

GAO

Report to the Honorable
Bill Bradley, U.S. Senate

June 1993

CHILD SUPPORT ENFORCEMENT

States Proceed With Immediate Wage Withholding; More HHS Action Needed



Human Resources Division

B-249803

June 15, 1993

The Honorable Bill Bradley
United States Senate

Dear Senator Bradley:

In response to your March 10, 1993, letter, we are reporting the results of our review of the states' progress in implementing a provision of the Family Support Act of 1988, which requires the immediate withholding of noncustodial parents' wages for child support purposes beginning in 1994. This provision requires states to include such withholding in all new child support orders to be enforced outside the public child support enforcement program. Title IV-D of the Social Security Act established the public child support enforcement program, which provides services, such as establishing paternity and collecting child support, to recipients of Aid to Families With Dependent Children (AFDC) benefits as well as to non-AFDC clients who apply for such services.

In requesting this review, you asked us to (1) determine the status of states' implementation of immediate wage withholding (iww), (2) identify the practices that states have adopted to implement it, and (3) assess the impact that iww has had on federal and state budgets, state child support systems, and the courts. Also, to assist states that have not yet implemented iww, we identified lessons learned from states that already have implemented it.

Results in Brief

By January 1, 1994, almost all states plan to have procedures requiring the immediate withholding of noncustodial parents' wages for new child support orders enforced outside the IV-D child support enforcement system, commonly called non-IV-D orders. Thus far, 27 states have adopted procedures, and all but one of the remaining states plan to have procedures in place by 1994.

In most states, iww for non-IV-D child support cases is or will be enforced outside the IV-D system by private attorneys or custodial parents. Four states, however, have or plan to have all such cases enforced through their IV-D child support enforcement system. Although the law requires states to designate a public agency to receive, track, and monitor these iww payments, 12 of the states have not yet done so. Many of these states had implemented iww for their non-IV-D cases before the Family Support Act or proposed Department of Health and Human Services (HHS) regulations

required that a public agency be designated, while other states were unaware of the requirement.

Implementation of iww for non-IV-D child support cases should have little impact on federal and state budgets, state child support systems, and the courts, because most states are enforcing these cases outside of their IV-D systems. State officials reported, however, that small businesses have balked at the additional administrative burdens iww has placed upon them and that noncustodial parents resent the intrusion into their personal and financial affairs. They also expressed concern about the effect of complying with this requirement without federal reimbursement. Additional insights into the administrative feasibility, cost implications, and other effects of iww might have been gained from a mandated HHS study that was due October 1991. However, as of April 1993, HHS had not issued this report, which is pending approval from the Office of Management and Budget.

While iww procedures already have been adopted in over half of the states, little specific data are available on their effectiveness in increasing non-IV-D child support collections. One state's study concluded, however, that iww significantly increased various measures of collections, such as the amounts of child support paid compared to what is owed.

State officials with experience implementing iww in non-IV-D child support cases suggested a number of practices to help ease other states' transition to this requirement. They stressed the importance of educating the judiciary, private attorneys, and parents affected by iww. In addition, one state's pilot study showed that enforcing iww for non-IV-D cases through state IV-D systems can have a negative effect on child support enforcement caseloads, costs, and AFDC collections.

We are making several recommendations to the Secretary of HHS to help ensure that iww is fully implemented by all states.

Background

In 1975, the Congress created the IV-D child support enforcement program to strengthen state and local child support enforcement efforts for AFDC clients and non-AFDC clients who apply for their assistance. 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 enforcement techniques such as federal and state income tax

refund offsets, personal property liens, and reporting delinquent payments to credit bureaus.

HHS' Office of Child Support Enforcement (OCSE) and state child support enforcement agencies are responsible for administering the program and share program costs at the rate of 66 and 34 percent, respectively. In 1989, there were almost 12 million IV-D cases nationwide, and more than \$5 billion was collected through the IV-D child support system on behalf of AFDC and non-AFDC clients who applied for IV-D services. While little data are available about child support cases outside the IV-D system, Bureau of the Census and OCSE data indicated that about \$6 billion of child support was received by these private cases in the same year.

