
The Office of Child Support Enforcement (OCSE) has issued a guide to states intended to encourage the examination of child support debt in state caseloads with the goal of reducing and better managing the arrears of child support obligors (noncustodial parents with unpaid child support). The guide includes a summary of national data on child support debt and reveals that:

- Of the more than $70 billion in child support debt nationally, 70% is owed by noncustodial parents who have no quarterly earnings or with annual earnings of less than $10,000. Only 4% of child support arrears are held by noncustodial parents with more than $40,000 in annual income.
- Forty-nine percent of the total child support debt is owed to the government as repayment of the custodial parent’s welfare benefits, and not to the custodial parent.
- In Arizona, California, Connecticut, and Maine more than 70% of the debt is owed to the government. Wisconsin is the only state to pass-through the entire amount of a child support payment made on behalf of a family receiving welfare benefits, yet 58% of the state child support debt is owed to the government.
- In only three states, Arkansas, Idaho and Nevada, is less than 25% of the child support debt owed to the government. In Puerto Rico, just 12% is owed to the government.
- Ten percent of noncustodial parents who have child support arrears and no quarterly wage records are incarcerated.
- A Washington state arrears study found that child support debt increased steadily when the monthly child support order was 1.7 times the wages of the noncustodial parent, decreased steadily when the ratio of the order to wages was .044, decreased intermittently when the ratio was .197 and did not change over time when it was .133.

In addition to data on arrears, the guide provides a framework for state child support agencies to analyze child support data in order to better understand the causes of the dramatic growth in arrears and to improve collections from parents who are able to pay, while avoiding the accumulation of debt from those who do not have the income to pay. Such strategies as assessing the distribution and composition of arrears in the caseload and the effectiveness of enforcement actions are discussed.


New Publications from CFFPP

Three recent publications from the Center for Family Policy and Practice contribute new insights into the experiences of low-income noncustodial parents and their families and provide useful information on laws and practices related to incarceration and child support, and birth cost recovery in Wisconsin.
The Effect of Child Support and Criminal Justice Systems on Low-Income Noncustodial Parents: When You Need A Safety Net, But There’s Only a Dragnet, is a report on a series of focus groups and interviews with noncustodial parents and caseworkers that were conducted in order to better understand their actual experiences as they contend with child support and incarceration. The project focused on two distinct circumstances:

- Noncustodial parents affected by the increasing use of the criminal justice system to enforce child support orders, and
- Parents who are incarcerated, regardless of the reason, and the effect of incarceration on child support obligations and debt, and on family relationships.

Among the findings:

- Fathers who are behind in child support because they are poor and have an unstable work history are more likely to spend time in jail and less likely to have a family benefit from payments when they are arrested.
- Unintended consequences of incarceration for nonpayment include lost employment, weakened or threatened relationships with current partners and children, criminal records that make employment harder to obtain upon release and escalating child support debt while in prison or jail.
- Arrests for civil contempt for nonpayment of a child support order receive very little attention but such arrests are generally more common than felony and misdemeanor arrests. Such arrests result in sentences that are longer for the poorest parents, since they do no have the means to pay their child support debt or a “purge bond” that a judge might set as the cost of their freedom.
- Disparities in arrest rates for all crimes appear to apply to arrests for nonpayment of child support as well. In Dane County, Wisconsin arrest rates for African-Americans have been shown to be 35 times those of white residents, and 48% of those arrested for nonpayment of child support were African-American in a county whose African-American population in 2000 was 4% of the total county population.

Two other recent CFFPP publications are: Common Questions About Birth Cost Recovery in Wisconsin, a question-and-answer booklet for parents who receive Medicaid benefits and are subject to state laws that recover the cost of a child’s birth from the father when the mother receives Medicaid benefits; and Report on Wisconsin’s Medicaid-Supported Birth Cost Recovery Policy, a report on a project completed by CFFPP and Advocacy and Benefits Counseling for Health (ABC for Health). For the project, health providers and child support enforcement agencies were surveyed, information was obtained directly from families and court cases and from published information from the state bureau of child support. Among the report’s conclusions:

- The policy of collecting birth costs from the father of a Medicaid recipient is applied inconsistently, and fathers with income below the poverty level are often incorrectly held responsible for the costs.
- The revenue produced for counties by the policy comes at a cost that is borne by the poorest of families, those in which the mother was poor enough to qualify for Medicaid. These are the families that are most in need, yet the policy results in funds being taken directly away from the children in the home – the very children whose financial support the county child support offices are charged with ensuring.
- Application of the policy causes stress between parents, deters some fathers from willingly establishing paternity and, perhaps most alarmingly, deters pregnant women from seeking prenatal care.
All three reports can be accessed on our website at www.cffpp.org. Copies are available for purchase as well.

**Incarcerated Parents and Child Support Modifications Examined**

A report by Jessica Pearson from the Center for Policy Research, *Building Debt While Doing Time: Child Support and Incarceration*, reviews judicial approaches to contending with child support modification requests of incarcerated noncustodial parents and summarizes findings of related research to find that:

