

# Children Receiving Child Support

## DEFINITION

*Children receiving child support* is the percentage of parents, as indicated in the Rhode Island Office of Child Support Services system, who make child support payments on time and in full. The percentage does not include cases in which paternity has not been established or cases in which the non-custodial parent is not under a court order because he/she cannot be located. Court orders for child support and medical support require establishment of paternity.

## SIGNIFICANCE

Child support provides a mechanism for non-custodial parents (usually fathers) to contribute to the financial and medical support of their children. The goals of the child support program are to promote family self-sufficiency and child well-being, to provide support and services to custodial parents in locating the non-custodial parent and establishing paternity (when applicable), establishing support orders, collecting support payments and providing non-custodial parents with services, such as reviews of their support orders.<sup>1</sup>

The receipt of child support payments can significantly improve the economic well-being of a child growing up in a family with a non-resident parent.<sup>2</sup> Custodial parents who receive steady child support payments are more

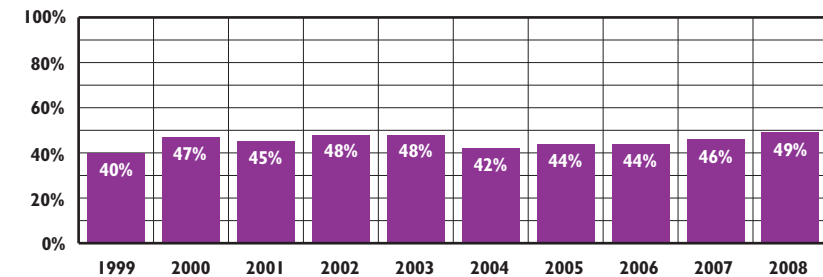
likely to find work more quickly and to maintain that employment longer than those who do not.<sup>3</sup> For poor families that receive child support, it is the second largest source of income (after mothers' earnings).<sup>4</sup>

Yet for many families, even when a child support order is in place, payments can be unreliable. Low-income non-custodial parents often earn low wages and have high rates of joblessness, and children are unlikely to receive reliable support when their fathers do not have stable employment.<sup>5,6,7</sup> Programs that offer job training and employment services can help non-custodial parents better meet their child support obligations.<sup>8</sup>

Fathers who pay regular child support are more involved with their children, providing them with emotional and financial support.<sup>9,10</sup> Research also shows that the receipt of regular child support payments can have positive effects on children's academic achievement.<sup>11</sup>

The Office of Child Support Services is a cost-effective program. For every \$1.00 Rhode Island spends, it collects \$6.53. Collections go towards both child support and medical support. Some funds are distributed to families and others are used to reimburse the state and federal governments for cash assistance (FIP/RI Works) and RIte Care costs.<sup>12</sup>

**Non-Custodial Parents with Court Orders Who Pay Child Support On-Time and in Full, Rhode Island, 1999–2008**

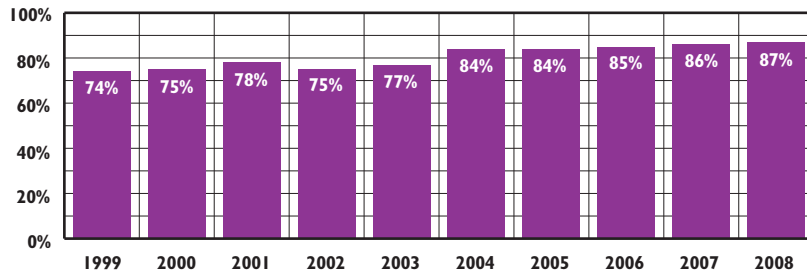


Source: Rhode Island Department of Administration, Office of Child Support Enforcement, 1999-2004. Rhode Island Department of Human Services, Office of Child Support Services, 2005-2008.

