



# FOOD STAMP CHILD SUPPORT COOPERATION STUDY

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: STEPHEN JARDINE

ISSUE BRIEF

## **SUMMARY**

During the 2014 General Session Legislative funding and intent language were approved for an independent study regarding requiring an open child support case as a condition of Food Stamp eligibility [<http://le.utah.gov/interim/2014/pdf/00005235.pdf>]. This requirement currently exists with the Medicaid and Temporary Assistance for Needy Families (TANF) programs. Federal law provides states the flexibility to implement a range of food stamp eligibility options. These options range from a voluntary program to a mandatory program. Utah's current food stamp eligibility requirements operate like a voluntary program allowing for child support cooperation. The study discovered that 67.1% of food stamp recipient custodial parent households in FY 2013 already had an open child support case. The study also found that "if families received child support payments in 2013, they received \$72 less in food stamp benefits on average per year." The study stated that the "range of practical options" included: 1) no change to the current voluntary program, 2) enhancement of the current voluntary program, or 3) a phased transition from a voluntary to a mandatory program. The study pointed out that immediate implementation of a mandatory option is "not realistic" and that the involved agencies "would experience significant impacts to systems and staff under a mandatory program." The study added that there is a complicating factor with a mandatory option due to the time it would take to implement necessary technology and system changes. The study also indicated that the national trend is for states to move away from mandatory child support requirements. Requiring an open child support case for food stamp eligibility would, however, create greater consistency with TANF and Medicaid.

## ***Questions***

The report poses three main policy questions to Legislators:

1. ***Does the Legislature want to implement a mandatory program requiring all Food Stamp recipients to have an open child support case as a condition of Food Stamp eligibility?***
  - The study estimated moving to a mandatory program would result in estimated new costs for the Office of Recovery Services (ORS) and the Department of Workforce Services (DWS) of between \$3.2 million and \$3.6 million. These additional costs result from the need for additional staff and necessary computer system changes necessitated from moving to a mandatory program. In addition to direct costs, a mandatory program would lead to a revenue reduction estimated at about \$915,500. The report estimated this program change would require 37,307 households to open a new child support case with ORS.
  - The study indicated the loss of income from food stamp benefits for low income families would likely be greater than the amount achieved from anticipated additional child support collections. The study estimated that under a mandatory program between 6.7% to 37% of families "will experience reductions in food stamp benefits from sanctions while only 0% to 9% of families may receive child support payments." The study also reviewed and summarized previously collected interview data from low income parents and found that "custodial low-income parents are not confident an open child support case would produce additional income for their family. These parents have a common perception that the requirements of opening a child support case outweigh the benefits."

**2. Does the Legislature want to implement an enhanced voluntary program?**

- The study suggested that “an enhanced voluntary program functions as a middle ground between current practices and a mandatory child support program. Practical options for this include print and online information.” It is estimated the cost of these changes would likely be less than \$25,000 initially and less than \$5,000 annually. This choice would not alter ORS practices and would not require additional ORS staff or changes to its technology. The purpose of an enhanced voluntary program would be to reach the 12,260 food stamp recipient custodial parents that do not currently have an ORS case. The program would involve outreach to custodial parents and potentially noncustodial parents who owe child support. DWS would be responsible for the majority of the outreach efforts.

**3. Does the Legislature want to leave in place the current voluntary program?**

- The study pointed out that under the current voluntary program, 67.1% of food stamp recipient custodial parent households in FY 2013 already had an open child support case. Leaving in place the current program would maintain roughly the two thirds participation. The current ORS system does not include tracking or sanctioning of food stamp families for non-compliance. Federal guidelines exclude some phase-in options such as a *pilot* test.

