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THE WHITE HOUSE
WASHINGTON

May 12, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CANNON
FROM: JERRY H. JONES
SUBJECT: HEW Implementation of
Child Support Law

Your memorandum to the President of May 8 on the above subject has been reviewed and the following notation was made:

-- This legislation must be implemented
promptly and firmly.

Keep me informed.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld

THE WHITE HOUSE
WASHINGTON

Jim Cannon

This legislation must
be implemented promptly &
firmly.

Keep me informed.

THE WHITE HOUSE

WASHINGTON

INFORMATION

May 8, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON *JC*
SUBJECT: HEW Implementation of Child Support Law

Secretary Weinberger has submitted the attached report to you regarding HEW's implementation of the Child Support provision in the new social services legislation.

The provision was a response to the fact that over 75 percent of the AFDC caseload involves an absent parent. Of these cases, less than 15 percent receive any child support payments from the absent parent.

BACKGROUND

Signed into law in January 1975, and effective on July 1, 1975, the act provides for the collection of child support payments from absent parents.

It requires the Federal Government to operate a Parent Locator Service, to prescribe standards for State child support programs, and to provide technical assistance to States.

The States are required to establish child support units, locate absent parents, and establish paternity of illegitimate children by requiring cooperation from the "present" parent as a condition of assistance and by opening a number of heretofore confidential government files to inspection by the States.

HEW IMPLEMENTATION

Within HEW an Office of Child Support Enforcement is being established to administer the new program. This office, with the aid of an informal advisory group, is developing final regulations to be promulgated by June 1.

Also, an ad hoc interagency committee has been established to develop Federal procedures for responding to garnishment orders.

When you approved this law, you noted in your signing statement that some provisions go too far by injecting the Federal Government into domestic relations. You said you would be proposing legislation to correct those defects.

We're currently working with OMB in developing the draft amendments. In the meantime, Secretary Weinberger reports that HEW must proceed to implement the act as currently written.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

APR 28 1975

MEMORANDUM FOR THE PRESIDENT

RH
As you will recall, on January 4, you signed H.R. 17045, now designated as P.L. 93-647. Part B of that law adds a Part D to title IV of the Social Security Act for child support enforcement. The majority of its provisions are effective on July 1, 1975, except for consent to garnishment which was effective upon signing. Although the law builds on State requirements previously imposed by the Social Security Act, it defines these requirements with greater specificity, adds new State requirements, and prescribes a number of major new duties for the Federal government.

Major Provisions of the Law

The statute requires this Department to:

- operate a Parent Locator Service
- establish standards for effective State child support programs
- prescribe minimum State organizational and staffing standards
- provide technical assistance to State child support programs
- consider State applications to enforce child support orders in Federal courts
- consider State applications to collect delinquent child support orders through the Internal Revenue Service

The statute requires the States to:

- establish child support units
- locate absent parents, establish paternity of children born out of wedlock, and obtain child support payments

WHITE HOUSE
MAIL ROOM

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- cooperate in interstate child support cases
- make their paternity and child support collection services available to individuals who are not welfare recipients

The statute contains the following fiscal incentives:

- increases the rate of Federal reimbursement for State administrative costs from 50 percent to 75 percent
- makes incentive payments to counties which collect child support and States which collect in interstate cases
- requires a penalty of 5 percent of the State's AFDC reimbursement for States failing to operate effective child support programs after January 1, 1977

Proposed Corrective Legislation

The Department has prepared and submitted to the Office of Management and Budget a draft of proposed amendments to P.L. 93-647. As you will recall, you noted concern about excessive Federal interference into domestic relations and other issues related to privacy and administration. These issues were raised by the Parent Locator Service having access to records of all Federal departments, the use of the Federal courts, use of the Internal Revenue Service collection mechanism, and the requirement for an annual audit in every State. The proposal would respond to your concerns by deleting the Parent Locator Service and the Internal Revenue Service collection procedures, making access to Federal courts more difficult, replacing the Federal audit requirements with a State audit, and imposing restrictions on the disclosure of information. The proposal would also lower Federal costs by reducing the rate of Federal reimbursement to 50 percent, while increasing the incentive payments to counties.

Organization

I have designated Mr. James S. Dwight, Jr., Administrator of the Social and Rehabilitation Service of this Department, to implement and administer the title IV-D child support program. He is organizing an Office of Child Support Enforcement to be located in the Central Office with corresponding child support units in each of the ten Regional offices. The Office of Child Support Enforcement would be responsible for all substantive child support regulations, policies and procedures at the

Federal level, including operation of the Parent Locator Service. The Regional Office child support units would be responsible for working directly with the States in such areas as technical assistance and the required annual audit.

