

105TH CONGRESS  
1ST SESSION

# S. 1074

To amend title IV of the Social Security Act to reform child support enforcement procedures.

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IN THE SENATE OF THE UNITED STATES

JULY 28, 1997

Mr. DODD introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title IV of the Social Security Act to reform child support enforcement procedures.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Child Support Reform Act of 1997”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Findings and purposes.

**TITLE I—NATIONAL CHILD SUPPORT GUIDELINES COMMISSION**

Sec. 101. National Child Support Guidelines Commission.

**TITLE II—CENTRALIZED CHILD SUPPORT ENFORCEMENT**

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- Sec. 201. Establishment of the Office of the Assistant Commissioner for Centralized Child Support Enforcement.
- Sec. 202. Use of Federal Case Registry of Child Support Orders and National Directory of New Hires.
- Sec. 203. Division of Enforcement.
- Sec. 204. State plan requirements.
- Sec. 205. Definitions.

TITLE III—EFFECTIVE DATES

- Sec. 301. Effective dates.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—Congress finds that—

3 (1) an increasing number of children are raised  
4 in families with only one parent present, usually the  
5 mother, and these families are 5 times as likely to  
6 be poor as 2-parent families;

7 (2) the failure of noncustodial parents to pay  
8 their fair share of child support is a major contribu-  
9 tor to poverty among single-parent families;

10 (3) in 1990, there was a \$33,700,000,000 gap  
11 between the amount of child support that was re-  
12 ceived and the amount that could have been col-  
13 lected;

14 (4) in 1991, the aggregate child support income  
15 deficit was \$5,800,000,000;

16 (5) as of spring 1992, only 54 percent, or  
17 6,200,000, of custodial parents received awards of  
18 child support, and of the 6,200,000 custodial par-  
19 ents awarded child support, 5,300,000 were sup-  
20 posed to receive child support payments in 1991;

1           (6) of the custodial parents described in para-  
2 graph (5), approximately  $\frac{1}{2}$  of the parents due child  
3 support received full payment and the remaining  $\frac{1}{2}$   
4 were divided equally between those receiving partial  
5 payment (24 percent) and those receiving nothing  
6 (25 percent);

7           (7) as a result of the situation described in  
8 paragraphs (5) and (6), increasing numbers of fami-  
9 lies are turning to the child support program estab-  
10 lished under part D of title IV of the Social Security  
11 Act (42 U.S.C. 651 et seq.) for assistance, account-  
12 ing for an over 40 percent increase in the caseload  
13 under that program during the 1991 to 1995 period;

14           (8) during the 1991 to 1995 period, the per-  
15 centage of cases under the title IV–D child support  
16 program in which a collection was made declined  
17 from 19.3 percent to 18.9 percent;

18           (9) the Internal Revenue Service has improved  
19 its performance in making collections in cases re-  
20 ferred to it by the title IV–D child support program,  
21 moving from successfully intercepting Federal in-  
22 come tax refunds in 992,000 cases in 1992 to suc-  
23 cessfully intercepting Federal income tax refunds in  
24 1,200,000 cases in 1996;

1           (10) in cases under the title IV–D child support  
2 program in which a collection is made, approxi-  
3 mately  $\frac{1}{3}$  of such cases are cases where some or all  
4 of the collection is a result of a Federal tax refund  
5 intercept;

6           (11) in 1995, the average amount collected for  
7 families in which the Internal Revenue Service made  
8 a collection through the Federal tax refund intercept  
9 method was \$827 for families receiving Aid to Fami-  
10 lies with Dependent Children and \$847 for other  
11 families; and

12           (12) State-by-State child support guidelines  
13 have resulted in orders that vary significantly from  
14 State to State, resulting in low awards and inequi-  
15 ties for children.

16 (b) PURPOSE.—It is the purpose of this Act to—

17           (1) provide for the review of various State child  
18 support guidelines to determine how custodial par-  
19 ents and children are served by such guidelines;

20           (2) increase the economic security of children,  
21 improve the enforcement of child support awards  
22 through a more centralized, efficient system; and

23           (3) improve the enforcement of child support  
24 orders by placing responsibility for enforcement in  
25 the Internal Revenue Service.

