maximize the use of available resources.*
 - Keep cases open only to run automated tools, if the obligor can't be found or cannot pay current or past-due support.
 - Close cases, if child support enforcement cannot locate the custodial parent.
 - Work cases actively, if the noncustodial parent can be found and can pay child support or may be able to pay child support if he receives certain services.
- *Develop step-by-step resolution strategies that combine vigorous enforcement with compromises of state debt in appropriate cases.*
- *Stipulate compromise of arrears assigned to the state, if the original order was too high.*
- *Track results by type of case, by income level, and by enforcement tool.*

The work of the sixth Peer Learning College concluded with these recommendations. They contain ideas and suggestions crafted by child support professionals for child support professionals with support from outside researchers expert in child support guidelines and arrears analysis and management. What the College gained over the two days of work was an appreciation of how these issues are entwined in the lives of low-income fragile families and the child support enforcement system and a recognition that often the pie is simply not large enough.

Further, the College confirmed that arrears management is a complicated undertaking and that the cause of the arrears often is found in state policy and procedures as are the remedies. This is shown in the recommendations. Participants did not all agree on all the approaches, but they did agree on the need to act now. We encourage you to take these recommendations, try them, shape them, and give us feedback. Peer learning is about each of us learning from each other.

Thank you again to Madrey Goode, Jessica Pearson, Jane Venohr, and Elaine Sorensen, for their valuable assistance and insights.



National Center for
Strategic Nonprofit
Planning and
Community Leadership

Background

The National Center for Strategic Nonprofit Planning and Community Leadership (NPCL) is a non-profit organization whose mission is to improve the governance and administration of nonprofit, tax-exempt community organizations and to strengthen community leadership through family and neighborhood empowerment.

Partners for Fragile Families (PFF), a project of NPCL and a part of the Office of Child Support Enforcement/Ford Foundation public/private partnership, is the first comprehensive national effort designed to help poor, single fathers pull themselves out of poverty and build stronger links to their children and their children's mothers. PFF was established in 1996 to provide support for these "fragile families," defined as low-income, never-married parents and their children. Pilot programs and research have shown that many of the fathers in these families are involved with their children during the early childhood years, but that this involvement tends to dissipate over time, often with negative consequences for children.

PFF's specific goals are to:

1. Help young never-married fathers assume legal, financial and emotional responsibilities for their children.
2. Build and increase the range of services provided by community-based fatherhood programs.
3. Promote and facilitate the development of family-friendly policies, programs and cooperative agreements between service providers and public agencies, particularly child support enforcement (CSE) agencies.

The Peer Learning College (PLC) is designed to help child support enforcement (CSE) professionals generate: (1) new policies and procedures that are more responsive to the needs of this population;(2) more cross-agency collaboration to provide needed services; and (3) improvements in child support enforcement performance.

NPCL has conducted five Peer Learning Colleges. The first four produced a report on cross-agency collaboration to improve the interaction between child support enforcement and fathers of fragile families and a set of guiding principles for child support enforcement to use in working with fragile families. Both products can be found in a final report on the Peer Learning Colleges to be issued late summer of 2001.

**Agenda for Partners for Fragile Families
Peer Learning College
Managing Arrears
Boston, Massachusetts
January 8-9, 2001**

Day One

- | | |
|---------------|--|
| 7:30 - 8:30 | Continental Breakfast |
| 8:30 - 9:00 | Welcome and Introductions
Barbara C. Cleveland, Director of Peer Learning and Education, NPCL
Debra Pontisso, Fatherhood Liaison, OCSE |
| 9:00 - 9:15 | Goals and Expected Outcomes of This Peer Learning College Agenda
Barbara C. Cleveland, NPCL |
| 9:15 - 10:00 | Fathers of Fragile Families and Their Arrearages
A Panel of Low - Income Fathers |
| 10:00 - 10:15 | Break |
| 10:15 - 10:30 | Fragile Families and Child Support Arrears
Introduction of the Discussion
Barbara C. Cleveland |
| 10:30 - 11:30 | Overview of State Arrears Policies and Options
Jessica Pearson, Center for Policy Research, Presenter
Pauline Burton, Colorado IV-D Director, Discussant |
| 11:30 - 11:45 | Break |
| 11:45 - 12:45 | Overview of State Guidelines and Low-Income Obligors
Jane Venohr, Policy Studies, Inc., Presenter
Laura Kadwell, Minnesota IV-D Director, Discussant |
| 1:00 - 2:00 | Lunch |

2:00 - 2:45	Current Research on California Child Support Debt and Debtors Elaine Sorensen, The Urban Institute, Presenter Leora Gershenzon, Assistant Director, Office of Research and Program Design, California Department of Child Support Services, Discussant
2:45 - 3:00	State Achievements and Challenges - Newsprint Summaries
3:00 - 3:30	Small Group Discussions
3:30 - 3:45	Break
3:45 - 5:00	Reporting In - What Have We Learned From the Presentations and What Do We Want to Achieve at This College
5:30 - 6:30	No Host Cocktails Dinner on Your Own

