

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT  
PROGRAMS

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FY 2015 BUDGET

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ADMINISTRATION FOR CHILDREN AND FAMILIES  
 Payments to States for Child Support Enforcement and Family Support Programs

**FY 2015 Proposed Appropriation Language and Language Analysis**

For carrying out, except as otherwise provided, [under] titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 [\$2,965,245,000] (24 U.S.C. 321-329), \$2,438,523,000, to remain available until expended; and for such purposes for the first quarter of fiscal year [2015, \$1,250,000,000] 2016, \$1,160,000,000 to remain available until expended.

For [making] *carrying out*, after May 31 of the current fiscal year, [payments to States or other nonfederal entities under] *except as otherwise provided*, titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. 321-329), for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

(Department of Health and Human Services Appropriations Act, 2014)

<b>Language Provision</b>	<b>Explanation</b>
[under]	This word should have been removed in the change put forth for the FY 2014 PB as it is no longer necessary when paired with "For carrying out".
(24 U.S.C. 321-329),	Clarifies that the relevant provisions are codified in 24 U.S.C. 321-329
For [making] <i>carrying out</i> , after May 31 of the current fiscal year, [payments][to States or other non-Federal entities under] <i>except as otherwise provided</i>	Technical correction to match the language in both sections of the appropriation to clarify that the entire appropriation is available for the same activities and that funds are not available for the purpose of supplanting or supplementing other funds/purposes already provided elsewhere in law.
and the Act of July 5, 1960 (24 U.S.C. 321-329),	Clarifies that the relevant provisions are codified in 24 U.S.C. 321-329

ADMINISTRATION FOR CHILDREN AND FAMILIES  
Payments to States for Child Support Enforcement and Family Support Programs

**Authorizing Legislation**

	FY 2014 Amount Authorized	FY 2014 Enacted	FY 2015 Amount Authorized	FY 2015 Budget Request
Payments to States for Child Support Enforcement and Family Support Programs: Titles I, IV-A and -D, X, XI, XIV and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. chapter 9)	Indefinite	\$4,065,245,000	Indefinite	\$3,698,523,000

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**Appropriations History Table**

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>Appropriation</u>
2005		
Appropriation	2,825,802,000	2,873,802,000
Advance	1,200,000,000	1,200,000,000
Total	4,025,802,000	4,073,802,000
2006		
Appropriation	2,071,943,000	2,121,643,000
Advance	1,200,000,000	1,200,000,000
Total	3,271,943,000	3,321,643,000
2007		
Appropriation	2,759,997,000	3,199,104,000
Advance	1,200,000,000	1,200,000,000
Total	3,959,997,000	4,399,104,000
2008		
Appropriation	2,957,713,000	2,949,713,000
Advance	1,000,000,000	1,000,000,000
Indefinite		323,164,000
Total	3,957,013,000	4,272,877,000
2009		
Appropriation	2,766,378,000	2,759,078,000
Advance	1,000,000,000	1,000,000,000
Indefinite		557,621,000
Total	3,766,378,000	4,316,699,000
2010		
Appropriation	3,574,509,000	3,571,509,000
Advance	1,000,000,000	1,000,000,000
Indefinite		94,174,000
Total	4,574,509,000	4,665,683,000
2011		

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>Appropriation</u>
Appropriation	3,154,814,000	
Advance	1,100,000,000	1,100,000,000
Indefinite		3,059,464,000
Total	4,254,814,000	4,159,464,000
2012		
Appropriation	2,305,035,000	2,305,035,000
Advance	1,200,000,000	1,200,000,000
Indefinite		331,077,000
Total	3,505,035,000	3,836,112,000
2013		
Appropriation	2,903,752,000	
Advance	1,100,000,000	1,100,000,000
Indefinite		2,901,179,000
Total	4,003,752,000	4,001,179,000
2014		
Appropriation	2,975,245,000	2,975,245,000
Advance	1,100,000,000	1,100,000,000
Total	4,065,245,000	4,065,245,000
2015		
Appropriation	2,448,523,000	
Advance	1,250,000,000	
Total	3,698,523,000	
2016		
Appropriation	1,160,000,000	
Advance		
Total		

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 Payments to States for Child Support Enforcement and Family Support Programs

**Amounts Available for Obligation**

<u>Budgetary Resources</u>	FY 2013 <u>Actual</u>	FY 2014 <u>Enacted</u>	FY 2015 <u>Current Law</u>	FY 2015 <u>President's Budget</u>
Advance, B.A.	\$1,100,000,000	\$1,100,000,000	\$1,250,000,000	\$1,250,000,000
Definite, B.A.	0	2,965,245,000	2,438,523,000	2,448,523,000
Indefinite, B.A.	2,901,230,000	0	0	0
Sequestration	-51,000	-72,000	0	0
<b>Subtotal, Net Budget Authority</b>	<b>\$4,001,179,000</b>	<b>\$4,065,173,000</b>	<b>\$3,688,523,000</b>	<b>\$3,698,523,000</b>
Offsetting Collections from Non-Federal Funds	6,522,000	22,157,000	5,814,000	5,814,000
Unobligated balance, start of year	1,157,000	0	68,378,000	68,378,000
Recoveries of prior year obligations	268,723,000	200,000,000	200,000,000	200,000,000
Unobligated balance, end of year	0	-68,378,000	0	0
<b>Total Obligations</b>	<b>\$4,277,581,000</b>	<b>\$4,218,952,000</b>	<b>\$3,962,715,000</b>	<b>\$3,972,715,000</b>
<i>Advance Requested for FY 2016</i>			<i>\$1,160,000,000</i>	<i>\$1,160,000,000</i>

