

# Child Support Report

OFFICE OF CHILD SUPPORT ENFORCEMENT



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## Memories From New Mexico: 'Balancing Act' Makes a Difference in People's Lives

By Debra Taylor

New Mexico Child Support Enforcement Division

For many dedicated child support professionals, working for the program is a calling. This job takes some unique talents: establishing and collecting child support obligations balanced with a truly caring approach to sensitive and emotional family issues. We are both social workers and debt collectors, and that is quite a balancing act! The rewards for successfully walking this tight rope are infinite, and not all quantifiable. The New Mexico Child Support Enforcement Division collected over \$115.4 million this year, which is quantifiable. The difference we make in people's lives every day is not so easily tallied!

Looking back (9 years and a few thousand customers ago), I can recall many instances where our team made a difference in the lives of New Mexico families. One of my most rewarding experiences involved one noncustodial parent, three cases, three mothers and eight children. The noncustodial parent was desperate because he could not pay his child support and the amount of arrears had grown to over \$250,000. He was afraid to speak to the mothers or the children; he felt so guilty. He loved his children dearly, and formerly had a good relationship with the custodial parents. He felt overwhelmed, desperate, and that he had no one to turn to for help.

Our staff stepped up to the plate. Coordinating our efforts and using our brand new arrears management program (the Fresh Start Program), we could forgive all of the arrears owed to the state and modify all court orders in line with his earnings. We worked one-on-one with the custodial parents, who were very thankful for the help.

We restored the father's driver's license so he could obtain employment. The noncustodial parent's child support payments were reduced to a manageable amount, and he restored his relationships with his children and their mothers.

This gentleman traveled to my office in Santa Fe to thank me. He cried, and hugged and thanked me for caring enough to help him, and more importantly, his children. To this day, he pays his child support, provides medical support, and has fulfilled the obligations on one of his



Debra Taylor

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

## Expectations and Endeavors in Tough Times



Recently, OCSE published our federal [FY 2009 preliminary report](#), a compilation of federal, state and tribal data. OCSE's statistical reports are a great resource for Congress and the child support community. I've used them for years, long before I came to OCSE.

Our data tells the story. The article on the next page presents a discouraging fact: FY 2009 was the first year that national collections declined since the child support program began. Were we surprised? Unfortunately, no. We expected that the widespread loss of jobs held by noncustodial parents would take its toll on child support numbers and families alike.

We know that the nation's unemployment rate directly impacts the child support collection rate. As the article points out, the program collected a substantially larger share of child support through offsets to unemployment insurance payments in FY 2009. And one statistic that's not in the OCSE statistical report: the number of jobs submitted to the National Directory of New Hires dropped from 56 million in calendar year 2008 to 45 million in 2009. We see a very real picture of the hardships experienced by many families in our program.

According to the Urban Institute, child support now represents 40 percent of the income of poor custodial families that receive it. Isn't that remarkable? Yet, in

many families that rely on child support payments, one or both parents have lost jobs or experienced cutbacks in hours. This severe financial pressure can create extra relationship stresses between parents.

To try to address the unemployment situation, child support agencies have put resources and resourcefulness into helping parents through this painful period, including initiatives to modify child support orders. Child support managers have shared their experiences and learned from one another. Even though states have experienced difficult budget cutbacks of their own, I see and hear a determination to increase program efficiency in order to maintain services to families.

But now, here is hopeful news in the NDNH data: new hire (W-4) reports were up by .7 percent in the second quarter and 12.2 percent in the third quarter of FY 2010. And collections are coming back up, too.

We will get through this period. By keeping the focus on families, and using the data to get a clear picture, we will find ways to innovate and streamline to carry out our mission of supporting kids. Thank you for the work you do every day to keep it all going.

*Vicki Turetsky*

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cases. He calls me periodically to relate stories about his son's graduation from high school or his daughter's engagement. This gentleman's perception of our staff is that we care about him, and not just his money.

During presentations to new employees, my closing line is always: "Remember at the end of the day that no matter how hard your day was, you made a difference in someone's life today." I am proud of our agency, our staff and the difference we make, and that we remember we are dealing with people and not just numbers.

