

highly complex and detailed. We have considered the request and have concluded that an extension of the comment period by 60 days, until August 2, 2024, is appropriate. We believe that the extension will allow adequate time for interested persons to submit comments without significantly delaying the final guidance.

Dated: May 28, 2024.

**Lauren K. Roth,**

*Associate Commissioner for Policy.*

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Administration for Children and Families

#### 45 CFR Parts 302, 303, and 304

RIN: 0970–AD00

#### Employment and Training Services for Noncustodial Parents in the Child Support Program

**AGENCY:** Office of Child Support Services (OCSS), Administration for Children and Families (ACF), Department of Health and Human Services (HHS or the Department).

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** In an effort to make the child support program more effective, this Notice of Proposed Rulemaking (NPRM) proposes to allow Federal financial participation (FFP) for certain optional and nonduplicative employment and training services for eligible noncustodial parents in the child support program. The proposed rule will permit states, at their discretion, to use FFP to provide any or all of the following services: job search assistance; job readiness training; job development and job placement services; skills assessments; job retention services; work supports; and occupational training and other skills training directly related to employment.

**DATES:** Consideration will be given to written comments on this NPRM received on or before July 30, 2024.

**ADDRESSES:** You may submit comments, identified by [docket number and/or Regulatory Information Number (RIN) number], by one of the following methods:

- *Federal e-Rulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments.

- *Mail:* Written comments may be submitted to: Office of Child Support Services, *Attention:* Director of Policy

and Training, 330 C Street SW, Washington, DC 20201.

**Instructions:** All submissions received must include the agency name and docket number or RIN for this rulemaking. All comments received will be posted without change to <https://www.regulations.gov>, including any personal information provided.

**Docket:** Go to the Federal Rulemaking Portal at <https://www.regulations.gov> for access to the rulemaking docket, including any background documents and the plain-language summary of the proposed rule of not more than 100 words in length required by the Providing Accountability Through Transparency Act of 2023.

#### FOR FURTHER INFORMATION CONTACT:

Chad Edinger, Program Specialist, OCSS Division of Regional Operations, at mail to: [ocss.dpt@acf.hhs.gov](mailto:ocss.dpt@acf.hhs.gov) or (303) 844–1213. Telecommunications Relay users may dial 711 first.

#### SUPPLEMENTARY INFORMATION:

##### Submission of Comments

Comments should be specific, address issues raised by the proposed rule, and explain reasons for any objections or recommended changes. Additionally, we will be interested in comments that indicate agreement with the proposal. We will not acknowledge receipt of the comments we receive. However, we will review and consider all comments that are relevant and received during the comment period. We will respond to these comments in the preamble to the final rule.

##### Statutory Authority

This NPRM is published under the authority granted to the Secretary of Health and Human Services by section 1102 of the Social Security Act (the Act) (42 U.S.C. 1302). Section 1102 of the Act authorizes the Secretary to publish regulations, not inconsistent with the Act, as may be necessary to the efficient administration of the functions with which the Secretary is responsible under the Act. This NPRM is also authorized by section 452(a)(1) of the Act, which states that the Secretary's designee "shall establish such standards for State programs for locating noncustodial parents, establishing paternity, and obtaining child support . . . as he determines to be necessary to assure that such programs will be effective."

Section 454 of the Act establishes requirements that states must include in their title IV–D State plans, the costs of which are eligible for FFP under section 455 of the Act. Section 454(13) of the Act requires the State plan to "provide

that the State will comply with such other requirements and standards as the Secretary determines to be necessary to the establishment of an effective program for locating noncustodial parents, establishing paternity, obtaining support orders, and collecting support payments . . . ." The rulemaking is also consistent with section 451, which authorizes federal funding to states for enforcing support obligations, obtaining child support payments, and assuring that assistance in obtaining support is available to all children.

##### Background

In 1975, Congress established the child support program under title IV–D of the Social Security Act (Pub. L. 93–647). The child support program is administered at the federal level by the Office of Child Support Services (OCSS) and functions in 54 states and territories and over 60 tribes. When the child support program began, its primary focus was collecting child support to recover welfare costs, but that has changed significantly over time. Today, the program is focused on delivering family-centered child support services that improve the long-term financial and emotional support of children, by collecting and facilitating consistent child support payments based on the noncustodial parents' ability to pay. This evolution has been guided by the changing needs of families, by federal legislation, and by research and data that contribute to OCSS's understanding of the standards and requirements necessary to establish an effective child support program.

