Improving Child Support Enforcement for Children Receiving SSI

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This article examines child support provisions in the Supplemental Security Income (SSI) program and other means-tested programs. It also discusses policy options for improving receipt of child support for children receiving SSI and ways that SSA could gain better access to child support data.

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Summary

Less than half of all children who receive Supplemental Security Income (SSI) benefits and live in a single-parent home receive child support services. Although filing for child support is a condition of eligibility for income assistance programs such as Temporary Assistance for Needy Families (TANF), it is not a condition of eligibility for SSI benefits.

Requiring single custodial parents applying for SSI on behalf of their children to pursue child support payments might result in more children on SSI receiving child support, and since the Social Security Administration (SSA) excludes one-third of child support when determining benefit amounts, increased receipt of child support would enhance the financial well-being of SSI children. Improving access to data on child support would enhance the integrity of the SSI program by reducing overpayments to children receiving child support. This article looks at the child support provisions in SSI and other means-tested programs and discusses policy options for improving receipt of child support and access to related data.

Requiring cooperation with child support enforcement agencies would be consistent with the philosophy that the SSI program should serve as a program of last resort. Whenever possible, both parents should take primary responsibility for their children. While such a requirement has the potential to improve the financial status of children receiving SSI, factors such as their low-income status and their involvement with the TANF program raise questions about how much those children will actually benefit from such a requirement. Even if many additional children do not receive child support, the requirement demonstrates SSA's dedication to the stewardship of the SSI program. However, if custodial parents fail to comply with the requirement, children may be worse off as a result of the requirement. SSA should carefully pursue a requirement to induce cooperation while protecting children to the greatest extent possible.

Improving access to child support data would enhance the integrity of the SSI program by reducing overpayments to children receiving child support. Given the reality of limited administrative resources as well as the apparent difficulties of gaining access to the needed child support data, SSA must decide which data matches to pursue and which requirements enhance the program enough to justify the additional resources.

Although the options discussed in this article may be chosen independently, there are important interactions to

consider. For example, although a requirement to pursue support might result in more children receiving child support, SSA would still rely on parents to report that income unless it was able to gain better access to child support data. Implementing the option to require cooperation with child support enforcement (CSE) agencies could improve verification of income from child support if field offices developed better communication with local CSE offices. However, by itself, it would not have as great an effect on overpayments as would having direct access to child support data.

In a 1999 report, the General Accounting Office acknowledged that the potential benefit reductions would be offset by the cost for SSA to administer a child support cooperation requirement and by the costs to the CSE programs to provide services. The report suggested that the goals of promoting parental responsibility and increasing the income of children receiving SSI should be pursued despite the costs. Requiring cooperation may increase administrative costs by $6 million over 5 years and may result in program savings. Gaining access to data may be more expensive and may not prevent overpayments to the same extent as other data-matching workloads on which SSA has placed a priority. SSA should continue to work with federal child support enforcement and with individual states to develop a cost-effective way to identify child support income.

Introduction

Supplemental Security Income (SSI) is a program of last resort and pays benefits to individuals when their needs cannot be met from other sources. SSI claimants and beneficiaries must file for certain benefits for which they may be eligible, including Social Security benefits and private pensions. However, the SSI program does not require single custodial parents and representative payees of eligible children to file for child support or cooperate with state child support enforcement (CSE) agencies.[1] In contrast, persons who apply for or receive benefits from the Temporary Assistance for Needy Families (TANF), Medicaid, or Food Stamp programs are required to cooperate with CSE agencies. On the one hand, because many SSI children enter the program after receiving benefits from one of those programs, many policymakers believe that a requirement to file for child support in SSI would be redundant and would not result in significant savings. On the other hand, because the program does not count a portion of child support in determining benefits, individuals who receive child support are generally better off than those who receive only SSI. Thus, the SSI program has a built-in incentive to file for child support.

Increasing the receipt of child support for children receiving SSI would improve their financial well-being and would also lower SSI payments. Encouraging custodial parents to pursue child support emphasizes that parents, not the government, have primary responsibility for supporting their children. Improving the methods by which the Social Security Administration (SSA) verifies the receipt and amount of child support would improve the accuracy of SSI payments.

In a January 1999 report, the General Accounting Office (GAO) found that less than half of children who receive SSI benefits and live in single-parent homes receive child support services. GAO estimated that requiring those parents to cooperate with CSE services would reduce annual SSI benefits to those children by $4.2 million per year in New York, Texas, and Florida.[2] In addition, GAO reported that approximately two-thirds of parents who receive child support for SSI children do not report that income to SSA. GAO estimated that in the three states studied, unreported child support resulted in $7.7 million in SSI overpayments annually.