Since the child support enforcement program's inception in 1975, the federal government has expanded its control over IV-D and non-IV-D cases, including requirements to withhold child support payments from the wages of noncustodial parents. The Child Support Amendments of 1984 mandated that a delinquency-based wage withholding provision be included in all new and modified IV-D and non-IV-D child support orders. Under this provision, wage withholding is triggered when support payments fall in arrears in an amount equal to 1 month's child support.

The Family Support Act of 1988 further strengthened wage withholding for child support by requiring states to initiate immediate withholding in all new and modified IV-D support orders beginning November 1, 1990, and in all new non-IV-D orders beginning January 1, 1994. Under iww, the noncustodial parent's employer is ordered to deduct support payments immediately after the child support order is issued. The employer is to remit the withheld support to a state-designated public agency that is to track and monitor such payments and distribute them to the custodial parent. Alternatively, the state may choose a private entity, such as a bank, to administer these payments under the supervision of the designated public agency.

Scope and Methodology

To accomplish our objectives, we conducted a telephone survey of child support enforcement officials in the 50 states and the District of Columbia (hereafter referred to as the states). We also visited and interviewed child support enforcement officials in Minnesota, New Jersey, and Wisconsin to discuss their experiences either piloting or using iww and met with New York officials to discuss the state's implementation plans. In addition, we interviewed officials of OCSE, child support advocacy groups, and national

court associations to determine the status of iww implementation and its impact on parents and the courts. Finally, we conducted a literature review on the impact and effectiveness of iww for non-IV-D child support collections. We did our work between July 1992 and February 1993 in accordance with generally accepted government auditing standards.

Substantial Progress Made by States in Adopting Non-IV-D IWW Procedures

States have made substantial progress in adopting iww procedures for non-IV-D child support cases. All states, except New York, have or expect to have such procedures in place by the January 1, 1994, effective date. Most states have or will adopt practices to enforce these cases outside the IV-D system. However, many states may not have a designated public agency to administer the withholding as required by the Family Support Act. States also vary in their use of opt-out provisions that allow parents to waive iww under certain circumstances. Appendixes I and II provide more detailed information on actual and planned iww implementation by state.

Over Half of the States Have Implemented Non-IV-D IWW Procedures

Twenty-seven states have procedures that require iww to be included in new non-IV-D child support orders. Twenty-three of the remaining 24 states expect to have such procedures in place by the required effective date. An official from the remaining state—New York—could not estimate when his state would implement its procedures. Figure 1 illustrates the status of states' implementation of iww.

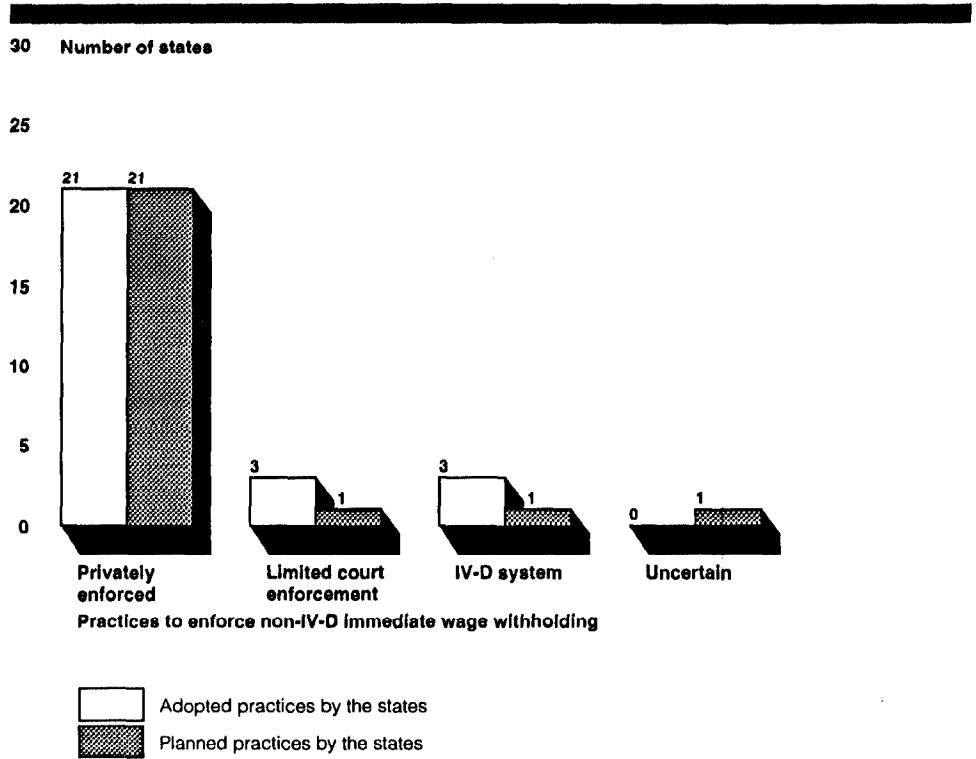
Figure 1: Status of States' Implementation of IWW for Non-IV-D Child Support Cases (January 31, 1993)



