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REPORT TO THE
COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES



Collection Of Child Support
Under The Program Of Aid To
Families With Dependent
Children

B-164031(3)

Social and Rehabilitation Service 179
Department of Health, Education,
and Welfare

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BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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MARCH 13, 1972



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(3)

Dear Mr. Chairman:

This is our report on the collection of child support under the program of aid to families with dependent children. This program is administered at the Federal level by the Social and Rehabilitation Service, Department of Health, Education, and Welfare. Our review--in Arkansas, Iowa, Pennsylvania, and Washington--was made pursuant to your request of March 30, 1971.

cc In accordance with arrangements made with your office, copies of this report are being furnished to the Chairman, *S 4100* Senate Committee on Finance. Additional distribution of the report will be made only upon your agreement or upon public announcement by you concerning its contents.

Sincerely yours,

Comptroller General
of the United States

CI + R The Honorable Wilbur D. Mills
Chairman, Committee on Ways *H 4100*
and Means
House of Representatives

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ABBREVIATIONS

AFDC	aid to families with dependent children
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare

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COMPTROLLER GENERAL'S
REPORT TO THE COMMITTEE
ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

COLLECTION OF CHILD SUPPORT UNDER
THE PROGRAM OF AID TO FAMILIES
WITH DEPENDENT CHILDREN
1 Social and Rehabilitation Service 179
2 Department of Health, Education, and Welfare 22
B-164031(3)

D I G E S T

WHY THE REVIEW WAS MADE

The Chairman, House Committee on Ways and Means, asked the General Accounting Office (GAO) to review the problem of absent parents who do not contribute to the support of their dependent children who are receiving assistance under the aid to families with dependent children (AFDC) program. GAO's review was made in Arkansas, Iowa, Pennsylvania, and Washington.

The number of families in which the fathers are absent from the homes has risen rapidly. During the 1960's the number of families which were receiving public assistance and in which the fathers were absent from the homes increased from two thirds to three fourths of the total case load.

About 1.9 million of the 2.7 million families receiving assistance under the AFDC program during fiscal year 1971 were without fathers in the homes.

An absent father who is financially able but who does not contribute to the support of his family which is receiving public assistance causes taxpayers (through Federal and State Governments) to carry a financial burden which should be borne by the parent.

Background

The AFDC program is administered by the States, and general guidance is provided by the Department of Health, Education, and Welfare (HEW).

In line with the requirements of the Social Security Act, HEW regulations require States to have a program for establishing paternity for children born out of wedlock and for securing financial support for these and all other children being aided under the AFDC program who have one or both of their parents (or other legally liable persons) absent from the homes.

Each State is required to establish a separate unit for carrying out these support enforcement activities.

HEW has not been given an opportunity to formally examine and comment on this report. The matters in the report, however, were discussed with local and State welfare officials and with HEW officials in Washington.

FINDINGS AND CONCLUSIONS

Opportunities exist to increase substantially the amount of child support collected from absent parents. To increase this amount, HEW should place more emphasis on the child support enforcement program.

An increase in collections could mean either (1) a reduction of State and Federal welfare costs or (2) an increase in the money available to welfare families. The benefits to be derived depend on a particular State's method of computing cash assistance payments.

HEW, however, has not emphasized the collection of child support because there is a shortage of regional staff and because this activity represents a small part of the total effort needed to administer the AFDC program. HEW has not required States to report regularly on their accomplishments in securing child support. Consequently HEW has not been in a position to provide guidance to the States to assist them in overcoming problems in their support enforcement programs. (See p. 30.)

Support enforcement activities in Arkansas, Iowa, and Pennsylvania (chapter 3)

Arkansas, Iowa, and Pennsylvania complied with the provisions of the Social Security Act that require that State plans for administering the welfare programs be submitted to and approved by HEW. In each of these States, however, the responsibility for establishing paternity, locating absent parents, and securing support was fragmented.

Thus coordination of efforts on a State-wide basis that could be attained through the operation of separate organizational units was not achieved. These States did not routinely collect and analyze pertinent data regarding their programs for collection of child support. Consequently they did not have a sound basis for evaluating the effectiveness of their programs.

In Iowa, however, recent steps have been taken that should result in substantially upgrading the child support enforcement program. The State has established a target date of March 1972 to begin operation of a separate organizational unit to administer the child support program.

Support enforcement activities in the State of Washington (chapter 2)

Of the four States in GAO's review, Washington's support enforcement program was achieving the greatest results.

The success of Washington's program resulted chiefly from the following features.

- A separate unit was operated, on a State-wide basis, much like a bill-collection agency.

- Emphasis was placed on encouraging absent parents to contribute child support voluntarily. Legal action was used only as a last resort.
- Caseworkers did not become involved in, and had no responsibility for, collection activities.
- State laws and regulations which emphasize the responsibility of absent parents for the financial support of their children.

In Washington the collection of child support results in reductions of State and Federal welfare costs. Collections are shared in the same ratio as AFDC expenditures (50 to 50).

During fiscal year 1970 Washington collected child support of about \$3.6 million from absent parents. About \$2.8 million was collected on behalf of children receiving AFDC assistance, and about \$800,000 was collected on behalf of children who were former AFDC recipients.

Operating expenses of the support enforcement program totaled \$688,000 for the same period. In addition to collecting the \$800,000 on behalf of former AFDC children, the State made a net recovery of nearly \$1.1 million. Also nearly \$1.1 million was collected for the Federal Government. (See p. 9.)

