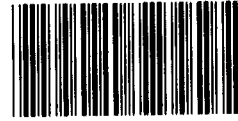


June 1992

CHILD SUPPORT ENFORCEMENT

Opportunity to Defray Burgeoning Federal and State Non-AFDC Costs



146710



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**United States
General Accounting Office
Washington, D.C. 20548**

Human Resources Division

B-247147

June 5, 1992

**The Honorable Lloyd Bentsen
Chairman, Committee on Finance
United States Senate**

**The Honorable Bob Packwood
Ranking Minority Member
Committee on Finance
United States Senate**

**The Honorable Thomas J. Downey
Acting Chairman, Subcommittee on
Human Resources
Committee on Ways and Means
House of Representatives**

**The Honorable E. Clay Shaw, Jr.
Ranking Minority Member
Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives**

We are providing you with this report because of your legislative and oversight responsibilities for the Child Support Enforcement Program. The report contains a recommendation that the Congress amend legislation related to fees charged for child support enforcement services provided to individuals other than recipients of Aid to Families With Dependent Children (AFDC).

In 1990, the Child Support Enforcement Program collected \$4.3 billion for 4.8 million non-AFDC clients. When the Congress created the program in 1975, it made child support enforcement services available to these individuals, believing that many families might be able to avoid the necessity of applying for welfare if they had adequate assistance in obtaining the support due from the noncustodial parent. In extending these benefits, the Congress provided states broad discretion to charge fees to help defray the costs of providing these services; the federal government pays two-thirds of these costs. Since 1984, when significant legislative changes had been made to the program, non-AFDC caseloads and related administrative costs have grown by over 160 percent and 305 percent, respectively. Because of these increases and recent federal and state fiscal difficulties, we initiated a review of states' current non-AFDC fee

policies and practices and evaluated various alternatives to increase cost recovery in the non-AFDC child support program.

Results in Brief

States have done little to help defray the costs of providing child support services to non-AFDC clients. With the discretion available to them, most states have implemented minimal fee policies. In 1990, about 3.5 percent of the \$644 million in administrative costs for the non-AFDC child support program were recovered through fees. Individual state cost recovery rates ranged from less than 1 percent to 48 percent, with 46 states recovering less than 5 percent. Many non-AFDC clients being served may not be within the low-income population to whom the Congress envisioned providing services. Bureau of the Census data for 1989 show that about 53 percent of the individuals requesting non-AFDC child support enforcement services in that year had family incomes exceeding 150 percent of the federal poverty level.

Rising non-AFDC caseloads and new program requirements could lead to administrative costs exceeding \$1 billion by 1995, with very little offset from those benefiting from the services. We are recommending that the Congress change existing legislation related to non-AFDC child support enforcement fees to recover more of these burgeoning costs.

Background

In 1975, the Congress created the federal child support enforcement program as title IV-D of the Social Security Act. The program's purpose is to strengthen state and local child support enforcement efforts for obtaining child support for both AFDC and non-AFDC clients. Services provided to these clients include locating noncustodial parents, establishing paternity, and obtaining child support orders. In addition, services are provided to collect ongoing and delinquent child support through such means as mandatory wage withholding, federal and state income tax refund offsets, personal property liens, and reporting delinquent payments to credit bureaus.

Federal responsibility for this program lies with the Department of Health and Human Services' (HHS) Office of Child Support Enforcement (OCSE). State child support enforcement agencies have responsibility for administering the program at state and local levels. The federal government and the states share program costs at the rate of 66 and 34 percent, respectively.

While AFDC recipients are required to participate in the child support enforcement program, others not receiving AFDC may apply and receive the same services. To help defray the costs of providing these services, federal law requires that non-AFDC service applicants be charged a mandatory application fee up to a maximum of \$25. This fee must be paid to the child support agency by the applicant or the state and may be recovered later from the noncustodial parent. States also have the option of recovering actual non-AFDC service costs from the custodial or noncustodial parent and charging fees for specific services, such as offsetting federal and state income tax refunds of delinquent noncustodial parents. The federal and state governments share cost recoveries at the same rate they share program costs.