ADMINISTRATION FOR CHILDREN AND FAMILIES  
 Payments to States for Child Support Enforcement and Family Support Programs

**Obligations by Activity**

<u>Activity</u>	<u>FY 2013 Enacted</u>	<u>FY 2014 Enacted</u>	<u>FY 2015 Current Law</u>	<u>FY 2015 President's Budget</u>
<u>Child Support Enforcement</u>				
State Child Support Administrative Costs	\$3,723,766,000	\$3,655,404,000	\$3,391,747,000	\$3,401,747,000
Federal Incentive Payments to States	510,130,000	519,692,000	526,968,000	526,968,000
Access and Visitation Grants	10,000,000	10,000,000	10,000,000	10,000,000
Subtotal, Child Support Enforcement	4,243,896,000	4,185,096,000	3,928,715,000	3,938,715,000
<u>Other Programs</u>				
Payments to Territories - Adults	32,732,000	33,000,000	33,000,000	33,000,000
Repatriation	952,000	928,000	1,000,000	1,000,000
Subtotal, Other Programs	33,684,000	33,928,000	34,000,000	34,000,000
<b>Total, Obligations</b>	<b>\$4,277,581,000</b>	<b>\$4,219,024,000</b>	<b>\$3,962,715,000</b>	<b>\$3,972,715,000</b>
<i>Advance Requested for FY 2016</i>			<i>\$1,160,000,000</i>	<i>\$1,160,000,000</i>

ADMINISTRATION FOR CHILDREN AND FAMILIES  
 Payments to States for Child Support Enforcement and Family Support Programs

**Summary of Changes**

FY 2014 Current Law		
Total estimated budget authority		\$4,065,245,000
(Obligations)		(\$4,219,024,000)
FY 2015 Estimate		
Total estimated budget authority		\$3,698,523,000
(Obligations)		(\$3,972,715,000)
Net change		-\$366,722,000

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<u>Description of Changes</u>	<u>FY 2014 Current Law</u>	<u>Change from Base</u>
<u>Increases:</u>		
A. <u>Built-in:</u>		
1) <b>Federal Incentive Payments to States:</b> Adjustment to incentive pool based on CPI-U.	\$519,692,000	+\$7,276,000
2) <b>Repatriation:</b> Technical Baseline Change.	\$928,000	+\$72,000
Subtotal, Built-in Increases		+\$7,348,000
B. <u>Program:</u>		
1) <b>State Child Support Administrative Costs:</b> Impact of policy in FY2015.	\$3,501,625,000	+\$10,000,000
Subtotal, Program Increases		+\$10,000,000
Total, Increases		+\$17,348,000
<u>Decreases:</u>		
A. <u>Built-in:</u>		
1) <b>State Child Support Administrative Costs:</b> Technical baseline change.	\$3,501,625,000	-\$384,070,000
Subtotal, Built-in Decreases		-\$384,070,000
Total, Decreases		-\$384,070,000
Net Change		-\$366,722,000

ADMINISTRATION FOR CHILDREN AND FAMILIES  
 Payments to States for Child Support Enforcement and Family Support Programs

**Justification**

Funding Level	FY 2013 Enacted	FY 2014 Enacted	FY 2015 President's Budget	Change From FY 2014 Enacted
Total, Budget Authority	\$4,001,179,000	\$4,065,245,000	\$3,698,523,000	-\$366,722,000
Total, Obligations	\$4,277,581,000	\$4,219,024,000	\$3,972,715,000	-\$246,309,000

Authorizing Legislation ‘-‘ Titles I, IV-A and IV-D, X, XI, XIV and XVI of the Social Security Act

2015 Authorization ..... Indefinite with legislative changes pending Congressional action, except as identified in Sections 1113 and 1603 of the Social Security Act

Allocation Method ..... Formula Grant

**General Statement**

The Payments to States for Child Support Enforcement and Family Support Programs support state-administered programs of financial assistance and services for low-income families to promote their economic security and self-sufficiency. In FY 2015, four programs will be funded: (1) state and tribal administrative expenses and incentive payments to states to provide child support services; (2) access and visitation grants to enable states to establish and administer programs to support and facilitate non-custodial parents’ access to and visitation of their children; (3) payments for adult-only benefits under assistance programs for the aged, blind, and disabled residents of Guam, Puerto Rico, and the Virgin Islands; and (4) temporary cash and services for repatriated U.S. citizens and dependents returned from foreign countries as a result of illness, destitution, war, or other crisis.