Day Two

7:30 - 8:30	Continental Breakfast
8:30 - 9:00	Check-In, Recommendations from Day One, Plan for Day Two
9:00 - 10:00	States Reporting In
10:00 - 10:15	Break
10:15 - 11:15	States Reporting In
11:15 - 11:45	Incarcerated Dads and Child Support Enforcement in Massachusetts Marilyn Ray Smith, Chief Legal Counsel, Child Support Enforcement Division, DOR Richard Claytor, Director of Fatherhood Initiatives, MA DOR
12:00 - 1:00	Lunch
1:00 - 2:00	Small Groups
2:00 - 2:15	Break
2:15 - 3:15	Large Group Discussion - Recommendations for Working with Fragile Families and Their Arrears
3:15 - 4:00	Wrap Up and Next Steps
4:00 - 4:15	Closure

Attachment 3

U.S. Department of Health and Human Services
Administration for Children & Families
Office of Child Support Enforcement

PIQ-99-03

TO: IV-D Directors

FROM: David Gray Ross
Commissioner
Office of Child Support Enforcement

RE: Public Policy Supporting Two Parent Families/Compromise of Arrearages

Attached please find PIQ-99-03 clarifying Federal policy regarding compromise of arrearages. This issue has received growing attention in the context of parents who marry or remarry and are faced with payment of large child support arrearage amounts.

It is important that we create policies that encourage the formation of two-parent households. While many single parents are successful in raising children in a single parent household, there is growing evidence that children who grow up in two parent households are less likely to be poor, less likely to become teen parents, less likely to have contact with the criminal justice system, and more likely to graduate from high school.

Currently in most States, even if the parents marry or remarry, families with TANF arrearages are required to make payments to the State as a result of the TANF requirement of assigning child support payments. This can worsen the economic situation for low-income families, thereby reducing their ability to maintain a self-sufficient two-parent household.

States such as Washington and Vermont have taken steps to help such families through their policies regarding arrearages. Washington State statute and administrative rules allow certain child support debts to be forgiven if the custodial parent and the noncustodial parent reunite. The process is managed through a "conference board" proceeding in which child support attorneys and staff review the case to determine whether the support debt creates a hardship. This process has been a useful tool to assist reconciled or remarried parents with financial difficulties. Vermont's State code allows it to suspend collection of arrears in public assistance cases when the custodial parent and noncustodial parent reunite, if the reunited family has a gross income less than 225 percent of poverty. The State arrears are reduced to a lump sum judgment but that

judgment is not enforced if the parents meet the threshold poverty level and remain united.

We encourage States to examine Washington and Vermont's practices in this regard, and adopt State policies that help to encourage strong family formation.

U.S. Department of Health and Human Services
Administration for Children & Families
Office of Child Support Enforcement

PIQ-99-03

DATE: March 22, 1999

TO: State IV-D Directors

FROM: David Gray Ross
Commissioner
Office of Child Support Enforcement

RE: Compromise of Child Support Arrearages

Question 1: Is there authority for States to accept less than the full payment of assigned child support arrearages?

Response: Yes. A State could accept less than the full payment of arrearages assigned to the State on the same grounds that exist for compromise and settlement of any other judgment in the State.

We articulated this position in PIQ-89-02 issued on February 14, 1989 and later in the preamble to final regulations at 45 CFR 303.106 pertaining to "Procedures to Prohibit Retroactive Modifications of Child Support Arrearages" which was published in the Federal Register on April 19, 1989 (54 FR 15764). Federal law at section 466(a)(9) of the Social Security Act (the Act) and implementing regulations at 45 CFR 302.70(a)(9) provide that child support is a judgment on and after the date due with the full force, effect and attributes of a judgment of the State, and not subject to retroactive modification. Such support judgments may, however, be compromised or satisfied by specific agreement of the parties on the same grounds as exist for any other judgment in the State. Judgments involving child support arrearages assigned to the State under titles IV-A, IV-E and XIX of the Act, may not be compromised by an agreement between the obligee and obligor unless the State, as assignee, also approves such an agreement. State law may further require that the court or administrative authority must endorse any agreement affecting child support orders to ensure that the best interests of the child are protected.

We encourage caution not to confuse compromising arrearages with the statutory prohibition against retroactive modification of arrearages. The State plan requirement at

section 454(20) of the Act requires States to enact laws that implement statutorily required procedures found at section 466 of the Act. Thus States must have laws that provide that child support payments become a judgment by operation of law and prohibit retroactive modification of arrearages. Retroactive modification of arrearages occurs when a court or administrative body takes actions to erase or reduce arrearages that have accrued under a court or administrative order for support. In effect, retroactive modification of arrearages alters the obligor's obligation without the concurrence of the obligee (or the State assignee) and is expressly prohibited by section 466(a)(9)(C) of the Act and 45 CFR 303.106.

Question 2: Would accepting a reduced payment for assigned child support arrearages violate existing Federal distribution law that requires sharing any assigned child support collections with the Federal government?