1 **TITLE I—NATIONAL CHILD SUP-**  
2 **PORT GUIDELINES COMMIS-**  
3 **SION**

4 **SEC. 101. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-**  
5 **SION.**

6 (a) ESTABLISHMENT.—There is hereby established a  
7 commission to be known as the “National Child Support  
8 Guidelines Commission” (in this section referred to as the  
9 “Commission”).

10 (b) GENERAL DUTIES.—The Commission shall study  
11 and evaluate the various child support guidelines currently  
12 in use by the States, identify the benefits and deficiencies  
13 of such guidelines in providing adequate support for chil-  
14 dren, and recommend any needed improvements.

15 (c) MATTERS FOR CONSIDERATION BY THE COMMIS-  
16 SION.—In making the recommendations concerning guide-  
17 lines required under subsection (b), the Commission shall  
18 consider—

19 (1) matters generally applicable to all support  
20 orders, including—

21 (A) the relationship between the guideline  
22 amounts and the actual costs of raising chil-  
23 dren; and

24 (B) how to define income and under what  
25 circumstances income should be imputed;

1           (2) the appropriate treatment of cases in which  
2 either or both parents have financial obligations to  
3 more than 1 family, including the effect (if any) to  
4 be given to—

5                   (A) the income of either parent’s spouse;  
6           and

7                   (B) the financial responsibilities of either  
8           parent for other children or stepchildren;

9           (3) the appropriate treatment of expenses for  
10 child care (including care of the children of either  
11 parent, and work-related or job-training-related child  
12 care);

13           (4) the appropriate treatment of expenses for  
14 health care (including uninsured health care) and  
15 other extraordinary expenses for children with spe-  
16 cial needs;

17           (5) the appropriate duration of support by 1 or  
18 both parents, including—

19                   (A) support (including shared support) for  
20           post-secondary or vocational education; and

21                   (B) support for disabled adult children;

22           (6) procedures to automatically adjust child  
23 support orders periodically to address changed eco-  
24 nomic circumstances, including changes in the

1 consumer price index or either parent's income and  
2 expenses in particular cases; and

3 (7) whether, or to what extent, support levels  
4 should be adjusted in cases in which custody is  
5 shared or in which the noncustodial parent has ex-  
6 tended visitation rights.

7 (d) MEMBERSHIP.—

8 (1) NUMBER; APPOINTMENT.—

9 (A) IN GENERAL.—The Commission shall  
10 be composed of 12 individuals appointed jointly  
11 by the Secretary of Health and Human Services  
12 and the Congress, not later than January 15,  
13 1998, of which—

14 (i) 2 shall be appointed by the Chair-  
15 man of the Committee on Finance of the  
16 Senate, and 1 shall be appointed by the  
17 ranking minority member of the Commit-  
18 tee;

19 (ii) 2 shall be appointed by the Chair-  
20 man of the Committee on Ways and Means  
21 of the House of Representatives, and 1  
22 shall be appointed by the ranking minority  
23 member of the Committee; and

24 (iii) 6 shall be appointed by the Sec-  
25 retary of Health and Human Services.

1 (B) QUALIFICATIONS OF MEMBERS.—

2 Members of the Commission shall have exper-  
3 tise and experience in the evaluation and devel-  
4 opment of child support guidelines. At least 1  
5 member shall represent advocacy groups for  
6 custodial parents, at least 1 member shall rep-  
7 resent advocacy groups for noncustodial par-  
8 ents, and at least 1 member shall be the direc-  
9 tor of a State program under part D of title IV  
10 of the Social Security Act.

11 (2) TERMS OF OFFICE.—Each member shall be  
12 appointed for a term of 2 years. A vacancy in the  
13 Commission shall be filled in the manner in which  
14 the original appointment was made.

15 (e) COMMISSION POWERS, COMPENSATION, ACCESS  
16 TO INFORMATION, AND SUPERVISION.—The first sentence  
17 of subparagraph (C), the first and third sentences of sub-  
18 paragraph (D), subparagraph (F) (except with respect to  
19 the conduct of medical studies), clauses (ii) and (iii) of  
20 subparagraph (G), and subparagraph (H) of section  
21 1886(e)(6) of the Social Security Act shall apply to the  
22 Commission in the same manner in which such provisions  
23 apply to the Prospective Payment Assessment Commis-  
24 sion.