**Program Description and Accomplishments –**

Child Support Programs – The Child Support Program supports federal, state, and tribal efforts to foster parental responsibility and promote family self-sufficiency by ensuring that both parents support their children financially and emotionally. The program has a commitment to increasing the reliability of support payments throughout childhood. Child Support agencies locate non-custodial parents, determine paternity when necessary, and establish and enforce orders for support. The program has evolved over the past decade to become more successful in helping parents work together to support their children and ensuring that low-income noncustodial parents can secure the resources they need to provide for their children. A growing body of research supports the effectiveness of a range of strategies that child support agencies can utilize to help strengthen the ability and willingness of noncustodial parents to support their children (and hence move more nonpaying cases into payment status). As a result, many state child support programs have implemented cost-effective and family-centered strategies that complement traditional law enforcement practices, particularly for those parents who have limited incomes and who face multiple challenges to supporting their children. For example, state and local Child Support agencies now engage in outreach, referral, case management and other activities in partnership with veterans,

fatherhood, workforce, prisoner reentry, child welfare, and domestic violence programs to increase the ability of parents to support their children.

The Administration for Children and Families' strategic goal of increasing economic independence and productivity for families includes increasing reliable income through the enforcement of support. Child support provides about 40 percent of family income for the poor families who receive it, and 10 percent of income for all poor custodial families. As a result of federal legislative changes in 1996 and 2006, the program distributed 94 percent of collections directly to children and families in FY 2012 (\$26 billion); federal and state governments retained less than \$1.6 billion for cost recovery. In families that have never received Temporary Assistance for Needy Families (TANF), the program sends collections directly to the custodial family. Families receiving TANF are required to assign their rights to support to the state as a condition of receipt of assistance; however, states may choose to distribute all of these collections to families instead of reimbursing the state and federal governments (with federal cost sharing of amounts disregarded and passed through to families of up to \$100 for one child and \$200 for two or more children).

The federal government provides funding through a 66 percent match rate for general state administrative costs. Additionally, the federal government provides incentive payments that are based on state performance. The total amount of incentives provided to states is based on a formula set in statute and is estimated at \$555 million for FY 2015.

Federally recognized Indian tribes and Alaska Native organizations are eligible to apply for direct funding for child support programs. Those with approved applications receive 90 percent federal funding of their program needs for the first three years and 80 percent federal funding thereafter. Tribes also may apply for two-year start-up grants. There are currently 61 tribes receiving funding to operate child support programs, including 51 tribes operating fully comprehensive child support programs and 10 tribes receiving start-up funding to establish programs.

Under the Child Support Performance Incentive Act of 1998 (CSPIA), states receive performance-based funding and are subject to performance penalties based on five measures related to paternity establishment, order establishment, current support collections, collection of arrears payments, and cost-efficiency. Since enactment of CSPIA, both program performance and investment of state dollars in the program substantially increased until 2009. The economic downturn and reduced state program budgets have affected both state performance and investments.

Fiscal year 2012 marked the second year child support collections continued to recover after two years of stagnant collections during the economic downturn. The rate of growth in collections has largely been declining over the last decade, but that decline was accelerated during the recession as high unemployment impacted noncustodial parent's ability to pay child support. In FY 2012, child support distributed collections increased by 1.5 percent from FY 2011 to \$27.7 billion, as compared to a 3 percent increase between FY 2010 and FY 2011 and pre-recession growth rates that averaged 6 percent since 2000. The slowing growth rate of collections in FY 2012 over FY 2011 is consistent with observed evidence that points to significant economic struggles among the families we serve and continued challenges for state child support program budgets.

Some State Child Support programs have had to contend with major fiscal challenges, including constrained state budgets, declining federal assistance, and rising administrative costs. However, the impact of these challenges varies considerably from state to state. On the expenditures side, while 16 states and territories increased child support personnel since FY 2008, 37 states realized reductions in the number of full time equivalent staff resulting in a net decline of 9 percentage-points, adding additional pressure to some state programs.

Despite these challenges, the Child Support Program has prioritized and worked hard to bolster the rate of current support collections. The federal Child Support Program and state child support agencies have a wide variety of strategies to increase collections, including income withholding, unemployment compensation interception, state or federal tax refund offsets, early intervention approaches which facilitate stable employment for non-custodial parents, and new evidence-based strategies to remove barriers to reliable payments. Emerging research finds that providing employment services as part of a case management strategy can increase the amount and regularity of support payments.

In FY 2014, the Office of Child Support Enforcement plans to publish a proposed rule for public comment that will make child support program operations and enforcement procedures more flexible and more efficient by recognizing advancements in technology and the move toward electronic communications and document management. The regulation will improve and simplify program operations, remove outmoded limitations to program innovation to better serve families, and clarify and correct technical provisions in existing regulations. Implementation of the final rule is expected to begin in FY 2015.