Most States Enforce or Plan to Enforce IWW Outside the IV-D System

Forty-six of the 51 states have or plan to adopt practices to enforce iww in non-IV-D child support cases outside the IV-D system. Michigan, Ohio, Pennsylvania, and West Virginia have or plan to enforce their cases through their IV-D systems, and an official from New York was uncertain how iww would be enforced. Figure 2 shows states' adopted and planned practices for implementing iww.

Figure 2: States' Adopted and Planned Non-IV-D IWW Enforcement Practices



States enforcing iww outside the IV-D systems have adopted different practices. The most common practice used to privately enforce iww outside of the IV-D system requires the parents' private attorneys to petition the court to issue a child support order providing for iww. Upon issuance of the order, the custodial parent's private attorney or the court sends the iww notice to the noncustodial parent's employer. The employer is instructed to remit the withheld child support to the custodial parent, private attorney, or a designated public agency. If payments stop, enforcement occurs in one of two ways. In 42 of the 46 states, the private attorney or custodial parent petitions the court for enforcement action. In the other four states, limited non-IV-D enforcement services are provided through a court system. In such cases, custodial parents are not offered services to locate noncustodial parents or to offset delinquent child support payments from income tax refunds—services that are available only through the IV-D system. In these cases, noncustodial parents typically are subject to contempt of court when they become delinquent in their child support payments.

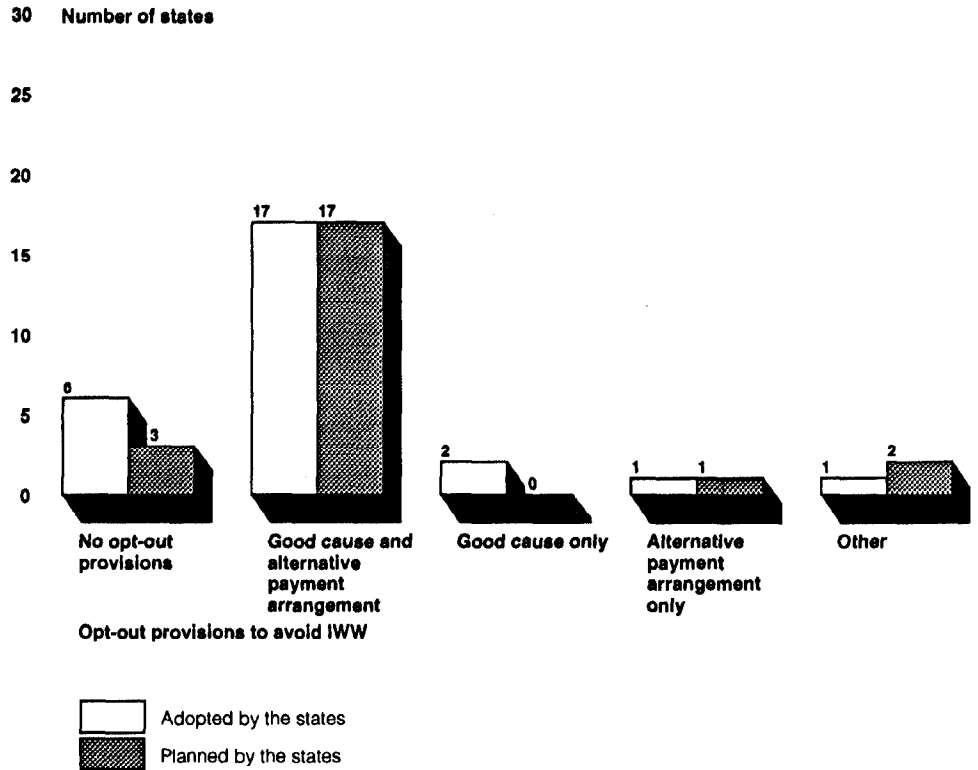
Many States May Lack a Designated Public Agency to Administer IWW Payments

