Staple Ed

File fatherhood

WHITE HOUSE UNVEILS NEW RESPONSIBLE FATHERHOOD INITIATIVE TO PROMOTE WORK AND BOOST CHILD SUPPORT PAYMENTS

January 26, 2000

Today, the White House will unveil a major new initiative to promote work, child support, and responsible fatherhood. The responsible fatherhood initiative, part of the Administration's FY 2001 budget, will include new measures to 1) collect child support from parents who can afford to pay; 2) ensure that more child support goes directly to families, and 3) provide funds to help more "deadbroke" fathers who owe child support go to work. These responsible fatherhood proposals are a critical next step in welfare reform, and will build upon the Administration's efforts to help low-income families succeed in the workforce and help even more long-term welfare recipients go to work. The White House today will also announce new data showing that thanks to the Administration's child support crackdown, collections have nearly doubled since President Clinton and Vice President Gore took office.

COLLECTING MORE CHILD SUPPORT FROM FATHERS WHO CAN PAY. The Administration's budget will include new initiatives to crack down further on parents who owe child support. These initiatives will collect nearly $2 billion for children over the next five years by:

- Booting the Cars of Deadbeat Parents. This will take nationwide a policy adopted in Virginia that immobilizes vehicles owned by deadbeat parents until they begin to pay what they owe. During the pilot phase, this initiative collected an average of $5,000 from each deadbeat parent. This new tool will enable every state to collect more child support; there will be safeguards to ensure that those legitimately trying to pay are not targeted.

- Intercepting Gambling Winnings to Collect Past-Due Child Support. Gambling winnings are a form of income, which until now has been out of reach to families who are owed child support. Under this initiative, gambling establishments will check whether individuals with large winnings owe child support as they complete existing procedures for withholding federal income taxes. Gamblers owing child support will have their winnings seized.

- Denying Passports to Parents Who Owe $2,500 or More in Child Support. This proposal will deny passports to parents owing more than $2,500 in child support. This expands the current passport denial program, which rejects passport applications or renewal requests if child support arrearages exceed $5,000, and currently results in 30-40 denied passports per day. Rejected parents often pay child support immediately in order to obtain their passports.

- Prohibiting Medicare Participation by Providers Owing Child Support. This bars doctors and other health providers who owe child support from becoming Medicare providers.

- Requiring More Frequent Updating of Child Support Orders. This proposal will require states to review support orders every three years for families receiving TANF and adjust them accordingly. New orders reflecting parents' updated salary information will bring more child support to children who need it.

STREAMLINING CHILD SUPPORT RULES SO MOTHERS GET MORE RELIABLE CHILD SUPPORT INCOME. The Administration's budget will contain a proposal that will ensure that more child support goes directly to families. Current child support distribution rules are complicated, and often result in government, not families, keeping child support monies paid by the father. Today's proposals will enable states to simplify distribution rules and provide incentives to states that pass through more child support payments directly to families. In states that adopt the new options, families that have left welfare will be able to keep all the child support paid by the noncustodial parent; families still working their way off welfare will be able to keep up to $100 a month. These proposals will create a clearer connection between what a father pays and what his family gets, giving parents more reason to cooperate with the child support system.

HELPING LOW-INCOME FATHERS AND WORKING FAMILIES SUPPORT THEIR CHILDREN. The Administration's budget also proposes $255 million for the first year of a new "Fathers Work/Families Win" initiative to help low-income non-custodial parents and low-income working families work and support their children.

- Fathers Work. To ensure that low-income fathers who are not living with their children provide the financial and emotional support their children deserve, the Administration's budget will include $125 million for new "Fathers Work" grants. These grants will help approximately 40,000 low income non-custodial parents (mainly fathers) work, pay child support, and reconnect with their children. As part of this effort, states will need to put procedures in place allowing them to require more parents who owe child support to pay or go to work, expanding to include parents of children not on welfare. This initiative builds on over $350 million in responsible fatherhood initiatives funded through the Labor Department Welfare-to-Work program.

- Families Win. To reward work and responsibility and ensure that all families benefit from the booming economy, the Administration's budget will include $130 million in new grants to help hard-pressed working families get the supports and skills they need to succeed on the job and avoid welfare. These funds will leverage existing resources to help families retain jobs and upgrade skills, and get connected to critical work supports, such as child care, child support, health care, food stamps, housing, and transportation. Families Win grants will serve approximately 40,000 low-income families, including mothers and fathers, former welfare recipients, and people with disabilities. Within these funds, $10 million will be set aside for applicants from Native American workforce agencies.