1 (f) REPORT.—Not later than 2 years after the ap-  
 2 pointment of members, the Commission shall submit to  
 3 the President, the Committee on Ways and Means of the  
 4 House of Representatives, and the Committee on Finance  
 5 of the Senate, a final assessment of how States, through  
 6 various child support guideline models, are serving custo-  
 7 dial parents and children.

8 (g) TERMINATION.—The Commission shall terminate  
 9 6 months after the submission of the report described in  
 10 subsection (e).

11 **TITLE II—CENTRALIZED CHILD**  
 12 **SUPPORT ENFORCEMENT**

13 **SEC. 201. ESTABLISHMENT OF THE OFFICE OF THE ASSIST-**  
 14 **ANT COMMISSIONER FOR CENTRALIZED**  
 15 **CHILD SUPPORT ENFORCEMENT.**

16 (a) IN GENERAL.—For purposes of locating absent  
 17 parents and facilitating the enforcement of child support  
 18 obligations, the Secretary of the Treasury shall establish  
 19 within the Internal Revenue Service an Office of the As-  
 20 sistant Commissioner for Centralized Child Support En-  
 21 forcement which shall establish not later than October 1,  
 22 1997, a Division of Enforcement for the purpose of carry-  
 23 ing out the duties described in section 203.

24 (b) COORDINATION.—The Secretary of the Treasury,  
 25 in consultation with the Secretary of Health and Human

1 Services shall issue regulations for the coordination of ac-  
2 tivities among the Office of the Assistant Commissioner  
3 for Centralized Child Support Enforcement, the Assistant  
4 Secretary for Children and Families, and the States, to  
5 facilitate the purposes of this title.

6 **SEC. 202. USE OF FEDERAL CASE REGISTRY OF CHILD SUP-**  
7 **PORT ORDERS AND NATIONAL DIRECTORY**  
8 **OF NEW HIRES.**

9 Section 453(j)(2) of the Social Security Act (42  
10 U.S.C. 653(j)(2)) is amended to read as follows:

11 “(2) INFORMATION COMPARISONS.—

12 “(A) IN GENERAL.—For the purpose of lo-  
13 cating individuals in a paternity establishment  
14 case or a case involving the establishment,  
15 modification, or enforcement of a support order,  
16 the Secretary shall—

17 “(i) compare information in the Na-  
18 tional Directory of New Hires against in-  
19 formation in the support case abstracts in  
20 the Federal Case Registry of Child Sup-  
21 port Orders not less often than every 2  
22 business days; and

23 “(ii) within 2 business days after such  
24 a comparison reveals a match with respect  
25 to an individual, report the information to

1 the Division of Enforcement for centralized  
2 enforcement.

3 “(B) CASES REFERRED TO DIVISION OF  
4 ENFORCEMENT.—If a case is referred to the  
5 Division of Enforcement by the Secretary under  
6 subparagraph (A)(ii), the Division of Enforce-  
7 ment shall—

8 “(i) notify the custodial and noncusto-  
9 dial parents of such referral,

10 “(ii) direct the employer to remit all  
11 child support payments to the Internal  
12 Revenue Service;

13 “(iii) receive all child support pay-  
14 ments made pursuant to the case;

15 “(iv) record such payments; and

16 “(v) promptly disburse the funds—

17 “(I) if there is an assignment of  
18 rights under section 408(a)(3), in ac-  
19 cordance with section 457, and

20 “(II) in all other cases, to the  
21 custodial parent.”.

22 **SEC. 203. DIVISION OF ENFORCEMENT.**

23 (a) IN GENERAL.—With respect to the Division of  
24 Enforcement, the duties described in this section are as  
25 follows:

1 (1) Enforce all child support orders referred to  
2 the Division of Enforcement—

3 (A) under section 453(j)(2)(A)(ii) of the  
4 Social Security Act (42 U.S.C.  
5 653(j)(2)(A)(ii));

6 (B) by the State in accordance with section  
7 454(35) of such Act (42 U.S.C. 654(35)); and

8 (C) under section 452(b) of such Act (42  
9 U.S.C. 652(b)).

