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Summary of Child Support, Fatherhood, and Marriage Provisions in House and Senate Versions of H.R. 4

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On February 13, 2003, the U.S. House of Representatives passed H.R. 4, the Temporary Assistance for Needy Families (TANF) reauthorization bill. On September 10, 2003, the Senate Finance Committee approved its version of H.R. 4. Both Senate Finance Committee and House versions include a number of important child support provisions. In addition, both versions would authorize new spending for marriage and fatherhood initiatives and increase spending for access and visitation grants. This paper describes the child support, fatherhood, and marriage provisions in the bills.

Child Support Distribution Provisions

The Senate Finance Committee bill incorporates the assignment and distribution provisions sponsored by Sen. Olympia Snowe (R-ME) and Sen. Herb Kohl (D-WI) in S. 669 and prior bills. The House bill is based on the Administration's proposal in its FY 2004 budget.

- *Pre-assistance assignment of child support to the state.* Currently, when families apply for TANF cash assistance, they are required to sign over to the state their rights to child support owed while receiving TANF and child support owed before receiving TANF to help reimburse the state and federal governments for the cost of their welfare benefits. Effective FY 2008, the Finance bill would limit the assignment of child support to the state to only the TANF assistance period, eliminating the requirement that TANF families assign their pre-assistance support rights. States could elect to implement this provision early. In addition, the Finance bill would give states the option to keep or eliminate older pre-assistance assignments. The House bill retains the requirement in current law that families assign their pre-assistance support rights to the state.
- *TANF pass-through.* The Finance bill would require the federal government to waive its share of retained collections to the extent that a state passes through

¹ This summary of legislative provisions was adapted from an article published by the author and Kay Farley and Howard Baldwin in *Child Support Quarterly*, 42(13), (Fall 2003), published by the National Child Support Enforcement Association.

support to TANF families and disregards that support in determining TANF benefits. The federal share may only be waived for families receiving TANF assistance for less than five years, and the amount passed through may not be more than \$400 per month for a family with one child and \$600 for a family with two children. Under the House bill, the federal government would waive its share of a pass-through increase up to the greater of a \$50 increase of an already existing state pass-through or a \$100 pass-through.

- *Distribution to former TANF families.* Currently, the federal tax offset procedure is available to withhold overdue support owed to minor or disabled children from tax refunds due to delinquent obligors. Under current rules, once families have left assistance, states keep tax offset collections, and families keep other collections. The Finance bill would give states the option to eliminate the special treatment of child support collected through the federal tax offset program. Tax offset collections would be paid first to former TANF families, but states would retain their assignment rights. The House bill would give states the option to pay all collected support to former TANF families and extinguish state assignment rights.
- *Financing options.* Under the Finance bill, but not the House bill, states could count expanded distribution of child support to families toward state TANF Maintenance of Effort (MOE) requirements.

Other Child Support Provisions

The Senate Finance Committee and House bills include several other significant child support provisions, including:

- *Mandatory fee.* The House bill includes a new \$25 annual fee charged to families who have never received TANF assistance and receive more than \$500 in collected support during the year. The Finance bill does not include a new fee.
- *Mandatory review and adjustment.* Both Finance and House bills would require states every three years to review and adjust child support orders of parents receiving TANF.
- *Interception of gambling winnings.* The Finance bill would authorize the U.S. Department of Health and Human Services (HHS) to intercept the gambling winnings of parents who owe child support. Under the bill, gambling establishments must provide information to HHS to conduct data matches and must withhold support in the same manner that they withhold IRS income tax owed.
- *Seizure of assets held by multi-state financial institutions.* The Finance bill would authorize HHS to perform data matches and to seize assets held by multi-

state financial institutions. Seized assets would be transmitted to the state for distribution. HHS must inform asset holders of their due process rights.