The Child Support Program is laying the groundwork to facilitate health care coverage for eligible uninsured children, mothers, and fathers in the Child Support Program by providing policy flexibility to states to facilitate their enrollment, promoting outreach directly and through partnerships, and supporting data sharing, all in coordination with the Center for Medicaid, CHIP and Survey & Certification (CMCS), the Center for Consumer Information and Insurance Oversight (CCIIO), and the Office of the National Coordinator for Health Information Technology (ONC). As part of its statutory responsibilities under title IV-D to obtain health care coverage for the children in its caseload, the Child Support Program is well-positioned to help all members of the family obtain health care coverage through education and outreach efforts.

Most of the families participating in the Child Support Program are low and moderate-income, and do not have access to affordable employer-sponsored health insurance. Families in the Child Support Program who do not have access to employer-sponsored health insurance are likely to be eligible for premium assistance or public coverage. Approximately half of families in the program are below 150 percent of the poverty level, while 90 percent are below 400 percent of poverty. Well over half (57 percent) of children in single parent families are already enrolled in Medicaid or CHIP. Among uninsured children in single parent families, an estimated 80 percent are eligible for Medicaid or CHIP. At the same time, the Child Support Program serves many low- and moderate-wage working families who do not receive any needs-based benefits. Some of these families have employer-sponsored health insurance, but some are uninsured and therefore may benefit from a broader range of coverage options.

Access and Visitation Grants – The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) created the Access and Visitation Grants program. Funding for the program began in FY 1997 with a capped entitlement of \$10 million. Each governor designated a state agency which uses these grant funds to establish and administer programs to support and facilitate non-custodial parents' access to and visitation with their children. The statute specifies certain activities which may be funded, including: voluntary and mandatory mediation, counseling, education, the development of parenting plans, supervised visitation, neutral drop-off and pick-up, and the development of guidelines for visitation and alternative custody arrangements. This funding is separate from funding for federal and state administration of the Child Support program.

Payments to Territories – Adults (Aged, Blind and Disabled) – State maintenance assistance programs for the aged, blind, and disabled were federalized under Title XVI of the Social Security Act (SSA) as the Supplemental Security Income program on January 1, 1974. A small residual program, however, remains

for the residents of Puerto Rico, Guam, and the Virgin Islands. These grants are subject to spending limitations under Section 1108 of the SSA. The limitations, which were established by P.L. 104-193 and most recently amended by P.L. 105-33, are: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, and \$3,554,000 for the Virgin Islands.

Repatriation – This program provides temporary assistance to citizens of the United States and to dependents of citizens of the United States, if they (A) are identified by the Department of State as having returned, or been brought, from a foreign country to the United States because of the destitution of the citizen of the United States or the illness of such citizen or any of his dependents or because of war, threat of war, invasion, or similar crisis, and (B) are without available resources. Section 1113 of the SSA [42 U.S.C. 1313] caps the funding level for the Repatriation program at \$1 million each fiscal year. Congress has historically increased this cap temporarily in response to emergencies. This was done most recently in FY 2010, when it was increased to \$25 million to support repatriation efforts resulting from the earthquake in Haiti.

The Repatriation program traditionally reimburses states directly for assistance provided to individual repatriates and for state administrative costs. In January 1997, the program entered into a cooperative agreement with a national, private organization to assist the federal government with certain administrative and financial management activities. All individuals receiving assistance are expected to repay the cost of such assistance. These debts are collected by the Program Support Center, which is the HHS component charged with collecting debts owed by individuals.

**Budget Request** – The \$3.699 billion FY 2015 request for Child Support Enforcement and Family Support Programs reflects current law of \$3.689 billion adjusted by +\$10 million in first-year costs to support legislation to improve the Child Support program. The request continues to support the legislative proposals included in the FY 2014 President’s Budget Child Support and Fatherhood Initiative and includes a new proposal to improve income withholding through electronic processes.

### **Child Support and Fatherhood Initiative**

The Child Support program plays an important role in facilitating family self-sufficiency and promoting responsible fatherhood. Building on this role, the FY 2015 Budget request includes a Child Support and Fatherhood Initiative to encourage non-custodial parents to support their children and play an active role in their lives. The total impact in the FY 2015 Budget of this proposal is \$1.8 billion, net of costs and savings across multiple budget accounts and federal agencies.

### **Ensuring Children Benefit When Parents Pay Support**

The proposed budget initiative invests \$1.3 billion over ten years to encourage states to pass through current child support collections to TANF families, rather than retaining payments for cost recovery purposes.

- Under the proposal, states would no longer be required to reimburse the federal government for any part of current child support payments that the state distributes to the family and states would be allowed to discontinue assigning child support payments to the state when a family is receiving TANF assistance. Together these reforms are estimated to cost \$512 million over ten years.
- To encourage states to take up family distribution options, the proposal also includes short-term funding to offset a significant share of state costs in implementing this policy (\$709 million over ten years).
- The proposal also provides limited resources to help states make necessary improvements to their systems technology to support the distribution changes (\$100 million over ten years).