This article:

- Describes child support provisions in SSI and other means-tested programs;
- Discusses the cooperation requirement and options to improve receipt of child support in the context of the SSI program, examining the potential effect on children receiving SSI; and
- Explores options for improving the reporting and verification of child support payments by increasing SSA's access to child support data.

Child Support Provisions in SSI and Other Means-Tested Programs

In addition to SSI, three other means-tested programs—Temporary Assistance for Needy Families, Food Stamps, and Medicaid—contain provisions for child support.

Supplemental Security Income

An individual cannot be eligible for federal SSI benefits if he or she has countable income of more than the federal benefit rate ($545 a month; $817 for a couple in 2002). Countable income is the amount remaining after all SSI exclusions or disregards are applied to the individual's gross income. The monthly benefit rate is reduced dollar for dollar by the amount of the individual's countable income.

SSI law defines two kinds of income: earned and unearned. Earned income is generally wages or net income from self-employment. All other income, such as Social Security benefits and child support, is unearned. Custodial parents are expected to share financial responsibility for children under 18, and parts of the parent's income and resources are deemed to be available to the child in determining eligibility and payment amount.

Box 1.
Current computation for child support income

The following calculation shows the effect of child support on the SSI benefit of a child with no other income.

Federal benefit rate	$545
Average child support amount	182
Minus 1/3 child support amount	-61
Minus $20 general income exclusion	-20
Total countable child support	101
Resulting SSI benefit ($545-$101)	444
Total income available to the child (SSI benefit, $444, plus child support, $182)	626

The Social Security Act provides that one-third of any child support received from an absent parent be excluded from countable income. The remaining child support reduces the monthly SSI benefit on a dollar-for-dollar basis, after considering any other applicable exclusions. An SSI child receiving child support is always better off financially than if he or she is not receiving support. One-third of child support received in-kind from the absent parent is also excluded. Box 1 shows how child support affects the SSI benefit for a child with no other income. Although the preferred evidence for verifying child support is court or other official records, the signed allegation of the custodial parent is often used to verify the amount and frequency of child support.

Temporary Assistance for Needy Families

To receive TANF cash assistance, single custodial parents must cooperate with CSE agencies by establishing paternity and pursuing support.[3] A custodial parent may be exempt from that requirement if he or she can establish good cause for not cooperating. Good causes include fear of physical or emotional harm to the child or custodial parent. If the custodial parent is not exempt from the requirement and fails to cooperate, states must reduce the TANF grant by at least 25 percent. Thirty-four states partially reduce benefits as a first sanction for noncompliance with the CSE requirement. Seventeen states terminate benefits in the first instance of noncompliance, and some terminate benefits as part of a progressive sanction structure, after less stringent sanctions have failed. In most states, the sanction is lifted as soon as the family member complies with CSE requirements (General Accounting Office 2000).

In addition, parents must assign to the states the rights to any child support collected. States retain cash support payments collected for TANF families as reimbursement for benefits. Before TANF was established, states were required to pass on to the family $50 of child support in addition to their cash assistance. TANF ended the mandatory passthrough, and currently only about 20 states continue to pass any child support on to families who are receiving cash assistance. Since families receiving TANF see little financial gain from child support, noncustodial parents may feel little incentive to provide support. In 2000, Congress considered a bill that would have given states the option to distribute to TANF families more of the support collected on their behalf.[4]

States administer child support enforcement programs through state and local offices, but the federal government plays a large role in funding and overseeing the programs. The federal Office of Child Support Enforcement (OCSE) establishes standards that states must follow in developing their administrative systems and providing services. The federal government also pays two-thirds of states' administrative costs for the program and provides incentive payments for states' performance in establishing support orders, collecting current and past-due support, and operating cost-effectively. The formula for calculating incentive payments gives twice the weight to collections on TANF and former TANF cases as it does to collections on cases of persons who never received TANF.

Food Stamps

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 extended many child support provisions to the Food Stamp program. States have the option to disqualify noncustodial parents for being in arrears with their child support payments and may disqualify any custodial or noncustodial parents for failing to cooperate with the state CSE agency unless they show good cause for noncompliance. As of May 1998, only seven states disqualified Food Stamp households for failure to cooperate with state CSE agencies. Two states applied the sanction only to TANF cases (Gabor and Botsko 1998).

Medicaid

Medicaid recipients must cooperate with CSE agencies and assign their rights to medical support payments and payments for medical care from any third party. Medicaid eligibility cannot be denied or terminated for a child because of the refusal of another person to cooperate in establishing paternity or in obtaining medical support. The custodial parent, however, may be denied Medicaid coverage by refusing to cooperate. If the state expands the Medicaid program to provide health insurance to children under the State Children's Health Insurance Program (SCHIP), the Medicaid child support require-

ments apply. However, when states provide health insurance to children under a separate program, they are not bound by federal requirements.