While most states have or plan to have a designated public agency to administer their iww payments by January 1994, 12 states have yet to designate one, and the remaining state is uncertain how iww will be administered. These states will have to designate such an agency by that time, or they will not be in compliance with the Family Support Act. Many of these states had already implemented iww for non-IV-D cases before the Family Support Act or HHS proposed regulations required a designated public agency. Officials from other states were unaware of the requirement.

States' Adopted and Planned Opt-Out Provisions Vary

States vary in the iww opt-out provisions they have adopted or plan to adopt as part of their implementation of iww in non-IV-D child support cases. The Family Support Act allows parents to avoid or opt-out of iww if one of the parties demonstrates and the court finds good cause for doing so or if both parents agree to an alternative written payment arrangement. States also have the option of applying for an exemption from granting these opt-out provisions, among other things. Figure 3 illustrates the opt-out provisions adopted or planned by the states.

Figure 3: Non-IV-D IWW Opt-Out Provisions Adopted or Planned by the States



Note: Data do not include the state of New York.

Most state officials could not provide detailed data on how often their opt-out provisions were being used. However, in Vermont, an official estimated that about 40 percent of their non-IV-D cases avoid iww via a written alternative payment arrangement.

Non-IV-D IWW Has Had Minimal Impacts, but Its Effectiveness Is Unknown.

Implementation of iww for non-IV-D child support cases has had little impact on federal and state budgets, state child support systems, and the courts; however, its effectiveness in increasing child support collections is unknown. Some state officials reported, however, that employers and noncustodial parents have expressed concerns over the additional administrative burdens and stigma attached to iww. While little data are available on the effectiveness of iww in increasing child support

collections, one state's study demonstrated its positive effect on child support collections. A mandated HHS study may provide additional insights to the impacts of iww; however, as of April 1993, HHS had not issued its report, which was due to the Congress in October 1991.

Minimal Impacts on Child Support System Reported to Date

State officials who have implemented iww for non-IV-D child support said it has had minimal impacts on their budgets, state child support systems, and the courts. The impact has been minimal primarily because most states are enforcing iww outside their IV-D systems, and many states had a designated public agency in place to handle public and private child support payments before the Family Support Act. Officials from states without a designated public agency, however, were concerned about the impacts of meeting this mandated requirement. Their concerns included the need for increased staff and computer capacity to service these cases. In addition, state officials objected to this mandate because they will not receive federal reimbursement for their designated public agencies. OCSE has informed the states that they cannot claim IV-D funding for the designated public agency services unless these non-IV-D custodial parents apply for services and become a IV-D case.

Employers' and Noncustodial Parents' Concerns

Employers and noncustodial parents have expressed concerns about iww to state officials. Some states reported that small businesses have often complained about the additional administrative burden placed upon them because they do not have automated payroll systems that can easily accommodate the task of withholding and forwarding child support payments. This problem is compounded when employers must process multiple child support orders and send withheld support to a number of different states.

Wage withholding concerns are not confined to small employers but are shared by some large employers as well. HHS' Office of Inspector General reported that large employers expressed concerns about the lack of standardization among court orders, missing or incomplete information on court orders, and conflicting orders for the same noncustodial parent.¹ Some large employers believed that they would have to add administrative staff specifically to deal with the Family Support Act's iww requirement.