CHILD SUPPORT COLLECTIONS SET NEW RECORD, NEARLY DOUBLING SINCE 1992. The White House today will also announce new data showing that the Administration's child support campaign nearly doubled collections to $15.5 billion in FY 1999, up from $8 billion in 1992. A record $1.3 billion of these collections came from withholding federal tax returns from deadbeat parents, with the balance coming from a variety of stronger enforcement tools put in place since 1992, allowing garnishing of wages, seizing of bank accounts, and taking of drivers and other licenses. The new data show that efforts to track deadbeat parents across state lines are working – 2.8 million parents were located in the first two years of operation of the National Directory of New Hires, which matches child support orders to employment records. These statistics confirm promising trends, showing that paternity establishment – often the first step in collecting child support – tripled to nearly 1.5 million in 1998, and the number of child support cases with collections rose from 2.8 million in 1992 to 4.5 million in 1998.

EXTENDING WELFARE-TO-WORK GRANTS. To help more long-term welfare recipients and low-income fathers go to work and support their families, the Administration's budget will give state, local, tribal, and community- and faith-based grantees an additional two years to spend Welfare-to-Work funds, ensuring that roughly $2 billion in existing resources continues to help those most in need. This will give grantees an opportunity to fully implement the $3 billion Welfare-to-Work initiative the Administration fought to include in the 1997 Balanced Budget Act, as well as the program eligibility improvements enacted last year with the Administration's support.

NEW INITIATIVES ARE IMPORTANT NEXT STEP IN WELFARE REFORM. The initiative to be announced today is an important next step in welfare reform, which has moved millions of single parents (mainly mothers) into the workforce, and it is a logical extension of the existing Welfare-to-Work funds, which are helping long-term welfare recipients and low-income fathers work and support their families.

Three years after the enactment of the welfare reform law, we've seen revolutionary changes to promote work and responsibility. Numerous independent studies confirm that people are moving in record numbers from welfare to work, and welfare rolls are down by more than half since 1992 to their lowest level in 30 years. The 12,000 companies in the Welfare to Work Partnership launched by the Administration in 1997 have hired nearly 650,000 former welfare recipients. More than 1.3 million welfare recipients nationwide went to work in 1998 alone; the percentage of adults still on welfare who were working nearly quadrupled between 1992 and 1998, with all fifty states meeting the welfare reform law's overall work requirement. Today, there are 2.2 million fewer children living in poverty than in 1993, and the child poverty rate declined from 22.7 percent to 18.9 percent – the largest five year drop in nearly 30 years. The overall poverty rate fell to 12.7 percent in 1998, with 4.8 million fewer people in poverty than in 1993.

Welfare Reform Q&As

WHITE HOUSE UNVEILS NEW RESPONSIBLE FATHERHOOD INITIATIVE TO PROMOTE WORK AND BOOST CHILD SUPPORT PAYMENTS

January 25, 2000 DRAFT

Q: What is the President proposing to promote responsible fatherhood?

A: Today, the White House will unveil a major new initiative to promote work, child support, and responsible fatherhood. The responsible fatherhood initiative, part of President Clinton's FY 2001 budget, will include new measures to 1) collect child support from parents who can afford to pay; 2) ensure that more child support goes directly to families, and 3) provide funds to help more "deadbroke" fathers who owe child support go to work. These responsible fatherhood proposals are a critical next step in welfare reform, and will build upon the President's efforts to help low-income families succeed in the workforce and help even more long-term welfare recipients go to work. The White House today will also announce new data showing that thanks to the Administration's child support crackdown, collections have nearly doubled since President Clinton took office.

Q: What tough new child support measures is the President proposing?

A: To collect more child support from fathers who can pay, the President's FY 2001 Budget will include several new initiatives to further crackdown on parents who owe child support and can afford to pay. These initiatives will collect nearly $2 billion more over five years in support for children who need and deserve the support of both parents by:

- Booting the Cars of Deadbeat Parents. This will take nationwide a policy adopted in Virginia that immobilizes vehicles owned by deadbeat parents until they begin to pay what they owe. During the pilot phase, this initiative collected an average of $5,000 from each deadbeat parent. This new tool will enable every state to collect more child support; there will be safeguards to ensure that those legitimately trying to pay are not targeted.

- Intercepting Gambling Winnings to Collect Past-Due Child Support. Gambling winnings are a form of income, which until now has been out of reach to families who are owed child support. Under this initiative, gambling establishments will check whether individuals with large winnings owe child support as they complete existing procedures for withholding federal income taxes. Gamblers owing child support will have their winnings seized.

- Denying Passports to Parents Who Owe $2,500 or More in Child Support. This proposal will deny passports to parents owing more than $2,500 in child support. This expands the current passport denial program, which rejects passport applications or renewal requests if child support arrearages exceed $5,000, and currently results in 30-40 denied passports per day. Rejected parents often pay child support immediately in order to obtain their passports.