HHS is proposing legislative changes to the non-AFDC child support enforcement fee structure because of increasing non-AFDC caseloads and expenditures and its belief that the current non-AFDC population has the ability to pay for services. Its proposal recommends a mandatory \$25 application fee and a \$25 annual fee for collection services provided. States would have the option to increase both of these fees to \$50 for clients whose incomes exceed 185 percent of the poverty level. If states choose this option, no application or service fee would be charged to clients under 185 percent of the poverty level.

Scope and Methodology

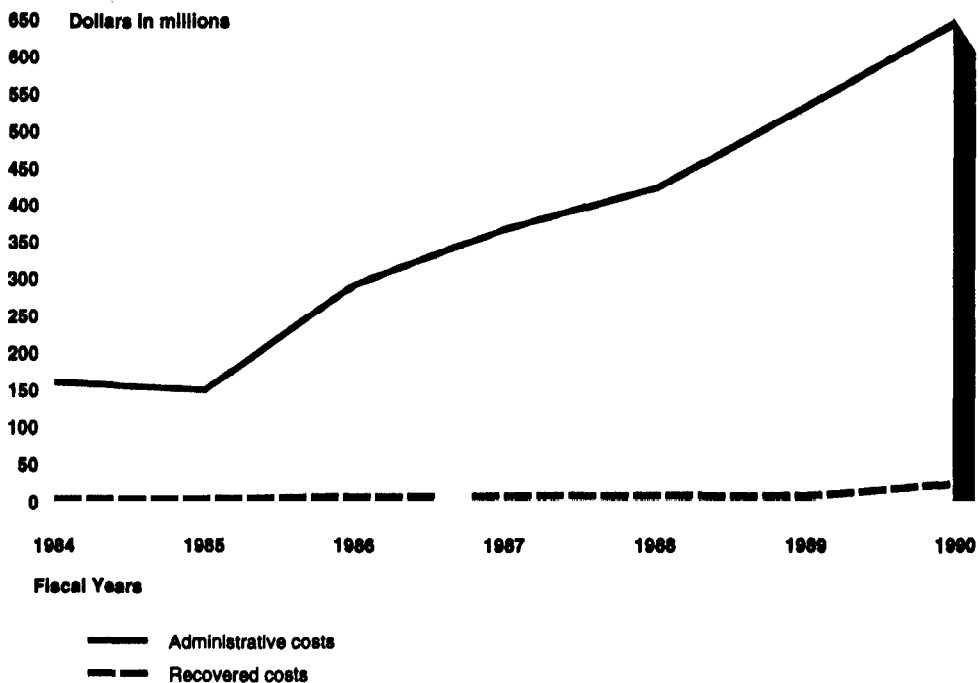
To accomplish our objectives, we visited and interviewed child support enforcement officials in 10 states. In addition, we mailed a questionnaire to child support officials in the remaining 40 states, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands (hereafter referred to as the states) and received a response from all but Guam. We also interviewed officials of OCSE and child support interest groups. We determined the income characteristics of non-AFDC service users by analyzing 1989 Bureau of the Census data on child support and alimony. Administrative costs and caseload estimates for 1995 were derived based on our computations of the 1984 to 1990 average growth rates, using data from OCSE's annual child support enforcement reports to the Congress. Our fee cost recovery estimates were made using data from OCSE's annual report for 1990.

Our work was done between November 1990 and January 1992 in accordance with generally accepted government auditing standards.

Collections and Expenditures Increase but Few Costs Are Recovered

The non-AFDC child support program collects billions of dollars in child support, but little of the costs of providing these services are recovered. From 1984 to 1990, collections increased over 200 percent from \$1.4 to \$4.3 billion. However, as illustrated in figure 1, the administrative costs to provide collection and other services rose 305 percent, from \$159 to \$644 million. Cost recoveries over this same period were small, increasing from \$3 to \$22 million, or from 2 percent to 3.5 percent of administrative costs.

Figure 1: Non-AFDC Child Support Administrative and Recovered Costs (Fiscal Years 1984-90)



Individual state recovery rates in 1990 ranged from less than 1 percent to 48 percent, with 46 states recovering less than 5 percent (see app. I). Two states—Ohio and Michigan—accounted for about \$15 million of the \$22 million recovered nationwide in 1990, recovering about 48 percent and 26 percent, respectively. Ohio collects a 2-percent service fee from noncustodial parents, and Michigan collects a \$2-per-month noncustodial parent service fee. In fiscal year 1990, the national average cost per non-AFDC case was about \$133, while the average fee collected was about \$4.60.