¹An Employer Perspective: Fragmentation of State Practices Impair Ability of Employers to Effectively Implement Wage Withholding Process, HHS Inspector General (A-12-91-00016, June 1991).

In addition to employers' concerns, some state officials have reported that noncustodial parents feel victimized because iww does not provide them the opportunity to show they will support their children. Some noncustodial parents also fear repercussions from their employers and resent intrusions into their personal finances.

Effectiveness of IWW in Increasing Child Support Collections Unknown

The effectiveness of iww in increasing non-IV-D child support collections is unknown because state child support enforcement officials do not have detailed data on the payment history of cases outside the IV-D system. While these officials believed iww is an effective tool, they also reported that it is not the panacea for collecting child support, and some indicated that employer compliance is a problem as well. State officials have found that iww is particularly difficult to administer when noncustodial parents are self-employed, work for cash, or change jobs frequently. In addition, some employers do not expeditiously forward the withheld support, while others do not remit it at all. For example, New Jersey officials said that some financially troubled employers have withheld support payments and have gone bankrupt without forwarding the money.

While most state officials did not have data available on the effectiveness of iww in their states, one state conducted a 3-year study on the effects of iww that demonstrated its positive impacts on IV-D and non-IV-D child support collections.² Wisconsin piloted iww's use in 10 counties starting in 1984 and compared their collection experience against 10 similar control counties. The study concluded that iww significantly increased four measures of collections: (1) the dollar amounts paid compared to what was owed; (2) the number of months in which a payment was made; (3) the probability of paying something during a given year; and (4) the probability of paying the full amount due during a given year. The results also indicated, however, that the positive impact of withholding on collections was greatest in the first year and decreased over the life of a case. Taken together, the results suggested that withholding was effective at increasing collections, but continued effectiveness may depend on reestablishing iww when noncustodial parents change employers.

HHS Has Not Issued Its Mandated IWW Report

While little data are available to assess the impacts and effectiveness of iww, additional insights might be gained from a mandated HHS study of the administrative feasibility, cost implications, and other effects of requiring

²Daniel R. Meyer and Judi Bartfield, "The Effects of the Immediate Withholding of Child Support on Collections Over Time," Institute for Research on Poverty, University of Wisconsin-Madison, 1992.

states to implement iww on all child support orders. However, as of April 1993, HHS had not issued a report on its study, which was due by October 1991. OCSE officials said that the study has been pending the Office of Management and Budget's approval since July 1992.

Lessons Learned From States With Non-IV-D IWW Experience

Officials from the 27 states that have implemented iww for non-IV-D cases suggested a number of practices to ease the remaining states' transition to iww. Before their own iww procedures were implemented, these officials noted some concerns about the anticipated opposition from parents, employers, the judiciary, and attorneys. States, however, overcame these parties' opposition primarily through education efforts and the public's growing experience with iww once it became law. Figure 4 lists the practices these states found particularly effective to ease the transition to iww.

Figure 4: Lessons State Officials Learned That May Ease the Transition to IWW for Non-IV-D Child Support Orders

- Bring the business community, judiciary, and attorneys into the implementation planning process to address their concerns.
- Use a variety of media to increase public awareness of IWW and its benefits.
- Educate employers and parents about IWW's purpose and procedures through public relations materials.
- Stress the universality of IWW to de-stigmatize its use.
- Reinforce the idea that IWW is a convenient and effective method for collecting child support.
- Designate a focal point to answer IWW questions.

Nevada is one state that applied many of these lessons. Its child support office sponsored numerous informational workshops, made presentations at business and judicial conferences, and used various public relations techniques to inform the courts, employers, and noncustodial parents that iww is not a punitive measure but a mechanism to ensure timely support.

The office also sent a letter to every state employer stressing iww's benefits and included a letter from the Secretary of HHS explaining the employers' responsibilities under federal and state law.