- In twenty-one states, the common judicial approach to assessing the merit of a modification request made by an incarcerated noncustodial parent is to treat incarceration as insufficient to justify reducing an existing child support obligation. In fourteen states, incarceration is commonly viewed as sufficient to justify a reduction and in eleven states incarceration is one factor along with others to consider in granting a modification request.
- Judicial approaches typically depend on whether incarceration is viewed as voluntary unemployment that is due to their own criminal action or whether it is viewed as distinct from typical unemployment because the incarcerated individual does not have the means to alter their employment situation.
- A Massachusetts study found that a sample of parents entering prison there owed an average of $10,543 in child support upon entry. After serving their sentence with no downward adjustment to the child support order, these parents would accumulate another $20,461 in child support debt, $6,254 in interest and $3,128 in penalty charges. A study in Colorado had similar results.
- In Colorado, 18% of total state child support arrears were owed by individuals for whom a mention of incarceration was noted in the child support case record. In the state of Washington, 30.6% of cases with arrears of $500 or more and no payments for a period of six months involved noncustodial parents with prison records.
- Most states do not have a mechanism by which the child support agency can communicate with incarcerated parents about their cases. In Colorado, of 213 incarcerated parents who were invited by mail to apply for a review and adjustment of their order, forty-one percent did not respond or could not be located due to the continual movement of prisoners within the prison system.
- No state automatically modifies an incarcerated parent’s child support order when the parent enters prison, and only a few states have passed laws or administrative rules that address how to deal with child support orders for incarcerated parents, or provide greater uniformity for doing so.
- The process for filing a modification request is lengthy and cumbersome, and responses are highly variable. Modification requests filed by Colorado inmates in a demonstration project took an average of ninety-four days to be processed, and nearly half of the requests were still pending when the six-month project ended.


**Rockefeller Institute Issues Report on Faith-Based Initiative**

The Rockefeller Institute Roundtable on Religion and Social Policy has released a report, *The Expanding Administrative Presidency: George W. Bush and the Faith-Based Initiative*, that documents the means by which the Bush administration has made dramatic changes in federal programs to implement its faith-based initiative despite a lack of congressional action on the administration’s legislative proposals. Among the report’s findings:
• The Bush administration prohibits the direct use of funds for “inherently religious” activities. This narrow restriction leaves open many types of services and mechanisms for funding that allow for religious activities that have not been previously considered constitutional.

• The administration has utilized executive orders, rule changes, and managerial realignment in federal agencies along with other prerogatives of the office to advance the initiative.

• Regulatory changes that have been made include:
  ◦ Federally funded faith-based groups are now allowed to consider religion when employing staff.
  ◦ The Department of Justice now permits religious organizations to convert government-forfeited property to religious purposes after five years. Such a conversion was prohibited under former rules.
  ◦ The Department of Labor now allows students to use federal job-training vouchers to receive religious training leading to employment at a church, synagogue or other faith-based organization.

• In fiscal year 2003, funding outcomes under the initiative included:
  ◦ Of 28 new abstinence programs funded by the Department of Health and Human Services, at least 10 went to faith-based organizations.
  ◦ Of 52 organizations receiving mentoring grants in a 2003 funding cycle, 27 partner with churches.
  ◦ About 24% of competitive funds allocated by the Department of Housing and Urban Development in 2003 went to faith-based organizations. HUD also doubled its funding to first-time faith-based grantees, from $56 million to $113 million.
  ◦ The Department of Labor awarded $17.5 million in July 2002 to 9 intermediary organizations to provide technical assistance to faith-based and community organizations that act as conduits between unemployed residents of low-income neighborhoods and One-Stop Career Centers.

• Tracking funding of faith-based organizations is difficult because the majority of federal funding for such purposes is provided to state and local governments where it is distributed to programs, and documentation of whether those programs are religious or secular is spotty.

• Despite the administration’s stated priority for reducing government, a new layer of bureaucracy has been created with the Faith-Based initiative. Ten Centers for Faith-Based and Community Initiatives have been established in federal programs through executive order, and many other federal entities have been enlisted to advance the initiative.

The full report is available at [www.religionandsocialpolicy.org](http://www.religionandsocialpolicy.org).

**CBO Report Confirms Bush Tax Cuts Favor Top 1% of Income; Census, TANF and Unemployment Data Show Rise in Poverty**

The nonpartisan Congressional Budget Office (CBO) has released a report, *Effective Federal Tax Rates Under Current Law, 2001 to 2014*, that calculates the impact of tax cuts passed under the Bush administration. Also, the Census Bureau has released figures on poverty in the U.S. and the U.S. Department of Health and Human Services (HHS) has released its 2003 TANF caseload report.

The CBO report finds that:

• One-third of the tax cuts have benefited households with income in the top 1% of all U.S. income. The top 1% represents households with income that averages $1.2 million
annually. The average tax cut for this group was $78,460.

• Approximately two-thirds of the tax cuts went to households with income in the top 20% of earnings, with an average income of $203,740.
• Families with income in the lowest 20% of earnings received an average tax cut of $250.

The report is available at www.cbo.gov.

According to the Census Bureau report:

• Nearly 36 million, or 12.5% of Americans had incomes below the poverty level in 2002, an increase of 700,000 from the previous year.
• The number of poor children rose by 800,000 from 2002 to 2003, increasing from 16.7% to 17.6% of children under the age of eighteen.
• The income gap between genders grew for the first time since 1998-1999. Women earned an average of 76 cents for every dollar earned by men, down from 77 cents in 2002.
• 1.4 million more people were without health insurance coverage in 2003 than in 2002. The percentage without insurance increased from 15.2 to 15.6 percent in that time period.


HHS has released TANF caseload figures that reveal that the number of families and individuals participating in the TANF program continues to drop. In 2003, almost 149,000 individuals were dropped from the TANF program. While the administration attributes the decline to rising self-sufficiency, the Center on Budget and Policy Priorities (CBPP) notes that the HHS news release fails to acknowledge that:

• The unemployment rate among single mothers rose from 9.5% to 10.2% during this same time period.
• Food stamp and Medicaid caseloads, programs that also reflect the status of low-income families but that have not undergone caseload reduction strategies, grew in 2003.
• The caseload drop can more likely be viewed as troubling given the rise in jobless single mothers and the decline in the number of payroll jobs in the economy overall.

The CBPP report is available at www.cbpp.org.