Summary of review of
sample cases in each State

GAO reviewed sample cases involving child support in each of the four States. A summary of the review results is presented on page 34.

Of the sample cases in Washington and Pennsylvania, paternity was established for all but 6 percent and 8 percent, respectively. Paternity was not established, however, in 48 percent of the cases in Arkansas and in 28 percent of the cases in Iowa.

Also, in Washington, 43 percent of the absent parents in the sample were making support payments, compared with 18 percent in Arkansas, 19 percent in Iowa, and 13 percent in Pennsylvania. In Washington 81 percent of the absent parents were located, compared with 39 percent in Arkansas, 66 percent in Iowa, and 64 percent in Pennsylvania.

The characteristics of the results of the reviews of the sample cases--which were selected from counties or collection offices having the highest case loads--might not be the same as the characteristics of the total case load in each State.

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GAO believes that, to take advantage of existing opportunities to substantially increase the amount of child support collected from absent

parents, HEW should place greater emphasis on support enforcement activities under the AFDC program.

RECOMMENDATIONS OR SUGGESTIONS

HEW initially should review each State's child support enforcement program

- to determine how effective the program has been in identifying and locating absent parents and in securing child support,
- to identify problems encountered by the State in its support enforcement program, and
- to find ways to assist the State in solving its problems.

To fulfill its continuing responsibility for the oversight of the States' support enforcement activities and to assist the States in increasing the effectiveness of their programs, HEW should

- adopt procedures for monitoring the States' support enforcement programs;
- require States to periodically report to HEW statistical information, such as the number of cases involving absent parents and the amount of support collected, and accomplishments and problems encountered;
- disseminate to all States information on particular accomplishments or organizational or operational features of either States or HEW regional offices that might assist other States in improving their programs; and
- encourage States to consider the features of the State of Washington's program that have contributed to its success and, when practicable, to adopt those features that would strengthen their support enforcement programs.

HEW headquarters officials generally agreed with the matters discussed in this report and had no significant disagreements with GAO's recommendations. (See p. 36.)

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CHAPTER 1

INTRODUCTION AND SCOPE

In accordance with the request of the Chairman, House Committee on Ways and Means, we examined into the collection of child support under the program of aid to families with dependent children. We determined, in certain States,

- what State plans provided for in the way of obtaining child support from parents of children being aided under the federally supported AFDC program;
- how States carried out the responsibilities contained in their plans and whether their child support enforcement activities were effective; and
- whether the Social and Rehabilitation Service of the Department of Health, Education, and Welfare had examined into States' problems relating to collection of child support.

Our review was made at HEW headquarters and at HEW regional offices in Dallas, Texas (Region VI); Kansas City, Missouri (Region VII); Philadelphia, Pennsylvania (Region III); and Seattle, Washington (Region X). Our review was made also at State welfare departments in Arkansas, Iowa, Pennsylvania, and Washington. Because welfare programs generally are operated at the county level, we visited several local (county) welfare offices in each of the States.

PROGRAM OF AID TO FAMILIES WITH DEPENDENT CHILDREN

Title IV, part A of the Social Security Act, as amended (42 U.S.C. 601), authorizes a program of aid to needy families with dependent children. The AFDC program is a grant-in-aid program in which HEW shares in the costs incurred by the States in furnishing financial assistance, rehabilitation, and other services to these needy families. The Federal share of States' financial assistance payments to AFDC families is 50 percent.

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HEW, through the Social and Rehabilitation Service, is responsible for establishing policies for administering the AFDC program within the framework of the legislation. Each State, however, administers its own AFDC program.

The manner in which a State intends to carry out its AFDC program is set forth in a State plan which, when approved by HEW, is the basis for Federal grants to the State. HEW is responsible for (1) ensuring that each State plan contains the provisions required by law and by Federal regulations and (2) monitoring the State's AFDC program activities for compliance with its approved plan.

Federal requirements relating
to support enforcement

In line with the requirements of the Social Security Act, HEW regulations pertaining to State plans for AFDC programs require each State to have a child support enforcement program which provides:

1. For establishing paternity for children born out of wedlock and for securing financial support for these and all other children receiving AFDC assistance who have one or both of their parents (or other legally liable persons) absent from their homes.
2. For locating absent parents and for determining their potential to provide financial support.
3. For using reciprocal agreements with other States to obtain or enforce court support orders.
4. For devising a plan of cooperation with courts and law enforcement officials that provides for their assistance in establishing paternity, locating absent parents, and securing support and for reimbursing courts and law enforcement agencies for services beyond those usually undertaken in such cases.
5. For establishing a separate unit in the State welfare agency and in large local welfare agencies to administer the prescribed activities.

HEW regulations suggest that States, in their efforts to locate absent parents or other legally liable persons, obtain assistance from other State welfare agencies and use the files of the Social Security Administration and, when applicable, those of the Internal Revenue Service. Also States are encouraged to develop voluntary agreements with parents for the payment of child support.

Basis for State grants to needy recipients

The purpose of public assistance is to supplement the income and resources of a needy person or family, so that a minimum standard of living can be maintained. Each State establishes an amount--for food, clothing, and shelter--that it considers necessary to maintain a minimum standard of living. This amount is known as basic needs.