A final lesson learned was the negative impact iww has when a state incorporates these new cases into its IV-D system. Minnesota piloted iww through its IV-D system from August 1987 to July 1989 in five counties and compared their experiences with the rest of the state. An evaluation of state fiscal year 1988 results found adverse impacts on the child support enforcement program's caseloads, administrative costs, staffing, and AFDC collections.³ Pilot counties' non-AFDC caseloads and staffing increased 33 percent and 14 percent, respectively, compared with 19-percent and 5-percent increases in the rest of the state. Non-AFDC child support collections during this period also increased by 80 percent in the pilot counties and 28 percent in the rest of the state. At the same time, however, pilot counties' AFDC collections increased by 16 percent compared with a 23-percent increase in the rest of the state. State officials speculated that the sharp rise in non-AFDC cases diverted attention from the AFDC caseload. Minnesota currently plans to use the state IV-D agency as its designated public agency for handling iww payments; however, it will rely upon private enforcement of iww outside the IV-D system.

Conclusions

Most states have made substantial progress adopting iww procedures for non-IV-D child support orders. However, without further direction from HHS, many states may not have a designated public agency in place to administer iww by the January 1994 effective date of the requirement. Also, states that have not yet implemented iww could potentially benefit from HHS' immediate release of its mandated study of iww.

Recommendations to the Secretary of HHS

To further assist the states in effectively implementing iww for non-IV-D child support orders, we recommend that the Secretary of HHS

- direct OCSE to ensure that all states designate by January 1994 a public agency to administer iww to comply with the Family Support Act's requirement and
- seek the Office of Management and Budget's approval to release HHS' report on iww.

³Automatic Income Withholding, Report to the Minnesota Legislature by the Minnesota Office of Child Support Enforcement (Dec. 1988).

Agency Comments

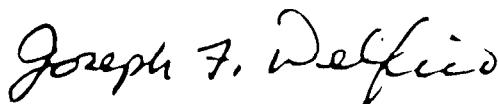
In commenting on a draft of this report (see app. III), HHS generally agreed with our findings and most of our recommendations but did not agree with our recommendation regarding the need to promulgate final regulations for implementing iww. HHS believes that its previously issued regulation on income withholding for IV-D child support cases coupled with the statute itself and recently issued implementation guidance negated the need for a final regulation. Therefore, we deleted the recommendation from our final report. We note, however, that HHS had proposed iww regulations for both IV-D and non-IV-D child support cases in 1990. But when final regulations were issued in July 1992, HHS omitted the provisions for non-IV-D cases in response to public comments received, stating that it was premature to regulate such cases.

HHS also provided technical comments on the draft of our report, which we used to make changes where appropriate in the final report.

We are sending copies of this report to the Chairman, Senate Committee on Finance; the Chairman, Subcommittee on Human Resources, House Committee on Ways and Means; the Secretary of HHS; the HHS Assistant Secretary for Children and Families; state child support enforcement directors; and other interested parties.

If you have any questions concerning this report or need additional information, please call me on (202) 512-7215. Other major contributors to this report are listed in appendix IV.

Sincerely yours,



Joseph F. Delfico
Director, Income Security Issues

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Abbreviations

AFDC	Aid to Families With Dependent Children
HHS	Department of Health and Human Services
IWW	immediate wage withholding
OCSE	Office of Child Support Enforcement