State Fee Policies Do Little to Defray Administrative Costs

Under the broad discretionary authority provided, states have adopted minimal non-AFDC fee policies. These policies have resulted in recovering very little of the costs incurred to provide child support enforcement services. Most states have adopted a minimal mandatory application fee and pay the fee for the client. Also, in the case of optional fees, few states have adopted fees for offsetting federal and state income tax refunds (see app. II). Four states, however, have more vigorous cost recovery policies that result in the highest recovery rates among the states. States offer various reasons for their minimal fee policies.

Most States Charge Minimal Application Fees

Specific practices vary among states, but most charge minimal application fees and pay the fee for the client. Thirty-one states charge \$1 or less, and most of these states pay the fee for their non-AFDC clients. Nine states charge between \$2 and \$10, five states charge \$20, and six states charge non-AFDC clients the maximum \$25 application fee. Two states, Alabama and Kentucky, use a sliding fee scale between \$5 and \$25 based on the non-AFDC client's income. These states base their sliding fee on the non-AFDC applicant's self-declaration of income and do not validate the incomes.

Few States Charge Optional Fees for Federal and State Tax Offsets

Few states charge fees for offsetting delinquent child support payments from noncustodial parents' federal and state tax refunds. In 1990, 176,000 federal refunds were offset, and the average offset collection was \$658. Thirty-eight states charge no fee for this service. Fifteen states charge between \$5 and \$25, and nine of these states deduct their fee from the successful offset.

In addition to the optional state fee for federal refund offset services, the Internal Revenue Service (IRS) charges a service fee for processing successful federal tax offsets. In 1990, this service fee was \$5.79 per offset, which IRS deducted from the offset. Forty-one states reimbursed the non-AFDC client for the IRS fee. According to OCSE's Director of Program Operations, these states charged this fee to the federal government as an additional administrative expense.

Non-AFDC collections are also made by offsetting state income tax refunds. Thirty-four states have opted not to charge non-AFDC clients for this service. Eight states charge an offset fee of between \$10 and \$25; in four of these states, one fee covers both federal and state tax offsets. Six of the eight states deduct the fee from the successful state tax offset. Finally, 10

states have no state income tax; Pennsylvania has a waiver from OCSE not to have a state tax offset program; and Puerto Rico's program, according to its HHS program specialist, has operated sporadically because of its burdensome administrative process.

More Vigorous Recovery Practices in Four States

Four states have policies that recover a percentage of their non-AFDC child support administrative costs that is greater than all other states. Using the discretion available to them, Arkansas and New Mexico adopted cost recovery programs that recover costs from the support collected. Arkansas charges a monthly service fee of \$9 or 13 percent of collections, whichever is less. In 1990, Arkansas recovered about 14 percent of its non-AFDC administrative costs. New Mexico uses a service fee schedule with a \$450 lifetime cap. Costs are incurred as services, such as location and paternity establishment, are provided. New Mexico recovers these costs by deducting 10 percent from collections until all costs are recovered or the lifetime cap is reached. In addition, it charges non-AFDC clients a \$4 monthly fee for processing child support collected. Through these fees, New Mexico recovered about 13 percent of its administrative costs in 1990.

Two states, Ohio and Michigan, continue fee policies that they had in place before the federal child support enforcement program was created. Ohio charges noncustodial parents 2 percent of collections; it recovered about 48 percent of its 1990 administrative costs. Michigan charges the noncustodial parent \$2 per month; it recovered about 26 percent of its administrative costs in 1990. In both states, all child support cases are automatically serviced through the state child support enforcement agency.