- Prohibiting Medicare Participation by Providers Owing Child Support. This bars doctors and other health providers who owe child support from becoming Medicare providers.

- Requiring More Frequent Updating of Child Support Orders. This proposal will require states to review support orders every three years for families receiving TANF and adjust them accordingly. New orders reflecting parents' updated salary information will bring more child support to children who need it.

The President's budget will also contain a proposal that will ensure that more child support goes directly to families. Current child support distribution rules are complicated, and often result in government, not families, keeping child support monies paid by the father. Today's proposals will simplify distribution rules and provide incentives to states that pass through more child support payments directly to families. In states that adopt the new options, families that have left welfare will be able to keep all the child support paid by the noncustodial parent; families still working their way off welfare will be able to keep up to $100 a month. These proposals will create a clearer connection between what a father pays and what his family gets, giving parents more reason to cooperate with the child support system.

Q: Aren't some of these new ideas going a bit too far? If a deadbeat's car is booted how is he supposed to get to work? Is the assertion here that gamblers are more likely to be deadbeats?

A: Absolutely not. Despite record child support collections, there are still too many parents who flagrantly ignore their obligations to their children. Clearly, the punishment meets the crime. By not paying their child support, deadbeat parents are reneging on their financial responsibility to their children. The booting of vehicles will be used against the worst offenders – those who owe more than $1,000 in past due support and have thumbed their noses at the state's previous attempts to collect. Even so, safeguards will be required to take extra care not to wrongfully embarrass anyone through administrative oversight or error. In Virginia's pilot program, parents paid $5,000 on average in child support once their car was booted. Overall, we estimate that requiring states to have a policy in place to boot deadbeat's cars will increase child support collections to families by $183 million nationwide over five years.

As for gambling winnings, gaming establishments already retain a portion of winnings for tax purposes. This proposal would only require that gaming establishments also have to check if individuals with winnings over a certain amount ($600 to $1,500 depending on the type of gambling) owe child support. If they do, winnings would be retained for the children of the gambler. This proposal would increase child support collections to families by $348 million over five years.

Q: How does the process work to boot cars of deadbeats who owe child support?

A: The deadbeat parent must be at least $1,000 in past due child support and have a current support obligation in order for the state to consider booting his car. Current law already requires that due process procedures be in place before liens are established and executed for purposes of child support enforcement. After all conventional enforcement remedies have failed, such as wage garnishment, offsetting tax refunds, or seizing financial accounts, a lien can be placed on a deadbeat parent's car. Once a lien has been filed, the state child support agency will send a notice of intent to the non-custodial parent warning them of the action. Once the car has been booted by the sheriff or police department, the state child support agency must reach a payment agreement at which point the boot may be removed from the vehicle.

Currently, booting is occurring statewide in Virginia. As part of a pilot program in Fairfax County, Virginia, 70 cars were booted, garnering on average over $5,000 from each deadbeat parent between March 1998 and December 1999. In addition, counties in Michigan and New Jersey are also using the car boot to strengthen their child support efforts.

Q: What are the new child support numbers released today?

A: Since taking office, the President has made child support enforcement a top priority, and those efforts are paying off for children across America. New figure released by the Department of Health and Human Services show that child support collections have nearly doubled since the President took office, from $8 billion in 1992 to an estimated $15.5 billion in 1999. Moreover, new figures show that a record $1.3 billion of these collections came from seizing federal income tax refunds for tax year 1998 – again almost doubling the amount collected since 1992.

Q: What is the Fathers Work/Families Win program that the President is proposing?

A: To build on the investments and partnerships begun under the Welfare-to-Work program and the Workforce Investment Act, the President's budget proposes $255 million for the first year of a new "Fathers Work/Families Win" initiative to help low-income non-custodial parents (mainly fathers) and low-income working families work and support their children. This effort represents the critical next stage of welfare reform which has moved millions of single parents (mostly mothers) into the workforce, and a logical extension of the existing Welfare-to-Work funds which are helping low-term welfare recipients and low-income fathers work and support their families. New competitive grants will be awarded to business-led local and state workforce investment boards who work in partnership with one-stop career centers, community and faith-based organizations, and agencies administering child support, TANF, food stamps, and Medicaid, thereby connecting low-income fathers and working families to the life-long learning and employment services created under the Workforce Investment Act.