In some States the amount of the cash assistance is the full amount of the basic needs. In other States the amount of cash assistance is less than the basic needs. For example, at the time of our fieldwork, a family of four recipients (one adult and three children) in the State of Washington was receiving \$303 a month, the full amount of basic needs computed by the State. In contrast a family of four in Arkansas was receiving \$106, or 42 percent of the basic needs of \$255 computed by the State. The method of computing basic needs and the amount of cash assistance paid are matters decided by the States.

Size and cost of program

The following statistics show the total expenditures and the average number of recipients under the AFDC program during fiscal years 1968 through 1971.

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	Fiscal year			
	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>
	----- (billions) -----			
Total expenditures	\$2.5	\$3.2	\$4.1	\$5.7
Federal share (note a)	\$1.4	\$1.7	\$2.2	\$3.0
	----- (000 omitted) -----			
Number of families	1,383	1,661	2,158	2,747
Number of recipients	5,609	6,558	8,292	10,224
Number of children	4,207	4,880	6,092	7,429

^a Federal share exceeds 50 percent because certain costs incurred by the States in providing social services to recipients are reimbursed at rates in excess of 50 percent.

The number of families in which the fathers are absent from the homes because they have deserted, separated from, divorced, or not married the mothers has risen rapidly. During the 1960's the number of families which were receiving public assistance and in which the fathers were absent from the homes increased from two thirds to three fourths of the total case load.

HEW data shows that, of the 2.7 million families receiving assistance under the AFDC program during fiscal year 1971, about 1.9 million--or three fourths--were without fathers in the homes. Of the fathers who were absent from the homes,

- 36 percent were not married to the children's mothers,
- 39 percent were divorced or separated,
- 20 percent had deserted the families, and
- 5 percent were absent for other reasons.

We are presenting separately in chapter 2 the results of our review in the State of Washington. Of the four States in which we made our review, we believe that Washington had the best approach for collecting child support.

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CHAPTER 2

COLLECTION OF CHILD SUPPORT IN STATE OF WASHINGTON

The State of Washington was more successful in collecting child support for AFDC children than were the other States included in our review. We believe that Washington's success resulted mainly from the inclusion in its child support enforcement program of the following features.

- A separate unit was operated, on a State-wide basis, much like a bill-collection agency.
- Emphasis was placed on encouraging absent parents to contribute child support voluntarily. Legal action was used only as a last resort.
- Caseworkers did not become involved in, and had no responsibility for, collection activities.
- State laws and regulations which emphasize the responsibility of absent parents for the financial support of their children.

In Washington, State law provides that parents be responsible for the financial support of their children and that the absence of parents from the homes does not relieve them of this responsibility. Within the Washington State Department of Public Assistance, the Support Enforcement and Collections Section is responsible for locating absent parents and for collecting child support. During fiscal year 1970 the Collections Section collected child support totaling \$3.6 million. About \$2.8 million was collected on behalf of children receiving AFDC assistance, and about \$800,000 was collected on behalf of children who were former AFDC recipients. Operating expenses for the year totaled about \$688,000.

Because of Federal financial participation of 50 percent in AFDC cash assistance payments and in the operating expenses of the Collections Section, the efforts of the

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Collections Section resulted in recoveries of nearly \$1.1 million for fiscal year 1970 by both the State and the Federal Government, as shown below.

	<u>State funds</u>	<u>Federal funds</u>	<u>Total</u>
	----- (000 omitted) -----		
Collections on behalf of AFDC children	\$1,414	\$1,414	\$2,828
Less operating expenses	<u>344</u>	<u>344</u>	<u>688</u>
Net return	<u>\$1,070</u>	<u>\$1,070</u>	<u>\$2,140</u>

Additional public assistance costs most likely were avoided through the collection of about \$800,000 during fiscal year 1970 on behalf of former AFDC children who, without such funds, might have had to revert to the public assistance rolls.

During fiscal year 1971 the Collections Section collected about \$5.7 million on behalf of active and former AFDC cases. The operating expenses during 1971 were about \$904,000.

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LEGAL FOUNDATION OF SUPPORT ENFORCEMENT
AND COLLECTION PROGRAM

In Washington collection of child support for absent parents is predicated on State laws and regulations which emphasize that parents are responsible for the financial support of their children. Prior to May 1971 common law and statutory procedures governed the remedies for enforcement of support for financially dependent minor children by responsible parents. Because of the increasing public assistance case loads, these remedies were augmented by a new State law which provided additional remedies.

In May 1971 a State law was enacted which provided that an absent parent remain responsible for child support regardless of whether there is a court order directing him to pay such support. If there is not an order for support, the obligation is, by law, the full amount of public assistance paid on behalf of his children.

The preamble to the act states that this act was in addition to, not in lieu of, existing common law and statutory remedies. The act declared it to be the policy of the State that children be maintained from the resources of responsible parents, which thereby would relieve, at least in part, the burden presently borne by the general citizenry through welfare programs.

The State law provides that, by accepting public assistance on behalf of a child, the parent is deemed to consent to the recovery by the State of the amount specified in any court order or the amount of public assistance paid, whichever is less.

The State generally pays a recipient the full amount of cash assistance under the AFDC program; that is, the State computes the amount of cash assistance without regard to child support. The recipient--as a condition for receiving the full amount of the payment--assigns support payments to the State, and the State assumes responsibility for collection.

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The State has based its child support enforcement program on the following features.

