

The Responsible Fatherhood and Healthy Families Act of 2007



**VICKI TURETSKY
CLASP**

“CAN WE PUT POOR MEN TO WORK?”

**AEI CONFERENCE
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Legislative History

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- ❖ Bill initially introduced in 2006 by Senators Bayh and Obama (S. 3607).
- ❖ Senate bill reintroduced in 2007; House bill introduced by Rep. Danny Davis (S. 1626 and H.R. 3395).
- ❖ Senator Bayh and Rep. Davis expected to reintroduce bills by Fathers' Day, 2009.

What's in the Bayh-Obama-Davis Bills?

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- ❖ Healthy marriage and responsible fatherhood grants
- ❖ Child support
- ❖ Employment programs
- ❖ Noncustodial parent EITC
- ❖ State policy review commissions

Responsible Fatherhood and Healthy Families Grants

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The Deficit Reduction Act of 2005 (DRA) established a new TANF healthy marriage and responsible fatherhood grant program. (\$150 million x 5 years, with \$50 million set-aside for fatherhood programs).

The Bayh-Obama-Davis bill:

- ❖ Increases program funding to \$200 million, with the responsible fatherhood grant set-aside to \$100 million.
- ❖ Expands allowable fatherhood activities to (1) promote healthy relationships and marriages; (2) break cycle of early parenting.
- ❖ New healthy family partnership grants to prevent domestic violence (\$25 million x 3 years); adds domestic violence protections.

Child Support Provisions

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The Bayh-Obama-Davis bills include several child support provisions related to:

- ❖ Funding
- ❖ Distribution
- ❖ Debt

Child Support Funding

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Restored federal funding

- ❖ DRA cut federal child support funds by 20%.
- ❖ Funds cut: performance-based federal matching funds.
- ❖ American Recovery and Reinvestment Act of 2009 (ARRA) temporarily restored funds until September 30, 2010.

Parental service fee eliminated

- ❖ DRA enacted an annual \$25 service fee on families that (1) never received TANF and (2) have a \$500 collection in year.
- ❖ Federal government receives most of the fee revenues. In lieu of the fee, states can pay the federal government.

Child Support Distribution

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DRA options allow 100% family distribution:

- ❖ Effective FFY 2009, DRA allows states to pay current and former TANF families. New legislation introduced or passed in 11 states.

Bayh-Obama-Davis bill requires 100% family distribution:

- ❖ Eliminates TANF assignment.
- ❖ Requires full distribution to current and former TANF families.
- ❖ Requires TANF disregard equal to earned income disregard.
- ❖ Requires foster care collections to be used in the best interests of the child, including day to day needs and trust accounts.

Child Support Debt

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Eliminating birthing costs: States may not require reimbursement of Medicaid-covered childbirth costs through child support.

Reducing orders during incarceration: States may not treat incarceration as “voluntary unemployment.”

Reviewing state-owed debt: States must have procedures to review and, if appropriate, reduce child support debt assigned to the state.

Economic Opportunity Grants

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- ❖ **Court/child support-supervised employment programs for noncustodial parents** (HHS: \$15 million x 3 years).
- ❖ **Transitional jobs** (DOL: \$35 million x 3 years).
- ❖ **Public-private career pathways partnerships** (DOL: \$35 million x 3 years).

Child Support Employment Program

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- ❖ **Eligibility:** Noncustodial parents, including ex-offenders, with (1) barriers to employment, (2) a history of child support non-payment, and (3) in need of employment services to pay child support.
- ❖ **Goals:** (1) to assist parents to maintain unsubsidized employment; (2) to increase child support; (3) to improve parents' relationships with their children and other parent.
- ❖ **Use of funds:** Job placement and retention, case management, responsible fatherhood counseling, supports, remedial education, occupational skills, supports, transitional jobs, career pathways.

Transitional Jobs

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Eligibility:

- ❖ Aged 16-35 with barriers to employment, particularly parents and expectant parents.
- ❖ Formerly incarcerated individuals.
- ❖ Homeless or formerly homeless individuals.
- ❖ Individuals with disabilities.
- ❖ Individuals referred by a court or child support agency.

Goals: to combine temporary, subsidized jobs with skill development and barrier removal for 30-40 hours per week.

Uses of funds: transitional job placements, unsubsidized job placement and retention, case management, education, training, skill building, barrier removal, child support services, financial literacy.

Career Pathways

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Eligibility: with priority for areas of high rates of poverty, youth unemployment, drop out, or low income single parent families.

Goals: Performance-based partnerships intended to create or expand career pathways with employers in specific industry or occupational sectors; to fill in gaps with “bridge” programs.

Use of funds: career guidance, adult and workforce education, basic skills, wage subsidies, work experience.

Earned Income Tax Credit (EITC)

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Senate bill:

- ❖ Expansion of the childless worker benefit.
- ❖ Bonus for noncustodial parents supporting their children.
- ❖ Marriage penalty relief that increases phase out amount from \$3,000 to \$4,000.

House bill:

- ❖ Expansion of the childless worker benefit.
- ❖ Similar marriage penalty relief.

Expansion of Childless Worker EITC

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Senate:

- ❖ Earned income amount increases from \$4,220 to \$7,250 in 2010 (and indexed for inflation thereafter).
- ❖ Phase-out amount increases in 2012 from \$7,860 to 100% of annual minimum wage (\$14,500).
- ❖ Bonus = doubled childless worker benefit for non-custodial parents who pay current child support due during the year.

House:

- ❖ Earned income amount increases from \$4,220 to \$5,500.

State Policy Assessments

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As a condition of IV-D plan, states must assess policy barriers to employment and child support:

- ❖ Setting and modifying orders, esp. for low-income parents.
- ❖ Criminal laws and law enforcement.
- ❖ Debt.
- ❖ Identification documents.
- ❖ Barriers to healthy family formation and economic opportunity for both parents.

State commission grants (HHS: \$3 million)

Food Stamps (now SNAP) and TANF

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- ❖ 20% food stamp deduction for child support received.
- ❖ Non-custodial parent households can claim a food stamp deduction or exclusion for child support paid.
- ❖ Eliminates separate 2-parent participation rate in TANF program.