

Child Support Report



OFFICE OF CHILD SUPPORT ENFORCEMENT

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OCSE, IRS Promote Broader Publicity of Tax Credit Program

By Toni Baker and John Clark

OCSE

Lifting over 5 million individuals out of poverty every year, the Earned Income Tax Credit (EITC) program is one of the most effective anti-poverty tools for working families. EITC, run by the Internal Revenue Service (IRS), is the federal government's largest cash-assistance program. It's a federal tax benefit designed to assist low- and moderate-income workers and increase their financial stability.

While the average EITC refund is \$1,800, research indicates that as many as 25 percent of eligible families fail to claim the EITC.

Both custodial and noncustodial parents are eligible for EITC. The earnings limits and maximum refund are much higher for custodial parents with children. However, noncustodial parents may also be eligible for this valuable tax credit.

For tax year 2009, EITC is available to individuals and families whose adjusted gross income does not exceed \$43,279 with three or more qualifying children; \$40,295 with two qualifying children; \$35,463 with one qualifying child; and \$13,440 with no qualifying children. The adjusted gross income threshold is \$5,000 higher for married couples filing jointly. The maximum credit for 2009 is \$5,657 with three or more qualifying children; \$5,028 with two qualifying children; \$3,043 with one qualifying child; and \$457 with no qualifying children.

OCSE is continuing to collaborate with the IRS to encourage state and local child support offices to provide information on the EITC program to low- and moderate-income workers. OCSE held a nationwide conference call in November for state, tribal and local child support offices with 50 participants. An IRS representative spoke about the program's importance to parents in the child support program.

The Earned Income Tax Credit was claimed by over 23 million working families and individuals in tax year 2008. See state statistics on the [IRS Web site](#).

Many communities offer free tax preparation services through Volunteer Income Tax Assistance Centers and the Tax Counseling for the Elderly program.

Pennsylvania Reaching Out

For the fifth consecutive year, IRS, the Pennsylvania Bureau of Child Support Enforcement, the Domestic Relations Association of Pennsylvania and OCSE Region III are working together on a project to provide information about EITC to families that could potentially qualify for the 2009 tax year.

Each year in Pennsylvania, the IRS sends about 10,000 copies of each of two or three brochures to the 67 county Domestic Relations offices. The number of brochures varies by county size from 25 copies for small rural counties to 750 copies for the largest county, Philadelphia. Brochures are available in Spanish.

Each local office then places brochures in the waiting room. For example, Philadelphia County Domestic

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U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement

The Value of Debt Management



In recent years, OCSE and child support professionals in state, tribal and local programs have examined ways to manage the increasing amounts of arrears—the debt owed by noncustodial parents on their child support cases. Debt management has become an integral part of child support programs. State and county child support programs use such methods as conducting amnesty campaigns, establishing state debt compromise review boards, and offering noncustodial parents gradual forgiveness of state-owed debt arrears conditional on consistent current support payments in the future—sometimes called “debt leveraging.”

The Urban Institute conducted a series of studies in 12 states, which found that most child support debt is owed by low-income noncustodial parents. Emerging research from the University of Wisconsin Institute on Research on Poverty (IRP) suggests that higher arrears substantially reduce formal earnings for noncustodial parents that struggle with maintaining jobs—and consequently reduce child support payments for their families. In these cases, debt reduction may remove a key barrier to low-wage employment and encourage noncustodial parents to become a regularly contributing and responsible parent.

In 2007, the Office of the Inspector General for the U.S. Department of Health and Human Services found that child support agencies in 20 states operate fully implemented or pilot state debt compromise programs, and another 23 states settle state debt on a case-by-case basis.

Debt management projects have had varying degrees of success. Some have shown that reducing debt owed to the state can unburden noncustodial parents who have accumulated it far above their ability to pay. Findings from an IRP evaluation of one debt leveraging program—designed to help noncustodial parents reduce large child support debts and increase their child support payments—suggest considerable promise for this approach.

Through OCSE grant projects like the one highlighted in the article on page 3, we can all learn about strategies and techniques that work best. In addition, the article on page 5 shares news about a Nevada amnesty project, which encouraged parents with large amounts of child support debt to come forward—without fear of being arrested—to negotiate a payment settlement.