Response: No. Federal law does not prohibit State (or private) settlement of a judgment obligation, consistent with State law governing settlement of any other money judgment. While an agreement to compromise or settle the amount owed under the judgment and assigned to the State affects the amount payable for reimbursement to the Federal government, the Federal interest is contingent upon the State's collection of the debt. The Federal interest does not vest until support is available for distribution. Any amount collected under the judgment must be distributed in accordance with section 457 of the Act.

Some States have given consideration to compromise of arrearages when the custodial parent and the noncustodial parent marry or reunite (if they have been legally separated). For example, Washington State statute and administrative rules allow certain child support debts to be "written off" (RCW 74.20A.220, WAC 388-14-385). The process is managed through a "conference board" proceeding in which a Division of Child Support (DCS) attorney and one or more other DCS staff members review the case to determine whether the support debt creates a hardship. Generally the Conference Board bases the hardship determination on a comparison of the family income to the State needs standard for the family size. This process has been a useful tool to assist reconciled or remarried parents with financial difficulties. DCS is careful not to use this remedy in such a way that it would encourage domestic violence or coercion.

There may be other circumstances that warrant consideration of compromising arrearages in accordance with State law. However, States should use caution not to send a message that obligors can ignore support obligations because of the possibility that the State may eventually accept less than the full amount owed in satisfaction of the debt.

We hope this information will prove helpful.

Attachment 4

U.S. Department of Health and Human Services
Administration for Children & Families
Office of Child Support Enforcement

PIQ-00-03

DATE: September 14, 2000
TO: State IV-D Directors
FROM: David Gray Ross
Commissioner
Office of Child Support Enforcement

SUBJECT: State IV-D Program Flexibility with Respect to Low Income Obligor -- Imputing Income; Setting Child Support Orders and Retroactive Support; Compromising Arrearages; Referral to Work-Related Programs and Other Non-traditional Approaches to Securing Support

Our goal in issuing this PIQ is to clarify for State IV-D agencies the flexibility that exists under Federal IV-D requirements in setting support obligations and securing collections from low-income obligated parents.

The HHS Office of the Inspector General (OIG) recently released the results of a study entitled The Establishment of Child Support Orders for Low Income Non-custodial Parents, OIG-05-99-00390, which can be found on OCSE's website at: <http://www.acf.dhhs.gov/programs/cse/extinf.htm> The major findings of the study were:

- **Retroactive Support:** Most sampled States routinely charge non-custodial parents for retroactive support. The longer the period of retroactivity, the less likely it is that the parent will pay any support.
- **Income Imputation:** Most sampled States impute income when the non-custodial parent is unemployed or income is unknown. Income imputation appears ineffective in generating payments.
- **Minimum Orders:** Six of the sampled States routinely establish minimum orders when the non-custodial parent has limited payment ability. Minimum order cases exhibit lower payment compliance than other cases.
- **Debt Owed to the State:** Most sampled States will not reduce debt owed to the State by the non-custodial parent except in rare cases. Median debt on 1996 cases was over \$3,000.
- **Job Programs:** Few sampled child support agencies formally link with job programs. Non-custodial parent participation in such programs is minimal.

The findings of the OIG study and the President's June 17, 2000 Memorandum to HHS and other Federal Departments requiring the development of Joint Guidance on Supporting Responsible Fatherhood, provide an important opportunity for OCSE to clarify the extent to which States can develop child support policies and practices to more effectively serve low-income fathers. We have previously issued policy guidance on the authority of States to compromise arrearages owed to the State. (See PIQ-99-03 and OCSE-AT-89-06 containing the preamble to final regulations at 45 CFR 303.106 for Procedures to Prohibit Retroactive Modification of Child Support Arrearages, which are both available on the above website.) This policy guidance provides further information about how States currently have the flexibility to substantially address all the issues identified in the OIG study.

Retroactive Modification of Arrearages vs. Compromising Arrearages Owed to the State.

States may not retroactively modify arrearages, but have discretion to compromise arrearages owed to the State.

Under section 466(a)(9) of the Social Security Act (the Act) and 45 CFR 302.70(a)(9), a child support order is a judgment on and after the date due with the full force, effect, and attributes of a judgment of the State, and it is not subject to retroactive modification. States must have laws prohibiting retroactive modification of arrearages, which prevent a court or administrative body from taking action to erase or reduce arrearages that have accrued under a court or administrative order for support, in effect, altering the obligor's obligation without the concurrence of the obligee (or the State, in the case of arrearages permanently assigned to the State). Compromising arrearages, on the other hand, involves the satisfaction of arrearages by specific agreement of both of the relevant parties in accordance with State law or on the same grounds as exist for any other judgment in the State.

Child support arrearages that have been permanently assigned to the State under title IV-A, or assigned to the State under titles IV-E and XIX of the Act, may be compromised by an agreement between the obligor and the State (as assignee of the obligee). Any compromise of child support arrearages that have not been permanently assigned to the State would require the agreement of the obligee. State law may further require that the court or administrative authority must endorse any agreement affecting child support orders to ensure that the best interests of the child are protected.