The benefits to families of the three policy changes exceed their cost, and will result in an additional \$1.07 billion in child support payments received by families, reducing those families' reliance on other social services programs, including the Supplemental Nutrition Assistance Program (SNAP) and the Supplemental Security Income program (SSI). The associated savings to SNAP (-\$509 million) and SSI (-\$49 million) are displayed in the respective accounts.

In addition, the proposal requires child support payments made on behalf of children in Foster Care to be used in the best interest of the child, rather than as general revenue for the state (\$266 million over 10 years). It also prohibits the use of child support to repay Medicaid costs associated with giving birth—a practice retained by only a handful of states (cost neutral). Recovery of this debt from noncustodial parents can discourage the participation of pregnant women in Medicaid, discourage fathers' attachment to the formal labor market, and reduce child support payments to the family.

### Promoting Parenting Time Responsibilities

The budget provides \$448 million over ten years to support safe increased access and visitation services and integrating these services into the core child support program.

As a first step in facilitating a relationship between non-custodial parents and their children, the proposed initiative would update the statutory purposes of the Child Support Program to recognize the program's evolving mission and activities that help parents cooperate and support their children. The proposal also requires states to establish parenting time responsibilities in all initial child support orders, just as custody arrangements are typically settled at the same time divorces are finalized. States would be required to put in place strong family violence safeguards as part of this process.

The budget proposal makes federal resources available to states that choose to include parenting time responsibilities in initial child support orders beginning in FY 2015 and requires all states to include parenting time responsibilities in all new child support orders beginning in FY 2020. This phase-in approach will allow some states to begin immediately and will provide an opportunity for all states to learn from the lessons of "early adopters." The proposal also would encourage states to undertake activities that support access and visitation services that will not only improve parent-child relationships and outcomes for children, but also result in improved collections. Research shows that when fathers are engaged in the lives of their children, they are more likely to meet their financial obligations. This creates a double win for children—an engaged parent and financial security.

The proposal requires that all parenting time services be informed by an understanding of domestic violence and abuse victimization approaches, which would be integrated into all parenting time activities. State child support programs would be required to have an OCSE-approved plan, developed in collaboration with local victim service providers to respond appropriately to and make referrals for individuals who are identified as or disclose that they are victims of domestic violence, dating violence, sexual assault, stalking, or other types of violence. These plans will be required to include documentation provided by the child support agency of a meaningful ongoing collaborative relationship with a local victim service provider. Under the proposal, state child support programs may use Title IV-D federal financial participation to fund strategies to safely deliver parenting time services, including collaborative, consultative, or training services provided under a cooperative agreement or contract, by domestic violence experts such as state domestic violence coalitions and local victim service providers.

## Enforcement and Establishment

The FY 2015 proposal includes several proposals aimed at increasing and improving collections and program efficiency, which would collectively save \$111 million over ten years. They include:

- Mandating data comparisons with insurance claims, payments, settlements and awards;
- Requiring employers to report lump sum payment for intercept;
- Closing a loophole to allow garnishment of longshoremens' benefits;
- Improving the processes for freezing and seizing assets in multistate financial institutions;
- Providing tribal child support programs with access to the Federal Parent Locator Service and other enforcement tools and grant programs currently available to state child support programs, as well as sustained support for model tribal computer systems;
- Modifying the threshold at which states become subject to performance penalty based upon their paternity establishment percentage to better reflect state performance;
- Requiring each state's use of procedures to review and adjust child support debt owed to the state, and to discourage accumulation of unpaid child support debt during incarceration;
- Revising title IV-D to consolidate and clarify various data matching, safeguarding and disclosure authorities;
- Requiring states to pass UIFSA 2008, model uniform state law, to ensure efficient international case processing as required by the Hague Child Support Treaty;
- Improving coordination between child support and Social Security benefits received by families;
- Increasing state flexibility to retroactively modify child support orders;
- Limiting interest charged on child support arrears; and
- Increasing state flexibility to determine when to report child support arrears to credit bureaus.

In addition to the legislative changes proposed in the FY 2014 President's Budget, this request includes a new savings proposal regarding income withholding, which is the source of 70 percent of child support collections in the program. This proposal requires states to implement the electronic income withholding order process (e-IWO) OCSE launched in 2008. The e-IWO process is currently used by 27 states with 5 additional states planning to implement it in the near future. By transmitting income withholding orders electronically, states and employers save time and money. The 27 states that implemented e-IWO had an estimated reported cumulative increase of \$104 million in collections attributable to income withholding orders since 2008. This estimated increase is based on reducing the amount of time from when the income withholding order is generated until the first collection is received by an average of 2.5 weeks, increasing the amount and speed of collections. Additionally, based on states that have implemented e-IWO so far, the developmental costs of implementing this change will be offset by administrative savings (about \$1 per document). This proposal represents a \$2 million federal savings in FY 2015 and a \$143 million federal savings over ten years.

Taken together these proposals will strengthen the ability of both parents to support and care for their children as well as improve the performance of the Child Support program in meeting this goal.