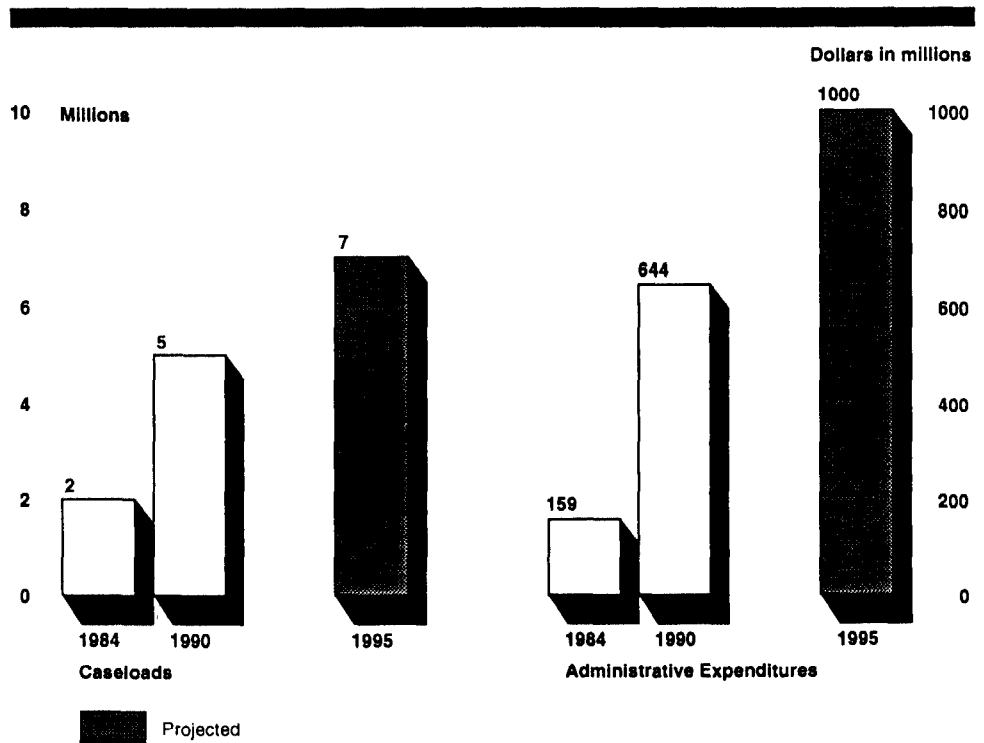
States Cite Various Reasons for Charging Minimal Fees

States offer a variety of reasons for their minimal fee policies. Some states who charge a \$1 or less application fee do so to maximize non-AFDC clients' access to child support enforcement services. Others claim that all child support monies collected belong to the non-AFDC clients' children. Also, some states say that there is little incentive to collect fees because they get to keep only 34 percent of these recovered costs.

New Program Requirements and Increasing Caseloads Drive Up Non-AFDC Administrative Costs

Since passage of the Child Support Enforcement Amendments of 1984, non-AFDC services, caseloads, and costs have grown significantly. This growth is likely to continue due to the Family Support Act of 1988 requirements and HHS regulations. From fiscal year 1984 through 1990, non-AFDC caseloads rose 160 percent, from 1.9 to 4.8 million cases; and administrative expenditures increased over 305 percent, from \$159 million to \$644 million. The average annual service cost per non-AFDC case also increased from \$85 to \$133. If the average rate of growth experienced from 1984 through 1990 continues, non-AFDC caseloads and expenditures could exceed 7 million and \$1 billion, respectively, by 1995, as figure 2 illustrates.

Figure 2: Fiscal Years 1984, 1990, and Estimated 1995 Non-AFDC Caseloads and Expenditures



Child Support Enforcement Amendments of 1984

The Child Support Enforcement Amendments of 1984 reemphasized the Congress' commitment to the program by establishing new child support services and ensuring that all services would be fully available to both AFDC and non-AFDC families. The law provided an incentive for states to increase their non-AFDC programs by making non-AFDC support collections eligible for federal incentive payments. These payments, amounting to no

more than 10 percent of collections, are awarded to states for running cost-effective programs and previously were only available for AFDC collections. The amendments also increased client services by directing states to enact specific enforcement mechanisms, including mandatory wage withholding for delinquent support payers, expedited support order establishment, state tax offsets, property liens, reporting of delinquent support to credit bureaus, and extending the federal tax offset service to non-AFDC clients.

Family Support Act of 1988

Implementation of new program requirements under the Family Support Act of 1988 and recent HHS regulations are likely to further increase non-AFDC caseloads and service costs. The Family Support Act requires immediate wage withholding on all new or modified child support orders and periodic review and modification of all support orders. HHS regulations, effective October 1990, mandate state submission of all eligible non-AFDC cases for federal income tax refund offsets and annual submission of all outstanding cases needing location services to the Federal Parent Locator Service.