Improving Pursuit and Receipt of Child Support

Over half of all children under 18 receiving SSI live with single parents. Seventeen percent (90,000) of those children report receiving child support to SSA. The average amount of support received is $182 per month (Social Security Administration 2001a, Table 11). Since one-third of child support received does not count against the SSI benefit, increased receipt of child support will improve the financial well-being of children receiving SSI and their families while reducing SSI payments. In considering ways to improve receipt of child support among SSI children, several issues must be considered, such as why families do not pursue support and what might happen if more families did so.

Why Don't Families Pursue Support?

In 1999, SSA's Office of Quality Assurance and Performance Assessment (OQA) conducted a study of SSI children in single-parent households. Of the 1,486 cases reviewed, 53 percent of custodial parents had pursued child support. The most common reasons for the 47 percent who had not pursued support are shown in Table 1. The responses suggest that many custodial parents are not aware of the services offered by CSE agencies in finding absent parents and detecting their wages. Two-thirds of the cases could potentially benefit from pursuing support, and the remaining one-third might be less likely to receive support.

Table 1.
Reasons given by custodial parents for not pursuing child support

Reason	Percentage of parents reporting
Whereabouts of the absent parent unknown	37
The absent parent has no job or income	14
The custodial parent didn't believe anything would come of it	15
The absent parent is incarcerated	12
The absent parent is deceased	8
Other (identity of father unknown, not aware of filing procedures, not allowing visitation, and so forth)	14

According to the April 1998 Current Population Survey (CPS), approximately 56 percent of custodial parents had child support agreements in 1998. The survey included parents without agreements and those with nonlegal, informal agreements. The most common reasons parents gave for not having a legal agreement were that they did not feel the need to make it legal, the other parent could not afford to pay, the other parent provides what he or she can, they did not want the other parent to pay, they did not legally establish paternity, and they did not want to have contact with the other parent (Grall 2000). The CPS sample includes a broad range of parents and indicates that many parents are not interested in working with the formal CSE system.

Waller and Plotnick (2001) reviewed seven qualitative studies of low-income parents and conclude that the formal child support system often does not match the needs of low-income parents. Noncustodial fathers say that the formal child support system does not take into account their low income and often unsteady employment. They state that providing in-kind support instead allows them to meet their children's concrete needs and lets their children know that they are involved. In contrast, if the family is receiving welfare and the child support is collected by the state, the children do not see any financial benefit from the father's payment.

Similarly, custodial mothers acknowledge that they may receive greater benefit from in-kind or informal payments than payments through the child support enforcement system, especially if they are receiving public assistance. In a study of mothers receiving Aid to Families with Dependent Children in four cities, Kathryn Edin reported that half of the mothers had either lied about the identity of the father of their children or had withheld crucial identifying information from the CSE agency, avoiding the establishment of paternity. By working outside the formal child support system, some of the mothers she interviewed were better off since they received more from the absent father than the $50 per month passthrough (Sorenson and Turner 1997).

Although SSI rules on child support differ from those of other assistance programs, low-income parents of SSI children may still avoid the formal system for some of the reasons mentioned above.

What If More SSI Families Pursued Support?

Research shows that poor single mothers are less likely to receive child support than nonpoor mothers. Of all single mothers due child support, only 52 percent of poor mothers actually received payment compared with 73 percent of nonpoor women (Scoon-Rogers 1999). Among children in single-parent households, African American and Hispanic children and children whose custodial parents have not completed high school have

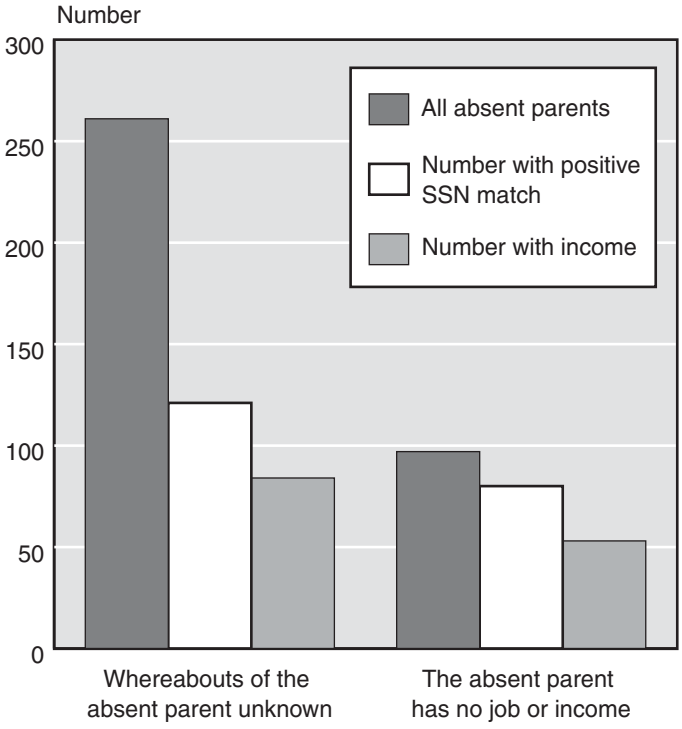
the lowest rates of receiving child support (Sorensen and Zibman 2000).