- A separate unit (the Collections Section) is operated, on a State-wide basis, much like a bill-collection agency. The Collections Section, which is responsible for locating absent parents and for collecting child support, is set up to quickly locate absent parents and to encourage them to begin regular support payments. The Collections Section's procedures also provide for monitoring absent parents' payment records and for following up promptly when payments become delinquent.
- Emphasis is placed on encouraging absent parents to contribute child support voluntarily. Legal actions or threatening legal actions are used only as a last resort. Collections Section employees make prompt personal contacts with the parents of newly enrolled AFDC children, to obtain voluntary support payments based on the parents' ability to pay (regardless of the existence of any court orders) or on the amounts specified by court orders.

Regarding the use of legal action, the State's philosophy is that, to obtain child support, the State must compete successfully for the limited funds of the absent parent. Legal action or even the threat of legal action might cause the absent parent to relocate to avoid prosecution or might discourage him from making voluntary contributions within his means.

- Caseworkers do not become involved in, and have no responsibility for, collection activities. Time spent by caseworkers in locating, and collecting child support from, absent parents means less time for providing services, which is a caseworker's primary interest and concern. A person, other than a caseworker, who is properly trained to carry out location and collections activities and who can devote his full time to these activities can be more effective in achieving collections.

--State laws and regulations which emphasize the responsibility of absent parents for the financial support of their children.

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WASHINGTON STATE'S SUPPORT ENFORCEMENT
AND COLLECTIONS SECTION

The Collections Section's principal activity is to obtain financial support from absent parents who are responsible for, and financially able to contribute to, the support of their children receiving AFDC assistance. The Collections Section also collects child support on behalf of children who are not currently--but at one time were--on the AFDC rolls. Child support enforcement efforts are continued to keep these former AFDC recipients from returning to the assistance roles.

A 1971 State law permits the Collections Section to provide support collection services for children who have never received public assistance. Provision of services for these children could result in keeping some of the children from becoming dependent on public assistance.

As of April 1, 1971, the Collections Section had 108 authorized positions--64 clerical workers, eight investigators, 32 claims collectors, three district supervisors, and a section supervisor. Of these positions, 76 were allocated to eight field offices located throughout the State. The supervisor of the Collections Section informed us that the Collections Section functioned almost identically to a bill-collection agency.

When an AFDC case involves an absent parent, the caseworker refers the case to the Collections Section for action. The supervisor said that, prior to November 1970, caseworkers attempted to locate and obtain support from the absent parent. The caseworkers' primary mission is that of providing assistance to welfare recipients. He stated that caseworkers had not been trained to collect child support.

We were advised by the supervisor that the Collections Section first tried to obtain voluntary support from the absent parent and attempted to avoid taking the case to court. We were informed that support cases were referred to the State law enforcement agencies only if the Collections Section's attempts to secure support had been unsuccessful. A State law passed in 1971 enables the Collections Section to administratively attach the earnings or property

of absent parents. According to the supervisor of the Collections Section, this legal provision should further reduce the need for referrals to law enforcement agencies.

Locating absent parents

The Locate Section, a centralized unit operating within the Collections Section, had four employees at the time of our fieldwork. It was established by State law for the purpose of locating absent parents and was authorized to obtain information on absent parents from all State, county, and local agencies.

When the caretaker-parent does not know the whereabouts of the absent parent responsible for child support, the Collections Section's field office requests assistance from the Locate Section. The Locate Section establishes a file on the absent parent and sends inquiries requesting information on the absent parent to State agencies (such as the State Departments of Labor, Employment Security, or Licenses) and to Federal agencies (such as the Internal Revenue Service, Selective Service Boards, or military agencies).

Inquiries also might be made of State and Federal law enforcement agencies, labor unions, creditors, friends, or other sources. If the absent parent is located, his file is transferred to the field office having responsibility for collecting support in the area in which the absent parent resides. If the Locate Section exhausts all reasonable leads without success, it notifies the field office that the case has been declared inactive until additional information is received.

Locate Section records showed that, during fiscal year 1970, absent parents were located in 1,819 cases--about 33 percent of its AFDC case load. Also during this period, the Locate Section was unable to locate absent parents in 491 cases--about 9 percent of its AFDC case load. At the close of the year, the Locate Section was attempting to locate the remaining absent parents.

Program accomplishments

During fiscal year 1970 the Collections Section collected child support of about \$3.6 million from absent parents of children who were receiving or who had received assistance under the AFDC program. These collections represented an increase of about \$760,000, or 26 percent, over the amount collected during fiscal year 1969. During fiscal year 1971 collections totaled \$5.7 million, an increase of about 60 percent over fiscal year 1970.

In recent years the State AFDC case load, the Collections Section's case load, and AFDC assistance payments have increased dramatically, as shown by the following data for January of 1969, 1970, and 1971.

	<u>January 1969</u>	<u>January 1970</u>	<u>January 1971</u>
State AFDC case load	19,315	28,984	37,840
Collections Section active case load	9,515	12,719	21,715
Support collections for month	\$221,382	\$271,610	\$398,968
AFDC assistance payments (in millions)	\$3.3	\$5.7	\$7.7

In January 1971 the Collections Section was involved in seeking child support in 20,330 active AFDC cases and in 1,385 former AFDC cases. Collection activities had not been started on a backlog of 3,524 cases.

The supervisor informed us that, if sufficient staff were available to process the backlog of cases--6,071 cases as of April 30, 1971--additional support payments of \$150,000 could be collected each month. He stated that more systematic procedures and more employees were needed to ensure timely processing of new cases and to reduce the backlog.