## **Performance Analysis**

Despite the better performance in distributed collections, signs of weakened performance due to the recent economic crisis and reduced state resources persist, relative to the pre-recession period. For example, the percentage of "enforcement-ready" cases with support orders that had collections has declined across the board since FY 2008, with the sharpest declines in current and former assistance cases. The percentage of current assistance cases with orders that had collections declined from 59.5 percent in FY 2008 to 57.3 percent in FY 2012, and the percentage of former assistance cases with orders

that had collections declined from 68.0 percent to 66.0 percent between FY 2008 and FY 2012. Never assistance cases with orders that had a collection regained the FY 2008 collection rate of 80 percent in FY 2012, after a 1 percent decline to 79 percent in fiscal years 2009-2011.

Many state child support programs invested Recovery Act funds in technology, such as electronic transfer of collections and document imaging to improve program efficiency, helping them withstand the impacts of the recession and budget cutbacks on their programs. In addition, enhanced federal enforcement activities are playing a larger role in helping to maintain collections. Collections coming directly from the various federal programs including Federal Offset, SSA Garnishments, Multi-State Financial Institution Data Match, Passport Denial Program, National Directory of New Hires-Federal Case Registry Match, and Insurance Match, have increased by 10 percent in FY 2011 and 4 percent in FY 2012. These collections were \$3.89 billion and accounted for 12 percent of the total IV-D and non-IV-D support collections in FY 2012. The Child Support Program aims to increase the total distributed child support collections to \$31 billion in FY 2015.

### **Outputs and Outcomes Table**

<b>Measure</b>	<b>Most Recent Result</b>	<b>FY 2014 Target</b>	<b>FY 2015 Target</b>	<b>FY 2015 Target +/- FY 2014 Target</b>
<u>20.1LT</u> : Increase annual child support distributed collections. (Outcome)	FY 2012: \$27.7 B  (Historical Actual)	\$30B	\$31B	+\$1B
<u>20A</u> : Increase the paternity establishment percentage (PEP) among children born out-of-wedlock. (Outcome)	FY 2012: 97%  Target: 92%  (Target Exceeded)	94%	95%	+1
<u>20B</u> : Increase the percentage of IV-D (child support) cases having support orders. (Outcome)	FY 2012: 82%  Target: 77%  (Target Exceeded)	80%	81%	+1
<u>20C</u> : Increase the IV-D (child support) collection rate for current support. <sup>1</sup> (Outcome)	FY 2012: 63%  Target: 62%  (Target Exceeded)	62%	63%	+1
<u>20D</u> : Maintain the percentage of paying cases among IV-D (child support) arrearage cases. (Outcome)	FY 2012: 62%  Target: 62%  (Target Met)	62%	62%	Maintain

<sup>1</sup> This performance measure is included in the FY 2010-2015 HHS Strategic Plan.

Measure	Most Recent Result	FY 2014 Target	FY 2015 Target	FY 2015 Target +/- FY 2014 Target
<u>20.2LT and 20E</u> : Increase the cost-effectiveness ratio (total dollars collected per \$1 of expenditures). (Efficiency)	FY 2012: \$5.19  Target: \$4.84  (Target Exceeded)	\$5.00	\$5.12	+\$0.12
<u>20i</u> : Total cases with orders established. (Output)	FY 2012: 12.9 million  (Historical Actual)	N/A	N/A	N/A
<u>20ii</u> : Total number of paternities established. (Output)	FY 2012: 1.65 million  (Historical Actual)	N/A	N/A	N/A
<u>20iii</u> : Total amount of current support distributed. (Output)	FY 2012: \$21 billion  (Historical Actual)	N/A	N/A	N/A

Resource and Program Data  
State Child Support Administrative Costs

Data Category	FY 2013 Actual	FY 2014 Enacted	FY 2015 President's Budget
<u>Resource Data:</u>			
Service Grants			
Formula	\$3,723,766,410	\$3,655,404,000	\$3,401,747,000
Competitive			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$3,723,766,410	\$3,655,404,000	\$3,401,747,000
<u>Program Data:</u>			
Number of Grants	113	115	122
New Starts			
#	113	115	122
\$	\$3,723,766,410	\$3,655,404,000	\$3,401,747,000
Continuations			
#	0	0	0
\$	\$0	\$0	\$0
Contracts			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

Resource and Program Data  
Federal Incentive Payments to States

Data Category	FY 2013 Actual	FY 2014 Enacted	FY 2015 President's Budget
<u>Resource Data:</u>			
Service Grants			
Formula	\$510,130,003	\$519,692,000	\$526,968,000
Competitive			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$510,130,003	\$519,692,000	\$526,968,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts			
#	54	54	54
\$	\$510,130,003	\$519,692,000	\$526,968,000
Continuations			
#	0	0	0
\$	\$0	\$0	\$0
Contracts			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

Resource and Program Data  
Access and Visitation Grants

Data Category	FY 2013 Actual	FY 2014 Enacted	FY 2015 President's Budget
<u>Resource Data:</u>			
Service Grants			
Formula	\$10,000,000	\$10,000,000	\$10,000,000
Competitive			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$10,000,000	\$10,000,000	\$10,000,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts			
#	54	54	54
\$	\$10,000,000	\$10,000,000	\$10,000,000
Continuations			
#	0	0	0
\$	\$0	\$0	\$0
Contracts			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