The most effective ways to manage child support debt are to prevent it from building up in the first place. Setting orders based on the actual income of the parent, acting early when a payment is missed and adjusting orders timely when appropriate all contribute to managing debt levels. Through our national Project to Avoid Increasing Delinquencies (PAID), we will continue to help state and tribal programs exchange successful program practices in these areas. I hope you continue to refer to [PAID publications](#) and to share with us methods that are working for you.

Vicki Turetsky

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Relations places them in the court's customer service and intake units, as well as next to the elevators in the main lobby.

IRS provides this EITC information to local offices at no charge to child support agencies. Both customers and county child support workers in Pennsylvania have used this important and valuable material.

In addition, [Pennsylvania's child support Web site](#) includes information in the FAQ section about EITC,

and a brief message about EITC is printed on payment coupons issued to obligors by the Pennsylvania State Collection and Disbursement Unit. All information made available by the state child support office includes the IRS contact number (1-800-829-1040) and the EITC Web site.

EITC Online

For more information, see the EITC icon on the [OCSE Web site](#) and the [IRS Web site](#). If your state is interested in receiving EITC brochures, please contact the OCSE state program specialist for contact information of the IRS territory manager.



Best Practices for State Debt Compromise Programs

By Jessica Pearson and Rasa Kaunelis
Center for Policy Research

The Center for Policy Research (CPR) in Colorado plans to help state and local jurisdictions reduce delinquencies on child support cases by recommending they use best practices for debt compromise programs.

Under an OCSE grant project, representatives from 10 sites—California; Illinois; Maryland; Hennepin County, MN; Ramsey County, MN; the state of Minnesota; New Mexico; North Dakota; Vermont; and Washington D.C.—met last June in D.C. with CPR staff members to compile information about the sites’ debt compromise programs. They examined criteria for case eligibility, debt compromise terms, staffing and training, corrective actions for those who fail to comply, and program evaluation.

Based on these discussions, CPR identified the following best practices:

- Clarify program goals. Settlement programs aim to collect some money and close cases while incentive programs try to instill a habit of payment.
- Consider different programs for different populations. Those who can pay something might like a settlement that gets child support out of their life. Those who are employed might like forgiveness in exchange for regular payments.
- Establish realistic expectations; avoid setting them too high. Accept small lump-sum payments and aim to generate small revenue for the state.
- Establish simple rules, adopt a simplified forgiveness schedule, and avoid frequent ledger adjustments.
- Adopt a uniform approach that treats everyone the same and can be easily explained. At the same time, allow for flexibility to respond to obligor circumstances on a case-by-case basis.
- Maximize administrative procedures and involve the court constructively. Compromise agreements need to be approved quickly. Judges can assist with program recruitment at specialized dockets.
- Consult with advocacy groups. Fatherhood groups, reentry programs and legal services can help to design effective programs and recruit participants.
- Develop effective partnerships with workforce programs. Since employment is critical to the success of programs that tie forgiveness to future payments, pursue relationships with employment programs.
- Reduce or eliminate interest charges. While most participating jurisdictions see interest as a “negative” that contributes to the generation of arrears, some view the forgiveness of interest as a payment incentive.
- Use a variety of methods to identify cases, such as the automated system, community-based organizations, worker nominations, word-of-mouth referrals, and general publicity.
- Simplify method for modifying orders. Some programs strongly recommend that obligors modify their orders before they enroll in the program so that they can be successful in making required payments.
- Enhance automated systems to track cases. Program architects and workers want system-generated alerts when payments stop rather than relying on manual monitoring.
- Suspend compromise agreements when circumstances change and give obligors additional chances. Build in some mechanism for obligors to rehabilitate themselves if they miss a payment or suspend a state debt compromise agreement if an obligor loses his or her job.

- Consider contacting custodial parents about arrears owed to them. Programs that outreach to custodial parents say these parents are pleased to get some payments. Programs that avoid outreach don't want to appear to be pressuring custodial parents.