Selected Information on 27 States' Non-IV-D IWW Implementation Practices

State	Effective date	Designated public agency	Enforcement agent	Opt-out provisions	
				Good cause	Alternative arrangement
Alaska	10/31/90	IV-D agency	Private	Yes	Yes
Arizona	01/01/88	Clerk of the court	Private	^a	^a
Arkansas	01/01/94	Clerk of the court	Private	Yes	Yes
California	07/01/90	None	Private	Yes	No
Connecticut	10/01/89	None	Private	Yes	Yes
Florida	10/01/87	Clerk of the court ^b	Private	Yes	No
Hawaii	06/07/88	IV-D agency	Private	^a	^a
Illinois	01/01/89	Clerk of the court ^c	Private	No	Yes
Kansas	07/01/93	Clerk of the court	Limited court enforcement ^d	Yes	Yes
Kentucky	07/15/88	None ^e	Private ^f	^a	^a
Massachusetts	07/22/86	Court system— Family Service Office	Limited court enforcement	Yes	Yes
Michigan	01/01/91	IV-D agency	IV-D agency	Yes	Yes
Mississippi	07/01/88	IV-D agency	Private	^a	^a
Montana	01/01/90	Clerk of the court	Private ^f	Yes	Yes
Nevada	01/01/90	None	Private	Yes	Yes
New Jersey	10/01/90	Court system—Probation	Limited court enforcement	Yes	Yes
North Dakota	01/01/90	Clerk of the court	Private ^f	Yes	Yes
Ohio	04/01/86	IV-D agency	IV-D agency	^a	^a
Oklahoma	01/01/94	None	Private	Yes	Yes
Pennsylvania	07/01/91	IV-D agency	IV-D agency	Yes	Yes
Rhode Island	01/01/90	None	Private	^a	^a
South Dakota	07/01/90	Clerk of the court or private collection agency ^b	Private	Yes	Yes
Texas	09/01/87	Local registry	Private	Yes	Yes
Vermont	07/01/90	IV-D agency	Private	Yes	Yes
Virginia	07/01/88 ^g	IV-D agency	Private	Yes	Yes
Washington	07/01/90	None	Private	Yes	Yes
Wisconsin	08/01/87	Clerk of the court	Private ^h	No ⁱ	No

(Table notes on next page)

Appendix I
Selected Information on 27 States' Non-IV-D
IWW Implementation Practices

^aState has no non-IV-D IWW opt-out provisions.

^bMajority of child support payments flow through the clerk of the court.

^cMost of the counties require these payments to pass through the clerk of the court.

^dMajority of cases receive limited enforcement services through the court system. In some counties, custodial parents must apply for these services.

^eMajority of payments are now made through a collection agency.

^fIn some counties, non-IV-D child support cases receive limited enforcement through the court system.

^gIWW law applies to child support orders issued under the state's administrative process, through which most orders are issued. State needs legislation for those few orders issued through the judicial process.

^hSome county clerks of court provide limited enforcement services.

ⁱState grants an IWW waiver for irreparable harm to the noncustodial parent.

Source: State child support enforcement officials.

Selected Information on 24 States' Planned Non-IV-D IWW Implementation Practices

State	Designated public agency	Enforcement agent	Opt-out provisions	
			Good cause	Alternative arrangement
Alabama	Clerk of the court or IV-D agency	Private	Yes	Yes
Colorado	None	Private	Yes	Yes
Delaware	IV-D agency	Private	Yes	Yes
District of Columbia	Clerk of the court	Private	Yes	Yes
Georgia	None	Private	^a	^a
Idaho	Clerk of the court	Private	Yes	Yes
Indiana	Clerk of the court	Private	Yes	Yes
Iowa	Clerk of the court	Private	Yes	Yes
Louisiana	Office of Family Support	Private	Yes	Yes
Maine	IV-D agency	Private	Yes	Yes
Maryland	None	Private	Yes	Yes
Minnesota	IV-D agency	Private	Yes	Yes ^b
Missouri	Clerk of the court	Private	No	Yes ^c
Nebraska	Clerk of the court	Private	Yes	Yes
New Hampshire	None	Private	Yes	Yes
New Mexico	Clerk of the court or IV-D agency	Private	Yes	Yes
New York	^d	^d	^d	^d
North Carolina	Clerk of the court	Limited court enforcement	No	Yes
Oregon	None	Private	Yes	Yes
South Carolina	Clerk of the court	Private	Yes	Yes
Tennessee	Clerk of the court	Private	Yes	Yes
Utah	Office of Recovery Services	Private	Yes	Yes
West Virginia	IV-D agency	IV-D agency	^a	^a
Wyoming	Clerk of the court	Private	^a	^a

^aState plans no non-IV-D IWW opt-out provisions.

^bState also plans to allow parents to avoid IWW by using an escrow account.

^cState also plans to allow parents to avoid IWW when the noncustodial parent posts a bond equal to 2 months' support plus medical insurance and agrees to update address and employer status.

^dThe Deputy IV-D Director was uncertain about how and when IWW for non-IV-D cases will be implemented.

Source: State child support enforcement officials.