10 (2) Enforce a child support order in accordance  
11 with the terms of the abstract contained in the Fed-  
12 eral Case Registry of Child Support Orders or the  
13 modified terms of such an order upon notification of  
14 such modifications by the Secretary of Health and  
15 Human Services.

16 (3) Enforce medical support provisions of any  
17 child support order using any means available under  
18 State or Federal law.

19 (4) Receive and process requests for a Federal  
20 income tax refund intercept made in accordance with  
21 section 464 of the Social Security Act (42 U.S.C.  
22 664).

23 (b) FAILURE TO PAY AMOUNT OWING.—With re-  
24 spect to any child support order being enforced by the Di-  
25 vision of Enforcement, if an individual fails to pay the full

1 amount required to be paid on or before the due date for  
 2 such payment, the Office of the Assistant Commissioner  
 3 for Centralized Child Support Enforcement, through the  
 4 Division of Enforcement, may assess and collect the un-  
 5 paid amount in the same manner, with the same powers,  
 6 and subject to the same limitations applicable to a tax im-  
 7 posed by subtitle C of the Internal Revenue Code of 1986  
 8 the collection of which would be jeopardized by delay.

9 (c) USE OF FEDERAL COURTS.—The Office of the  
 10 Assistant Commissioner for Centralized Child Support  
 11 Enforcement, through the Division of Enforcement, may  
 12 utilize the courts of the United States to enforce child sup-  
 13 port orders against absent parents upon a finding that—

14 (1) the order is being enforced by the Division  
 15 of Enforcement; and

16 (2) utilization of such courts is a reasonable  
 17 method of enforcing the child support order.

18 (d) CONFORMING AMENDMENTS.—

19 (1) Section 452(a)(8) (42 U.S.C. 652(a)(8)) is  
 20 repealed.

21 (2) Section 452(c) (42 U.S.C. 652(c)) is re-  
 22 pealed.

23 **SEC. 204. STATE PLAN REQUIREMENTS.**

24 (a) IN GENERAL.—Section 454 of the Social Security  
 25 Act (42 U.S.C. 654) is amended by striking “and” at the

1 end of paragraph (32), by striking the period at the end  
 2 of paragraph (33) and inserting “; and”, and by inserting  
 3 after paragraph (33) the following new paragraph:

4           “(34) provide that the State will cooperate with  
 5 the Office of the Assistant Commissioner for Cen-  
 6 tralized Child Support Enforcement to facilitate the  
 7 exchange of information regarding child support  
 8 cases and the enforcement of orders by the Commis-  
 9 sioner.”.

10       (b) CONFORMING AMENDMENT.—Section 455(b) of  
 11 the Social Security Act (42 U.S.C. 655(b)) is amended  
 12 by striking “454(34)” and inserting “454(33)”.

13 **SEC. 205. DEFINITIONS.**

14       Any term used in this title which is also used in part  
 15 D of title IV of the Social Security Act (42 U.S.C. 651  
 16 et seq.) shall have the meaning given such term by such  
 17 part.

18 **TITLE III—EFFECTIVE DATES**

19 **SEC. 301. EFFECTIVE DATES.**

20       (a) IN GENERAL.—Except as otherwise provided in  
 21 this Act or subsection (b), the amendments made by this  
 22 Act take effect on the date of enactment of this Act.

23       (b) SPECIAL RULE.—In the case of a State that the  
 24 Secretary of Health and Human Services determines re-  
 25 quires State legislation (other than legislation appropriat-

1 ing funds) in order to meet the additional requirements  
2 imposed by the amendments made by this Act, the State  
3 shall not be regarded as failing to comply with the require-  
4 ments of such amendments before the first day of the first  
5 calendar quarter beginning after the close of the first reg-  
6 ular session of the State legislature that begins after the  
7 date of enactment of this Act. For purposes of this sub-  
8 section, in the case of a State that has a 2-year legislative  
9 session, each year of the session shall be treated as a sepa-  
10 rate regular session of the State legislature.

○