Preventing arrears by getting orders right in the first place is the best strategy.

The project staff next will conduct evaluations for interested jurisdictions to identify features in state debt compromise programs that result in strong outcomes to

reduce child support arrears. The project will run through mid-2011.

For more information, please contact Jessica Pearson or Rasa Kaunelis at the Center for Policy Research at 303-837-1555.



Look for updates about the Center for Policy Research project on debt-management on the *PAID* workplace.

A Glimpse of State Debt Compromise Programs ...

- **California:** Compromise of Arrears Program (COAP) is a statewide, statutory settlement program that targets arrears-only and current-support cases with uncollectible state debt of \$501 or more.
- **Illinois:** Project Clean Slate is a legislative incentive program that targets noncustodial parents with any amount of state-owed debt, who can document that debt accrued while they were formerly incarcerated, disabled, or under- or unemployed.
- **Maryland:** Child Support Payment Incentive Program (PIP) is a legislative incentive program that targets noncustodial parents who have state debt with gross income below 225 percent of the federal poverty level.
- **Minnesota:** Strategies to Help Low Income Families (SHLF), an arrears management program in Hennepin County, and an arrears management policy in Ramsey County are part of a statewide, statutory effort to encourage county child support agencies to prevent and address arrears. The two counties operate settlement programs that give workers discretion to target arrears-only and current-support cases with TANF arrears with factors that limit ability to pay.
- **New Mexico:** Fresh Start/Arrears Management Program is a statewide legislative settlement program that targets cases with emancipated dependents, which only owe state arrears with balances of \$1,000 or more.
- **North Dakota:** A statewide debt write-off policy permits compromise of interest on assigned arrears and any interest on unassigned arrears accrued after July 1, 2005.
- **Vermont:** Project Aim (Account Intervention and Management) targets noncustodial parents who have not made any payments in 12 months and accepts a reduced amount in exchange for a lump-sum payment or regular payments of arrears over time.
- **Washington, D.C.:** Fresh Start Program for Noncustodial Parents targets cases with child support arrears exceeding \$1,000, with no voluntary payments in the last 36 months, and with automatic eligibility for noncustodial parents who were incarcerated when any arrears accrued.

Center for Policy Research

Nevada's Clark County Sends Payments Home for the Holidays

By Amnesty Project Team
Clark County Family Support Division

This holiday season, as Clark County, NV, was enduring record foreclosures and unemployment, child support enforcement supervisors in the Family Support Division sought to boost collections in a way that would: 1) help the children of parents in typically nonpaying cases; and 2) let the office reconnect with noncustodial parents and offer them some relief.

The team fostered the idea of an amnesty period when noncustodial parents with an active child support bench warrant could come into the office and negotiate a settlement payment without fear of being arrested. At the time, our office had 760 active warrants; however, we also had 4,100 suspended driver's licenses. The cost to noncustodial parents to have their driver's license reinstated according Clark County procedures was quite high, so by adding the opportunity to reinstate driver's licenses, we could greatly increase our chance of collections.

The team planned the project for the week of Nov. 16 to coordinate with Thanksgiving and named it "Home for the Holidays." However, this meant we needed to complete plans, trouble-shooting and getting the word out in 14 days!

Making the public aware became our top priority. We began by pulling lists of all cases with active warrants and suspended licenses. The office sent letters to noncustodial parents to make them aware of the amnesty period and encourage their participation. We also prepared letters to custodial parents on the same cases to let them know about the project and that it would get their children some assistance and to ask for their support.

The next step was to set up a recorded dialog. We placed calls through an auto-dialer system to the noncustodial parents echoing the content in the letters in hope that if we didn't have a current address, we might have a current phone number to reach them.

We notified the Department of Motor Vehicles of the potential surge to their operation and to obtain their assistance. We mailed fliers to local agencies, civic

groups, large employers and the various court systems with a cover letter requesting they post them in high-traffic areas.

The media was the most effective source for spreading the word and took a strong interest in the project.

We sent a press release and public service announcement to television and

radio stations. Radio stations asked listeners to call in and talk about their thoughts on the amnesty week. TV crews showed up in the office unannounced on the first day, and the project was covered throughout the week on all the major local news stations as well as the Spanish-speaking stations.