**Background**

During the 2014 General Session Legislative intent language ([H.B. 2, item 81, 2014 General Session](#)) was passed in connection with \$70,000 one-time funding for an independent study for requiring an open child support case as a condition of Food Stamp eligibility. The Food Stamp program is administered in the Department of Workforce Services. The Child Support Collection program is administered in the Department of Human Services. Intent language indicated the study should include: 1) discussion of options for a voluntary program, 2) implication on systems and staffing, 3) analysis of relevant fiscal implications, 4) review of demographic data informing why individuals are currently not seeking child support, 5) review of phase-in options to implement, 6) inventory of other states currently availing themselves of this option, and 7) results following implementation of a similar policy with Temporary Assistance for Needy Families and Medicaid.” The University of Utah’s Social Research Institute (SRI) was selected to perform the study.

Although existing in a much smaller form previously, the modern food stamp program began in 1964 with passage of the *Food Stamp Act*. The Food Stamp program is now called SNAP (Supplemental Nutrition Assistance Program) and it is designed to increase the food purchasing power of eligible low income households in order to ensure they can buy a nutritionally adequate low cost diet. Benefits are funded 100% by the federal government while administrative costs are shared between the state and the federal government using a 50/50 ratio. Federal law gives states flexibility to implement a range of eligibility options with the Food Stamp program. These options range from a voluntary program to a mandatory program. It appears that Utah’s existing food stamp eligibility requirements function like a voluntary program for child support cooperation as the analysis in the study showed 67.1% of food stamp recipient custodial parent households already had an open child support case in FY 2013. The study included data showing that in FY 2013 if families received child support payments they also received \$72 less in food stamp benefits on average per year.

The study pointed out that “nationally, for states, the choice appears to be a movement away from mandatory child support requirements” indicating that of the 10 states that chose to require an open child support case in order to receive food stamps, only three of those states continue to maintain that policy (Florida, Michigan, and Mississippi).

The study compared Utah's Food Stamp program with national information and found that: 1) Utah's program serves 1 in 12 people (9%) while the program nationally serves 1 in 7 people (15%), 2) 80% of food stamp participants in Utah are in families with children while only 70% of participants nationally are in families with children, and 3) roughly 52% of all Food Stamp participants in Utah are in working families while only 42% nationally are in working families.

### **Food Stamp Eligibility**

Eligibility requires: 1) gross income not exceed 130% of the federal poverty guidelines (FPG); 2) net income not exceed 100% of FPG; 3) personal resources not exceed \$2,000 to \$3,000 depending upon circumstances; and 4) meet Temporary Assistance for Needy Families (TANF) work requirements.

### **Food Stamp Benefit**

The specific Food Stamp benefit is calculated by subtracting 30 percent of a household's net income from the maximum benefit allowed for that household's size and location. In FY 2013 101,000 Utah households received monthly food stamps. \$378,000,000 in benefits were provided for the entire year. The average monthly food stamp benefit was \$312. In FY 2013 25,047 food stamp recipients had a child support case and 12,867 food stamp recipients received a child support payment that averaged \$200 per month.

### **Child Support Collections in Utah**

Utah's Office of Recovery Services functions under the authority of Title IV-D of the federal *Social Security Act*. This section of the act requires any state receiving federal welfare funds to create a single agency to locate absent parents and establish and enforce child support obligations. In 2013 there were 75,180 individuals due child support in Utah involving cases with the Office of Recovery Services. Of that number, 90% were female and 65% actually received some child support payments. A key element of state child support programs is that any person with custody of a child can apply for services from the state child support agency. ORS can also accept applications from people who owe support, but may not have custody of the child.

### **Sanctions for Noncompliance Except for Good Cause**

Under the federal *Social Security Act*, the Office of Recovery is required to provide child support services to those who receive cash assistance from the Department of Workforce Services or those who receive Medicaid from the Department of Health. For a recipient to be *in compliance* means making a "good faith effort" to cooperate. There is an exception in law to making a good faith effort in providing information known as "good cause." Some of the acceptable reasons for non-compliance include: 1) a child was conceived as the result of rape or incest; 2) adoption proceedings for the child are underway; or 3) disclosing the father's whereabouts would result in physical or emotional harm to the child or would cause emotional or physical harm to the custodial parent.