There may be circumstances involving low-income obligors that warrant consideration of compromising arrearages in accordance with State law. For example, **Maryland** recently initiated a pilot collaborative project in Baltimore between the IV-D program and three fatherhood programs under which a portion of arrearages owed to the State could be compromised for unemployed non-custodial parents who enroll and complete a responsible fatherhood project where they go to work and complete certain activities. Additional portions of the State debt may also be compromised after the non-custodial parent has completed one year, then another year, of paying current support. The goal of the project is to relieve these fathers of what is largely an uncollectible debt owed to the State so they can focus on current support payments.

An amnesty program could be one way to address the problem of high arrearages for low-income obligors. State amnesty programs for arrearages tend to fall into one of two categories: those that compromise part of the arrearages owed to the State and those that halt or postpone an enforcement action.

- **Compromise of Arrearages.** Some States have proposed amnesty programs that would compromise arrearages assigned to the State if the obligor keeps current on a payment plan for a specific period of time. **Iowa's** pilot program allows a percentage satisfaction of assigned support for obligors who pay full support on time for a certain period (15% satisfaction for 6 consecutive months of full payment; 35% for 12 consecutive months; 80% for 24 consecutive months). **Montana** implemented a program targeted to parties with an outstanding debt of \$5,000 or more, asking them to contact the CSE agency to work out an agreement to settle the debt. The State was willing to reduce the AFDC or TANF debt in certain cases where a lump sum payment was made or the obligor agreed to make regular payments.
- **Postponement of Enforcement.** **Virginia** has an ongoing amnesty program that, coupled with a round-up of unresponsive delinquent obligors, has collected over \$114.6 million from parents since 1997. If appropriate, good-faith payment plans were arranged, the non-custodial parent would receive amnesty from enforcement techniques. The case would not be referred to court and the State would recommend that the parent not go to jail. **North Carolina's** program couples a publicity campaign with mail notification to obligors who are delinquent for 60 days or longer. County offices remain open for 12 hours a day during the period of the amnesty project. Counseling is available from community colleges and jobs-related agencies to assist underemployed and unemployed parents. **Maryland, the District of Columbia and Northern Virginia** are participating in an amnesty program aimed at cases with active bench warrants. The program offers amnesty from arrest.

States also may have the authority under State law to compromise or forgive penalties or interest charges on arrearages. States may choose to compromise penalties or interest alone or in conjunction with the compromise of the principal unpaid child support obligation. **West Virginia's** new law, effective January 1, 2001, will allow obligors who pay arrearages off within a 24-month period to have the interest dropped, if all parties agree.

Many States have laws, sometimes referred to as "laws of general obligation," under which a debt to the State is established equal to the amount of assistance provided to the family for the period when there was no support order in place. States may not collect these State debts through the IV-D program, because child support obligations must be set using the State's mandatory guidelines. However, if the State were enforcing an order that included arrearages based on assistance paid to the family prior to the requirement for mandatory child support guidelines in October of 1989, the State may continue to enforce these debts through the IV-D program. See policy guidance in OCSE-AT-93-04 and 93-08. States that assess State debt in addition to child support obligations may want to consider compromising State debt in consideration of the obligor's payment of the child support obligation.

While allowable under title IV-D of the Act, States should apply these policies carefully and only in those circumstances that warrant consideration of compromising permanently assigned arrearages. There is a danger in sending a message that obligors can ignore support obligations because of the possibility that a State may eventually accept less than the full amount owed in

satisfaction of the debt. States may benefit from having uniform written policies that set forth the circumstances under which the State will compromise arrearages.

Imputing Income and Setting Child Support Awards.

States can take steps to limit the number of cases where income is imputed.

States are required to use mandatory child support guidelines in establishing support obligations. However, they have discretion to design their guidelines within the parameters of Federal requirements at 45 CFR 302.56. For example, the guidelines must take into consideration all earnings and income of the non-custodial parent. The NCSL and CLASP (page 7 herein) cite two mechanisms States use to accommodate very low income obligors in their guidelines: 1) adopting a guideline which provides a self-support reserve for a non-custodial parent with the obligation set based on income above the reserve amount; and 2) excluding certain payments - such as means-tested public assistance - from the definition of income.

States may also impute income, based on the parents' earning capacity or previous work experience. The OIG's findings, however, show that support orders based on imputed income often go unpaid. This could be the result of the non-custodial parent being unemployed or underemployed. The OIG report notes that a causal relationship between the use of income imputation and lack of payments cannot be assumed. However, it appears self-evident that child support obligations that are based upon actual income, rather than imputed income, are generally likely to be more accurate and fair to the obligor. States may want to take steps to limit the imputation of income, for example, to cases in which the non-custodial parent has apparent assets and/or ability to pay, but is uncooperative. And, most importantly, States should make the maximum use of improved methods of determining income and resources of non-custodial parents, including the State and National Directories of New Hires as well as the Financial Institution Data Match (FIDM) and Multistate Financial Institution Data Match (MSFIDM).

