



Side-by-Side Comparison of Child Support and Fatherhood Program Provisions in Welfare Reauthorization Bills Passed by the Senate Finance Committee and House Human Resources Subcommittee

By Vicki Turetsky
June 6, 2005

On March 15, 2005, the Human Resources Subcommittee marked up the “Personal Responsibility, Work, and Family Promotion Act of 2005” (H.R. 240), and referred the bill to the full Ways and Means Committee of the House of Representatives. On March 17, the Senate Finance Committee marked up the “Personal Responsibility and Individual Development for Everyone (PRIDE) Act of 2005” (S. 667), and the bill was placed on the Senate calendar.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Assignment and Distribution			
Pre-assistance assignment	TANF applicants must assign to the state their rights to unpaid child support owed before and during the assistance period to repay cash assistance.	Eliminates “pre-assistance assignment” requirement. Effective Oct. 1, 2009; states may accelerate effective date.	Current law.
Distribution of child support to families who have left TANF	After a family leaves TANF, support is paid to the family, except for support collected through offsets to obligors’ federal tax refunds. Federal tax offset collections are retained by the state and shared with the federal government. Child support is distributed to the state or the family depending upon on the date the support is owed.	A state may elect to apply existing distribution rules or to distribute the amount to families to satisfy current support and arrears owed to the family. The state’s obligation to pay the federal share of the support is waived if the state elects the option.	The state has the option to distribute any amount collected during the month to former TANF families. The state’s obligation to pay the federal share of the support is waived if the state elects the option. The option is conditioned on the state distributing all collected support according to the date the support is collected rather than the date the support is owed.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Pass-through of child support to TANF families	States may retain or “pass through” support to families receiving TANF assistance, but in either case states must pay a share of collections to the federal government. If a state passes through support, it may count the support as income or disregard it in determining TANF assistance.	Requires the federal government to waive its share of support to the extent that the state passes through the support to a TANF family and disregards the support in determining TANF benefits, up to \$400 (for one child) and \$600 (for two or more children).	Requires the federal government to waive its share of an <i>increase</i> in a pass-through and disregard amount, up to the greater of a \$50 increase or \$100 pass-through. To qualify, the increase must take effect after Dec. 31, 2001.
Pre-1997 assignments	Any rights to unpaid support assigned to a state and in effect on Sept. 30, 1997, must remain in effect.	States have the option to discontinue pre-implementation assignments.	Current law.
State financing flexibility	States may use federal TANF funds or receive credit for state Maintenance of Effort (MOE) funds to pay for the state share of support passed through to current TANF families and disregarded in determining TANF assistance.	In addition, states may receive credit for state MOE funds used to pay for the state share of expanded distribution to former TANF families.	Current law.
States with Section 1115 pass-through waivers (Wisconsin, Vermont, Connecticut)	No provision.	A state having a pass-through waiver in effect since Oct. 1, 1997, may continue to pass through support to families and disregard it in determining TANF assistance. The state need not repay the federal share to the extent of the pass-through disregard.	Current law.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Assignment and distribution implementation date	No provision.	The assignment and distribution provisions take effect Oct. 1, 2009. A state may elect to implement early, but not earlier than 18 months after the date of enactment.	The distribution provisions apply to amounts distributed on or after Oct. 1, 2007.
Other Child Support Provisions			
Service fee	States must impose an application fee up to \$25, paid by either parent (or the state), except for an individual receiving TANF, Medicaid, foster care, or (in some circumstances) Food Stamps, and may impose other fees for IRS tax offsets, genetic tests, and other costs.	Current law.	In addition to current fees, states must impose an annual \$25 service fee on individuals who never received TANF assistance and for whom the state has collected at least \$500 of support, paid by either parent (or the state). Effective Oct. 1, 2004.
Review and adjustment	States may review and adjust assigned TANF support orders every 3 years, and must review and adjust orders upon the request of either parent.	Requires states to review and adjust assigned TANF support orders every 3 years. Effective Oct. 1, 2007.	Requires states to review and adjust assigned TANF support orders every 3 years. Effective Oct. 1, 2007.
Medical support	When child support orders include health care coverage, states are required to inform employers of the responsibility to enroll eligible children in employee health care plans.	Requires states to include and enforce medical support provided by either parent in child support orders. Amends Employee Retirement Income Security Act of 1974 (ERISA) and Internal Revenue Code to require health care plan administrator to notify the child support agency when a child loses health care coverage.	Current law.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Threshold for passport denial	The Secretary of State must deny passports to obligors who owe more than \$5,000 in past due support.	The threshold for passport denial is lowered from \$5,000 to \$2,500. Effective Oct. 1, 2006.	The threshold for passport denial is lowered from \$5,000 to \$2,500. Effective Oct. 1, 2006.
Federal tax offsets permitted for adult children	The federal tax offset procedure is available to withhold overdue support owed to minor or disabled children from tax refunds due to delinquent obligors.	The definition of “child” is expanded to include those who are not minors. Effective Oct. 1, 2007.	The definition of “child” is expanded to include those who are not minors. Effective Oct. 1, 2007.
Veteran’s disability pay	Veteran’s pay for a service-connected disability is subject to child support withholding if the veteran has waived a portion of retired or retainer pay in order to receive the disability pay.	Veteran’s pay for a service-connected disability is not subject to withholding for alimony unless the veteran has waived a portion of retired or retainer pay in order to receive the disability pay. Effective Oct. 1, 2007.	Veteran’s pay for a service-connected disability is not subject to withholding for (1) alimony or (2) child support less than 60 days past due. Not more than 50% of this pay may be withheld. Effective Oct. 1, 2007.
Longshore and harbor workers’ compensation	Workers’ compensation generally is subject to income withholding or seizure to enforce child support, except that benefits under the Longshore and Harbor Workers’ Compensation Act are exempt.	The exemption for longshore and harbor workers’ compensation is eliminated, and states may withhold or seize benefits in like manner and to the same extent as similar benefits under a state workers’ compensation program.	Current law.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Multi-state financial institutions data match and asset seizure (MSFIDM)	States must enter into agreements with financial institutions doing business in the state to conduct quarterly data matches and to seize assets held on behalf of non-custodial parents who owe past-due support.	The U.S. Department of Health and Human Services (HHS) is authorized, through the Federal Parent Locator Service (FPLS), to (1) assist states in reaching agreements with interstate financial institutions; (2) to perform data matches with institutions entering such agreements; and (3) to seize assets and transfer them to states. States must provide notice to obligors, provide for contested case procedures, and ensure that due process protections are consistent with those in federal tax offset procedures.	Current law.