Families and work have fundamentally changed since 1975. The percent of children who need child support services has increased and the ability of noncustodial parents to pay child support has declined. Families are more likely to divorce or never marry, increasing the likelihood that children will spend time apart from one of their parents. In 2021, 40 percent of births were to unmarried women, up from 14 percent in 1975.<sup>1</sup> In FY 2022, the child support program served one in five children in the United States, or 12.8

<sup>1</sup> U.S. Department of Health and Human Services, National Center for Health Statistics, "Nonmarital Childbearing in the United States, 1940–99," National Vital Statistics Reports, 48: 16 (October 18, 2000), available at [https://www.cdc.gov/nchs/data/nvsr/nvsr48/nvsr48\\_16.pdf](https://www.cdc.gov/nchs/data/nvsr/nvsr48/nvsr48_16.pdf). Osterman, Michelle J.K., Brady E. Hamilton, Joyce A. Martin, Anne K. Driscoll, and Claudia P. Valenzuela, "Births: Final Data for 2021," National Vital Statistics Reports, 72: 1 (January 31, 2023), available at <https://www.cdc.gov/nchs/data/nvsr/nvsr72/nvsr72-01.pdf>.

million children.<sup>2</sup> The labor market has been particularly difficult for less-educated men during this period, leaving them with significantly fewer job opportunities and less income than before. In 2015, the real hourly earnings for men 25–54 years old with only a high school degree was 18 percent lower than it was in 1973.<sup>3</sup> As of 2018, over 70 percent of nonresident parents had not attended college.<sup>4</sup> In 2017, more than one-third of nonresident parents (3.4 million) lived in families with incomes below 200 percent of the official poverty thresholds and 43 percent did not work full-time, year-round.<sup>5</sup>

Other societal changes have also affected the child support program, including greatly elevated incarceration rates. Incarceration rates increased dramatically between 1980 and 2008 and have since declined, but the percent of the U.S. population incarcerated in 2020 was more than double the figure in 1980.<sup>6</sup> It is estimated that 6 percent of all children in the United States have a parent who was ever incarcerated.<sup>7</sup>

<sup>2</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Services, “2022 Child Support: More Money for Families,” undated, available at [https://www.acf.hhs.gov/sites/default/files/documents/ocse/2022\\_infographic\\_national.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocse/2022_infographic_national.pdf).

<sup>3</sup> Binder, Ariel J. and John Bound, “The Declining Labor Market Prospects of Less-Educated Men,” *Journal of Economic Perspectives*, 33: 2 (2019), available at <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.33.2.163>.

<sup>4</sup> Sanders, Patrick, “Demographic and Socioeconomic Characteristics of Nonresident Parents,” Washington, DC: Congressional Research Service, R46942 (October 2021) available at <https://crsreports.congress.gov/product/pdf/R/R46942>. This report uses the term “nonresident parent” rather than noncustodial parent. It defines a nonresident parent as a person 15 years or older who does not reside for a majority of nights in the same household as one or more of his or her biological, adopted, or stepchildren under age 21. This definition is very similar to the definition of a noncustodial parent used by the child support program. For purposes of the child support program, a noncustodial parent is a parent who does not have primary care, custody, or control of the child, and who may have an obligation to pay child support (See Office of Child Support Services, Glossary of Common Terms available at <https://www.acf.hhs.gov/css/glossary#N>).

<sup>5</sup> Ibid.

<sup>6</sup> Kluckow, Rich and Zhen Zeng “Correctional Populations in the United States, 2020—Statistical Tables” (March 2022), Lauren E. Glaze, “Correctional Populations in the United States, 2010” (December 2011), and Louis W. Jankowski, Louis W., “Correctional Populations in the United States, 1990” (July 1992), U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, all available at [https://bjs.ojp.gov/library/publications/list?series\\_filter=Correctional%20Populations%20in%20the%20United%20States](https://bjs.ojp.gov/library/publications/list?series_filter=Correctional%20Populations%20in%20the%20United%20States). Historical U.S. population data available at <https://www.census.gov/data/tables/time-series/dec/pop-change-data-text.html>.