Resource and Program Data  
Payments to Territories-Adults

Data Category	FY 2013 Actual	FY 2014 Enacted	FY 2015 President's Budget
<u>Resource Data:</u>			
Service Grants			
Formula	\$32,732,309	\$33,000,000	\$33,000,000
Competitive			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$32,732,309	\$33,000,000	\$33,000,000
<u>Program Data:</u>			
Number of Grants	3	3	3
New Starts			
#	3	3	3
\$	\$32,732,309	\$33,000,000	\$33,000,000
Continuations			
#	0	0	0
\$	\$0	\$0	\$0
Contracts			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

Resource and Program Data  
Repatriation

Data Category	FY 2013 Actual	FY 2014 Enacted	FY 2015 President's Budget
<u>Resource Data:</u>			
Service Grants			
Formula			
Competitive	\$951,914	\$928,000	\$1,000,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$951,914	\$928,000	\$1,000,000
<u>Program Data:</u>			
Number of Grants	1	1	1
New Starts			
#	0	0	0
\$	\$0	\$0	\$0
Continuations			
#	1	1	1
\$	\$951,914	\$928,000	\$1,000,000
Contracts			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements			
#	0	0	0
\$	\$0	\$0	\$0

ADMINISTRATION FOR CHILDREN AND FAMILIES

State Table - Federal Share of State and Local Administrative Costs and Incentives

FY 2015 Formula Grants

CFDA # 93,563

STATE/TERRITORY	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	Difference from FY 2014 Enacted
Alabama	48,684,477	47,930,762	44,983,144	-2,947,618
Alaska	19,815,800	19,509,019	18,309,265	-1,199,754
Arizona	54,730,323	53,883,009	50,569,343	-3,313,666
Arkansas	34,543,013	34,008,231	31,916,813	-2,091,418
California	668,836,820	658,482,138	617,987,187	-40,494,951
Colorado	56,003,263	55,136,241	51,745,505	-3,390,736
Connecticut	57,307,739	56,420,522	52,950,806	-3,469,716
Delaware	37,116,230	36,541,610	34,294,396	-2,247,215
District of Columbia	22,522,484	22,173,799	20,810,168	-1,363,631
Florida	194,097,282	191,092,340	179,340,655	-11,751,685
Georgia	72,208,165	71,090,265	66,718,397	-4,371,868
Hawaii	14,570,306	14,344,734	13,462,570	-882,164
Idaho	17,042,599	16,778,752	15,746,902	-1,031,850
Illinois	141,809,458	139,614,017	131,028,115	-8,585,901
Indiana	74,584,624	73,429,933	68,914,181	-4,515,751
Iowa	41,043,592	40,408,170	37,923,172	-2,484,998
Kansas	37,389,477	36,810,627	34,546,869	-2,263,759
Kentucky	44,122,661	43,439,570	40,768,149	-2,671,421
Louisiana	53,711,979	52,880,430	49,628,420	-3,252,010
Maine	17,487,119	17,216,390	16,157,626	-1,058,764
Maryland	93,520,205	92,072,360	86,410,148	-5,662,212
Massachusetts	98,769,784	97,240,667	91,260,617	-5,980,050
Michigan	152,797,894	150,432,334	141,181,134	-9,251,200
Minnesota	117,524,105	115,704,641	108,589,104	-7,115,537
Mississippi	24,476,377	24,097,443	22,615,512	-1,481,931
Missouri	58,753,116	57,843,522	54,286,295	-3,557,227
Montana	10,780,942	10,614,035	9,961,300	-652,736
Nebraska	28,131,525	27,696,003	25,992,771	-1,703,233
Nevada	39,951,423	39,332,910	36,914,038	-2,418,872
New Hampshire	14,026,934	13,809,774	12,960,509	-849,265
New Jersey	190,528,081	187,578,396	176,042,809	-11,535,587
New Mexico	31,916,031	31,421,919	29,489,552	-1,932,367
New York	256,534,085	252,562,520	237,030,577	-15,531,943
North Carolina	102,489,828	100,903,119	94,697,837	-6,205,281
North Dakota	12,783,665	12,585,753	11,811,762	-773,991