Review and modification policies that seek to ensure that child support orders reflect the current ability of the non-custodial parent to pay support can help to avoid cases where large amounts of arrearages accrue. For example, some States have avoided the accumulation of large arrearages while obligors are incarcerated. **North Carolina** automatically modifies a support order once a father is incarcerated. **Colorado's** IV-D program writes newly incarcerated fathers to explain the procedures for modifying their support orders. In addition, **Puerto Rico** and the **Virgin Islands** do outreach to individuals who may be able to request downward modifications. For example, **Puerto Rico** does outreach in prisons and in industries and government offices expecting layoffs to advise people of their rights to adjustments. We encourage States to regularly publicize to obligated parents the opportunity to request review and possible adjustment of a support obligation based upon a significant change in circumstances, such as incarceration. States are required to have procedures in place which provide for modification (both upwards and downwards) at the request of either parent. (See 42 U.S.C 666(a)(10)). Appropriate State responses to these requests will ensure that support orders, once they are established, continue to be based on an obligor's current ability to pay.

Minimum Orders.

States are allowed to use minimum orders, but only if the minimum amount is rebuttable under criteria established by the State.

The OIG found that some States routinely set minimum orders, even when the obligor has limited, or no, ability to pay and that minimum order cases exhibit lower payment compliance than other cases. While States are allowed to use minimum orders, the minimum amount must be rebuttable.

Section 467(b)(2) of the Act provides:

"There shall be a rebuttable presumption, in any judicial or administrative proceeding for the award of child support, that the amount of the award which would result from the application of such guidelines is the correct amount of child support to be awarded. A written finding or specific finding on the record that the application of such guidelines would be unjust or inappropriate in a particular case, as determined under criteria established by the State, shall be sufficient to rebut the presumption in that case."

In response to comments, the preamble to final guidelines regulations stated that:

". . . procedures requiring that guidelines be followed in setting all support awards without the possibility of rebuttal appear not to comply with the requirements of the new law. We advise States in this position that changes to their guidelines and accompanying procedures will be necessary to conform to the requirements of Public Law 100-485 unless Congress clarifies an intent to the contrary. (56 FR, pages 22335 and 22337, May 15, 1991)."

Setting Support for Prior Periods.

States have flexibility to determine whether or not to establish an amount representing support for periods prior to the date of the support order.

Any support awards for prior periods must be based on the State's child support guidelines. However, support for prior periods could be set as a deviation from the appropriate guidelines amount, if there is a written finding or specific finding on the record that the application of the guidelines would be unjust or inappropriate in a particular case. See 45 CFR 302.56(g). Since States have flexibility in setting support for prior periods, States may choose not to seek awards for prior periods from low-income obligors in public assistance cases.

Determining how far back to set support for prior periods may also impact upon payment of support, according to the OIG study. Some States limit the time an order can be retroactive. **Kentucky** prohibits a retroactive support order unless paternity is established within four years. **Maine** only allows six years of retroactive support.

Referral to Jobs and Welfare-to-Work Programs and Other Nontraditional Approaches.

States are encouraged to make referrals to Welfare-to-Work programs and use other nontraditional approaches to assist low-income non-custodial parents.

As the use of automated enforcement techniques increases, States can concentrate on the more difficult cases involving low income, underemployed or unemployed obligors. Some States are using case management or nontraditional approaches to reach these obligors. Almost all States indicate that they make some referrals to job search or employment and training programs, but much more could be done in this area to increase participation rates with job programs.

States, such as **Louisiana**, have provided customer service training to caseworkers to help change attitudes to encourage outreach and referral of nonpaying obligors to appropriate and needed services. **Los Angeles County** child support workers and local service providers conduct intake at the courthouse for fathers who are behind in child support payments, providing help and appropriate referrals for needed job and other services. **Georgia** operates a similar program, the Fatherhood Initiative, using child support agencies as connection points to refer fathers to employment-based services and skill-building classes. First year results show that 80% of the 450 obligors who completed job skills training are now employed and paying child support. The program expanded Statewide into 36 technical schools in November 1998. The program has formed partnerships with the Georgia Department of Labor and the State Board of Pardons and Parole.

Other States' efforts with job-related programs include: **Delaware**, making referrals through the Parents Seek Work Project; **California**, operating a demonstration project in seven counties to determine whether providing these types of services will improve support payment, increase parent involvement or reduce public assistance to the children of these parents; **Missouri's** Parents' Fair Share program, which offers jobs and job training; **Idaho's** "career enhancement" services; and **New York's** Westchester and Ontario Counties collaboration with Welfare to Work programs. **Washington's** offices have been working directly with local resources such as private industry councils, employment security, public assistance, and tribes for 2 years to make referrals. Each office has a process to identify potential participants or judges may order participation. Outreach includes prisons for screening of inmate obligors who are close to release for welfare to work eligibility. Many of these programs involve a mixture of funding streams for maximum flexibility.

States should examine their policies for dealing with low income obligors.