During the six-day project, the office met with 396 people. We were able to obtain current addresses and employers and establish new working relationships with these clients, many of whom expressed their gratitude in tears at being given a fresh start and thanked us for working with them.

One client told his story of having been steadily employed in construction. As the economy took a downward turn, he began to lose everything; first his job, then his car, home, family, and then his sense of self-worth. He was in the process of pawning his watch at a local pawn shop when he happened to see the Home for the Holidays project airing on the news on the shop's television. He said that at that moment he believed he had been meant to go to that pawn shop and see the news because he didn't own a television anymore. He broke



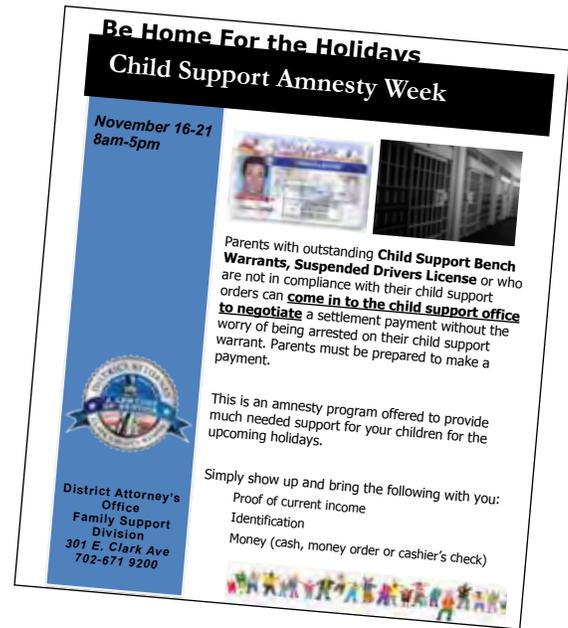
The Clark County team of supervisors that spearheaded the "Home for the Holidays" amnesty project in November are (back row, from left) Susan Gibson, Roger Dixon, Sherrill Warren, and Rhondalyn Piggee; and (front row) Latanya King, Juanita Clifton, Terri Luera, and Kay McDonald.

down in tears as he told his story saying, “You all have no idea what you are doing to help me. I feel like I have a second chance.” He then used the money from his pawned watch to settle his case.

Custodial parents also were supportive of the amnesty. One parent was quoted by the media as saying, “In the end, it benefits the child; you get something as opposed to nothing at all.”

Our staff felt the positive effects as well. They enjoyed being able to help out during these difficult times—and collecting \$106,414 for the children on our cases.

The final phase of this project was our warrant sweep. We increased staffing with the assistance of the District Attorney Criminal Division’s investigators and partnered with local law enforcement agencies. The investigators worked extended shifts and weekends to expand the opportunity to arrest. Between Nov. 23 and Dec. 31, arrests were carried out for 144 noncustodial parents who failed to cooperate with the amnesty program. Investigators’ contact with noncustodial parents also resulted in quashing 89 warrants and collecting \$23,633.



For further information about the Nevada amnesty project, please contact Teresa M. Lowry at LowryT@co.clark.nv.us or 702-671-9497.

Promising Practices

Hennepin County, Minnesota Self Help Center

Goal: Expedite the processing of child support review and adjustment.

Description: At the Hennepin County Self Help Center, staff members are court employees who assist people not represented by an attorney with their family law issues, including divorce, paternity, custody, parenting time, child support and contempt.

While not exclusive by a child support program, the Self Help Center is a quicker alternative for obligors to get their issues addressed in the court, rather than the child support staff performing a “review and adjust” analysis and motion. Most self-represented litigants can get a motion to modify a child support order filled out and filed within a day or two of requesting the forms from court staff, and forms are available on the court’s Web site. Workshops are also available for people who have more



questions about how to complete the forms and file their papers with the court.

Workshops for clients interested in filing a child support modification are provided on Monday, Wednesday and Friday mornings. Clients are advised to bring a photo ID, a copy of the current child support order they want changed, copies of documents that show their current income and expenses (i.e., pay stubs, unemployment checks, tax returns, bills), stamps, change for the photocopy machine, and the address of the other party, who is usually the other parent.