Even if more custodial parents of SSI children pursued support, their low-income status might reduce their likelihood of receiving child support payments. Nearly 40 percent of single parents of SSI children report no income to SSA. Only one-third of single parents have earned income, and among those who have income, the amounts tend to be low.

The involvement of families in both the SSI and TANF programs also influences the likelihood that parents pursue and receive support. As of December 2000, the parents of 130,000 SSI children were receiving public income-maintenance payments, predominately TANF (Social Security Administration 2001, Table 15). Presumably, any family receiving TANF has already met the requirement to pursue child support, and any effort to increase pursuit of child support would have little or no effect on that group. Since TANF families must assign rights to child support, any support paid on behalf of the family would be captured by the state. A child receiving SSI who is not on the TANF grant would be eligible to receive his or her share of support.[5] However, whether states actually divide and disperse the child support payment in that manner is unclear.[6] Furthermore, if the payment covers a time period when the child was receiving TANF, the state would be legally entitled to retain the child support payment.

By contrast, the results of a 1999 study by SSA's Office of Quality Assurance and Performance Assessment suggest that some of the custodial parents who have not pursued child support might actually receive support if they pursued it (see Chart 1). OQA made a positive Social Security number (SSN) match with the absent parent in 46 percent (121 of 261) of the cases in which the custodial parent claimed not to know the whereabouts of the absent parent. In 69 percent (84 of 121) of the cases with a positive SSN match, the absent parent had wages posted for 1997. The wages ranged from a high of $78,000 to a low of $10,000. Positive SSN matches were made for 82 percent (80 of 97) of the cases in which the custodial parent alleged that the absent parent had no job or income. Sixty-six percent (53 of 80) of those absent parents had income in 1997. Approximately half of them had wages, and half had income in the form of benefits from SSI or the Old-Age, Survivors, and Disability Insurance program.

Chart 1.
Sample characteristics of noncustodial parents of SSI children without support orders, by custodial parent's reason for not pursuing support



SOURCE: Social Security Administration 1999.

Policy Options for Improving Receipt of Child Support

This article considers several options for improving the receipt of child support. The options range from requiring cooperation with CSE services to less stringent approaches, such as modifying SSI income exclusion rules or increasing public awareness of CSE services. A policy aimed at increasing the filing for and receipt of child support emphasizes that parents, not the government, have primary responsibility for supporting their children. Ensuring that parents or representative payees of SSI children pursue child support payments supports the principle that SSI is a program of last resort. It also has the potential to reduce program expenditures.

In considering options for improving receipt of child support, SSA must determine which program(s) serve as appropriate models for adopting a child support enforcement requirement. The TANF and Food Stamp programs, for example, require parents to cooperate with child support enforcement, and that approach may apply to the SSI program. SSI could reduce payments to children who receive additional support, and such a requirement would support the principle that parents take primary responsibility for their children. Another possible model is the Medicaid program, which ensures that a parent's negligence will not prevent a child from receiving the health care for which he or she is eligible. Since SSI benefits are paid to the individual disabled child and not the family, that approach may be appropriate.

Cooperation with CSE agencies entails establishing paternity and pursuing a child support order: it is not tied to locating the absent parent or collecting support monies. A requirement would apply to any child beneficiary who does not report receiving child support.

Option 1. Require cooperation with CSE agency as a prerequisite to being named representative payee. This option sets a framework for encouraging representative payees (usually a parent) to seek additional income for the child. Tying the requirement for cooperation to representative payee status ensures that a child will not be penalized if his or her parent does not cooperate. This option is similar to the Medicaid requirement that does not affect the child's health coverage but could terminate coverage for the noncompliant parent.

The primary drawback of this option is its potential for allowing evasion. If no alternative payee can be found, the requirement would be waived and the noncompliant parent would continue to act as payee. In that case, the requirement has no teeth.

