

Department of Economic Security Division of Child Support Enforcement (Report Highlights)

January 2001

The Division of Child Support Enforcement (Division) administers Arizona's federally mandated child support enforcement program. The Division operates the program in seven counties and contracts for its operation in two counties. The counties operate the program in the remaining six counties. The child support program was created to enforce children's rights to receive financial support from both parents, regardless of their marital status.

Our Conclusions:

The program has significantly improved its performance in recent years, collecting more money than ever before, for more cases. However, a significant portion of its cases still receive no child support. Therefore, to continue to enhance its effectiveness, the program will need further improvements in establishing paternitys and support orders, and enforcing and collecting on support obligations.

Child Support Services:

- **Paternity establishment**—identifying a child's legal father;
- **Locate services**—finding the noncustodial parent;
- **Support order establishment**—obtaining a court order for child support; and
- **Collections and enforcement**—ensuring child support is paid.

Program Effectiveness Improving, But More Work Needed

In the past few years, the program has:

- Doubled the annual amount of child support collected between 1994 and 1999;
- Increased the percentage of regular payers in its total caseload from 3 percent in 1992 to 11 percent in 1999;
- Increased the percentage of cases in its total caseload receiving any support from 20 percent in 1997 to 27 percent in 1999.

Many families still receive nothing—Despite the improvements, about 40 percent of cases with a support order receive no child support payments. For example, during fiscal year 1999, approximately 46,000 families did not receive \$112 million in support due them.

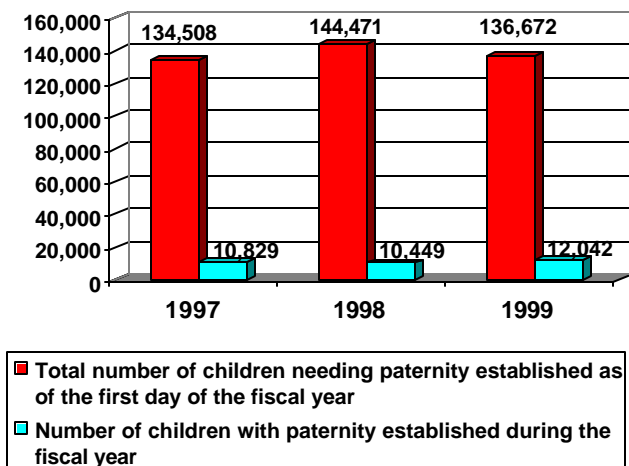
Improvements needed in three key areas—
The program needs to improve its performance in three key areas:

- Establishing paternity;
- Establishing support orders; and
- Enforcing payment of child support.

Program Needs to Establish Paternity in More Cases

Establishing paternity is a critical step in the child support process. However, in the past three years, the program has obtained paternity for fewer than 10 percent of the children who need it.

**Paternitys
Needed and Established**



Paternity establishment can also be lengthy—
When paternity was established, it often took several months or even years. For example, the median time to establish paternity during fiscal years 1997 through 1999 was 1.5 years.

Several factors impact performance—Problems locating the alleged father and the lack of information about an alleged father are national problems. In addition, Arizona has the following unique problems:

- High out-of-wedlock birth rate resulting in more cases entering the program needing the full range of services; and
- The lack of jurisdiction over individuals living and working on reservations or in Mexico.

Closing cases—Federal guidelines allow cases to be closed if there is not sufficient information, such as an address or social security number, to locate the father. More than 49,000 of Arizona's cases are missing the alleged father's social security number and could possibly be closed, freeing time to be spent on workable cases.

More use of administrative authority—Getting cases out of the courts through administrative action could improve performance. Maine uses administrative authority to establish paternity and has reduced its cases needing paternity established to 5 percent of its caseload.

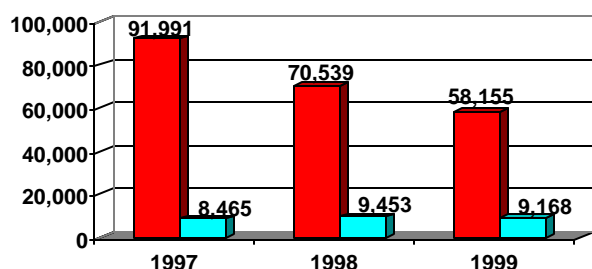
The Program Should:

- ✓ In conjunction with its stakeholders, explore expanding its authority to establish paternity by administrative action; and
- ✓ Identify and close cases with insufficient information to work with.

The Program Needs to Continue Improving Its Performance Establishing Child Support Orders

Only a small percentage of cases—about 16 percent—have support orders established each year. For each year that no support order is established, a custodial family does not receive about \$2,400. At the end of fiscal year 1999, the program had 43,000 cases that needed support orders established.

Support Orders Needed and Established



■ Total number of cases needing support orders established as of the first day of the fiscal year
 ■ Number of cases with child support orders established during the fiscal year

Many support orders take a year or more to establish—The median time to establish a support order during fiscal years 1997 to 1999 was about 16 months.

Program improving:

- In 1992, only 25 percent of the program's total cases had support orders; and
- In 1999, 47 percent of the cases had support orders.

Increased use of administrative authority could further help—Because the State already has guidelines on how to calculate child support amounts, the Division could administratively establish payment amounts for cases where both

parents agree to accept the calculation. This would eliminate the need for court action and help improve performance.

The Program should:

- ✓ In conjunction with its stakeholders, explore seeking authority to administratively establish child support orders; and
- ✓ Continue to close out cases meeting federal closure criteria.

Program Should Explore Additional Ways to Reach Nonpayers

While the program has taken action to encourage child support payments, additional strategies are needed.

Variety of enforcement tools available—

Currently, the Division has a wide variety of enforcement techniques, including:

- Automatic wage withholdings;
- Tax refund intercepts; and
- Asset seizure.

However, most of these techniques are designed for individuals with identified financial resources. Yet, one study indicates that 60 percent of non-payers do not pay because they are “dead broke” as a result of:

- Low income;
- Little education;
- Institutionalization; or
- Sporadic employment.

Best practices—Other states are trying new strategies to get more noncustodial parents to pay. Minnesota sorts its noncustodial parents into separate categories based on their willingness

and ability to pay and then applies different strategies to each category. For example, those with limited incomes may be referred to job readiness and training services.

Some states have also implemented policies for giving or limiting the accumulation of past-due support. However, forgiveness policies do not address the past hardships endured by the custodial parent and children because of the nonpayment of child support.

The Program should:

- ✓ Explore developing a case-sorting strategy based on payment characteristics and use enforcement and service strategies appropriate for each category; and
- ✓ Establish a workgroup to study forgiveness policies and possibly implement a pilot study.

Arizona Tracking and Location Automated System (ATLAS)

ATLAS, the program's comprehensive automated statewide child support enforcement system, has automated many of the child support functions including:

- Parent locate;
- Debt calculation;
- Financial management; and
- Payments

ATLAS was one of the first systems in the nation to successfully pass Level I and II federal certification review.

To Obtain More Information

- A copy of the full report can be obtained by calling (602) 553-0333 or by visiting our Web site at:

www.auditorgen.state.az.us

- The contact person for this report is ***Dot Reinhard***.