**See more reflections from child support professionals on page 8.**

### Share Your Reflections

The *Child Support Report* wants to hear from you—the child support professionals around the country. Tell us about major and minor accomplishments you have witnessed in the program—at the federal, state, tribal or local level; in a judicial setting; or in a national or community organization. Send your reflections (up to 250 words) to the editor at [elaine.blackman@acf.hhs.gov](mailto:elaine.blackman@acf.hhs.gov). The *Child Support Report* will share them through the rest of this 35th anniversary year.



**Please include your name, place of work and a photo of yourself. (Photo is optional.)**



## Fiscal Year 2009 Economic Climate

### National Collections Down For First Time, Offset Collections Remain Up

OCSE's recently published annual [statistical report](#) on national performance shows that child support collections in fiscal year 2009 decreased for the first time in the program's 35-year history. Collections in fiscal year 2009 totaled \$26.4 billion; down .7 percent from fiscal year 2008.

The statistical report shows a slight increase in paternities established or acknowledged, but a larger than normal increase in orders established during fiscal year 2009. More than 1.8 million paternities were established or acknowledged, a .7 percent increase from 2008.

Child support orders established reached 1.3 million, a 6.3 percent increase from 2008—and the largest increase since fiscal year 1998. The child support program caseload increased .8 percent for the first time in 2 years, to 15.8 million cases.

The OCSE data report shows that state child support agencies collected \$1.7 billion through unemployment compensation offset in fiscal year 2009—about triple the 2008 total—or 5.3 percent of the nation's total collections.

#### Tribal Programs

Tribal child support program collections dropped as well; 36 comprehensive tribal child support programs in fiscal year 2009 collected more than \$19 million—a 3.7 percent decrease from 2008. And the tribal program caseload increased 22.8 percent. Children with paternity established increased 7.3 percent, and support orders

established increased 21.5 percent (almost 18,000) from 2008.

#### Federal Offset Program

While states and tribes collected fewer child support dollars from noncustodial parents in fiscal year 2009, the Federal Offset program collected \$2.19 billion during the same period, making federal tax and administrative offsets a noteworthy source of the total collections.

The offset program's annual collections have steadily increased over the past decade; however, 2009 was only the second year they surpassed \$2 billion (in 2008, they reached \$2.82 billion). The offset program collected this amount from more than 2.1 million income tax refund and administrative offsets to forward to custodial parents owed past-due support.

Sources for these collections included noncustodial parents' federal income tax refunds, administrative non-tax payments and the one-time \$250 economic recovery payments issued as part of the 2009 American Recovery and Reinvestment Act.

Another source of child support collections stemmed from the intercept of farm subsidy payments through the U.S. Department of Agriculture Farm Service Agency Commodity Credit Corporation. Collections from these payments during September through December 2009 totaled more than \$1.14 million.

See the [OCSE FY 2009 Preliminary Report](#) on the website.

# Task Force Issues Final Report on Underground Economy



By Daniel Bauer

Michigan State Court Administrative Office

*The Child Support Report first reported on Michigan's efforts to study the underground economy in July 2009. The article summarized the task force and announced its intention to release a final report in 2010. This June, Michigan Supreme Court Justice Maura D. Corrigan presented the final report to the National Judicial Child Support Task Force at its meeting in New Orleans.*

The IRS describes the underground economy as “the value of goods and services that elude official measurement.” (See [Reducing the Federal Tax Gap: A Report on Improving Voluntary Compliance \(2007\)](#), page 6.) This brief definition glosses over the scope and nature of the underground economy, which can range from the seemingly innocent, such as selling flowers on street corners, to the deceptive, such as using sophisticated computer software to create dual receipts for transactions—one receipt for the buyer and a lower-amount receipt for the auditor. Other examples of underground activities include:

- Registering and using formal barter exchange programs;
- Misclassifying employees as independent contractors to avoid paying Social Security and workers' compensation taxes; and
- Paying employees' salaries in cash.