<sup>7</sup> The Annie E. Casey Foundation, “Children Who Had a Parent Who Was Ever Incarcerated by Race and Ethnicity in United States” (May 2023)

Having an incarceration record is a barrier to employment that diminishes earnings potential, reducing a parent’s ability to work and pay child support.<sup>8</sup> Sixty-five percent of noncustodial parents who enrolled in a recently completed national demonstration of child support-led employment and training programs reported that they had been previously incarcerated.<sup>9</sup>

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, Pub. L. 104–193), which included significant changes to the child support program.<sup>10</sup> These changes included the introduction of a new “family first” distribution policy, which required that former assistance families receive certain child support arrearage payments collected by the state before the state and Federal governments retained their share of collections.<sup>11</sup> PRWORA also amended the Social Security Act to add work requirements for noncustodial parents owing past-due child support for a child receiving assistance under the Temporary Assistance for Needy Families (TANF) program. Specifically, section 466(a)(15) of the Act requires states to have laws and procedures under which the state has the authority to issue an order requiring an individual to participate in work activities, as defined by section 407(d).<sup>12</sup>

available at <https://datacenter.aecf.org/data/tables/9734-children-who-had-a-parent-who-was-ever-incarcerated-by-race-and-ethnicity#detailed/1/any/false/2043,1769,1696,1648,1603/10,11,9,12,1,13/18995,18996>.

<sup>8</sup> Travis, Jeremy, Bruce Western, & Steve Redburn, (Eds.) *The Growth of Incarceration in the United States: Exploring Causes and Consequences*. Washington, DC: The National Academies Press, (2014), available at <https://nap.nationalacademies.org/catalog/18613/the-growth-of-incarceration-in-the-united-states-exploring-causes>.

<sup>9</sup> Maria Cancian, Maria, Angela Guarin, Leslie Hodges, and Daniel R. Meyer, “Characteristics of Participants in the Child Support Noncustodial Parent Employment Demonstration (CSPED) Evaluation,” Madison, WI: Institute for Research on Poverty (December 2019), Appendix Table C3, available at <https://www.irp.wisc.edu/wp-content/uploads/2019/05/CSPED-Final-Characteristics-of-Participants-Report-2019-Compliant.pdf>.

<sup>10</sup> Legler, Paul, The Coming Revolution in Child Support Policy: Implications of the 1996 Welfare Act Family Law Quarterly, Vol. 30, No. 3 (Fall 1996), pp. 519–563, available at <https://www.jstor.org/stable/25740093>.

<sup>11</sup> Congressional Research Service, “The Child Support Enforcement Program: Summary of Laws Enacted Since 1950,” Washington, DC: Congressional Research Service, R47630 (July 2023) available at <https://crsreports.congress.gov/product/pdf/R/R47630>.

<sup>12</sup> In section 407(d) of the Social Security Act, work activities are defined as: (1) unsubsidized employment; (2) subsidized private sector employment; (3) subsidized public sector employment; (4) work experience (including work associated with the refurbishing of publicly assisted

In 1997, Congress authorized a total of \$3 billion for the Welfare-to-Work (WtW) Grants program as part of the Balanced Budget Act of 1997 (Pub. L. 105–33). Administered by the U.S. Department of Labor, these grants were intended to help long-term welfare recipients and noncustodial parents of children whose custodial parents met certain criteria find and keep good jobs.<sup>13</sup> Congress appropriated funds for fiscal years 1998 and 1999, and grantees were allowed five years to spend their funds, which ended in 2004. OCSS encouraged IV–D and IV–A agencies to work together to support WtW programs and encouraged states to make “special efforts to inform potentially eligible noncustodial parents about the existence and availability of WtW services.”<sup>14</sup>

In addition, OCSS issued policy guidance, in PIQ 98–03 and AT 00–08, to respond to state inquiries about the availability of FFP under title IV–D for work activities for noncustodial parents. OCSS concluded that because section 466(a)(15) of the Act did not require that IV–D programs establish, provide, or administer work activity programs for noncustodial parents, the costs of these activities could not be attributed to the IV–D program. In guidance, OCSS explained that FFP was available “for the identification and referral of unemployed noncustodial parents to job training, coordination with courts regarding compliance with court orders, tracking participation, and data collection,” but was not available for “training and services provided by entities other than the IV–D agency.”<sup>15</sup> OCSS viewed the determination of

housing) if sufficient private sector employment is not available; (5) on-the-job training; (6) job search and job readiness assistance; (7) community service programs; (8) vocational educational training (not to exceed 12 months with respect to any individual); (9) job skills training directly related to employment; (10) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; (11) satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; and (12) the provision of child care services to an individual who is participating in a community service program. Available at [https://www.ssa.gov/OP\\_Home/ssact/title04/0407.htm](https://www.ssa.gov/OP_Home/ssact/title04/0407.htm).