In light of recent efforts to identify obstacles to compliance with support orders faced by low-income obligors, such as the OIG study, OCSE encourages States to scrutinize policies that may contribute to nonpayment by these obligors. States should carefully examine their policy choices

for setting current support and support for prior periods, particularly with respect to underemployed or unemployed obligors to avoid problems with compliance as evidenced by the OIG study. Careful policy choices up front in establishing obligations should improve the

obligor's incentive and ability to support his or her children, as well as improve a State's ability to enforce its orders.

Several non-HHS publications have additional information about innovative legal and policy choices States have made to address the issue of setting support for low-income parents.

The National Conference of State Legislators has recently published "Connecting Low-Income Families and Fathers: A Guide to Practical Policies." In addition, the Center for Law and Social Policy, in February 1999, published a paper, available on the CLASP website at www.clasp.org/pubs/childrenforces/supaward.htm, which discusses State choices within the context of title IV-D requirements and highlights innovative State practices in setting current support awards and arrearages as well as compromising arrearages owed to the State. These publications are not to be considered as official policy documents of the Department of Health and Human Services or its agencies and do not necessarily reflect the views of HHS or its interpretation of federal law, but States may find useful information in the discussion of state flexibility and innovative practices. We will continue to identify and share examples of allowable State practices that may improve non-custodial parents' ability and willingness to support their children.



National Center for
Strategic Nonprofit
Planning and
Community Leadership

Principles to Guide CSE Interaction with Fragile Families

These Guiding Principles are the result of four Peer Learning Colleges conducted by NPCL with the support of OCSE and the Ford Foundation. Each evolved from a fragment of an idea into a statement of principle. This evolution was shaped by research, presentations and small and large group discussions. The principles provide guidance; they are not hard and fast rules for application by all states, or all agencies or for all families. They provide a framework for action for child support enforcement in working with fragile families. Additional discussion will be found in the soon-to-be-issued final report on the NPCL Peer Learning Colleges.

Principles to Guide CSE Interaction with Fragile Families

1. Child support enforcement must recognize that children are its primary customers. CSE reaches children through both mothers and fathers; hence mothers and fathers must receive respectful and appropriate service.

One of the concerns of a child support agency is customer service. However, PLC members must recognize that CSE offices are generally not considered father-friendly. State child support officials should explore ways to use money from their general budgets to address fatherhood issues and provide training and education for child support staff. In addition, child support agencies should make any administrative and policy changes needed to support their work with both mothers and fathers.

Action steps for child support enforcement:

- X Develop policies which recognize that CSE can reach children through both parents.
- X Support ongoing training of administrators and front-line staff and information sharing with community-based organizations (and other concerned entities).
- X Develop linkages with community-based organizations to provide referrals to services and resources for fathers.
- X Coordinate IV-A and IV-D intake and involve both parents.
- X Develop public information campaigns.

X Use lay language.

2. All parents must have a responsibility for financial support. Child support guidelines must be structured so that they do not discourage increases in income.

Being responsive to low-income fathers does not mean setting zero orders and ignoring their child support obligations. Child support should be appropriately based on income.

Action steps for child support enforcement:

X Review state child support guidelines for setting and modifying child support, with a focus on low-income families.

X Set an income threshold that is realistic for low-income noncustodial parents to pay.

X Require a nominal order for noncustodial parents whose incomes and assets are below the threshold.

X Consider the obligations that fragile fathers have to other children.

3. Systemic changes are needed to ensure expeditious review and modification of child support orders. Administrative process for order establishment and modification is one approach.

Action steps for child support enforcement:

X Establish a timely administrative process for review and modification of support orders.

X Examine the current review and modification process.

X CSE agencies should consider reviewing and modifying orders of noncustodial parents who show up as a result of enforcement mechanisms (e.g., low-income father with license revocation).

X Provide specific training and education to external agencies, including community-based organizations (CBOs), on the modification process.

X Identify a child support liaison to provide expertise to CBOs.

X Train child support staff to show parents what the change in the child support would be under the guidelines.

4. A noncustodial parent's ability to earn fluctuates over time. In determining obligations and modifications (up and down), recent actual earning history should be considered. Any presumption may be rebutted by

evidence presented by low-income parents and their CBO.

Action steps for child support enforcement:

- X Develop informational access (hotlines) whereby either parent can get information safely (e.g., “If you are interested in requesting a modification of your child support order, press 1 now...”).
- X Use informed and trained CBOs as available sites for information on order establishment and modification (i.e., establish a memorandum of understanding or cooperative agreement between CSE and CBO). CSE could develop a contractual relationship with CBOs for noncustodial parent referrals.
- X Work through local bar associations to provide *pro bono* service or information on the *pro se* process to the parents.

5. CSE should identify programs to which low-income obligors can be ordered or referred for assessment and/or services. These programs should go beyond employment to address issues that concern noncustodial parents who do not fit the traditional IV-D program.