When people participate in the underground economy, everyone suffers through decreased tax collection. The IRS estimates the annual tax gap at \$345 billion. If underground economy participants owe child support, their children may suffer from nonpayment or reduced payments. Current arrearages nationally are estimated at \$105.5 billion. Children also suffer from a loss of relationship with those parents—who may fear that interaction with their children will reveal their underground activities. The task force identified numerous ways child support and tax professionals can:

- Prevent people from entering the underground economy;
- Collaborate with local, state, and federal governments and organizations to share information on those engaged in the underground economy; and
- Enforce against those in the underground economy in a way that makes it more advantageous to operate “above ground.”

## Principles Recommended

The 30-page [final report](#) identifies 14 principles in the areas mentioned above. A recommendation follows each principle, with a detailed discussion about the benefits and potential downsides of implementation.

One recommendation is to begin tracking the current support and arrears collection percentages on orders established through nonparticipating-defendant default judgment. Many child support professionals believe that noncustodial parents subject to default-establishment orders do not pay as much current support and do not pay towards arrears. The task force recommends tracking this information to determine whether that conventional wisdom is true.

Another recommendation is that local child support professionals study IRS “Financial Investigative Techniques.” The child support professionals who have taken this course have learned many techniques they could use in their cases.

Finally, the task force recommends tougher penalties on employers who facilitate the underground economy by proposing legislation to make the employer liable for the employee's share of unpaid taxes and child support for the duration of the unreported employment. Such legislation would increase the financial penalties on employers for failing to report wages, perhaps motivating some to reconsider the financial benefits of paying cash.

## Search for Solutions

The task force included more than 60 recommendations in the report. Will each recommendation work in every child support office in the nation? The report's conclusion answers this question best:

“This report offers recommendations to governments at the local, state, and federal levels. Some recommendations could be implemented immediately. Some may require specific authorizing legislation. Others may languish for lack of funding. And some will become the subjects of vigorous debates about their wisdom. No member of

this task force believes that the underground economy would disappear, even with the adoption of all these recommendations. We hope, however, that we have advanced the search for solutions to the underground economy problem.”

After reading the report, if you have questions or comments, please e-mail [UETaskForce@courts.mi.gov](mailto:UETaskForce@courts.mi.gov).

## Passport Denial Program

### Hot Hot Hot



State child support collections from passport denial heated up this summer along with record breaking temperatures. By early July, California reported five collections over \$60,000—two of them at \$148,000 and \$145,000; the latter is going toward the child’s education. The noncustodial parents needed their passports to travel for graduations, weddings, employment opportunities and more.

- California \$148,000: Missionary to return to the Far East for work
- California \$145,000: Employment overseas; the custodial party will use the money for her daughter’s education
- California \$73,000: Visiting family in Central America
- California \$64,000: Traveling to Northern Europe for daughter’s graduation
- California \$60,000: Employed in the Far East
- Washington \$46,000: Employment opportunity in East Asia
- Maryland \$40,000: Vacation
- South Carolina \$40,000: Employment in South America
- Tennessee \$40,000: Educator in the Middle East
- Hawaii \$35,000: Lives and works in East Asia
- Minnesota \$34,000: Vacation

- Connecticut \$32,000: Business trip to Europe
- Minnesota \$29,000: Noncustodial parent’s employer paid the past-due child support in full so he could report to work in the Middle East
- Nevada \$28,000: Employment overseas
- Maine \$25,000: Wanted a passport
- Alabama \$24,000: Working in the Middle East when passport needed renewal
- Oklahoma \$23,000: Visit relatives in the Middle East
- Georgia \$21,000: Paid off past-due child support debt with insurance settlement money
- Tennessee \$21,000: Band member for famous female singer touring overseas
- Illinois \$20,000: Employment in Canada
- Puerto Rico \$15,000: Needed passport renewed while vacationing in the Caribbean
- Virginia \$10,000: Bringing fiancé back to United States for wedding

This year, states voluntarily reported passport denial collections of more than \$13 million, while collections since program inception in 1998 total more than \$203 million.

To report a success story, please contact Rebecca Hamil at [rebecca.hamilton@acf.hhs.gov](mailto:rebecca.hamilton@acf.hhs.gov).