Option 2. Require cooperation with CSE agency in order to receive benefits (partial or full reduction of benefits for noncooperation). An alternative proposal would require single parents or representative payees to cooperate with CSE agencies for their child to be eligible for SSI benefits. Refusal to cooperate would result in the elimination or reduction of the SSI benefit to which the child would otherwise be entitled. As with TANF, the policy would include a good-cause exemption for parents or payees who fear violence or reprisal or for other specified circumstances.

This requirement is more consistent with the requirement of TANF programs and is less likely to be evaded than if the onus is placed only on the representative payee. One-third of state TANF programs have a full-family sanction for the first instance of noncompliance. Two-thirds of the states partially reduce the TANF benefits of families who fail to comply with child support enforcement requirements. For repeated noncompliance, many states may resort to full-family sanctions (General Accounting Office 2000).

Most research on the effect of sanctions on compliance within the TANF program focuses on sanctions for noncompliance with work requirements and has produced mixed results (Kaplan 1999). A recent report by the Department of Health and Human Services (HHS) Office of Inspector General (2000) indicates that most state TANF and CSE workers believe that the threat of sanctions induces compliance. Partial penalties are thought to have at least as much influence on client cooperation as full-family sanctions. In an average month, approximately 5 percent of TANF families nationwide are under sanctions for failure to meet program requirements, primarily work responsibilities. In the 24 states for which data are available, less than 1 percent of families receiving TANF in 1998 were under a sanction for failure to cooperate with child support provisions.[7] One would expect the sanction rate for noncompliance with an SSI child support requirement to be similarly low.

Similarly, little information is available on the outcomes of families who received sanctions. Information from 10 states indicates that about one-third of TANF adults who were sanctioned (mostly for work requirements) eventually complied and returned to the TANF program. About 41 percent found work, and many of the remaining families depended on friends and family for support. Over half of the families that left TANF continued to receive food stamps or Medicaid (General Accounting Office 2000, 6). If SSI sanctions were lifted as soon as parents complied, they might be expected to be temporary and thus lessen the hardship on the SSI child.

The policy of the Social Security Administration, however, has been that children receiving SSI should not be penalized for their parents' mistakes. Indeed, critics of tying a cooperation requirement to receipt of benefits argue that parental failure to cooperate could deprive a child of vital assistance through no fault of his or her own, since the parent, not the child, must take the legal action to pursue support. A partial cut in benefits would lessen the potentially harmful result for children and should not cause otherwise eligible children to lose their Medicaid eligibility, whereas a full-benefit sanction might affect their eligibility. Opponents of requiring cooperation also cite differences between SSI, which pays benefits to the disabled child, and TANF, which pays benefits to the household. They point out that when the head of the household is also a recipient, requiring him or her to file for support is appropriate.

Option 3. Modify the income exclusion rules for SSI by excluding from countable income one-third of child support received from an absent parent or $50, whichever is greater. Excluding more child support from a child's countable income would improve the financial status of the SSI child and might provide a greater incentive for custodial parents to pursue child support. This change would benefit children who receive small amounts of child support (less than $150 per month). For children with other sources of income who receive a small SSI benefit, excluding additional amounts of child support might also allow them to maintain their Medicaid eligibility. The current one-third exclusion of child support income is, however, more generous than any other unearned income exclusion. (Unearned income reduces SSI benefits dollar for dollar after a $20 general income exclusion.)

Option 4. Inform eligible applicants and beneficiaries about the availability of CSE services. Whereas the first three options would require legislation, a less formal option would be to provide better information to custodial parents of SSI children about the availability of CSE services and about SSI's reporting requirements. Mailings would be targeted toward children identified as living with one parent. SSA would develop brochures and posters with state-specific information and place them in field offices.

According to the 1999 OQA study, many custodial parents do not seek child support because they do not believe it will be fruitful. Targeted campaigns that inform parents of the ability of child support enforcement to locate missing parents and identify wages might encourage them to pursue child support even if they are not required to do so.

A contact person at SSA would serve as the source of information for eligible parents and would act as a liaison between SSA and CSE offices. SSA field office employees would take CSE intake applications in the same manner that they currently accept Food Stamp applications. Some field offices have good working relationships with local CSE or domestic relations' offices, and they report success in quickly verifying child support income.

This option could be implemented in addition to a legislative requirement to pursue child support.

Discussion of Options

Given the low-income status of SSI children, as well as their families' involvement with the TANF program, what would be the likely result of requiring parents to pursue child support? The General Accounting Office (1999) estimated that requiring cooperation and better reporting would increase receipt of child support in the three states under study. The OQA study (Social Security Administration 1999) also indicated that stronger pursuit efforts could result in support payments. In implementing such a requirement, administrative issues, within both SSA and state CSE agencies, would need to be addressed.