- ◆ As of December 1, 2008, 49% of non-custodial parents under court order in Rhode Island were making child support payments on time and in full.<sup>13</sup> As of December 1, 2008, there were 84,246 Rhode Island children in the Rhode Island Office of Child Support Services system.<sup>14</sup> Over half (57%) of those children that had a known Rhode Island residence lived in the six core cities.<sup>15</sup>
- ◆ In Federal Fiscal Year (FFY) 2008, the Rhode Island Office of Child Support Services collected more than \$82.5 million in child support, an increase of more than \$4 million from the previous year. Eighty-two percent (\$67.8 million) of these funds were distributed directly to families.<sup>16</sup> As of December 31, 2008, the cumulative amount of past-due court-ordered child support since the inception of the program in Rhode Island totaled almost \$314.4 million (including interest). Of this total, \$208.3 million represented the principal.<sup>17</sup>
- ◆ In March 2008, the Office of Child Support Services began to use an electronic debit card called the Kids Card. Custodial parents now have the option of having their child support payments directly deposited into a personal bank account or put on this card. Since March 2008, over 17,000 custodial parents have enrolled in the Kids Card program.<sup>18</sup>
- ◆ During FFY 2008, there were 14,345 court orders for medical insurance and 7,577 orders to pay for medical coverage. A total of \$2.9 million in payments (known as “cash medical”) was retained by the state to offset the cost of RIte Care, while \$944,523 was disbursed to families to offset the cost of private coverage or other medical expenses.<sup>19</sup>

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## Rhode Island Children in the Office of Child Support Services System with Paternity Established, 1999-2008



Source: Rhode Island Department of Administration, Office of Child Support Enforcement, 1999-2004. Rhode Island Department of Human Services, Office of Child Support Services, 2005-2008. Includes all children in the child support system -- private, interstate, and IV-D cases (i.e., those cases that received assistance with child support because they were receiving FIP/RI Works, RIte Care, or child care assistance benefits).

◆ Between 1999 and 2008, the percentage of children in the Rhode Island child support system with paternity established increased from 74% to 87%, an increase of 18%.<sup>20</sup>

◆ Despite increases in the percentage of children with paternity established, Rhode Island had the lowest rate of court orders for child support established in New England (Maine – 89%; Vermont – 85%; New Hampshire – 84%; Massachusetts – 76%; Connecticut – 72%; Rhode Island – 60%).<sup>21</sup>

◆ In FFY 2007, Rhode Island had the highest case/staff ratio in New England.<sup>22</sup> Since then, the Office of Child Support Services has faced further staff reductions, affecting the Office’s ability to establish court orders for child support.

### References

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4 Turetsky, V. (2005). *The Child Support Program: An investment that works*. Washington, DC: Center for Law and Social Policy.

5 Frank, A. (2004). *Where the funds are: Potential use of child support funds for transitional jobs programs* (Brief No. 1). Washington, DC: Center for Law and Social Policy.

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## Child Support and the Rhode Island Works Program (Formerly the Family Independence Program)\*

◆ As of December 1, 2008, Rhode Island’s Office of Child Support Services system included 11,762 children enrolled in Rhode Island Works (RI Works).<sup>23</sup>

◆ In 2008, the average child support obligation for children enrolled in RI Works was \$262 per month, compared to an average child support obligation of \$351 per month for children in non-RI Works families.<sup>24</sup> Calculations for child support payments are based on both parents’ incomes, so it is expected that the average child support obligation for children enrolled in RI Works would be lower.

◆ In 2008, Rhode Island’s Office of Child Support Services collected \$8.5 million dollars in child support for children enrolled in RI Works. The federal and state governments retained \$7.6 million, and the remaining \$867,896 was passed through to families.<sup>25</sup>

◆ In Rhode Island, as in many other states, only the first \$50 of child support paid on time each month on behalf of a child receiving RI Works cash assistance (called a “pass-through” payment) goes to the custodial parent caring for the child.<sup>26</sup> The remainder of the payment is retained by the federal and state governments as reimbursement for assistance received through RI Works. In FFY 2008 in Rhode Island, an average of 1,480 families received at least one “pass-through” payment each month.<sup>27</sup>

◆ Research suggests that child support “pass-through programs” encourage paternity establishment and higher child support payments by low-income parents.<sup>28</sup> Welfare recipients who receive child support “pass throughs” are more likely to leave welfare for work, remain off welfare and have incomes above the federal poverty line.<sup>29</sup> In October 2008, a federal policy change went into effect that provides states the option to increase the amount of money passed through to children. States that choose to pass through up to \$100 per month for one child and up to \$200 per month for two or more children and that disregard this income in calculating eligibility for cash assistance do not have to reimburse the federal government for its share of the child support collected.<sup>30</sup>

\* The Rhode Island Works Program replaced the Family Independence Program in 2008.