## Ohio Gets to the Roots to Reach Hispanic Communities

By Jeffrey Aldridge  
*Ohio Office of Child Support*

The Ohio Office of Child Support has been stepping up outreach to the Hispanic community. We know that due to ethnic, cultural and language differences, certain populations find it more difficult to understand the requirements of government programs. Therefore, we believe greater efforts to reach as broad a customer base as possible should be an integral part of our basic services.

The goal of one of these efforts is to reach out to the Hispanic community through its grassroots organizations. The office team that handles education, outreach and grants management, led by Athena Riley and Kimberly Dent, is collaborating with the department's Hispanic migrant and seasonal farm worker advocate, Benito Lucio, to develop partnerships with Hispanic community leaders.

Meanwhile, the state's local child support enforcement agencies are working to localize initiatives to reach out to their Hispanic communities. Lucio has fostered many discussions about the barriers, myths and lack of knowledge about the services offered by the local child support agency, in addition to the Hispanic community's fears of the child support program.

### Child Support Awareness Month

August is Child Support Awareness Month in Ohio. For this occasion each year, a committee of members from the local child support agencies, the Ohio County Director's Association, and the Office of External Affairs contribute to developing an annual theme, marketing materials, a Governor's proclamation and other creative activities that will generate a positive public awareness of Ohio's child support program.

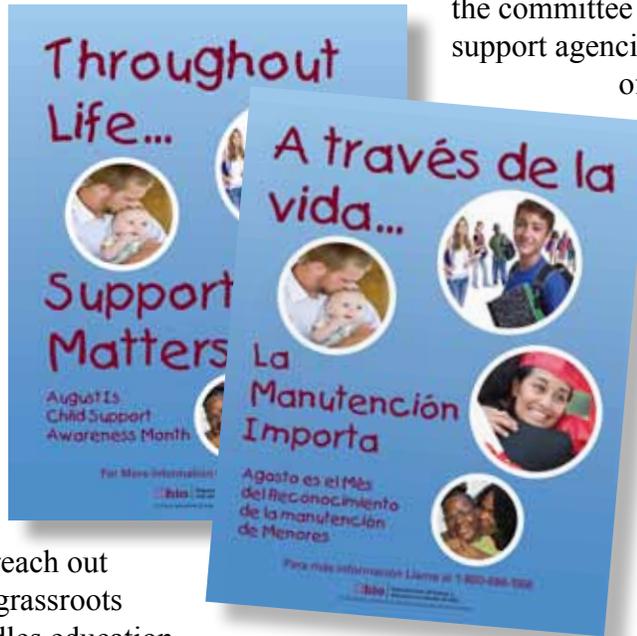
This year's theme is "Throughout Life...Support Matters." The English and Spanish posters, designed by the committee and sent to the 88 local child support agencies, recognize the importance of supporting our children

through the many phases of a child's life.

In addition, this year is the first that several Ohio counties are hosting "Hispanic event days" during August, including public service announcements, news articles in Spanish publications, radio spots, and conference presentations at a grassroots level to help spread the word about child support services.

The Ohio Office of Child Support plans to continue to step up our activities to break down barriers for children and families in its Hispanic communities. We have found the OCSE online Hispanic Resource Center and toolkit materials helpful in these efforts.

For additional information, please contact Athena Riley at [Athena.Riley@jfs.ohio.gov](mailto:Athena.Riley@jfs.ohio.gov) or 614-752-2649, or Kimberly Dent at [DentK@jfs.ohio.gov](mailto:DentK@jfs.ohio.gov) or 614-752-2918.



### Ohio's Hispanic Population

According to the U.S. Census Bureau, in the past decade, the Hispanic population in Ohio has increased by nearly 30 percent. The Hispanic population in Northeast Ohio specifically has grown 20,400 since 2000, while the non-Hispanic population has fallen by 78,800. Nearly 90 percent of Hispanic Ohioans live in urban areas of the state, with 3 of 10 living in the Cleveland, Columbus and Toledo areas.