Additional families might receive child support, but some children could become worse off. A policy that requires cooperation is likely to have a greater effect on the receipt of child support than are less stringent options. Many SSI families have already met the cooperation requirement in order to qualify for TANF benefits. Some families who have not previously been required to comply with CSE may begin to receive support. But even without a requirement to file for child support, eligible SSI beneficiaries report receiving child support at rates comparable with those for TANF recipients. Extrapolations of data from the 1999 study by SSA's Office of Quality Assurance suggest that an estimated 134,000 additional children would receive support.

The majority of children would be financially better off if they began receiving child support. However, the increased income could put some children at risk for losing SSI and, perhaps more important, Medicaid. Provisions would need to be included to ensure that child support income would not cause children to lose eligibility for Medicaid.[8] If a parent refused to pursue child support and did not meet the good-cause exception, the child's benefit would be reduced or eliminated under Option 2, leaving the child worse off. The other options would not have a negative effect on children but might be less effective in getting additional support. A requirement to pursue child support might deter some parents of potentially eligible children from applying for benefits.

Federal/state coordination and funding issues would need to be addressed. In adopting a requirement to pursue child support, SSA would need to develop its own definitions of cooperation and good cause and decide who makes that determination. Under the TANF program, states have discretion in defining cooperation and good cause. In general, cooperation involves identifying and helping to locate the noncustodial parent of a child and, if necessary, taking steps to establish paternity. Custodial parents are penalized only if they fail to follow those steps. Cooperation is not related to the CSE agency's ability to locate an absent parent or that parent's ability to pay.

The 1996 welfare reform legislation gave states the option to retain the federal definition of good cause or follow their own definition. Twenty-seven states have adopted the federal definition.[9] States may expand or tighten the circumstances under which they will grant a good-cause exemption, as long as they are taking into account the best interests of the child. State-specific additions to this definition include situations beyond the parent's control, such as child care or transportation problems and illness (Turetsky 1998).

Since CSE and TANF programs may be run out of the same state agency, coordination is often easy. Adopting a cooperation requirement for SSI could, however, be more complicated. If SSA develops a standard definition of cooperation and good cause, it may not always be identical to the state's definition. In theory, a family could meet the requirement for the TANF program but not the one for SSI. But if SSA abided by the state definitions, the result could be a federal program with requirements that vary across states. SSA would also need to decide if parents with informal agreements would be considered to have met the requirement, or if they would be required to seek CSE services. Also, if the same agency making the

good-cause determination for TANF also made it for SSI, then issues of systems coordination would need to be addressed.

Funding the additional CSE caseload is also an issue. The 1999 GAO report (p. 8) estimated that a requirement could raise administrative costs in some states by 1 percent or 2 percent. When states collect child support for TANF families, they retain part or all of the support as reimbursement for TANF payments. States also receive greater incentive payments for TANF collections. Although federal funds cover two-thirds of their administrative costs, states have no incentive arrangement for handling SSI cases, nor do they keep any of the collected child support. Any cost reductions in the SSI program would be at the federal level. SSA and OCSE may want to consider incentive structures that could relieve the burden that an SSI cooperation requirement would place on states. In addition, news reports indicate that some local CSE agencies have difficulty handling their current caseload. Those reports underscore the concern about requiring states to provide child support services without giving states additional resources.

States are required to provide services to TANF families free of charge but can charge for services provided to other families. SSA must consider whether it can require parents to cooperate with CSE if obtaining services means paying a fee.

Increased Access to Child Support Data

To reduce payment errors caused by unreported child support, SSA needs access to accurate and timely data on child support. SSA uses computer matches of SSI payment records against financial information about beneficiaries contained in the payment files of third parties, such as the OCSE wage database, and those of other federal and state government agencies in order to determine initial and continuing eligibility and payment amounts and to detect unreported income. However, SSA does not have access to data on child support and therefore does not match computer data with state CSE agencies' child support collection systems. Instead, SSI relies on applicants and beneficiaries to report that information. Field offices verify receipt and amount of support by contacting local child support or domestic relations' offices. In 2000, child support accounted for approximately $39 million in overpaid SSI benefits (Social Security Administration 2001b).

Policy Options for Gaining Access to Child Support Data

The following discussion explores ways that SSA could quickly and accurately verify the amount of child support that SSI children receive. Having access to child support data would enable SSA to verify receipt of support. It would also enable SSA, in the event of a requirement to pursue support, to verify cooperation. This section identifies available data sources and also discusses different methods for accessing CSE data.