Insurance settlement match	States must be able to intercept or seize periodic or lump-sum payments from judgments, settlements, and lotteries.	HHS is authorized, through the FPLS, to (1) match information about insurance claims, settlements, awards, and payments maintained by insurers and their agents, and (2) furnish matching data to states.	Current law.
Social Security benefit match	The federal debt collection procedure does not allow for administrative offsets of Social Security Administration payments.	Social Security Title II (OASDI) payments are subject to federal administrative offsets to collect past-due support. Effective as if included in Consolidated Appropriations Act of 2005 (Pub. L. 108-447).	Social Security Title II (OASDI) payments are subject to federal administrative offsets to collect past-due support. Effective Oct. 1, 2006.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Uniform Interstate Family Support Act (UIFSA)	States must enact the UIFSA provisions in effect on August 22, 1996.	Requires states to enact UIFSA provisions adopted as of August 2001. Amends continuing exclusive jurisdiction, determination of controlling orders, and enforcement of modified order provisions in Full Faith and Credit for Child Support Orders statute (FFCCSO).	Current law.
Interstate case processing	States are required to use high-volume automated administrative enforcement for intrastate and interstate case processing and to assist another state without transferring the case.	Permits assisting states to open a corresponding case on their automated systems.	Current law.
Tribal child support	States may enter into cooperative agreements with an Indian tribe or tribal organization receiving federal child welfare funds to operate a child support program.	Indian tribes and tribal organizations may access data maintained by the FPLS, and enter into cooperative agreements with states (whether or not the tribes receive federal child welfare funds).	Current law.
Access and visitation grants	States receive \$10 million per year for state grants to support and facilitate non-custodial parents access to and visitation of their children, including mediation, counseling, education, parenting plans, drop-off centers, visitation guidelines and enforcement, and alternative custody arrangements.	State and tribal grant allotments increase to \$20 million by fiscal year 2009. Allotments to Indian tribes and tribal organizations of \$180,000 by fiscal year 2009 are provided for.	Current law.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Corrective action year	State TANF funds are subject to a 1-5% penalty reduction if HHS finds that a child support program fails to meet performance and data reliability standards or to substantially comply with federal requirements and if the state failed to take sufficient corrective action “with respect to the succeeding fiscal year.”	The corrective action year is defined as the period that begins with the date the HHS Secretary makes an adverse finding and ends on September 30 of the fiscal year following the finding year. HHS shall not take a penalty for a noncompliance occurring in fiscal year 2001 if the state has corrected the noncompliance in fiscal year 2002 or 2003.	Current law.
Technical assistance funding	An amount equal to 1% of the federal share of collections is appropriated for federal Office of Child Support Enforcement research, technical assistance, and training.	An amount equal to 1% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated for such activities.	An amount equal to 1% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated for such activities.
Federal Parent Locator Service (FPLS) funding	An amount equal to 2% of the federal share of collections is appropriated to operate the FPLS.	An amount equal to 2% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated to operate the FPLS.	An amount equal to 2% of the federal share of collections, or the amount appropriated for FY 2002, whichever is greater, is appropriated to operate the FPLS.
Texas monitoring and enforcement waiver	No provision	Texas is not required to apply for a waiver to continue and expand the state’s monitoring and enforcement of state court orders.	No provision.
Undistributed child support collections	No provision.	Within 6 months, the HHS Secretary must submit a report to Congress on the procedures used by states to locate custodial parents, estimated undistributed support amounts, timeframes, and recommendations.	Within 6 months, the HHS Secretary must submit a report to Congress on the procedures used by states to locate custodial parents, estimated undistributed support amounts, timeframes, and recommendations.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Reimbursement of HHS costs for data matching for Higher Education Act loans and grants	HHS is authorized to compare new hire data with quarterly data furnished by the Department of Education for purposes of collecting federal student loan and grant debts.	Repeals the limitation on costs charged by HHS to the Department of Education.	Current law.
Effective date for other child support provisions	Not applicable.	Upon enactment, unless specified otherwise or if state legislation is needed, 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the next state election.	Upon enactment, unless specified otherwise or if state legislation is needed, 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the next state election.
Fatherhood Program Funding			
Responsible fatherhood grants	No provision.	There are 4 HHS grant programs: (1) 10 state demonstration grants; (2) demonstration grants to local public and private entities; (3) state media block grants; and (4) grant to national media clearinghouse.	There are 4 HHS grant programs: (1) competitive grants for full service projects by local public and private entities; (2) competitive grants (under \$25,000 per year) for limited-purpose projects; (3) 2 multi-state demonstrations; and (4) projects of national significance. HHS must evaluate project effectiveness.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Grant funds	No provision.	A total of \$75 million is authorized each year for FY 2006 through 2010: (1) \$20 million appropriated for state demonstrations; (2) \$30 million appropriated for local demonstrations; (3) \$20 million for state media grants (including \$1 million in 2004 for evaluation); and (4) \$6 million for a national clearinghouse and resource center.	A total of \$20 million is authorized (but not appropriated) each year for FY 2006 through 2010, including a 15% set-aside for multi-state demonstrations, national projects, and evaluations.
Matching requirement	No provision.	There does not appear to be a matching requirement for the state and local demonstration projects. However, there is a 1:1 non-federal contribution match required for the media block grants.	Grantees participating in full service and multi-state projects are required to match 20% of project costs.
Priority grants	No provision.	HHS will give priority to eligible states that have demonstrated progress in achieving a purpose or need to reduce out-of-wedlock births or absent fathers.	HHS may give preference to projects serving mostly low-income fathers.
Grant purposes	No provision.	The purposes are: (1) marriage (2) responsible parenting (3) economic stability	The purposes are: (1) marriage (2) providing material support (3) managing family business affairs (4) married fatherhood