As part of our review of the State's collection activities, we examined 50 active cases selected at random from the case loads of three Collections Section field offices. These offices had 56 percent of the Collections Section

case load on April 1, 1971. Our analysis showed that, for three cases, paternity had not been established. Our analysis showed also, for the remaining 47 cases involving 47 absent parents,

--that 20 absent parents (43 percent) were making support payments,

--that six absent parents (13 percent) had made payments in the past but were currently delinquent,

--that 12 absent parents (25 percent) had been located but that no support had been obtained, and

--that nine absent parents (19 percent) had been identified but had not been located.

During April 1971 child support payments of \$1,265 were collected on behalf of the cases in our sample. The amount of child support to be paid may be established by a court order or may be negotiated with the absent parent by Collections Section officials. The supervisor stated that, in most cases (about 60 percent), the amount of child support to be paid was established through negotiations. He stated also that Collections Section officials--after considering the ability of the absent parent to pay--often agreed to an amount different from that specified by the court order.

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CHAPTER 3

COLLECTION EFFORTS IN OTHER STATES

Opportunities to substantially increase the collection of child support from absent parents appear to exist in Arkansas, Iowa, and Pennsylvania. To develop these opportunities, HEW and the States need to strengthen the collection efforts now fragmentized among various organizational units. These efforts should be consolidated through the establishment of a separate unit in each State--which is a requirement of the Social Security Act--solely responsible for obtaining child support from absent parents or from other persons legally liable for support.

We believe that, through a separate unit, collection efforts could be given the concentrated and undivided attention essential to increase the amount of child support collections. Establishment of separate units, coupled with effective managerial assistance from HEW, should help to overcome the problems which have had a limiting effect on past collection efforts.

In addition, an increase in collections could mean either (1) a reduction of State and Federal welfare costs or (2) an increase in the money available to welfare families.

Our general observations on the child support programs in these three States are discussed below.

COMMON ELEMENTS AMONG STATES' CHILD SUPPORT PROGRAMS

Although each of the three States established and operated a child support enforcement program within the framework of its State laws, certain elements were common to each of their programs. These elements concerned (1) the legal basis for collecting child support, (2) the formulation of State plans for operating the program, and (3) the consideration, in some cases, of child support as income in computing the amounts of recipients' cash assistance. Our observations of these common elements are as follows:

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- In each of the three States, parents are required, by State law, to support their children. Arkansas, as a result of a State law passed in 1971, has additional leverage to collect child support by obtaining judgments against fathers for AFDC payments made to support their families.
- For the most part the States' plans met the requirements prescribed by the Social Security Act and by the Code of Federal Regulations.
- In all three States there were cases in which the amounts of the recipients' cash assistance had been reduced because the States considered the amounts of child support payable to the recipients as income in computing the grant amounts.

Also common to the three States was the lack of reporting systems to provide information on which continuing evaluations of the accomplishments and effectiveness of the child support enforcement programs could be based. The States did not accumulate data on (1) the number of cases involving absent parents, (2) the amount of child support collected, or (3) the efforts made to obtain child support and the results of any such efforts. Thus neither HEW nor the States could evaluate the results of the child support enforcement efforts or whether more intensified efforts were needed.

Details of each State's child support enforcement program are discussed in the remaining sections of this chapter.

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ARKANSAS

AFDC program responsibility

The Arkansas Department of Public Welfare has overall responsibility for the AFDC program. Actual program functions are carried out by a county welfare office in each of the 75 counties.

Child support program responsibility

The Legal Division of the department is the organizational unit designated at the State level to administer the child support enforcement program. Five assistant attorneys of this division, who are located throughout the State, are responsible for legal actions establishing paternity. County welfare workers are responsible for locating absent parents. Although a Central Location Service was established within the Legal Division to assist in locating absent parents, it had not been staffed with full-time employees and was not being utilized effectively by county welfare workers at the time of our fieldwork. To obtain child support, county welfare workers refer cases to the State's court system and provide information to prosecuting attorneys for legal actions if such actions are considered necessary.

Program accomplishments

To determine the extent of actions taken to identify and locate absent parents and to obtain child support, we selected for review 50 AFDC cases that were active on May 31, 1971. These cases were selected on a random basis from a case load of 7,378 AFDC cases in eight counties. At the time of our fieldwork, the case loads of these eight counties represented about 40 percent of the State's total AFDC case load. Our analysis showed that for 24 cases paternity had not been established. Our analysis showed also, for the remaining 26 cases involving 34 absent parents,

--that six absent parents (18 percent) were making support payments,

- that one absent parent (3 percent) had made payments in the past but was currently delinquent,
- that six absent parents (18 percent) had been located but that no support had been obtained, and
- that 21 absent parents (61 percent) had been identified but had not been located.

We discussed with State and county welfare officials the preponderance of cases in which the absent parents had not been located. They informed us that their manpower was not sufficient to attempt to locate each absent parent and that caseworkers--because other duties had higher priority--could attempt to locate parents only as time permitted. None of the eight counties we visited were making use of the Central Location Service. County officials stated that they either were not aware that the service existed or had not been encouraged by the State Department of Public Welfare to use the service.

