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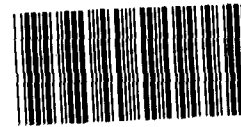
Testimony

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Problems GAO Identified In Work
On Child Support Enforcement Program

Statement of
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Before the
Subcommittee on Public Assistance
and Unemployment Compensation
Committee on Ways and Means
House of Representatives



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SUMMARY

GAO recently completed a study of paternity and support order establishment and is now studying interstate child support issues for this Subcommittee.

Our past work and early findings on our current work indicate that to improve the effectiveness of child support enforcement program management, there is a general need to:

- Establish additional performance standards.
- Improve case management to ensure cases are properly processed.
- Collect better program data for assessing program performance.

Also, our ongoing work indicates that some significant barriers to interstate child support collections are:

- lack of automation within states,
- different policies and procedures among states, and
- insufficient staff.

Provisions in the 1984 Child Support Enforcement Amendments helped improve the program, but more needs to be done. Proposed welfare reform legislation, such as H.R. 1720, if enacted, should result in additional improvements.

Mr. Chairman and Members of the Subcommittee:

We are pleased to appear today to discuss our work on the child support enforcement program. Since the program was established in 1975, GAO has issued a number of reports and testified on various aspects of the program.¹ Most recently we issued a report focusing on state child support agencies' efforts to determine paternity and obtain support orders for children receiving Aid to Families With Dependent Children (AFDC). Currently, we are reviewing interstate child support enforcement for this Subcommittee. My testimony will focus on issues addressed in these two efforts.

The child support program was created to meet both financial and social goals--to reduce welfare costs and to promote family responsibility by deterring abandonment of children. Despite significant accomplishments since the program's inception, our work and the work of others indicate that progress towards achieving these goals has been hindered, in part because of problems in program management.

A possible effect of these problems may be lower average monthly child support payments for interstate cases. Based on data reported by the Department of Health and Human Services' (HHS') Office of Child Support Enforcement (OCSE) to the Congress, we estimate that, for cases with collections in fiscal year 1986, the average monthly collection received by states for interstate cases was lower by about \$66, or 37 percent, than the average monthly collection for all cases. This may be a function of the uniqueness of interstate cases, the reliability of the caseload and collection data, the processes used in various states, or

¹A list of GAO reports and testimony on child support is attached.

other factors. During our continuing work for this Subcommittee we plan to examine the reasons for this disparity.

BACKGROUND

Noting that little progress has been made regarding the problems of interstate child support enforcement despite more than a quarter of a century of grappling with the issue through a host of commissions, studies, and other initiatives, this Subcommittee asked GAO to review the current status of the program and provide information in two stages. During the first stage we have been focusing on defining the nature and extent of problems associated with interstate child support. In the second stage of our work we intend to further define the problems and then focus on identifying potential improvements to facilitate enforcement.

To date, we have (1) collected and analyzed program data and officials' views on interstate problems from the 54 states' and jurisdictions' child support agencies, primarily through a mail questionnaire, (2) collected and analyzed program data from OCSE, (3) obtained views of OCSE officials and representatives of 10 national organizations with interest in child support, and (4) reviewed and synthesized studies of interstate enforcement.

In April 1987 we reported on the results of our study of paternity and support orders.² We attempted to determine whether states' efforts to carry out these two activities were adequate and whether data compiled on these activities were sufficient and reliable for program oversight. To make our assessment we analyzed 806 randomly selected cases at 8 local child support agencies in 4 states.

²CHILD SUPPORT: Need to Improve Efforts to Identify Fathers and Obtain Support Orders (GAO/HRD-87-37, April 30, 1987).

OBSERVATIONS

Of the many aspects of program design and management, our recent work focused on identifying problems in establishing paternity and support orders and in processing interstate cases. The problems indicated by our work include federal and state agencies':

- Inability to treat cases consistently and in a timely manner due to inadequate case management.
- Inability to provide adequate program oversight due to unreliable program data.
- Inability to properly assess program effectiveness due to the lack of adequate tools to measure performance.

In addition, in defining interstate problems we have identified barriers, such as lack of automation of state programs, which have affected enforcement of interstate cases.

Need for Better Case Management

Our work indicates states lack adequate case tracking and monitoring systems. In our April 1987 report we concluded that insufficient case tracking and monitoring contributed to some cases not being opened by states' child support agencies when referred by states' AFDC agencies; some cases being prematurely closed; and some cases going unattended for 6 months or longer. As a result, paternity was not established and/or support orders were not obtained when needed in 42 percent of the AFDC cases we sampled.

We recommended that HHS require OCSE, as part of its oversight responsibility, to provide guidance and assist states in developing case tracking and monitoring systems for local agencies to ensure that cases do not go unattended and that efforts to determine paternity and obtain support orders are adequate. Commenting on our report, HHS said that OCSE has provided funds and guidance

to states to implement automated systems which should facilitate case tracking. On February 9, 1988, OCSE reported to the HHS Inspector General that regulations that include case closure criteria and revised audit procedures to prevent premature closure are scheduled for publication in fiscal year 1988. This action, HHS said, should help encourage states to track cases.

Our current work also indicates a need for better tracking and monitoring of interstate cases. Not all cases sent from one state to another go through state child support agencies, and there is no central location for tracking interstate cases in over one-third of the states. OCSE has published proposed regulations which it believes will improve states' ability to track interstate cases by requiring incoming child support cases from other states to be processed through a state-level central registry.