Sources of Data. SSA must assess the various federal and state databases to determine the best source of information related to child support.

Federal Case Registry of Child Support Orders. The Federal Case Registry (FCR) is a national registry of individuals involved in child support cases. It is constructed from information that state case registries transmit to it. The FCR contains abstracts of child support orders and identifying information that SSA could use as a lead in investigating the possible receipt of unreported child support for SSI purposes. The FCR may be helpful in determining that the parent is meeting a cooperation requirement and has an active CSE case.

The downside is that the Federal Case Registry does not contain actual payment information. SSA would need to conduct further development based on any information received. The Office of Child Support Enforcement has expressed concerns about giving SSA access to the FCR because of the sensitive information it contains.

State Case Registries. No single, nationwide source of computerized data on all states' CSE collections exists, but states are required to have three statewide computerized data files containing information on child support collections from which SSA may obtain data for SSI beneficiaries. The Family Support Act of 1988 required that statewide systems be developed to track paternity and child support collections. In addition, PRWORA required that states develop centralized units and case registries for child support payment collection and disbursement, including information on all CSE and non-CSE cases and on amounts owed that have been collected.

As of August 2000, seven states lacked certification for the systems required by the Family Support Act of 1988. Thus, the data SSA seeks may not be available in every state. Another concern is that in gaining state-by-state access to CSE data, it may be difficult to ensure consistency of the data. SSA has pursued agreements to obtain online access to data on a state-by-state basis. Although progress has been made in accessing data on receipt of wages, welfare benefits, and unemployment compensation, most states express concern about sharing sensitive child support data.

SSA Administrative Records. SSA could use administrative data to generate leads for investigating unreported child support. Under this option, SSA would ask for the Social Security number of the absent parent at the time

of application. That SSN, as well as the SSN of the custodial parent, would be included in the quarterly wage matches that SSA currently conducts. If the absent parent had posted wages, the field offices would check for reported child support.

Like the FCR option, the drawback to this option is that it would merely establish a lead that requires further investigation: it would not help SSA verify either the amount of support or when it was received. Also, in the absence of any requirement, custodial parents may not provide an SSN.

An advantage is that this option adds to an existing matching operation instead of creating a new one. If SSA identifies wages that the custodial parent was unaware of, it may encourage the parent to pursue support. However, SSA should use administrative data only as a way to identify potential support payments and not to track the whereabouts of absent parents, which would duplicate CSE services.

Ways of Accessing Data. Even if SSA gains access to a source of child support data, it needs to determine the best way to use the data to identify and verify child support payments.

Matching Agreements. Computer matching agreements would enable SSA to match state CSE records with SSI cases to obtain specific information on child support payments. SSA currently detects unreported income by matching the earnings and unemployment insurance (UI) benefits that SSI beneficiaries report against the earnings and UI information that employers report to state agencies. SSA also runs matches with OCSE's information on quarterly wages. The field office would investigate alerts of unreported child support in order to determine if payments must be adjusted. The ability of a matching operation to identify unreported child support and prevent overpayments depends on how current the data are. If child support data are not updated frequently and the alerts are not processed quickly, then matching will identify the income but only after overpayments have already been occurring.

Online Access. SSA has been working through regional offices to obtain access to various state records online. SSA reports a decrease in the time it takes field offices using online access to process claims because claims representatives are able to obtain needed income information more efficiently. Online access would allow field office staff to perform a query on an applicant or at the time of a redetermination. Although such access would provide prompt and up-to-date information at that time, it would not alert the field office to unreported information except at scheduled events when the applicant or beneficiary was in the office. Also, implementing online access has been relatively straightforward in the states that currently use it, but it may be more difficult to implement nationwide.

Direct Reporting to SSA. In addition to the online queries that field offices use at the time of initial application or redetermination, SSA could develop automatic interfaces with state databases. In a 1996 GAO report (p. 9), SSA officials state that "replacing the state computer matches with an automated computerized interface that notified claims representatives when earning information needed to be checked would result in more timely notification and would also free up SSA headquarters resources currently used to conduct the matches." Currently, SSA's state computerized matching program compares the earnings that SSA clients report with the earnings data that employers submit to the states. With an automatic interface using the same telecommunications lines now connecting SSA field offices online with the states, SSA could make the comparison and issue lists directly over the telecommunications lines. SSA would realize savings because headquarters employees would no longer have to prepare computer tapes and issue lists to field offices.

Discussion of Options

In pursuing access to child support data, it is important to understand what information federal and state systems contain and how SSA can use it.