Actions taken on cases referred to the courts

To determine the actions taken on cases referred to the courts by welfare workers, we examined court records in four of the eight counties visited. These records showed that, of 109 cases referred to the courts during the period January to May 1971,

- 37 cases were terminated without court actions, because, in most instances, the parents could not be located at the addresses provided;
- 44 cases resulted in orders for support;
- three cases resulted in the establishment of paternity;
- one case involved the conviction and imprisonment of an absent parent; and
- 24 cases were pending at the time we examined the court records.

County caseworkers are required to furnish prosecuting attorneys with enough information for successful legal actions to be maintained. Prosecuting attorneys informed us that, although the caseworkers were furnishing the names and last known addresses of absent parents, information on incomes, employers, and marital status would be helpful to them in processing cases. They said that, in many of the cases referred to them, the absent parents had not been located by the county welfare office. Because of other work requirements, such cases usually were not pursued further.

The prosecuting attorneys also stated that, because of their limited manpower and because of the large number of absent-parent cases referred to them, they needed the help of the State welfare attorneys to successfully maintain legal actions. State welfare attorneys, however, advised us of similar problems regarding their case-load size and personnel limitations.

According to the State Welfare Attorney, the Department of Public Welfare recognized the need for additional attorneys to process the large volume of absent-parent cases. He informed us that seven additional part-time welfare attorneys were to be hired.

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County welfare officials informed us that some county offices attempted to obtain voluntary support commitments from absent parents without resorting to the courts. They stated, however, that they had experienced limited success in these attempts. A State welfare official informed us that a program to seek voluntary support had not been encouraged by the State Department of Public Welfare because of the limited success experienced by the county offices in the past.

State welfare officials informed us that a program for establishing paternity and for securing support was considered of low priority. They stated that an intensive program in Arkansas probably would not be worthwhile because most absent parents did not have the means to support their families.

GAO observations

Although Arkansas places heavy emphasis on its courts to secure child support, a shortage of State and county legal and welfare staff has caused the program to be of limited success. Also, because the State has experienced limited success in securing voluntary support commitments from absent parents, the State is not convinced that an intensive support enforcement program in Arkansas would be worthwhile.

Our review of the 50 sample cases indicated that Arkansas' major problems involved establishing paternity and locating absent parents.

For 24 cases paternity had not been established. The remaining 26 cases involved 34 absent parents, of which 21 absent parents had not been located. Of the 13 parents that had been located, seven had made support payments. Therefore it appears that, once parents are located, there is a reasonable probability that support can be collected. Thus, if more emphasis were placed on establishing paternity and on locating absent parents, the State's program would have a greater chance of being more successful.

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IOWA

AFDC program responsibility

The Iowa Department of Social Services, through the 10 area offices of the Office of Field Operations, has State-wide responsibility for the AFDC program. Day-to-day program activities are carried out by the 99 county welfare departments.

Child support enforcement program responsibility

The Office of Field Operations is responsible for the child support enforcement program. As of June 1971 Iowa did not have a separate unit administering this program State-wide. Rather, each county welfare department operated its own program.

County welfare departments are required to notify county attorneys--who are responsible for taking legal actions--when parents are absent or when the parents of children are not married. These departments also are responsible for locating absent parents.

Before July 1970 State instructions did not specify who was responsible for collecting child support from absent parents.

Collections in some counties were made by the welfare department and in some counties by the courts. In July 1970 State legislation was enacted which required support payments to be made to the courts and which provided for these payments to be assigned to the county welfare departments after the departments entered into cooperative agreements with the courts. As of June 1971, 17 county welfare departments had entered into such agreements and other counties were considering the agreements.

Program accomplishments

Data regarding the accomplishments of the child support enforcement program, which could be used to evaluate the efforts in the State, was not collected regularly. To

determine the extent and results of the collection efforts of the counties, we selected a random sample of 83 cases from the case loads of the three counties having the largest number of cases. The three counties accounted for about one third of the State's entire AFDC case load of 21,860 cases at April 30, 1971. Our analysis showed that for 23 cases paternity had not been established. Our analysis showed also, for the remaining 60 cases involving 74 absent parents,

--that 14 absent parents (19 percent) were making support payments,

--that 19 absent parents (26 percent) had made payments in the past but currently were delinquent,

--that 16 absent parents (21 percent) had been located but that no support had been obtained, and

--that 25 absent parents (34 percent) had been identified but had not been located.

The above analysis showed that about one third (25 of 74) of the parents identified had not been located. It showed also that two thirds (33 of 49) of those located had made some child support payments.

Efforts to strengthen program

Recent developments indicate, however, that the State is making efforts to improve its child support enforcement program. In November 1970 officials in the State welfare department became concerned about certain elements of the child support enforcement program--specifically the absence of a separate organizational unit to administer the program on a State-wide basis and the possibility of noncompliance with Federal regulations.

In efforts to determine possible benefits that could be realized from a more effective enforcement program, a State welfare official in December 1970 made a special analysis of 1967 collections of \$2.2 million in AFDC divorce cases and estimated that a potential existed for annual collections of \$7.5 million in such divorce cases.

Also in 1971 the State legislature authorized the expenditure of \$150,000 annually for expenses of a separate unit to be established at the State level to administer the program. The State established a target date of March 1972 to begin operation of the unit. We were informed by State officials that the new unit would have a full-time attorney and clerical staff and would use the services of other attorneys on a contract basis.