Need for Better Program Information

In our April 1987 report we concluded that program data OCSE obtained from the states and reported to the Congress did not provide an accurate and complete picture of program operations to enable the Congress or others to properly assess program performance. HHS noted in its comments on our report that corrective action was underway in several states to eliminate data problems identified by OCSE auditors.

Nonetheless, our ongoing work also raises questions about the reliability and usefulness of available caseload and collection data. OCSE officials told us they have reservations about the reliability of the data reported by states. In its most recent report to the Congress for fiscal year 1986, OCSE indicated that data reported by states were incomplete and inconsistent. Similarly, 4 state child support agencies responding to our questionnaire told us their interstate caseload data were not

complete because all cases are not tracked through these agencies. Nine states told us their interstate caseload data were not reliable, and 12 other states did not provide interstate caseload data for a variety of reasons. For example, one state said providing such data would require surveying 92 counties.

Need for Performance Standards

The Social Security Act requires OCSE to establish standards to assure that state child support programs are effective. Our work has shown that while federal standards are used to assess states' collection performance, there are no standards (such as case processing time) to assess how effectively agencies locate parents, determine paternity, or obtain and enforce support orders. In response to our questionnaire, states reported that when they refer cases to other states, case processing takes almost 6 months longer, on average, than for all cases in general. Without case processing time standards, OCSE's ability to assess the effectiveness of states' performance of these activities is limited.

We recommended in our April 1987 report that HHS direct OCSE to develop performance standards for establishing paternity and obtaining support orders. HHS advised us that OCSE plans to develop performance standards for paternity establishment. HHS also said OCSE regularly assesses the effectiveness of agencies' paternity establishment and support order development through comprehensive performance-based audits performed at least triennially, as required by the 1984 Child Support Enforcement Amendments. However, as discussed in our report, compliance with the audit requirements of the amendments will not measure effectiveness of activities other than collections, and we continue to believe performance standards for such other activities as paternity determinations are needed.

Barriers to Interstate Child Support Collection

As part of our ongoing work we asked state child support agencies and 10 national organizations interested in child support to identify barriers to interstate child support collections. Among the barriers most frequently identified as greatly affecting states' ability to collect interstate child support payments were lack of automation within states, different policies and procedures among states, and lack of staff.

Automation

Fewer than half the states have automated their case tracking systems for use in all child support enforcement activities, from locating parents to making collections. An analysis of states' questionnaire responses indicated that states with automated systems generally process cases faster and more effectively than states that are not automated.

Different state policies and procedures

States use various practices and procedures to perform such child support activities as establishing paternity, obtaining support orders, and collecting support. The practices and procedures used vary depending on legal options available and case circumstances. For example, many states have "long-arm" laws, through which one state can pursue child support enforcement in another state without referring the case to the other state. However, the provisions and conditions under which such laws can be used vary. In addition, all states have adopted some form of the Uniform Reciprocal Enforcement of Support Act, which is model legislation through which one state can pursue child support enforcement in another state through reciprocity. However,

there are several versions of this act, and states' procedures for pursuing child support enforcement vary depending upon which version of the law was adopted by the state.

During our continuing work we plan to visit selected states and local child support offices to determine what practices and procedures are used to pursue child support. Our objective will be to identify ways to simplify procedures and eliminate barriers to interstate collections.

Adequate Staffing

During our paternity and support orders work, 5 of the 8 local child support agencies we visited said they had insufficient staff to perform certain tasks required by federal regulations. We did not evaluate the adequacy of the agencies' staff, but rather suggested that OCSE do so to ensure compliance with federal regulations and law. HHS does not agree that OCSE should audit state and local agency staff, and maintains that ensuring sufficient staff is essentially the responsibility of the state child support agency.

In summary, our work suggests that there continues to be problems associated with child support enforcement, regardless of whether absent parents reside in or outside the state. Provisions in the 1984 Child Support Enforcement Amendments helped improve the program, but more needs to be done. Proposed welfare reform legislation, such as H.R. 1720, if enacted, should result in additional improvements. However, vigilant monitoring and oversight of the program will continue to be needed at the federal and state levels to ensure program effectiveness and identify ways to improve program implementation. Through our future work, we will continue our efforts to identify ways to improve the program.

This concludes my statement. We would be happy to answer any questions you or other Subcommittee members might have.

GAO REPORTS AND TESTIMONY RELATED TO CHILD SUPPORT ENFORCEMENT

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

Letter report to the Administrator of the Family Support Administration, [Observations on How the Office of Child Support Enforcement Could Better Help States Efficiently Automate Their Child Support Enforcement Programs] (GAO/IMTEC Letter B-221220, Feb. 20, 1987)

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

CHILD SUPPORT: States' Implementation of the 1984 Child Support Enforcement Amendments (GAO/HRD-86-40BR, Dec. 24, 1985)

U.S. CHILD SUPPORT: Needed Efforts Underway To Increase Collections From Absent Parents (GAO/HRD-85-5, Oct. 30, 1984)

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

Examination of Child Support Collection Activities (Testimony before the Senate Finance Committee by Joseph F. Delfico, HRD - Jan. 24, 1984)

Wisconsin's Aid to Families With Dependent Children and Child Support Enforcement Programs Could Be Improved (HRD-78-130, June 22, 1978)

New Child Support Legislation--Its Potential Impact And How To Improve It (MWD-76-63, Apr. 5, 1976)