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Participants	No provision.	Grantees must target low-income participants. At least 50% must be parents (1) of a child who has been a recipient within the past 24 months of TANF, child support, foster care, Medicaid, or Food Stamps, or (2) with incomes at or below 150% of poverty.	HHS may, but is not required to, give preference to projects serving low-income participants.
Family violence	No provision.	Grantees must consult with domestic violence experts or coalitions in developing activities. The grant application must describe how the activities “will address, as appropriate, issues of domestic violence.”	Grantees must coordinate with child protective service and domestic violence programs. The grant application must describe how the entity “will assess for the presence of, and intervene to resolve domestic violence and child abuse and neglect.”
Voluntary participation	No provision.	The grant application must describe what the grantee will do, “to the extent relevant,” to ensure that participation is voluntary, and to inform participants.	No provision.
Coordination	No provision.	Grantees must coordinate and cooperate with public jobs programs and programs serving children and families.	Grantees must coordinate with TANF, child welfare, child support, WIA one-stop and other programs, health service providers, and domestic violence programs.

	Current Law	Senate Finance Committee Bill	House Human Resources Subcommittee Bill
Nondiscrimination	No provision.	Funded projects and activities shall be available on the same basis to all fathers and expectant fathers, including married and unmarried fathers, and custodial and non-custodial fathers, with particular attention to low-income fathers; and to mothers and expectant mothers on the same basis as fathers.	Funded projects and activities shall be available on the same basis to all fathers and expectant fathers, including married and unmarried fathers, and custodial and non-custodial fathers, with particular attention to low-income fathers; and to mothers and expectant mothers on the same basis as fathers.
Funding restrictions	No provision.	Grant funds may not be used for custody and visitation court proceedings or legislative advocacy. Grant funds may not supplant other public funds.	No provision.