GAO observations

The State has taken initial steps to establish a separate unit to administer the child support program on a State-wide basis. Also it has recognized that an effective child support enforcement program could result in a substantial increase in the collection of child support. The establishment of this unit automatically would obviate the need for continuing the various arrangements that now exist at the county level for collecting child support. The establishment of the unit also should result in improving the State's ability to establish paternity and to locate absent parents; in 58 percent of the cases we sampled, either paternity had not been established or the absent parent had not been located.

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PENNSYLVANIA

AFDC program responsibility

The Office of Family Services of the Pennsylvania Department of Public Welfare is responsible for AFDC program policies and planning. The program is carried out by 67 county welfare offices and is supervised by the department's Office of Field Operations through its six regional offices.

Child support program responsibility

The responsibility for activities of the child support enforcement program is divided among several organizations at both the State and the county levels.

County welfare departments are responsible for initiating efforts to establish paternity and to locate absent parents. The Central Location Resources and Support Unit in the State Office of Family Services is available to assist county departments in locating absent parents. At the time of our fieldwork, the unit was staffed with only two persons. County welfare departments are not required, however, to use this assistance, and, according to the chief of the unit, the State does not give high priority to locating absent parents and to securing support.

The amount of child support to be paid is based on either (1) a voluntary agreement with the absent parent or (2) an order issued by the court. Collection of child support can be made by (1) the Domestic Relations Division of each judicial district of the State or (2) the Department of Public Welfare when authority to collect support has been assigned to it by the courts. Under either arrangement, if absent parents become delinquent in their payments, the cases can be referred to law enforcement officials for court actions.

Program accomplishments

Data for use in attempting to evaluate the State's efforts to establish paternity and to locate parents or in attempting to determine the extent of support payments collected, as measured against potential collections, was

not readily available. Available data showed that as of January 1971 the county welfare offices had a total AFDC case load of about 122,000 cases and that counties had assigned about 11,000 AFDC support cases to the State Department of Public Welfare for collection. Complete data on the status of collections on the assigned cases was not available; nevertheless, the department's analysis of the limited information indicated that delinquencies of child support payments were significant.

To determine the extent of the Department of Public Welfare's activities in identifying and locating absent parents and in collecting support payments, we selected for review a random sample of 73 cases from the case loads of three counties. On April 30, 1971, these counties had about 41 percent of the total AFDC case load of about 148,500 cases. We deleted 21 cases from the sample because paternity had not been established, because no absent parents were involved, because the absent parents were deceased, or because the cases were closed after our sample had been selected. For the remaining 52 cases--involving 70 absent parents--the records showed

- that nine absent parents (13 percent) were making support payments,
- that 19 absent parents (27 percent) had made payments in the past but were currently delinquent,
- that 17 absent parents (24 percent) had been located but that no support had been obtained, and
- that 25 absent parents (36 percent) had been identified but had not been located.

Regarding the 23 absent parents who were making, or who had made, some support payments, the records showed that eight parents had made voluntary payments and that 20 parents had made payments established under court orders. For the 17 absent parents who had been located but from whom support had not been obtained, the records showed that, in most instances, support payments could not be obtained because of such circumstances as parents' being in jails or

in mental institutions or because of parents' lack of sufficient financial resources.

GAO observations

The State's most pressing need is for a separate unit to administer the child support enforcement program on a State-wide basis.

Our review of the selected sample cases indicates that one of the State's problems is locating absent parents. Of the parents identified in our sample, 36 percent had not been located. The Central Location Resources and Support Unit, although established, has not been staffed amply or utilized effectively. This unit has the potential for providing needed assistance in locating absent parents. In our sample support payments had been obtained from nearly two thirds of the parents who had been located, although most of these parents were delinquent in their payments.

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CHAPTER 4

ROLE OF HEW RELATING TO

SUPPORT ENFORCEMENT PROGRAMS

Generally HEW assistance has been limited to approving States' AFDC plans and to interpreting Federal requirements when requested to do so by the States. HEW has not monitored the States' child support enforcement activities and has not required the States to report on the status or progress of the activities. Consequently HEW regional offices did not have information on the number of absent parents, on the amount of child support collections involved, or on the progress and problems being experienced by the States in collecting child support. Also HEW regional officials have not emphasized child support collection activities within the total welfare program.

RESPONSIBILITY OF HEW

HEW regional offices are required by Federal regulations to review and approve States' AFDC program plans and amendments, to ensure compliance with the provisions of the Social Security Act. To determine whether States are adhering to Federal requirements and to the legal and administrative provisions of their approved plans, the regional offices are required to review State and local administration of AFDC programs. The review is to include an analysis of policies and procedures of both State and local welfare agencies and an examination of case records of recipients. Also the operations of the States' welfare agencies are subject to audit by the HEW Audit Agency.

In day-to-day operations, regional officials are responsible for monitoring the States' operations through contact with State employees, for examining and observing the States' operations, and for reviewing the various reports submitted by the States.

ASSISTANCE HAS BEEN LIMITED

HEW regional officials informed us that their monitoring of the States' child support enforcement programs had

been limited to reviewing and approving State plans and to interpreting Federal requirements. According to regional officials HEW has not emphasized the collection of child support payments because there is a shortage of regional staff and because this activity represents a small segment of the total effort needed to administer the AFDC program. They stated that, with the exception of advising the States on the use of Internal Revenue Service files to locate absent parents, guidance and assistance were not provided to the States on specifics of their support enforcement programs because no requests for such help had been made by the States.