Fathers Work Grants. To ensure that low-income fathers who are not living with their children provide the financial and emotional support their children deserve, the President's budget will include $125 million for the first year of new Fathers Work grants to help approximately 40,000 low income non-custodial parents (mainly fathers) work, pay child support, and reconnect with their children. Funds could be used to provide job training, placement, and retention services including parenting education and other services that help non-custodial parents increase their employment and earnings, pay child support, and strengthen their connections with their children. As part of this effort, states will need to put procedures in place to require more parents who owe child support to pay or go to work, expanding current requirements to include parents of children not on welfare. Currently this requirement applies to parents who owe child support for children receiving welfare. This initiative builds on over $350 million in responsible fatherhood initiatives funded through the Department of Labor's Welfare-to-Work program to serve an estimated 125,000 low-income non-custodial parents.

Families Win grants. To reward work and responsibility and ensure that all families benefit from the booming economy, the President's budget will include $130 million in new grants to help hard-pressed working families get the supports and skills they need to succeed on the job, move up the career ladder, and avoid welfare. These funds will build on and leverage existing resources to help families retain jobs and upgrade skills. All grantees will be expected to provide information and linkages to critical work supports, such as child care, child support, health care, food stamps, housing, and transportation. Families Win grants will serve approximately 40,000 low income families up to 200% of poverty, including mothers and fathers, former welfare recipients, and individuals with disabilities. Within these funds, $10 million will be set aside for applicants from Indian and Native American workforce agencies.

Q: Why are you calling this the next step in welfare reform?

A: Since we have asked mothers to move from welfare to work, millions of families have moved from the dependency of welfare to the dignity of work. While many single mothers are doing a tremendous job of working and raising their children, they should not have to support their children alone. Every child deserves the support of two parents and these proposals will ensure that more fathers share responsibility for supporting their families. In addition, the Families Win grants will help low income working families, including former welfare recipients, succeed on the job, move up the career ladder, and avoid returning to welfare.

Welfare-to-Work and TANF

Q: Is the President backing away from his commitment to the Welfare-to-Work program?

A: No. We are extending this important initiative by giving state, local, tribal and community- and faith-based grantees an additional two years to spend Welfare-to-Work funds. This proposal will ensure that about $2 billion in existing resources continues to help long-term welfare recipients and low-income fathers in areas of concentrated poverty go to work and support their families. This will give grantees an opportunity to fully implement the $3 billion Welfare-to-Work initiative included in the 1997 Balanced Budget Act with the President's leadership, and the eligibility improvements enacted last year with the Administration's support. At the same time, the Fathers Work/ Families Win initiative takes the logical next step by building on the existing WtW and TANF efforts, and building the capacity of the Workforce Investment Act system to serve both low-income fathers and families.

Q: **Why are you focusing on fathers – what about mothers?**

A: This proposal does not focus on fathers at the expense of mothers. The Fathers Work grants will help raise the employment and earnings of low-income non-custodial parents (the vast majority of which are fathers) so they can meet their child support obligations. If we are to expect fathers to share in the responsibilities already carried by mothers under welfare reform, it is appropriate to devote resources to carrying out this requirement and helping those fathers who need help to go to work. Mothers on welfare are already required to work, and welfare block grant funds can be used to help both mothers on welfare go to work and succeed in the workforce, and to help low income working mothers who are not on welfare get jobs to prevent them from coming on to welfare. The Families Win grants will help low income single mothers, and two-parent families, whether or not they have been on welfare, get the additional skills and work supports they need to succeed on the job and move up the ladder. In addition, the Administration's Welfare-to-Work program helps long-term welfare recipients (mostly mothers) to get and keep a job, as well as helping low-income fathers. The two-year extension the President is proposing for current Welfare-to-Work grantees will allow states, communities, and tribes to use roughly $2 billion in currently available resources to help even more long-term recipients over the next several years.

Q: **How does this new child support work requirement work?**

A: We will propose a child support legislative change to require states to put procedures in place to require more parents who owe child support to pay or go to work, expanding current requirements to include parents of children not on welfare. This broadens the existing requirement under which states need only have such procedures in place for parents who owe child support for children on welfare. Currently, about two-thirds of children owed child support are not on welfare [CHK], and this figure will continue to grow as more families leave welfare. Child support is a critical part of meeting the needs of low-income families and may become even more important once the family has left welfare. Currently while most states have a procedure on the books, most have not fully implemented them nor do they have fully developed employment programs for non-custodial parents in most places.

Q: **Is this an unfunded mandate?**

A: This is not an unfunded mandate because states still have latitude to define these procedures, including how will they be enforced. Under both current law, and our proposal, states simply have to have a procedure in place giving their courts or child support agencies the authority to require parents to owe support to work – states do not actually have to require work from every parent who owes support. However, with the new resources provided through the Fathers Work grants, in addition to the significant resources available through the Welfare-to-Work grants and TANF block grants that can be used to help non-custodial parents go to work, we think it is appropriate to strongly encourage states to expand these work requirements for more non-custodial parents.