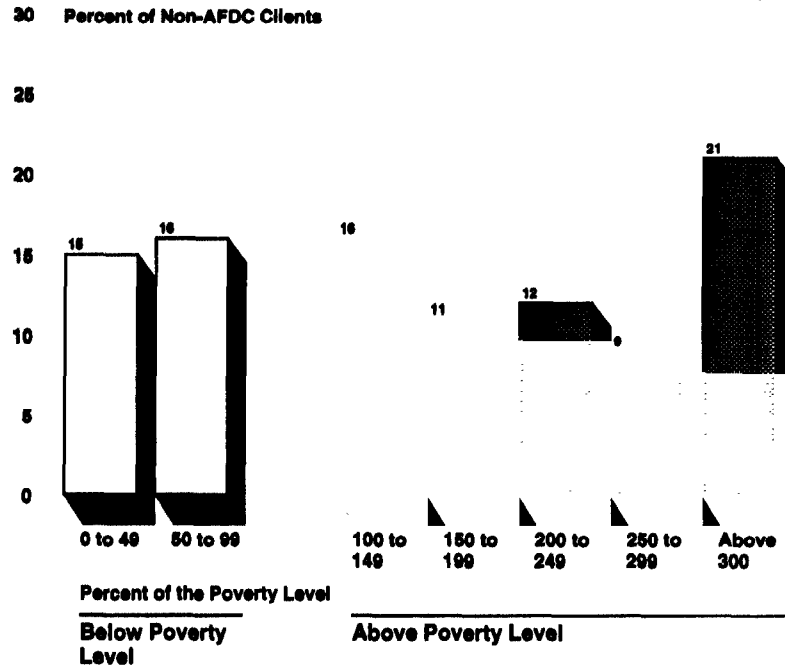
Many Non-AFDC Clients May Not Be Within the Population the Congress Envisioned Serving

Many clients served by the non-AFDC child support program may not be within the low-income population to whom the Congress envisioned providing services. In making child support enforcement services available to non-AFDC individuals, the Congress believed that many families might be able to avoid the necessity of applying for welfare if they had adequate assistance in obtaining child support due from noncustodial parents. The Bureau of the Census' 1989 data on child support and alimony show, however, that non-AFDC clients, for the most part, are not in jeopardy of welfare dependency. The data show that 617,962 women, age 15 years and older, had requested child support services in 1989. About 53 percent of these had incomes, excluding any child support received, in that year exceeding 150 percent of the federal poverty level.^{1,2} As figure 3 further illustrates, of all women requesting services, about 42 percent reported incomes exceeding 200 percent of the poverty level, and 21 percent exceeding 300 percent. Under current state fee policies and practices, taxpayers are paying most of the cost to provide child support enforcement services to non-AFDC clients.

¹ Census data are generally thought to underreport the receipt of income. Answers to questions about income often depend on the memory or knowledge of one person in the household. People can easily forget minor or irregular sources of income, causing underestimates in surveys.

² In 1989, the poverty threshold for a family of three (one adult and two children) was \$9,990.

Figure 3: Non-AFDC Clients' Income Relative to the Federal Poverty Level (1989)



Alternatives to Increase Recovery of Federal and State Costs

Federal law provides states considerable discretion in establishing fee policies to help defray non-AFDC child support administrative costs. Most states choose to exercise this discretion by adopting minimal fees, resulting in little cost recovery. With non-AFDC caseloads and administrative costs rising rapidly and the federal government paying two-thirds of the unrecovered costs, we believe that the Congress should reexamine the non-AFDC fee structure and the rate at which child support services are being subsidized for a population it may not have envisioned serving. Because most states have preferred to recover little of the costs, we have concluded that states' discretion in setting non-AFDC fees needs to be removed so that greater amounts of administrative costs are recovered.

We evaluated and estimated the impact of several alternatives for increasing non-AFDC child support cost recoveries. These alternatives included application, annual service, and income tax offset fees, as well as various combinations of each. In evaluating each alternative, we considered the effect it might have on potential clients' access to services, clients' financial resources, and states' administration. These criteria were developed through interviews with federal and state child support officials and various child support public interest groups and associations.