Regional offices are responsible for monitoring the States' child support enforcement programs. HEW, however, has not established State reporting requirements to keep informed of the States' activities or success in collecting child support. Consequently the regions did not have information on the number of absent parents, the amount of child support collected, or child support enforcement program costs and, in some cases, were not aware of the support enforcement procedures of the States. Regional officials informed us that, at the time of our fieldwork, they did not have any plans to evaluate the support enforcement programs or to impose reporting requirements on the States.

Officials in one region informed us that their involvement with the States had been limited but that regional officials would become more involved with the States' activities, including child support collections.

Officials in two other regions pointed out to us that responsibility for monitoring the States' AFDC programs was shared by two organizational elements of the Social and Rehabilitation Service at the regional offices. This oversight responsibility is primarily that of the Assistance Payments Administration; according to regional officials, however, the delegation of responsibility between the Assistance Payments Administration and the Community Services Administration is not clear and specific responsibility for

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oversight of the States' child support collection activities has not been assigned to a specific organizational element.¹

An HEW Audit Agency official advised us that the Agency's 1972 fiscal year audit work plan did not provide for a review of State child support enforcement programs. One regional audit director said, however, that his audit plans called for an audit of support enforcement programs in the States in that region during calendar year 1972.

GAO observations

HEW has not played an active role in assisting the States in establishing successful child support enforcement programs, and assistance to the States has been limited. By not closely monitoring the States' programs and by not requiring the States to report their accomplishments and problems, HEW has not been in a position to provide ample guidance to assist the States in developing effective child support enforcement programs.

¹The Commissioner, Assistance Payments Administration, and the Commissioner, Community Services Administration, issued a memorandum dated December 16, 1971, to clarify the policy and program responsibilities in the regional offices with regard to the AFDC program and the various activities directly related to obtaining child support.

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CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Because of opportunities to substantially increase the collection of child support from absent parents, child support enforcement programs should be emphasized to a greater extent. HEW should play an active and forceful role in assisting the States in upgrading their support enforcement programs, to ensure that parents who are financially able to contribute to the support of their children do so. HEW guidance and assistance provided to the States has been limited and has not been effective in developing the potential of the States' programs.

What makes a support enforcement program effective? Of the four States included in our review, the enforcement program in Washington achieved the most significant results. The amount collected substantially exceeded the costs incurred by the State in making the collections. The success of the State program appeared to result from the following features.

- A separate unit was operated, on a State-wide basis, much like a bill-collection agency.
- Emphasis was placed on encouraging absent parents to contribute child support voluntarily. Legal action or threatening legal action was used only as a last resort.
- Caseworkers did not become involved in, and had no responsibility for, collection activities.
- State laws and regulations which emphasize the responsibility of absent parents for the financial support of their children.

Our analysis of the sample cases in each of the four States showed that accomplishments under the child support

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enforcement program in Washington exceeded those of the other States. Because the sample cases were selected from counties or collection offices having the highest case loads, the characteristics of the sample results might not be the same as the characteristics of the total case load in each State.

Of the cases included in our samples in Washington and Pennsylvania, paternity was established for all but 6 percent and 8 percent, respectively. Paternity was not established, however, in 48 percent of the cases in Arkansas and in 28 percent of the cases in Iowa.

The following table summarizes our analysis of the remaining sample cases.

	<u>Wash- ington</u>	<u>Arkan- sas</u>	<u>Iowa</u>	<u>Penn- syl- vania</u>
	—————(percent)—————			
Parents located:				
Making support payments	43	18	19	13
Delinquent in payments	13	3	26	27
Not paying	<u>25</u>	<u>18</u>	<u>21</u>	<u>24</u>
	<u>81</u>	<u>39</u>	<u>66</u>	<u>64</u>
Parents identified but not located	<u>19</u>	<u>61</u>	<u>34</u>	<u>36</u>
Total	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The table shows that in Washington the percentage of absent parents making child support payments is significantly higher than that in the other States. Arkansas, in addition to experiencing serious problems in establishing paternity, achieved only limited success in locating absent parents--61 percent had not been located. Although in Iowa and Pennsylvania a substantial number of absent parents, at one time or another, had made support payments, the sample results showed that more often than not the parents had fallen behind in their payments.

In Iowa, although 45 percent of the parents had made payments, more than half of these parents had become

delinquent in their payments at the time of our fieldwork. Of those parents in Pennsylvania that had made payments, more than two thirds were delinquent. The table shows also that only 19 percent of the absent parents in Washington had not been located, a substantially lower percentage than that for any of the other three States.

We recognize that there always will be instances in which support cannot be collected. In some instances it will be necessary to refer cases to courts, law enforcement agencies, or officials for actions. Although situations are sometimes peculiar to a given State and although each State administers its own support enforcement program, HEW should know how effective these programs have been and should be in a position to provide the States with guidance on significant features and with information about the accomplishments of successful programs.

RECOMMENDATIONS TO THE SECRETARY
OF HEALTH, EDUCATION, AND WELFARE

We recommend that initially HEW review each State's child support enforcement program

- to determine how effective the program has been in identifying and locating absent parents and in securing child support,
- to identify problems encountered by the State in its support enforcement program, and
- to find ways to assist the State in solving its problems.

To fulfill its continuing responsibility for the oversight of the States' support enforcement activities and to assist the States in increasing the effectiveness of their programs, we recommend that HEW

- adopt procedures for monitoring the States' support enforcement programs;
- require States to periodically report to HEW statistical information, such as the number of cases