## New Jersey's 15th Annual Teen Art Contest Celebrates Responsibilities of Parenthood

By Joe Travea

*New Jersey Office of Child Support Services*

The year was 1995; statistics indicated children born to unwed teens were rising at alarming rates. The New Jersey Office of Child Support Services in conjunction with the New Jersey Department of Human Services decided that a good way to educate teens on this issue was to sponsor an annual teen art contest. The contest would help reinforce its mission to install a sense of parental responsibility in teens using their own creativity.

The child support office provided themes for the students as a basis for their artwork. There were over 50 entries from 3 schools and the winner received a used computer. The contest has grown immensely over the years and now generates over 400 entries annually from New Jersey's middle and high schools.

For 2010, students were asked to create a piece of original hand-drawn artwork that compliments New Jersey's ongoing public awareness and outreach campaign: "Child Support, it's more than just money." This year's theme was "Define something your parents(s) do for or with you defining what 'home' means to you."

This year's six winners were honored at an awards ceremony at the statehouse on May 21. Winners included the top 3 high school and top 3 middle school submissions.

The event included the students and their families, teachers, principals, local dignitaries and invited press. Remarks were given by Jennifer Velez, Commissioner, Department of Human Services, and Alisha Griffin, Director of the Office of Child Support Services.

"This is one of my favorite events...It shows the creativity and emotions of our young people while instilling a very positive and hopefully lifelong message of the responsibilities, demands and joys of parenting," said Griffin.

Winners received a U.S. savings bond, a plaque and tickets to a theme park. The winning artwork was displayed in the corridors of the statehouse the week of May 24-28 and will be featured in the annual New Jersey Child Support 2011 calendar.



**Winners of the New Jersey Department of Human Services' 2010 Teen Art Contest, from left: Sayreville War Memorial High School student Adelaide Agyemang, Wall High School student Josh Aylett, New Jersey Department of Human Services Commissioner Jennifer Velez, New Jersey Office of Child Support Services Assistant Director Alisha Griffin, Carusi Middle School student Chasen Shao, Forrestdale School student Lauren Anne Mueller.**



# Your Reflections on 35 Years of the Program

## FINANCIAL JUSTICE FOR CHILDREN ...

Before coming to the Child Support Enforcement Division, I worked for many years as a legal services family lawyer, specializing in child support issues faced by victims of domestic violence. Without the child support enforcement program, families would be left to rely exclusively on a complex, overburdened and under-resourced court system to enforce their child support orders. Today more than ever, the court system is struggling to meet the needs of a growing population of pro se litigants that needs access to the judicial system, but does not have the resources to hire professional advocates.

I think one of the most significant accomplishments of the child support program is the way it has provided access to justice for more families than all the private, pro bono and legal services family lawyers combined. Whether by resolving legal issues through administrative processes or bringing cases to closure through the court process, the child support enforcement program has been and remains the single biggest advocate for financial justice for children—especially the poorest children—in our society.

Now that is something to be proud of!



**Peter Coulombe**  
Massachusetts Child Support Enforcement Program



**Athena Riley**  
Ohio Office of Child Support

## REFRESHING TO SEE PROGRAM EVOLVE ...

In the early '80s, I was an administrator with the child support program in Mahoning County, Ohio. The state program served as a collection agency with very little regard for the stability of the family. There was no visitation program and state child support staff could not discuss visitation with the noncustodial parent.

Over the years, it has been refreshing to see the child support program evolve and reach out to noncustodial parents, and to see so many of these parents grow to understand the importance of their presence in a child's life. Now working for the state child support office, I co-chair a committee with the Department of Rehabilitation and Correction.

Through this collaboration, my colleague and I have visited several prisons this year to ensure that inmates and their caseworkers are aware of the child support services that may be available to them. Our federally funded Access and Visitation program educates noncustodial parents and creates a safe environment for them to spend time with their children.

During August—Child Support Awareness Month—we acknowledge and celebrate parents who have provided a solid foundation for their children. Providing support for our children promotes good self-esteem, healthy relationships and an opportunity for a better quality of life. Our program continues to grow and we appreciate parents who are deeply committed to the success of their children.



# Your Reflections on 35 Years of the Program

Reflections

## RAPIDLY CHANGING TECHNOLOGY

Dramatic changes have occurred since the federal child support program began 35 years ago. Many of these changes are the result of rapidly changing technology.

