

105TH CONGRESS
1ST SESSION

S. 1075

To provide for demonstration projects to establish or improve a system of assured minimum child support payments.

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

A BILL

To provide for demonstration projects to establish or improve a system of assured minimum child support payments.

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.**

4 This Act may be cited as the “Child Support Assur-
5 ance Act of 1997”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Increasingly, children are raised in families
9 with only 1 parent present, usually the mother, and

1 these single-parent families are 5 times as likely to
2 be poor as 2-parent families.

3 (2) The failure of noncustodial parents to pay
4 their fair share of child support is a significant con-
5 tributor to poverty among single-parent families.

6 (3) In 1990, there was a \$33,700,000,000 gap
7 between the amount of child support that was re-
8 ceived and the amount that could have been col-
9 lected.

10 (4) In 1991, the aggregate child support income
11 deficit was \$5,800,000,000.

12 (5) As of spring 1992, only 54 percent, or
13 6,200,000, of custodial parents received awards of
14 child support. Of the 6,200,000 custodial parents
15 awarded child support, 5,300,000 were supposed to
16 receive child support payments in 1991. Approxi-
17 mately $\frac{1}{2}$ of the parents due child support received
18 full payment; the remaining $\frac{1}{2}$ were divided equally
19 between those receiving partial payment (24 percent)
20 and those receiving nothing (25 percent).

21 (6) Custodial parents who are poor are much
22 more likely to receive no child support. Of the
23 3,700,000 custodial parents who were poor in 1991,
24 over $\frac{3}{4}$ received no child support. Only 34 percent
25 of poor custodial parents had child support awards

1 and were supposed to receive child support payments
2 in 1991. Of those parents, only 40 percent received
3 full payment, 29 percent received partial payment,
4 and 32 percent received nothing.

5 (7) The percentage of poor women who were
6 awarded child support in 1991, 39 percent, was sig-
7 nificantly lower than the 65 percent award rate for
8 nonpoor women.

9 (8) Families fare better with child support than
10 without that support. In 1991, 43 percent of custo-
11 dial parents who did not have child support orders
12 were poor.

13 (9) In 1991, the average total money income of
14 custodial parents receiving child support due was 21
15 percent higher than that received by parents who did
16 not receive child support due and was 45 percent
17 higher than that received by custodial parents with
18 no child support award at all.

19 (b) PURPOSES.—The purposes of this Act are to en-
20 able participating States to establish child support assur-
21 ance systems in order to improve the economic cir-
22 cumstances of children who do not receive a minimum
23 level of child support in a given month from the noncusto-
24 dial parents of such children, to strengthen the establish-

1 ment and enforcement of child support awards, and to
2 promote work by custodial and noncustodial parents.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

5 (1) CHILD.—The term “child” means an indi-
6 vidual who is of such an age, disability, or edu-
7 cational status as to be eligible for child support as
8 provided for by law.

9 (2) ELIGIBLE CHILD.—The term “eligible
10 child” means a child—

11 (A) who is not currently receiving cash as-
12 sistance under the State program funded under
13 part A of title IV of the Social Security Act (42
14 U.S.C. 601 et seq.);

15 (B) who meets the eligibility requirements
16 established by the State for participation in a
17 project administered under this section; and

18 (C) who is the subject of a support order,
19 as defined in section 453(p) of the Social Secu-
20 rity Act (42 U.S.C. 653(p)), or for which good
21 cause exists, as determined by the appropriate
22 State agency under section 454(29)(A) of such
23 Act (42 U.S.C. 654(29)(A)), for not having or
24 pursuing a support order.

1 (3) SECRETARY.—The term “Secretary” means
2 the Secretary of Health and Human Services.

3 **SEC. 4. ESTABLISHMENT OF CHILD SUPPORT ASSURANCE**
4 **DEMONSTRATION PROJECTS.**

5 (a) DEMONSTRATIONS AUTHORIZED.—The Secretary
6 shall make grants to not less than 3 and not more than
7 5 States to conduct demonstration projects for the pur-
8 pose of establishing or improving a system of an assured
9 minimum child support payment to an eligible child in ac-
10 cordance with this section.

11 (b) APPLICATION AND SELECTION.—

12 (1) APPLICATION REQUIREMENTS.—An applica-
13 tion for a grant under this section shall be submit-
14 ted by the Chief Executive Officer of a State and
15 shall—

16 (A) contain a description of the proposed
17 child support assurance project to be estab-
18 lished, implemented, or improved using
19 amounts provided under this section, including
20 the level of the assured minimum child support
21 payment to be provided and the agencies that
22 will be involved;

23 (B) specify whether the project will be car-
24 ried out throughout the State or in limited
25 areas of the State;

1 (C) specify the level of income, if any, at
2 which a recipient or applicant will be ineligible
3 for an assured minimum child support payment
4 under the project;

5 (D) estimate the number of children who
6 will be eligible for assured minimum child sup-
7 port payments under the project;

8 (E) contain a description of the work re-
9 quirements, if any, for noncustodial parents
10 whose children are participating in the project;

11 (F) contain a commitment by the State to
12 carry out the project during a period of not less
13 than 3 and not more than 5 consecutive fiscal
14 years beginning with fiscal year 1998; and

15 (G) contain such other information as the
16 Secretary may require by regulation.