<sup>13</sup> U.S. Department of Labor, “Training and Employment Guidance Letter No. 15–01, General Program Questions,” Reissued March 22, 2002, available at [https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2002/TEGL15-01\\_GP.pdf](https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2002/TEGL15-01_GP.pdf).

<sup>14</sup> U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Services, AT–00–08, available at <https://www.acf.hhs.gov/css/policy-guidance/questions-and-responses-regarding-collaborative-efforts-iv-d-agencies-and>.

<sup>15</sup> Ibid.

eligibility for and cost of participation in WtW programs as “the responsibilities of the WtW grantees, not the courts or the IV–D agency.”<sup>16</sup>

### Justification

The current proposal to allow FFP for employment and training services for noncustodial parents would supersede OCSS’s prior guidance. In the late 1990s, OCSS did not have the benefit of rigorous evidence and other data that now show that providing employment and training services to noncustodial parents can make a child support program more effective in collecting child support payments. In the decades that followed OCSS’s policy guidance of 1998 and 2000, national demonstrations and state-based programs have examined the effectiveness of providing employment and training services to unemployed and underemployed noncustodial parents and found positive outcomes in employment rates, earnings, child support payment rates, the amount of child support paid, and payment regularity.<sup>17</sup>

<sup>16</sup> Ibid.

<sup>17</sup> Miller, Cynthia, and Virginia Knox, “The Challenge of Helping Low-Income Fathers Support Their Children: Final Lessons From Parents’ Fair Share,” New York: MDRC (2001), available at [https://www.mdrc.org/sites/default/files/full\\_529.pdf](https://www.mdrc.org/sites/default/files/full_529.pdf).

Perez-Johnson, Irma, Jacqueline Kauff, Alan Hershey, “Giving Noncustodial Parents Options: Employment and Child Support Outcomes of the SHARE Program,” Princeton, NJ: Mathematica Policy Research (October 2003), available at [https://aspe.hhs.gov/sites/default/files/migrated\\_legacy\\_files/39936/report.pdf](https://aspe.hhs.gov/sites/default/files/migrated_legacy_files/39936/report.pdf). Pearson, Jessica, Nancy Thoenes, Lanae Davis, David Price, Jane Venohr and Tracy Griffith, “OCSE Responsible Fatherhood Programs: Client Characteristics and Program Outcomes,” Denver, CO: Center for Policy Research and Policy Studies Inc. (September 2003), available at <https://www.frpn.org/asset/ocse-responsible-fatherhood-programs-client-characteristics-and-program-outcomes>. Martinson, Karin, Demetra Smith Nightingale, Pamela A. Holcomb, Burt S. Barnow, and John Trutko, “Partners for Fragile Families Demonstration Projects: Employment and Child Support Outcomes and Trends,” Washington, DC: The Urban Institute (September 2007), available at <https://www.urban.org/sites/default/files/publication/46816/411567-Partners-for-Fragile-Families-Demonstration-Projects.PDF>. Schroeder, Daniel and Nicholas Doughty, “Texas Non-Custodial Parent Choices: Program Impact Analysis,” Austin, TX: Lyndon B. Johnson School of Public Affairs, University of Texas (September 2009), available at [https://sites.utexas.edu/rymarshallcenter/files/2005/07/NCP\\_Choices\\_Final\\_Sep\\_03\\_2009.pdf](https://sites.utexas.edu/rymarshallcenter/files/2005/07/NCP_Choices_Final_Sep_03_2009.pdf). Lippold, Kye, Austin Nichols, and Elaine Sorensen, “Strengthening Families Through Stronger Fathers: Final Impact Report for the Pilot Employment Programs,” Washington, DC: Urban Institute (October 2011), available at <https://www.urban.org/sites/default/files/publication/26676/412442-Strengthening-Families-Through-Stronger-Fathers-Final-Impact-Report-for-the-Pilot-Employment-Programs.PDF>. Born, Catherine E., Pamela Caudill Ovwigho, and Correne Saunders, “The Noncustodial Parent Employment Program: Employment and Payment Outcomes,” Baltimore, MD: Family Welfare Research and Training Group,