Action steps for child support enforcement:

- X Establish relationships with referral sources (e.g., CBOs, Workforce Investment Boards, Welfare to Work sites, substance abuse treatment, mediation services).
 - X Develop relationships into partnerships (memorandum of understanding; memorandum of agreement).
 - X Promote peer referral among noncustodial parents (i.e., “That program is cool, go there”).
6. *Federal and state money (e.g., DOJ, DOE, TANF, IV-D, Welfare to Work, Workforce Investment Act) should be coordinated to help noncustodial parents connect to job training and placement programs.*

Action steps for child support enforcement:

- X Work to promote legislation that mandates a child support seat at the table where funds are allocated for services needed by noncustodial parents.
- X Inform federal officials about the barriers noncustodial parents face in using these funds and that states and localities face in using these funds to serve noncustodial parents.
- X Participate at all levels in decision-making for the allocation of monies (DHHS -

TANF,OCSE, DOL, DOJ, DOE, etc.) for low-income noncustodial parents.

- X Designate staff to identify funding streams (i.e., IV-D, TANF, Workforce Investment Act, Welfare to Work) and maximize resources at all appropriate levels.
- X CSE and CBO officials should include noncustodial parents in Welfare to Work projects (competitive and regular state plan)

Principles to Guide CSE/CBO Partnerships Interaction with Fragile Families in Pilot Program Settings

P7. Community-based organizations should:

- X Assist with voluntary paternity acknowledgments;*
- X Learn about paternity and child support, custody, access, and domestic violence, and inform parents;*
- X Encourage early establishment of paternity and child support and advocate for parents when child support is set, modified or enforced;*
- X Refer to other necessary services (e.g. legal, mediation, parent education support counseling).*

P8. Public money, under control of the CSE/CBO partnership, should be available to purchase job services. The CSE/CBO partners should determine who is chosen to provide job training.

Action steps for CSE/CBO partnership:

- X Make recommendations to policymakers to have IV-D funds available for job services to noncustodial parents.
- X Educate CSE and CBO staff on the importance of providing job services to noncustodial parents.
- X Find financial and program resources for both CSE and CBO to provide job services to noncustodial parents.
- X Get technical assistance from the federal government to help IV-D agencies learn about funding streams for job training.
- X Involve both the local CSE agencies and the CBO in selecting job training services.

P9. CSE can “suspend” or stay automated enforcement mechanisms for CSE/CBO partnership program participants and CBOs can provide special programs and incentives such as stipends based on the noncustodial parent’s program participation; stipends would be used to pay child support.

Action steps for CSE/CBO partnership:

- X Assess automated systems and APD compliance as needed.
- X Agree on compliance criteria for program participation.
- X Determine what client information can be shared (be aware of issues of confidentiality).
- X Establish protocol and evaluation procedures for monitoring and tracking services.
- X Establish eligibility criteria (e.g., poverty, length of unemployment).
- X Require written agreement between the CBO and the CSE agency.

P10. When setting support orders (both current and retroactive):

- X Set current support based on current ability to pay.*
- X Consider the following factors when determining retroactive support: past ability to pay, documented past payments to family.*
- X Set payment plan for retroactive support on current ability to pay.*

Action steps for CSE/CBO partnership:

- X Learn about different state programs that use/test alternative policies on how to handle arrears for fragile families.
- X Inform members of the public, such as court officials, legislators, and community-based practitioners, of the impact arrears have on fragile families and how noncustodial parents can learn to avoid accumulating an arrears balance.

P11. Child support orders for participants in a CSE/CBO partnership program need to be reviewed as circumstances change.

Action steps for the CSE/CBO partnership:

- X Recognize that many low-income noncustodial parents are only marginally attached to the labor market. Examine the possibility of “contingency orders” that reflect fluctuating employment circumstances.
- X Upon a change in circumstances, CSE should review the child support order(s) of a participant in a referral program. A review and modification request can come from the noncustodial parent, the custodial parent, or the CBO/CSE case management team.
- X CSE provide a dedicated liaison to CBO to respond quickly to review and modification requests.
- X Secure funding allocation to cover any additional costs.
- X Educate the CBO, custodial parent and noncustodial parent regarding the criteria for modification.
- X Improve accessibility to *pro se* process.

P12. CSE should test the usefulness of “contingency orders” to address the situations of noncustodial parents who have a marginal attachment to the labor market.

Action Steps for CSE/CBO partnership:

- X Develop a plan for the creation and use of flexible orders, using experience with seasonal or contingent workers as a guide.
- X Establish guidelines/criteria for applying the plan.
- X Select a demonstration project or site to test the process and model.
- X Establish a process to evaluate outcomes.

P13. States should develop a plan to use a performance-based standard¹ to determine enforcement action on arrearages and to incent noncustodial parent compliance.

Action steps for CSE/CBO partnership:

- X One possibility is to use graduated incentives: first freeze enforcement mechanisms; then freeze the arrearages (including penalties and interest); then allow noncustodial parent to earn credit against arrearages.

¹ A performance-based standard could be full compliance with current support for a specified period of time or meeting criteria regarding participation in an agreed upon program.