17 (2) SELECTION CRITERIA.—The Secretary shall
18 consider geographic diversity in the selection of
19 States to conduct a demonstration project under this
20 section, and any other criteria that the Secretary de-
21 termines will contribute to the achievement of the
22 purposes of this Act.

23 (c) USE OF FUNDS.—A State shall use amounts pro-
24 vided under a grant awarded under this section to carry
25 out a child support assurance project that is designed to

1 provide a minimum monthly child support payment for
2 each eligible child participating in the project to the extent
3 that such minimum child support is not paid in a month
4 by the noncustodial parent.

5 (d) TREATMENT OF CHILD SUPPORT PAYMENT.—
6 Any assured minimum child support payment received by
7 an individual under this Act shall be considered child sup-
8 port for purposes of determining the treatment of such
9 payment under—

10 (1) the Internal Revenue Code of 1986; and

11 (2) any eligibility requirements for any means-
12 tested program of assistance.

13 (e) DURATION.—A demonstration project conducted
14 under this section shall commence on October 1, 1997,
15 and shall be conducted for not less than 3 and not more
16 than 5 consecutive fiscal years, except that the Secretary
17 may terminate a project before the end of such period if
18 the Secretary determines that the State conducting the
19 project is not in compliance with the terms of the applica-
20 tion approved by the Secretary under this section.

21 (f) EVALUATIONS AND REPORTS.—

22 (1) STATE EVALUATIONS.—

23 (A) IN GENERAL.—Each State administer-
24 ing a demonstration project under this section
25 shall—

1 (i) provide for evaluation of the
2 project, meeting such conditions and
3 standards as the Secretary may require;
4 and

5 (ii) submit to the Secretary reports, at
6 the times and in the formats as the Sec-
7 retary may require, and containing any in-
8 formation (in addition to the information
9 required under subparagraph (B)) as the
10 Secretary may require.

11 (B) REQUIRED INFORMATION.—A report
12 submitted under subparagraph (A)(ii) shall in-
13 clude information on and analysis of the effect
14 of the project with respect to—

15 (i) the amount of child support col-
16 lected for project recipients;

17 (ii) the economic circumstances and
18 work efforts of custodial parents;

19 (iii) the work efforts of noncustodial
20 parents;

21 (iv) the rate of compliance by non-
22 custodial parents with support orders;

23 (v) project recipients' need for assist-
24 ance under means-tested assistance pro-

1 grams other than the project administered
2 under this section; and

3 (vi) any other matters that the Sec-
4 retary may specify.

5 (C) METHODOLOGY.—Information re-
6 quired under this paragraph shall be collected
7 through the use of scientifically acceptable sam-
8 pling methods.

9 (2) REPORTS TO CONGRESS.—The Secretary
10 shall, on the basis of reports received from States
11 administering projects under this section, submit in-
12 terim reports, and, not later than 6 months after the
13 conclusion of all projects administered under this
14 section, a final report to Congress. A report submit-
15 ted under this paragraph shall contain an assess-
16 ment of the effectiveness of the State projects ad-
17 ministered under this section and any recommenda-
18 tions for legislative action that the Secretary consid-
19 ers appropriate.

20 (g) FUNDING LIMITS; PRO RATA REDUCTIONS OF
21 STATE MATCHING.—

22 (1) FUNDS AVAILABLE.—There shall be avail-
23 able to the Secretary, from amounts made available
24 to carry out part D of title IV of the Social Security

1 Act, for purposes of carrying out demonstration
 2 projects under this section, amounts not to exceed—

3 (A) \$27,000,000 for fiscal year 1998;

4 (B) \$55,000,000 for fiscal year 1999; and

5 (C) \$70,000,000 for each of fiscal years
 6 2000 through 2003.

7 (2) PRO RATA REDUCTIONS.—The Secretary
 8 shall make pro rata reductions in the amounts oth-
 9 erwise payable to States under this section as nec-
 10 essary to comply with the funding limitation speci-
 11 fied in paragraph (1).

12 **SEC. 5. MANDATORY REVIEW AND ADJUSTMENT OF CHILD**
 13 **SUPPORT ORDERS FOR TANF RECIPIENTS.**

14 Section 466(a)(10) of the Social Security Act (42
 15 U.S.C. 666(a)(10)) is amended—

16 (1) in subparagraph (A)(i), by striking “or, if
 17 there is an assignment under part A, upon the re-
 18 quest of the State agency under the State plan or
 19 of either parent,”; and

20 (2) by adding at the end the following:

21 “(D) MANDATORY 3-YEAR REVIEW FOR
 22 PART A ASSIGNMENTS.—Procedures under
 23 which the State shall conduct the review under
 24 subparagraph (A) and make any appropriate
 25 adjustments under such subparagraph not less

- 1 than every 3 years in the case of an assignment
- 2 under part A.”.