Structured as a class, overheads and slides show the forms and court terms the client will encounter in requesting a modification. The workshops generally last about 1.5 to 2 hours. After the overview, the Self Help Center staff person meets with each individual to answer questions about their situation. The center uses student volunteers from local law schools to assist with screening forms. As part of the workshop, clients complete a brief intake form and sign a disclosure statement, which makes clear to clients what the Self Help Center staff can and can not do for the client.

Staff can:

- Provide the legal options available
- Help complete family court forms
- Review family court forms before filing
- Explain family court procedures, including how to complete the client's family court actions

Staff cannot:

- Give legal advice or tell the client the best legal action
- Draft legal documents or research legal issues
- Predict how the case will go or how the judicial officer will rule
- Keep confidential anything the client tells them

The law library contains a special collection of material for the Self-Help clients. See additional resources on the court Web sites:

<http://www.courts.state.mn.us/selfhelp>

<http://www.courts.state.mn.us/district/4/?page=397>

Results: The workshops assist an average of 14 people at each workshop. Court staff, magistrates, county attorneys and judges agree that most clients assisted by Self Help Center staff file motions that are filled out with more detail and accuracy than clients who do not use the

workshop. This allows the court to focus on the pleadings and relief requested. Clients using the Self Help Center have a higher rate of success in properly serving the other parties, which enables the court to go forward with the hearing as scheduled, even if the other party is not present, and results in fewer dismissals and continuances.

Funding: The Self Help Center staff position that works on child support gets federal funds matched with state funds through the court's budget.

Replication Advice: The workshop has proven very effective in meeting the demand for help in completing and reviewing forms and getting information about filing court papers. The law students help to serve more clients in the workshop. Involving court staff, either directly as in this model or indirectly, will help ensure that clients understand the legal terms and the procedures that the court expects everyone to follow when filing a motion, including filing fee information, serving court papers and how the court analyzes modification requests in general. It is also important to have good communication between the workshop leader and the child support office.

Contact: Regina Wagner, Supervising Attorney, Family Court Self Help Center, 612-596-7966

Tribal Community



Winnebago Case-Processing Manual: A Story of Promising Practices in Tribal, State Collaboration

By Sherri Larkins
OCSE Region VII

Once upon a time, in a small, rural Native American community situated on the open plains of the Midwest, a newly hired child support program director walked into her office on her first day, looked around, sighed deeply and wondered where to begin. Her task appeared daunting.



Picture the Winnebago Reservation in Nebraska with the Missouri River flowing between it and Iowa, to the east. The Winnebago Reservation is remote—there's a feeling of isolation from other tribal and state child support programs. (Iowa's capitol, Des Moines, is about a three-hour drive southeast and Nebraska's capitol, Lincoln, is over 100 miles to the south.)

The Winnebago director was faced with another reality—many of the tribal members live off the reservation and move back and

forth across state lines and may have obtained services from either Iowa or Nebraska or both. Each state has its unique processes. The challenge of developing processes for Winnebago cases appeared small when compared to those for cases shared by two or more programs. To ensure success, Winnebago processes must be based on an understanding of the state processes.

How did the director begin? Communication! She first met with the Iowa child support director and the two went on to share their business practices. This exchange led to developing a process for working through the many challenges of shared cases.

The Winnebago director, staff and their contractor, along with the Iowa staff, committed to work toward the development of a Winnebago/Iowa Case Processing Manual.

Both programs determined the purpose of the manual—to provide guidance and assistance to case managers in both programs and depict appropriate steps when working with shared cases.

The manual contains a variety of scenarios outlined in the table of contents. The case scenarios include a high-level description of the each program's actions on a case, based on discussion between the programs. The manual also contains appendices with acronyms, definitions and resources.

The Winnebago program staff met with the Nebraska child support director and they began the work to create a Winnebago/Nebraska Case Processing Desk Guide. Although a more abbreviated product than the Winnebago/



Iowa manual, the Winnebago/Nebraska guide addresses the practical issues related to shared cases.