- X Any plan must allow for flexibility. Factors to consider are length of payment or nonpayment, life circumstances, appropriateness of original order.
- X Other action steps:
 - 1) Look at ways to reach settlement, amnesty programs.
 - 2) Revisit intent of the Bradley Amendment.
 - 3) Distinguish between arrears owed to mothers and to county, state and feds.
 - 4) Acknowledge lack of education re TANF and two parent families and provide it to clients and practitioners.
- P14. In-kind contributions are valuable, but should not be accepted in lieu of a financial child support order.
- X Any in-kind contribution must be defined in a way that is closely related and relevant to the fragile family.
- X The concept of *Time Dollars* should be examined for use in this arena, especially in second job situations.

Comments and feedback on these Guiding Principles are welcome. Please call or e-mail Barbara C. Cleveland, Director of Peer Learning and Education at NPCL. Telephone: 202-822-6725; Fax 202-822-5699; E-mail bcleveland@npcl.org. Thank you.

Attachment 6

Fathers in the Criminal Justice System: A Collaboration Between Massachusetts Child Support Enforcement and Criminal Justice Agencies in Massachusetts

The federal Office for Child Support Enforcement (Administration for Children and Families, U.S. Department of Health and Human Services) awarded a grant for this project to the Massachusetts Department of Revenue on September 18, 2000.

This 17-month pilot project will work with noncustodial fathers under criminal justice supervision with child support responsibilities, focusing on parolees and on inmates of the Department of Correction and Suffolk County Sheriff's Department. The project aims to improve inmates' financial and emotional support of their children by increasing the knowledge of inmates and staff about child support, by streamlining procedures to handle inmates' child support orders, and by providing connections to services in the community to help released offenders become responsible parents.

Components of the project include:

- ◆ Conducting regional training programs on child support and incarcerated parents for mixed audiences comprised of judges, correctional personnel, child support staff, parole and probation officers, and reintegration workers;
- ◆ Developing systems of data matching between DOR and all criminal justice agencies;
- ◆ Developing protocols and procedures for collaboration between DOR and criminal justice agencies in enforcing child support among offenders;
- ◆ Reviewing and taking action on offenders' child support cases and developing standard procedures in DOR and Probate Court for handling these cases;
- ◆ Establishing paternitys and child support orders;
- ◆ Filing modifications;
- ◆ Establishing deferred modification until the inmate is employed and/or released and then modifying the order and settling the arrears accrued during incarceration;
- ◆ Providing responsible parenting training to obligors;
- ◆ Developing a brochure and video for incarcerated parents on child support issues;
- ◆ Working with released and paroled noncustodial parents in collaboration with community-based organizations

Need for the project

- ◆ 7 million children nationwide have a parent who is incarcerated or on parole or probation and 93 percent of these parents are fathers;
- ◆ Most state child support agencies are only beginning to identify and work with the portion of its caseload that is or has been incarcerated.
- ◆ An estimated 65 to 70 percent of men involved with the criminal justice system in Massachusetts are fathers.
- ◆ A recent automated data match between DOR and DOC found that 1,270 inmates in state prisons are noncustodial parents with established child support orders. DOR estimates that another 1,000 inmates are parents who should have paternity and or orders established.
- ◆ Many inmates fail to request modifications of their child support orders when they are incarcerated, building up unrealistic arrears to be paid once they are released and leading them to stop paying any child support.



State Owed Child Support Arrears Leveraging Program

PROSPECTUS

WHO

The State Owed Child Support Arrears Leveraging Program is a partnership project comprised of the Maryland Department of Human Resources, Child Support Enforcement Administration, and the Baltimore City Office of Child Support Enforcement represented by MAXIMUS Corporation. Also included in the partnership are the community based organizations of the Baltimore City Department of Social Services Young Fathers/Responsible Fathers Program, the Center for Fathers, Families, and Workforce Development, the Empower Baltimore Management Corporation, Christopher's Place Employment Academy, the Office of Employment Development and the Work Matters Program.

WHAT

The State Owed Child Support Arrears Leveraging Program provides opportunities for non-custodial parents (NCP), who owe child support arrears to the state, to have arrears credited for meeting the program's criteria. NCPs who successfully complete the program requirements of the community-based organizations involved in the project, and who also pay the current child support obligation(s), are eligible to have a portion of the arrears owed to the state credited to them.

WHEN

The State Owed Child Support Arrears Leveraging Program began operations in July of 2000.

WHERE

Currently, the program is operating in Baltimore City, Maryland.

WHY

In order to address the issues facing NCPs experiencing difficulty with fulfilling their child support obligations, and who also owe arrears to the state, Maryland's Child Support Enforcement Administration initiated and implemented the State Owed Child Support Arrears Leveraging Program. This pilot demonstration project creates the opportunity for NCPs owing arrears to the State of Maryland, to establish a positive relationship with the Child Support Enforcement Administration, and to meet their current child support obligation.

RESULTS

- During six months of program operations, 41 non-custodial parents are enrolled in the program;
- Of the first group of non-custodial parents in the program, their child support payments have increased by 142% 90-days after enrollment, and;
- Partnerships have been formed between six community-based organizations and child support.

For additional information regarding Maryland's State Owed Child Support Arrears Leveraging Program, please contact Mark L. Veney, Special Project Officer, at (410) 767-0603 or e-mail: mveney@csea.dhr.state.md.us.