Overlaps between SSI and TANF caseloads may complicate the reporting of child support collections and distributions. A major concern involves families who receive both TANF and SSI and how state systems distinguish between collection and disbursement of child support. The 1999 GAO report cited cases in which the CSE records showed receipt of child support but the families did not report that income to SSA. Although GAO interpreted the nonreporting as an overpayment, other analysts have suggested that child support may have been paid to the CSE agency but retained as reimbursement for TANF benefits and therefore was never received by the family. In that case, there was no payment error. SSA must determine if the available data can make this important distinction, so that the agency does not reduce benefits for support that never reaches a child's home.

State CSE systems frequently show the gross support paid to the household and do not break out payments by child. SSA would need to determine the number of children who received the support and the amount that should be allocated to the eligible child. To properly determine the amount of child support that should be credited to the SSI child, state systems would also need

to show what portion of payments, if any, were for a previous period when the child was on the TANF grant.

Matching operations require administrative resources for SSA and state agencies. The Social Security Administration engages in other matching operations that are estimated to save significant amounts of money. SSA currently runs matching operations that reveal unreported wages and financial accounts. Those two areas account for $477 million and $393 million in annual overpaid SSI benefits, respectively, compared with $39 million in overpayments because of child support (Social Security Administration 2001b). Given limited resources, SSA must prioritize the operations that have the greatest cost-benefit potential. Also, states may be reluctant to provide special access to SSA when they are already meeting federal reporting requirements.

Although states have raised privacy concerns when discussing the possibility of sharing child support data, recent legislation deems SSA's standards for ensuring the privacy of its data as meeting all state privacy standards for purposes of sharing data.[10]

Policy Implications

The set of options analyzed in this article would improve the receipt of child support and increase SSA's access to data on child support. Although each option could be implemented independently, policymakers may want to consider combining them to achieve a better outcome. For example, requiring custodial parents to pursue support may result in more children receiving child support, but SSA would still rely on parents to report that income unless the agency was able to gain better access to child support data. Requiring cooperation with CSE could improve verification of income from child support if field offices developed better communication with local CSE offices. By itself, however, such a requirement would not be as effective in reducing overpayments as would gaining access to child support data.

In its report, GAO (1999, 2) acknowledged that the potential reductions in benefits would be offset by SSA's cost of administering a requirement for parents to cooperate with CSE and by the CSE programs' costs to provide services. The report suggested that the goals of promoting parental responsibility and increasing the income of SSI children were worth pursuing despite the costs. Requiring parents to cooperate with CSE may increase SSA's administrative costs by $6 million over 5 years and may result in program savings. Gaining access to data may be more costly and may not be as effective in preventing overpayments as other data-matching workloads on which SSA has placed a priority. SSA should continue to work with federal CSE agencies and with individual states to develop a cost-effective way to identify child support income.

Notes

[1] For children under 18 and beneficiaries determined by the Social Security Administration to be incapable of handling benefit payments, the agency appoints a person or organization to receive payments on the beneficiary's behalf. A parent or legal guardian is the preferred representative payee for a child beneficiary.

[2] The four states with the largest number of children receiving SSI are New York, California, Florida, and Texas. The three states included in the GAO (1999) study represented about 20 percent of SSI children.

[3] CSE agencies must provide these services to TANF families free of charge. However, they may charge other families up to $25 to receive child support services.

[4] The House passed H.R. 4678 on September 7, 2000. The bill would have changed the order in which child support is paid to former TANF families and would have given states the option to distribute all support collections to TANF and former TANF families. The Senate took no action on the bill before the 106th Congress adjourned.

[5] Typically, when an individual becomes eligible for SSI, he or she is taken off the TANF grant.

[6] For example, on page 10 of its report on SSI and child support, GAO (1999) indicates that there may be situations in which other children in the family may be receiving TANF and that the support for the SSI child may have been inappropriately retained by the government and not distributed to the family.

[7] GAO (2000) reported that about 14,400 families were under sanctions in 24 states in an average month in 1998. According to HHS's Administration for Children and Families, 1.6 million families received monthly benefits in those 24 states during that time period. Calculations are based on TANF caseload information, available at www.acf.dhhs.gov/news/state/case.fam.htm.

[8] If child support income makes a child ineligible for TANF, Medicaid coverage continues for 4 months.

[9] Good cause must be granted in cases in which pursuing support was expected to result in physical or emotional harm to the child or parent; the child was born as a result of rape or incest; adoption proceedings were pending; or a public or social service agency was assisting the client to determine whether to release the child for adoption.

[10] This provision was included in the Foster Care Independence Act of 1999, which was signed into law on December 14, 1999.

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