The successful collaboration between the Winnebago Tribe and the Iowa and Nebraska child support programs has produced an excellent resource and promising practice. As the preface to the manual says, it was not intended to capture every possible scenario, but to serve as a guide to the types of situations that may be encountered in the majority of instances.

The underlying premise throughout the manual is that communication between the Winnebago and Iowa programs is a top priority for handling shared cases and determining the next step in each case. The Winnebago Tribe of Nebraska has shared the template with other tribal programs upon request.

Through continued collaboration (you know the rest), they all live happily ever after.

For more information, please contact Winnebago Director Anita Little Walker at 402-878-2164.

Passport Denial Program



Sweetheart of a Deal

Candy hearts and flowers? Maybe. Extra money? Definitely! By Valentine's Day, nine families received payments for past-due child support from noncustodial parents, courtesy of the federal Passport Denial program. The noncustodial parents paid the past-due amounts, ranging from \$15,000 to \$72,195, when their requests for passports for business trips, vacations, etc., were denied.

- **Illinois \$72,000:** A noncustodial parent agreed to pay an additional \$2,400 per month over his current income withholding order amount for 3 years if Illinois would release him from the Passport Denial program so he could work overseas. The first payment was received in 2007, and he recently made his last payment, which paid his balance in full from

the additional funds. The noncustodial parent stated: "I appreciate your help in resolving this matter. Unfortunately, if I didn't have the chance to work here in Iraq I probably would have never been able to pay this off. Then I would have wound up in jail. And for that I thank you so much. This has been a valuable lesson learned."

- **Connecticut \$54,000:** A businessman living in Europe needed a visa and valid passport to travel to North Africa. He wired the full amount of his past-due child support to Connecticut. This will be the first payment the custodial parent has ever received for her 14 year old son. When the custodial parent was informed that she would be receiving the payment she said, "The first thing I'm going to do when I get the money is buy my son a warm coat for the winter."
- **Arizona \$48,000:** The noncustodial parent needed his passport renewed for frequent business travels between the United States and Canada.
- **California \$44,000:** The noncustodial parent had no immediate travel plans, just wanted a passport.

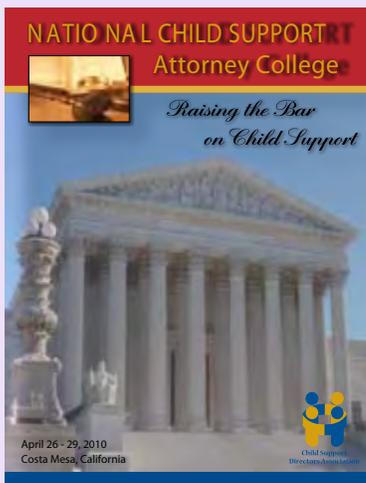
- **Florida \$30,000:** The noncustodial parent told the caseworker that the past-due support balance was bothering him and that he wanted to travel in the future.
- **Washington \$19,000:** A businessman delivering sailboats internationally recently remarried and his new wife (also his business partner) borrowed the funds to pay off his child support debt in full.
- **South Carolina \$18,000:** The noncustodial parent wanted to go on a scuba diving trip in the Caribbean.
- **Virgin Islands \$17,000:** A friend hand-delivered a check to the local child support office for a noncustodial parent who was living in South America when his passport expired.
- **Hawaii \$15,000:** The noncustodial parent was relocating overseas for work.

Since 1998, the Passport Denial program has collected over \$188 million in voluntarily reported lump-sum payments. For more information or to report a success story, please contact Rebecca Hamil at rebecca.hamilton@acf.hhs.gov.

Attorneys Go To College

Attorneys who work in the child support program across the country will be able to attend a first-of-its-kind event designed for them, April 26-29, in Costa Mesa, CA. The "National Attorney College" is being sponsored by the Child Support Directors Association (CSDA) of California and the CSDA

National Child Support Attorney Faculty Committee. In addition to a range of workshops, OCSE Commissioner Vicki Turetsky will discuss federal priorities and perspectives for the national child support program.



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