<b>STATE/TERRITORY</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Enacted</b>	<b>FY 2015 Estimate</b>	
Ohio	204,718,587	201,549,210	189,154,454	-12,394,756
Oklahoma	51,104,037	50,312,863	47,218,752	-3,094,111
Oregon	57,564,293	56,673,104	53,187,855	-3,485,250
Pennsylvania	183,181,022	180,345,082	169,254,325	-11,090,757
Rhode Island	10,010,749	9,855,766	9,249,662	-606,104
South Carolina	33,263,944	32,748,964	30,734,987	-2,013,977
South Dakota	6,975,070	6,867,085	6,444,777	-422,308
Tennessee	64,402,180	63,405,129	59,505,878	-3,899,252
Texas	257,365,004	253,380,575	237,798,324	-15,582,251
Utah	29,464,911	29,008,746	27,224,783	-1,783,963
Vermont	11,427,902	11,250,979	10,559,073	-691,906
Virginia	73,388,684	72,252,508	67,809,165	-4,443,343
Washington	104,953,109	103,328,264	96,973,843	-6,354,421
West Virginia	31,508,049	31,020,253	29,112,588	-1,907,665
Wisconsin	81,031,516	79,777,016	74,870,936	-4,906,080
Wyoming	8,503,395	8,371,749	7,856,908	-514,841
<b>Subtotal</b>	<b>4,149,473,858</b>	<b>4,085,233,250</b>	<b>3,834,001,955</b>	<b>-251,231,295</b>
Indian Tribes	45,134,563	51,183,000	58,412,000	7,229,000
<b>Subtotal</b>	<b>45,134,563</b>	<b>51,183,000</b>	<b>58,412,000</b>	<b>7,229,000</b>
Guam	3,909,311	3,848,789	3,612,098	-236,691
Puerto Rico	31,010,444	30,530,352	28,652,814	-1,877,538
Virgin Islands	4,368,237	4,300,610	4,036,133	-264,476
<b>Subtotal</b>	<b>39,287,992</b>	<b>38,679,750</b>	<b>36,301,045</b>	<b>-2,378,705</b>
<b>Total States/Territories</b>	<b>4,233,896,413</b>	<b>4,175,096,000</b>	<b>3,928,715,000</b>	<b>-246,381,000</b>
<b>TOTAL RESOURCES</b>	<b>\$4,233,896,413</b>	<b>\$4,175,096,000</b>	<b>\$3,928,715,000</b>	<b>-\$246,381,000</b>

ADMINISTRATION FOR CHILDREN AND FAMILIES

State Table - Access and Visitation Grants

FY 2015 Formula Grants

CFDA # 93.597

STATE/TERRITORY	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	Difference from FY 2014 Enacted
Alabama	141,471	141,471	141,471	0
Alaska	100,000	100,000	100,000	0
Arizona	185,455	185,455	185,455	0
Arkansas	100,000	100,000	100,000	0
California	958,704	958,704	958,704	0
Colorado	125,920	125,920	125,920	0
Connecticut	100,000	100,000	100,000	0
Delaware	100,000	100,000	100,000	0
District of Columbia	100,000	100,000	100,000	0
Florida	499,296	499,296	499,296	0
Georgia	289,664	289,664	289,664	0
Hawaii	100,000	100,000	100,000	0
Idaho	100,000	100,000	100,000	0
Illinois	330,699	330,699	330,699	0
Indiana	189,100	189,100	189,100	0
Iowa	100,000	100,000	100,000	0
Kansas	100,000	100,000	100,000	0
Kentucky	123,225	123,225	123,225	0
Louisiana	153,116	153,116	153,116	0
Maine	100,000	100,000	100,000	0
Maryland	163,955	163,955	163,955	0
Massachusetts	167,665	167,665	167,665	0
Michigan	270,129	270,129	270,129	0
Minnesota	134,443	134,443	134,443	0
Mississippi	102,029	102,029	102,029	0
Missouri	172,712	172,712	172,712	0
Montana	100,000	100,000	100,000	0
Nebraska	100,000	100,000	100,000	0
Nevada	100,000	100,000	100,000	0
New Hampshire	100,000	100,000	100,000	0
New Jersey	222,295	222,295	222,295	0
New Mexico	100,000	100,000	100,000	0
New York	537,246	537,246	537,246	0
North Carolina	290,107	290,107	290,107	0
North Dakota	100,000	100,000	100,000	0

STATE/TERRITORY	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	Difference from FY 2014 Enacted
Ohio	337,608	337,608	337,608	0
Oklahoma	108,065	108,065	108,065	0
Oregon	100,000	100,000	100,000	0
Pennsylvania	325,738	325,738	325,738	0
Rhode Island	100,000	100,000	100,000	0
South Carolina	139,771	139,771	139,771	0
South Dakota	100,000	100,000	100,000	0
Tennessee	172,556	172,556	172,556	0
Texas	733,934	733,934	733,934	0
Utah	100,000	100,000	100,000	0
Vermont	100,000	100,000	100,000	0
Virginia	198,728	198,728	198,728	0
Washington	172,393	172,393	172,393	0
West Virginia	100,000	100,000	100,000	0
Wisconsin	153,976	153,976	153,976	0
Wyoming	100,000	100,000	100,000	0
<b>Subtotal</b>	<b>9,700,000</b>	<b>9,700,000</b>	<b>9,700,000</b>	<b>0</b>
Guam	100,000	100,000	100,000	0
Puerto Rico	100,000	100,000	100,000	0
Virgin Islands	100,000	100,000	100,000	0
<b>Subtotal</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>0</b>
<b>Total States/Territories</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>0</b>
<b>TOTAL RESOURCES</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>	<b>\$0</b>