

- SUBJECT:** Child support collection and enforcement revisions
- COMMITTEE:** Juvenile Justice and Family Issues — committee substitute recommended
- VOTE:** 9 ayes — Goodman, Pickett, Isett, P. King, Morrison, Naishtat, A. Reyna, E. Reyna, Truitt
0 nays
- WITNESSES:** For — Mary Rhoads, Texas Association of Domestic Relations Offices;
David W. Simpson, Harris County Domestic Relations

Against — None

On — Alicia Key, Office of the Attorney General Child Support Division;
Robert L. (Bob) Green, Texas Fathers Alliance
- BACKGROUND:** The federal government requires each state to designate a single agency to administer child support cases for recipients receiving certain federal benefits, including Temporary Assistance to Needy Families, and others who apply for services from the agency. The agency often is referred to as the IV-D agency, a reference to Title IV, Part D of the U.S. Social Security Act. The Office of the Attorney General is Texas' IV-D agency.

Counties also operate local child support registries to handle some non-IV-D cases. Some counties also use domestic relations offices or friend of the court programs to help with child support enforcement.

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which, among other things, requires states to implement a centralized registry to record and track child support cases and an automated, centralized system for the collection and disbursement of child support payments for which wages are withheld and payment made by an employer.

Texas' statewide registry began operating in early 1998. The statewide disbursement unit must be implemented by October 1, 1999, to collect and

disburse child support payments from income withholding ordered after January 1, 1994.

DIGEST:

CSHB 1884 would no longer require the state case registry and the state disbursement unit to be a unified system. CSHB 1884 would make the state case registry responsible only for maintaining records of child support orders in IV-D cases and other cases in which a child support order was established or modified on or after October 1, 1998.

The state disbursement unit would be responsible for:

- ! receiving, maintaining, and furnishing child support payment records in IV-D and other cases required by law;
- ! forwarding child support payments;
- ! maintaining child support payment records made through the state disbursement unit; and
- ! making available each day certain information to local registries including lawsuit cause numbers, payor's names and social security numbers, payee's names and, if available, social security number, and payment information.

The state disbursement unit no longer would be responsible for monitoring support payments and initiating enforcement actions if a payment were delinquent.

CSHB 1884 would set deadlines for the state disbursement unit to process payments it receives. Within two working days of receiving a child support payment, the state disbursement unit would be required to distribute the payment to the IV-D agency or the obligee. However, if the state disbursement unit was not processing child support payments for the case under which the payment was made or had insufficient information to identify the case, the payment would have to be returned within five working days to the person who made it.

CSHB 1884 would add social security numbers to the items that must be remitted by employers with child support payments that they are withholding from employees' income. The payor's social security number would have to be remitted along with the payee's social security number, if available.

Employers that did not comply with withholding orders could be liable to the obligor for interest that accrued on delinquent child support. Employers that remitted payments to an incorrect entity would have to remit the payment to the proper entity within two working days after receiving the returned payment.

CSHB 1884 would authorize domestic relations offices to provide an informal forum in which an agreed repayment schedule for delinquent child support could be negotiated as an alternative to filing a lawsuit to enforce court-ordered child support.

Domestic relations offices would be able to access specified information about certain persons involved in parent-child lawsuits, to the extent federal law allows, from the national directory of new hires and the state case registry. Domestic relations offices and friend of the court programs would be able to receive certain information from the state case registry without authorization from the custodial parent. The state case registry would be required to provide specified information to domestic relations offices or friend of the court programs, to the extent permitted by federal law.

The IV-D agency would be able to disclose certain financial information, if necessary, to comply with authorized information requests from the state case registry.

CSHB 1884 would take effect September 1, 1999, and would apply only to child support withheld on or after that date.

**SUPPORTERS
SAY:**

The state case registry and the state disbursement unit are being developed as separate programs, and CSHB 1884 would recognize this by no longer referring to them as “unified” and by clearly establishing the responsibilities of each. The state disbursement unit would not be responsible for monitoring payments and enforcing actions on delinquent payments because this is handled by the IV-D agency.

CSHB 1884 would establish realistic deadlines for the state disbursement unit to remit payments it receives to ensure that the state does not hold money that should be passed on to children as soon as possible. If improper information is submitted by an employer, and the disbursement unit cannot find the proper

information in a few days, the check should be returned to the employer, who should bear the burden of gathering the proper information.

Adding the social security number to child support payments remitted by employers would help ensure payments are properly identified. Including the numbers would not invade the privacy of the payees or payors since both employers and the IV-D agency already have that information.

Since an obligor can be held liable for interest on delinquent child support payments, it is only fair that employers that do not comply with withholding orders and are late with a payment should be held liable for interest on the late payment. CSHB 1884 would ensure that employers promptly correct their mistakes by requiring them to send information to the proper person within two days of receiving a returned payment.

CSHB 1884 would help settle some delinquent child support cases more quickly and economically than a court could by authorizing domestic relations offices to help negotiate delinquent support payment schedules.

Although federal law does not now authorize domestic relations offices to access information in the national directory of new hires by employers or the state case registry, CSHB 1884 would grant them this access if federal law changed. Similarly, CSHB 1884 would give domestic relations offices and friend of the court programs access to information in the state case registry without the authorization of the custodial parent, although this currently is prohibited by federal law. However, if federal law changes, CSHB 1884 would allow the offices access to information that could help in their child support enforcement cases.

Allowing the IV-D agency to disclose certain financial information would allow the agency to comply with federal requirements to obtain certain financial data applicable to the state case registry.

**OPPONENTS
SAY:**

The five-day deadline set by CSHB 1884 for the state disbursement unit to return checks that lack adequate information is too short. If the unit were given more time, it could investigate situations and perhaps get the money to the right case. For example, an employer might send in a check for several employees' child support payments without listing all the of the employees information. It might take a few days of research to reveal exactly what

employee information was left off of the employers' list. A five-day deadline could force the state disbursement unit simply to return the check to the employer for the proper information, possibly leaving children without their support checks for a longer time than it would take for the state disbursement unit to straighten out the situation.

There is no reason to give domestic relations offices and friend of the court programs the ability to get information from the state case registry without authorization from the custodial parent. If the offices are taking enforcement actions on a case, they should have no problem getting the parent's authorization.

OTHER
OPPONENTS
SAY:

CSHB 1884 should include authorization for friend of the court programs to collect a nominal monthly fee. These programs are cost-effective ways of handling some child support cases, and counties should be able to fund these programs with fees on the persons using them.

NOTES:

The committee substitute added to the original bill including social security numbers on payments remitted by employers and setting a deadline for the state disbursement unit to return payments that have insufficient information. The committee substitute changed from two days to five days the amount of time that the state disbursement unit has to return payments for cases it does not handle.

The committee substitute also eliminated some provisions from the original bill, including allowing courts to authorize friend of the court programs to assess and collect a monthly child support services fee of up to \$5, requiring the IV-D agency to submit a request to the Legislature for an appropriation to cover certain court costs not reimbursed by the federal government, and stating that the IV-D agency is liable for costs incurred in establishing and operating the unified state case registry and disbursement unit.