After examining states' fee policies and practices and considering the various alternatives, we concluded that any approach to increase cost recoveries through amending existing non-AFDC child support fee policy should not include mandatory application or fixed annual service fees. Many state child support officials view application fees as a barrier to clients who do not have the financial means to apply for services. It may also discourage clients from seeking services, because the fee is paid whether or not any child support is collected. Some officials also believe that a fixed annual service fee could be cumbersome to administer, especially if it is to be recovered over a series of payments throughout the year. Many state child support agency officials also oppose any fee that would be means-tested. A means test that would require states to validate clients' income through third parties would add considerable administrative and cost burdens to the program.

Considering the above, we believe that (1) charging a percentage service fee of all child support collections and (2) eliminating the mandatory application fee and optional federal and state tax offset fees would be the most appropriate alternative to finance non-AFDC child support services. This approach offers several advantages over the other alternatives we evaluated and provides significant potential for increasing the recovery of administrative costs. State child support officials with whom we discussed this approach believe that it would be simple to administer. In addition, because there is no up-front cost to the client as with an application fee, this alternative should not discourage non-AFDC clients' from seeking valuable child support services, such as location and paternity establishment, even if collections are not realized. The approach also would not impose a financial burden on clients who have limited financial resources, because fees would be collected only when child support payments are received. States would continue to retain the option to pay this fee themselves or pay the fee and recover it from the noncustodial parent. As under existing federal law covering application fees, states would not be able to claim the service fees they pay as a program administrative cost.

The amount of costs recovered under our approach would depend upon the percentage fee that the Congress would set. As illustrated in table 1, a 15-percent service fee on collections would have fully recovered all 1990 administrative costs from non-AFDC clients. However, the Congress may not want to seek full cost recovery. At a minimum, a service fee of 0.5 percent would have recovered the \$22 million realized through existing state fee policies as illustrated by the shaded area in the table.

Table 1: Sharing of 1990 Non-AFDC Child Support Administrative Costs Under GAO Alternative Fee Policy*

Dollars in millions		
Service fee (Percent of collections)	Costs paid by	
	Taxpayer	Non-AFDC client
0.5	\$622	\$22
1	601	43
2	558	86
3	515	129
4	472	172
5	429	215
6	386	258
7	343	301
8	300	344
9	257	387
10	214	430
11	171	473
12	128	516
13	85	559
14	42	602
15	0	644

*Non-AFDC child support collections for 1990 were about \$4.3 billion, and administrative costs were \$644 million.

Recommendation to the Congress

Because most states have opted to implement minimal fee policies and the federal government is bearing the lion's share of the unrecovered non-AFDC child support administrative costs, we recommend that the Congress amend title IV-D of the Social Security Act to (1) require states to charge a minimum percentage service fee of each successful child support collection and (2) eliminate the mandatory non-AFDC child support application fee and optional federal and state tax offset fees.

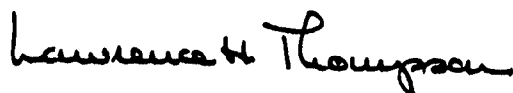
Agency Comments

HHS comments on a draft of this report were received too late to include in the final report. Essentially, HHS agreed that non-AFDC clients can and should pay some portion of the costs of the child support services they receive. Also, HHS said that its proposal is a simple, equitable option to defraying the costs of providing services to non-AFDC clients and is preferable to the approach that we recommend. For the reasons cited in

the report, however, we continue to believe that our proposal is a more appropriate alternative.

We are sending copies of this report to other congressional committees and members, the Secretary of Health and Human Services, the Assistant Secretary for Children and Families, commissioners of state welfare agencies, directors of state child support enforcement offices, and other interested parties. Copies will be made available to others upon request.

This report was prepared under the direction of Jane L. Ross, Associate Director, Income Security Issues. If you have any questions about this report or need additional information, please call her at (202) 512-7215. Other major contributors to the report are listed in appendix III.