When I came to the Georgia child support program in 1986, I was excited that I had my very own electric typewriter. Everything was done manually. There were no desktop computers within the agency. Paper checks were mailed out to customers once a month. There was no contact center to handle customer service issues. Online services and debit cards were not even thought of.

By the mid-1990s, Georgia had one of the first federally certified computer systems, and the changes kept coming faster and faster. Technology has changed our work and how we do the work. Different skill sets are needed for caseworkers and managers. Child support payments are distributed to families every day by debit cards and direct deposit. Customers are served faster. Online services keep expanding.

Reflecting on my 24 years with the child support program, it is truly amazing how far the program has advanced and how many families have been helped.

## A LONG WAY, BABY ...

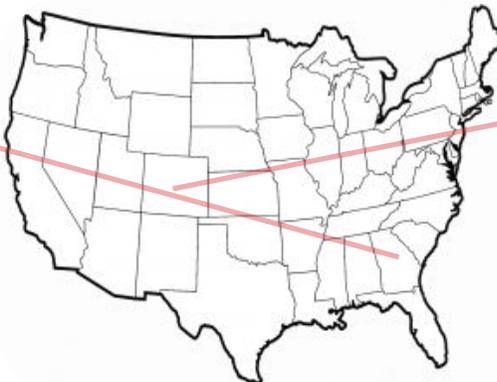
I remember walking into the one-man child support office in Southern Colorado for the first time. Everyone was in a panic! The state of Colorado was converting its child support program to an automated system. The person who managed child support since its inception in that small county got wind of the state automation and began his retirement ... piles of cases were being converted ... fear that if we didn't hang on to those old hard files we would face self destruction in the very near future. Managing an online case file and managing a paper file! Intrastate cases ... court orders in several counties ... trying to determine which order was the enforceable order. URESA (Uniform Reciprocal Enforcement of Support Act) ... which state order was the enforceable order.

And today, not only do we have UIFSA (Uniform Interstate Family Support Act), we communicate state-to-state via CSENet, and we rely on automated locates to manage our cases. It is a rare occasion that we have to type an actual letter. We look at court minutes online; no more hard copies.

Today we can focus on the important aspects of our jobs, the lives we touch. We are able to manage our time in such a way that we can allow personal and professional growth in areas that most benefit the customer base—there is an example of our growth; it was “clients,” not “customers.” That alone speaks volumes. Yes, we have come a long way, baby!



**Gary Driggers**  
Georgia Division of  
Child Support Services



**Lydia Martinez**  
Denver County,  
CO, Child Support  
Enforcement



## MAJOR POLICY SHIFTS IN THE 1980s ...

I was with the Child Support Enforcement program nearly continuously from 1979-2004 (with a detour into AFDC/ JOBS and the Child Care program for a couple of years). What always enthused me about the work as a regional program liaison to states were the major shifts in program policy and emphasis as it matured.

One of the most interesting (and to the states, radical) shifts occurred in the mid-'80s with amendments that required administrative procedures to establish and enforce child support obligations as well as the wage attachment provisions to collect support. It's an understatement to note that all three branches of state government were resistant to the extensive federal mandates for various reasons and difficult negotiations conducted as tactfully as possible were essential to bring states into compliance.

There were many similar challenges with the Welfare Reform Act of '96 and automated systems requirements through the '90s - '00s but, the rewards from the evolution of the child support enforcement program to the levels it has attained are incredibly gratifying to observe.



**Diane Schwartz**  
Retired, OCSE  
Region II



HealthCare.gov

HHS recently launched [www.HealthCare.gov](http://www.HealthCare.gov), the first central database of health coverage options. It combines information about public programs, from Medicare to the new Pre-Existing Conditions Insurance Plan, with information from more than 1,000 private insurance plans.

You can enter information about an individual or family, by state, and find a range of coverage options. The site will grow over time in response to consumer feedback and new information; price estimates for health insurance plans will be added in October. The site has become the complete source for information about health reform implementation, and even includes personalized health tips.



## Child Support Report

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