Comments From the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

MAY 21 1993

Mr. Joseph F. Delfico
Director, Income Security Issues
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Delfico:

Enclosed are the Department's comments on your draft report, "Child Support Enforcement: States Progress With Immediate Wage Withholding; Further HHS Action Needed." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely yours,

A handwritten signature in cursive script that reads "Bryan B. Mitchell".

Bryan B. Mitchell
Principal Deputy Inspector General

Enclosure

**Appendix III
Comments From the Department of Health
and Human Services**

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON
THE U.S. GENERAL ACCOUNTING OFFICE'S DRAFT REPORT, "CHILD
SUPPORT ENFORCEMENT: STATES PROGRESS WITH IMMEDIATE WAGE
WITHHOLDING; FURTHER HHS ACTION NEEDED."
REPORT NO. GAO/HRD-93-99

General Comments

The Family Support Act of 1988 required States to implement immediate withholding of the wages of non-custodial parents for child support purposes beginning in 1994. This GAO review is intended to assess States progress in the implementation of this Family Support Act requirement.

In conducting this review, the GAO (1) addressed the status of States' implementation of immediate wage withholding (IWW), (2) identified the practices that States have adopted to implement it, and (3) assessed the impact that IWW has had on Federal and State budgets, State child support systems, and the courts. To assist States that have not yet implemented IWW, the GAO identified lessons learned by States that have already implemented it.

GAO Recommendation

To further assist the states in effectively implementing immediate wage withholding for non-IV-D child support orders, the GAO recommends that the Secretary of HHS direct OCSE to ensure that all states designate by January 1994 a public agency to administer IWW to comply with the Family Support Act's requirement.

Department Response

We concur. However, States have an alternative. The statute at 42 U.S.C. 666(a)(8)(B)(iii) cross references the requirement at 666(b)(5) which provides that "...except that the State may establish or permit the establishment of alternative procedures for the collection and distribution of such amounts (under the supervision of such public agency) otherwise than through such public agency so long as the entity making such collection and distribution is publicly accountable for its actions in carrying out such procedures...."

GAO Recommendation

GAO recommends that the Secretary of HHS promulgate final regulations to the states for implementing IWW, particularly for those states that have not yet enacted such legislation.

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Department Response

We do not concur. We believe that the previously issued regulation on income withholding coupled with the statute itself and our April 6, 1993, Action Transmittal (AT) 93-6, provide sufficient and expeditious instructions to the States. Action Transmittal 93-6 is titled "Statutory Requirements for Immediate Wage Withholding in All Child Support Orders Initially Issued In the State Not Being Enforced Under Title IV-D of the Social Security Act." The Office of Child Support Enforcement (OCSE) intends to follow-up AT 93-6 with a series of "Abstracts" which will highlight and promulgate effective State practices.

GAO Recommendation

GAO recommends that the Secretary of HHS seek the Office of Management and Budget's approval to release the Department's report on IWW.

Department Response

We concur. The GAO report notes that HHS was mandated, under the Family Support Act of 1988, to study and report to the Congress the administrative feasibility, cost implications, and other effects of requiring States to implement IWW on all child support orders. This report to the Congress has been written and is currently under review within the Department.

Major Contributors to This Report

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New York Regional
Office

Kevin M. Kumanga, Evaluator-in-Charge
Patricia J. Scanlon, Evaluator

Related GAO Products

Child Support Enforcement: Timely Action Needed to Correct System Development Problems (GAO/IMTEC-92-46, Aug. 13, 1992).

Medicaid: Ensuring That Noncustodial Parents Provide Health Insurance Can Save Costs (GAO/HRD-92-80, June 17, 1992).

Child Support Enforcement: Opportunity to Defray Burgeoning Federal and State Non-AFDC Costs (GAO/HRD-92-91, June 5, 1992).

Interstate Child Support: Wage Withholding Not Fulfilling Expectations (GAO/HRD-92-65BR, Feb. 25, 1992).

Interstate Child Support: Mothers Report Less Support From Out-of-State Fathers (GAO/IIRD-92-39FS, Jan. 9, 1992).

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