Lawrence H. Thompson
Assistant Comptroller General

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Abbreviations

AFDC	Aid to Families With Dependent Children
GAO	General Accounting Office
HHS	Department of Health and Human Services
IRS	Internal Revenue Service
OCSE	Office of Child Support Enforcement

Non-AFDC Child Support Collections, Expenditures, and Recovered Costs (1990)

State	Collections	Expenditures	Costs recovered	Recovered costs	
				Percent of collections	Percent of expenditures
Alabama	\$46,780,180	\$11,533,100	\$104,677	0.2	0.9
Alaska	18,666,070	3,246,582	8,651	0.0	0.3
Arizona	21,855,885	8,714,683	104,339	0.5	1.2
Arkansas	14,050,316	4,687,074	674,874	4.8	14.4
California	273,527,278	68,364,224	1,764,079	0.6	2.6
Colorado	22,836,100	3,238,125	280,106	1.2	8.7
Connecticut	39,232,102	7,370,176	65,535	0.2	0.9
Delaware	14,441,067	2,686,378	34,932	0.2	1.3
District of Columbia	9,539,001	4,230,819	29,444	0.3	0.7
Florida	129,316,067	34,874,353	583,910	0.5	1.7
Georgia	67,157,681	17,003,758	11,275	0.0	0.1
Guam	921,961	379,703	2,575	0.3	0.7
Hawaii	18,722,100	5,447,397	42,100	0.2	0.8
Idaho	15,957,097	2,309,717	188,974	1.2	8.2
Illinois	94,813,365	25,753,612	175	0.0	0.0
Indiana	58,223,305	3,457,274	37,568	0.1	1.1
Iowa	42,400,381	7,777,752	10,521	0.0	0.1
Kansas	29,942,468	7,118,360	243	0.0	0.0
Kentucky	37,635,151	6,601,570	40,856	0.1	0.6
Louisiana	39,665,443	6,533,177	180,906	0.5	2.8
Maine	14,652,154	4,116,624	4,383	0.0	0.1
Maryland	108,292,745	18,704,647	885,122	0.8	4.7
Massachusetts	101,846,795	8,965,715	9,351	0.0	0.1
Michigan	499,482,998	23,948,260	6,317,204	1.3	26.4
Minnesota	95,422,329	12,036,810	348,798	0.4	2.9
Mississippi	16,050,520	5,968,598	333,038	2.1	5.6
Missouri	91,795,175	6,902,523	780	0.0	0.0
Montana	4,474,094	968,996	0	0.0	0.0
Nebraska	45,353,533	4,054,434	2,947	0.0	0.1
Nevada	12,900,934	2,062,724	19,146	0.1	0.9
New Hampshire	17,018,097	2,620,939	14,091	0.1	0.5
New Jersey	221,174,356	21,065,141	53,651	0.0	0.3
New Mexico	8,909,370	2,805,382	363,917	4.1	13.0
New York	241,855,613	49,773,073	86,623	0.0	0.2
North Carolina	75,840,167	13,753,726	177,006	0.2	1.3
North Dakota	5,313,678	1,472,603	8,338	0.2	0.6

(continued)

**Appendix I
Non-AFDC Child Support Collections,
Expenditures, and Recovered Costs (1990)**

State	Collections	Expenditures	Costs recovered	Recovered costs	
				Percent of collections	Percent of expenditures
Ohio	412,812,794	17,841,484	8,490,879	2.1	47.6
Oklahoma	20,293,216	8,800,501	86,457	0.4	1.0
Oregon	59,465,655	5,834,129	3,215	0.0	0.1
Pennsylvania	518,149,200	48,239,146	62,612	0.0	0.1
Puerto Rico	82,972,143	7,610,655	208	0.0	0.0
Rhode Island	9,887,607	1,998,378	6,160	0.1	0.3
South Carolina	36,784,436	13,690,110	5,925	0.0	0.0
South Dakota	7,307,050	1,568,212	27,998	0.4	1.8
Tennessee	49,000,466	7,724,339	75,652	0.2	1.0
Texas	92,658,925	39,363,581	252,102	0.3	0.6
Utah	23,072,691	4,373,430	0	0.0	0.0
Vermont	3,773,399	820,702	12,060	0.3	1.5
Virgin Islands	2,912,719	632,658	5,518	0.2	0.9
Virginia	86,526,076	31,285,187	(977)	0.0	0.0
Washington	110,459,083	23,782,203	16,338	0.0	0.1
West Virginia	17,573,615	3,925,435	1,575	0.0	0.0
Wisconsin	182,048,506	15,307,387	385,067	0.2	2.5
Wyoming	4,482,439	452,820	13,839	0.3	3.1
Total	\$4,276,245,596	\$643,798,386	\$22,234,763	0.5	3.5

Note: Collections, expenditures, and costs recovered data were taken from the Child Support Enforcement: Fifteenth Annual Report to Congress for the Period Ending September 30, 1990, HHS, Administration for Children and Families, Office of Child Support Enforcement (Washington, D.C.).