In addition, Mr. Dwight has formed a child support task force to work full time on developing the necessary regulations and procedures until such time as the permanent organization is created. I met with Senator Long and received his recommendations on the regulations, many of which we can incorporate.

Regulations

The Department is attempting to promulgate final regulations by June 1. The first package of proposed regulations is now under review by the Office of the Secretary. This includes the title IV-A amendments contained in P.L. 93-647, such as the new AFDC eligibility requirements of furnishing social security numbers, assigning child support rights to the State, and cooperating in the child support enforcement process. The second package of proposed regulations covering procedures for grants, State plan submittal, review and approval, and the basic State plan requirements imposed by the law has also been received by the Office of the Secretary for review.

Additional proposed regulations implementing the remainder of the title IV-D requirements and financial provisions are in final stages of drafting prior to submission to the Secretary for approval.

Parent Locator Service

Although the Department is recommending that you consider the repeal of the Parent Locator Service as part of the corrective amendments, Section 453 of the Act as currently written requires the Department to operate a Parent Locator Service to attempt to find the last known address and place of employment for the purpose of locating absent parents in order to enforce child support obligations against them. The Parent Locator Service is required by the statute to search the files and records of HEW and other Federal departments to locate this information. Therefore, we must prepare to implement the Parent Locator Service pending Congressional consideration of the corrective legislation. Initially, primary reliance would be placed on information maintained by the Social Security Administration and the Internal Revenue Service. The Parent Locator Service would be expanded to include other Federal departments on a phased-in basis after July 1.

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All requests for information from the Parent Locator Service would be required to be forwarded by the State child support agency. Requests for information from private individuals would not be accepted directly by the Parent Locator Service. The new procedures would substantially increase the speed with which States receive absent parent location information from the Internal Revenue Service and the Social Security Administration.

Advisory Committee

An informal advisory group has been convened by the Administrator of SRS for consultation in the development of regulations. Representatives have been designated by the National Council of State Welfare Administrators, the National District Attorneys Association, the National Reciprocal and Family Support Enforcement Association, and the American Public Welfare Attorneys Association. The group first met in Washington, D. C., on April 10 and 11 and again on April 21 and 22. It will be of particular benefit in assisting with the required standards for an effective program and the organizational and staffing requirements.

Contracts

We are currently finalizing two sole-source contracts: One for the National District Attorneys Association; the other for the National Reciprocal and Family Support Enforcement Association. The amount of each contract will be approximately \$250,000. The purpose of the contracts is to utilize the two organizations in gaining the support and active participation of their members in the child support enforcement process. The NDAA will be particularly useful in obtaining the increased participation of district attorneys throughout the Country. The other organization will be beneficial in gaining the support of the State and local child support offices (primarily located in welfare departments) throughout the Country. We anticipate a valuable training and public information function to be performed pursuant to these two contracts.

Garnishment

An ad hoc committee consisting of representatives from the Departments of the Treasury, Justice, Defense, HEW and the Civil Service Commission and OMB has been established to develop procedures to be used by all

Federal departments in responding to garnishment orders. This committee has met twice and is currently circulating a draft of proposed regulations for comment by the various concerned departments. Tentative requirements would include that an individual seeking a garnishment of a Federal employee's salary or pension would have to serve a certified copy of the child support or alimony order plus the garnishment order on a designated official of the employing agency together with sufficient information to permit the agency to identify the correct employee. It will probably be necessary for the President to issue an Executive Order granting authority to a particular department such as Civil Service Commission or OMB to issue regulations which would be binding on all Federal civilian and military departments.

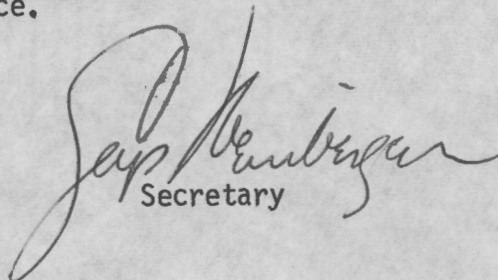
Budget

The Department is currently reviewing proposed amendments to the FY 1975 Public Assistance Supplemental, the FY 1976 Salaries and Expenses appropriation, and the FY 1976 Public Assistance appropriation. The extent to which such amendments will be necessary has not yet been determined.

Impact of the Program

Over 75 percent of the AFDC caseload involves an absent parent. Less than 15 percent of the cases are receiving any child support payment. This indicates the magnitude of the problem and the extent to which certain parents have shifted their support obligation to the public. Studies demonstrate that existing State and local child support programs can produce child support collections far in excess of corresponding administrative expenses. Therefore, the new child support program could reduce AFDC costs by substantially increasing child support collections.

In addition, the new law requires that the child support program must be available to non-welfare recipients. This could assist many families in maintaining financial independence and thus eliminate the need to receive public assistance.


Secretary