- *Insurance matches.* The Finance bill would authorize HHS to conduct data matching of insurance claims, settlements, awards, and payments for state enforcement.
- *Uniform Interstate Family Support Act (UIFSA) and Full Faith and Credit for Child Support Orders Act (FFCCSOA) changes.* The Finance bill would amend the UIFSA and FFCCSOA to streamline interstate enforcement.
- *Garnishment of longshore benefits.* The Finance bill would allow garnishment of benefits issued under the Longshore and Harbor Workers' Compensation Act.
- *Passport denial.* Both bills would lower the threshold for passport denials, revocations, and restrictions from \$5,000 in support owed to \$2,500.
- *Use of tax offsets for adult children.* Both bills would permit the federal tax offset program to be used to collect support on behalf of children who are no longer minors.
- *Garnishment of veterans' benefits.* Both bills would allow veterans' disability compensation benefits to be withheld if the veteran is 60 days or more in arrears.
- *Expanded federal administrative offsets.* Both bills would expand the federal administrative offset program by allowing limited offsets of Social Security benefits.
- *Tribal and contractor data access.* The Finance bill would require the Treasury Department to disclose certain tax return data to tribal child support agencies and state contractors. In addition, the Finance bill would include Indian tribes and tribal organizations as "authorized persons" for purposes of accessing data through the Federal Parent Locator Service.
- *Timing of corrective action year.* The Finance bill would clarify the timing of the corrective action year for states in noncompliance with child support requirements.
- *Report on undistributed child support collections.* Both bills would require HHS to submit a report on undistributed child support collections within six months of enactment.

Fatherhood Provisions

Both the Senate Finance Committee bill and the House bill would authorize funding for new fatherhood demonstration programs and media campaigns. However, this authority is subject to further appropriation, and the programs have been left unfunded in the legislation.

The Senate Finance Committee bill would authorize \$75 million per year for fatherhood programs. The bill would earmark \$50 million of this amount for demonstration projects, including \$20 million for 10 state projects and \$30 million for other projects to promote responsible fatherhood through (1) marriage promotion; (2) parenting activities; and (3) fostering the economic stability of fathers by providing employment and education services. In addition, the amount includes a \$20 million annual block grant for states to conduct responsible fatherhood media campaigns and a \$5 million annual grant to develop a national clearinghouse and national media campaign.

The House bill would authorize \$20 million annually for national and multi-state demonstration projects and competitive grants to public and nonprofit community-based organizations. Grant projects must (1) promote responsible parenting through counseling, parenting education, and encouragement of positive father involvement; (2) assist unemployed and low-income fathers to take full advantage of education and job training programs through outreach, information dissemination, and coordination with employment services; (3) improve fathers' ability to effectively manage family business affairs, including household management, budgeting, banking, and home management; and (4) encourage and support healthy marriages and married fatherhood through premarital education, marriage preparation, marital therapy, and relationship skills.

In addition, the Senate Finance Committee bill would double funding for state and tribal access and visitation grants, from \$10 million to \$20 million by FY 2007.

Marriage Provisions

The Senate Finance Committee and House bills would provide significant new funding for marriage promotion activities. The marriage funds, unlike the fatherhood funds, are provided for in the legislation. Both bills would appropriate up to \$1 billion in federal funds over five years for marriage promotion and research, with an additional \$500 million in TANF funds made available for use as a state match.

The Finance bill includes two funds: (1) a \$100 million annual fund for state competitive grants to develop and implement programs to promote and support healthy, married, two-parent families and to encourage responsible fatherhood; and (2) a \$100 million research fund, of which 80 percent is earmarked for marriage promotion activities. These funds must be used for:

- public advertising campaigns,
- high school education programs,
- marriage education,

- marriage skills programs, including job and career enhancement for non-married expectant and recent parents,
- pre-marital education,
- divorce reduction,
- marriage mentoring, and
- programs to reduce the marriage disincentive in means-tested aid programs, if offered in conjunction with other activities.

Similarly, the House bill includes \$100 million per year for competitive grants for marriage promotion activities and \$100 million per year for research, which must be used primarily for marriage activities.