States' Non-AFDC Child Support Enforcement Service Fees (1990)

State	Mandatory application fee		Optional tax offset fees	
	Amount	Paid by	Federal	State
Alabama	Up to \$25.00	Client	\$5.00 ^a	^a
Alaska	1.00	State	No	^b
Arizona	1.00	State	25.00 ^{a,c}	^{a,c}
Arkansas	.01	State	No	No
California	.01	State	No	No
Colorado	20.00	Client	25.00 ^{c,d}	No
Connecticut	25.00	Client	15.00 ^{c,d}	^b
Delaware	25.00	Client	19.52 ^{c,d}	No ^e
District of Columbia	5.00	Client	25.00 ^c	\$15.00 ^c
Florida	.01	State	No	^b
Georgia	1.00	Client	No	No
Hawaii	1.00	State	25.00 ^d	No
Idaho	1.00	Client	25.00 ^{a,c}	^{a,c}
Illinois	.01	State	No	No
Indiana	5.00	Client	No ^d	No ^e
Iowa	5.00	Client	No	No
Kansas	.01	State	No	No
Kentucky	5.00 to 25.00	Client	No	No
Louisiana	25.00	Client	No	No
Maine	1.00	State	No	No
Maryland	20.00	Client	25.00 ^c	10.00 ^c
Massachusetts	1.00	State	No	No
Michigan	1.00	State	No	No
Minnesota	5.00	Client	No	No
Mississippi	25.00	Client	25.00 ^a	^a
Missouri	.01	State	No	No
Montana	1.00	State	No	No
Nebraska	1.00	Client	No	No
Nevada	2.00	Client	No	^b
New Hampshire	1.00	State	No	^b
New Jersey	5.00	Client	No	No
New Mexico	25.00	Client	25.00 ^c	20.00 ^c
New York	1.00	State	No	No
North Carolina	10.00	Client	No	No
North Dakota	1.00	State	No	No
Ohio	1.00	Client or county ^f	No	No

(continued)

**Appendix II
States' Non-AFDC Child Support
Enforcement Service Fees (1990)**

State	Mandatory application fee		Optional tax offset fees	
	Amount	Paid by	Federal	State
Oklahoma	25.00	Client	No	No
Oregon	1.00	Client	No ^d	No ^e
Pennsylvania	1.00	County	25.00 ^c	^g
Puerto Rico	.01	State	No	No
Rhode Island	20.00	Client	No	No
South Carolina	1.00	Client	No ^d	No ^e
South Dakota	5.00	Client	No	^b
Tennessee	.01	State	No ^d	^b
Texas	.01	State	No	^b
Utah	.01	State	No	No
Vermont	10.00	Client	No	No
Virginia	1.00	State	No	No
Virgin Islands	20.00	Client	No	No
Washington	1.00	State	No	^b
West Virginia	1.00	Client	25.00 ^c	No
Wisconsin	10.00	Client ^h	10.00 ^c	10.00 ^c
Wyoming	20.00	Client	25.00 ^c	^b

^aOne fee covers both federal and state income tax offsets.

^bNo state income tax.

^cFee deducted from collection.

^dNon-AFDC client pays IRS processing fee (\$5.79).

^eNon-AFDC client pays state tax agency processing fee: Delaware—\$25.69, Indiana—15 percent of amount offset, Oregon—\$8.00, and South Carolina—\$5.25.

^fEach county decides whether to charge the client or pay the fee itself.

^gNo state tax offset program.

^hNon-AFDC client pays fee unless the circuit court finds the client is indigent. In such cases, the state pays the fee.

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Child Support Enforcement: A Framework for Evaluating Costs, Benefits, and Effects (GAO/PEMD-91-6, Mar. 5, 1991).

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Child Support: Need to Improve Efforts to Identify Fathers and Obtain Support Orders (GAO/HRD-87-37, Apr. 30, 1987).

Child Support: States' Progress in Implementing the 1984 Amendments
(GAO/HRD-87-11, Oct. 3, 1986).

Child Support Collection Efforts for Non-AFDC Families (GAO/HRD-85-3, Oct. 30, 1984).

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