Research shows that reliable child support depends on the economic stability of noncustodial parents. For example, in Wisconsin, noncustodial fathers who paid at least 90 percent of their order during the first year after it was established were 9 times as likely to work all four quarters that year than those who paid nothing.<sup>18</sup> Nationally, over 70 percent of child support collections are made through wage withholding by employers.<sup>19</sup> Noncustodial parents with irregular employment are particularly unlikely to pay the full amount of their child support order. As a result, substantial arrears accrue.

Unpublished data available to OCSS show that 78 percent of the \$114 billion in child support arrears that was owed in FY 2022 was owed by parents who had annual reported incomes below \$20,000, which is consistent with earlier published research that examined child support debt in nine states and found a similar result.<sup>20</sup> Studies have also

University of Maryland, School of Social Work (April 2011), available at <https://www.ssw.umaryland.edu/media/ssw/fwrtp/child-support-research/cs-initiatives/npep.pdf?e>. Pearson, Jessica, Lanae Davis and Jane Venohr, “Parents to Work! Program Outcomes and Economic Impacts,” Denver, CO: Center for Policy Research (February 2011), available at <https://centerforpolicyresearch.org/wp-content/uploads/ParentsToWork.pdf>. Davis, Lanae, Jessica Pearson, and Nancy Thoenes, “Evaluation of the Tennessee Parent Support Program,” Denver, CO: Center for Policy Research (November 2013), available at <https://centerforpolicyresearch.org/wp-content/uploads/EvaluationTennesseeParentSupportProgram.pdf>. Sorensen, Elaine, “What We Learned from Recent Federal Evaluations of Programs Serving Disadvantaged Noncustodial Parents,” Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services (November 2020), available at [https://www.acf.hhs.gov/sites/default/files/documents/opre/OPRE%20NCP%20Employment%20Brief\\_508.pdf](https://www.acf.hhs.gov/sites/default/files/documents/opre/OPRE%20NCP%20Employment%20Brief_508.pdf). Wasserman, Kyla, Lily Freedman, Zaina Rodney, and Caroline Schultz, “Connecting Parents to Occupational Training: A Partnership Between Child Support Agencies and Local Service Providers,” New York: MDRC (April 2021), available at [https://www.mdrc.org/sites/default/files/FamiliesForward\\_Report\\_0.pdf](https://www.mdrc.org/sites/default/files/FamiliesForward_Report_0.pdf).

<sup>18</sup> Cancian, Maria, Yoona Kim, and Daniel R. Meyer, “Who Is Not Paying Child Support?” Madison, WI: Institute for Research on Poverty (2021), available at <https://www.irp.wisc.edu/wp-content/uploads/2021/11/CSRPA-2020-2022-T2.pdf>.

<sup>19</sup> DCL 23–06, OCSS Preliminary FY 2022 Data Report and Tables, available at <https://www.acf.hhs.gov/css/policy-guidance/fy-2022-preliminary-data-report-and-tables>.

<sup>20</sup> The unpublished data is based on a random sample of noncustodial parents who owed arrears in the OCSS Debtor File as of April 2022, which was matched to data from the National Directory of New Hires. Reported income is the amount of quarterly earnings and unemployment insurance reported for the noncustodial parent in the National Directory of New Hires for FY 2021. The \$113.4 billion figure is from the Office of Child Support

shown that owing large amounts of child support arrears among low-income noncustodial parents can be counterproductive to the goals of the child support program as it pushes these parents further away from the formal labor market, reduces their child support payments, and distances them from their children.<sup>21</sup> Parents who owe large amounts of arrears can be discouraged from working in jobs that withhold income for child support, especially if they can easily turn to other means of earning money where child support is not typically withheld, such as self-employment or working off the books.<sup>22</sup>

Based on this research and evidence, OCSS has reconsidered its prior guidance. In doing so, we have not disregarded our previous interpretation of section 466(a)(15) of the Act, which provided the basis for the prior policy. Section 466(a)(15) neither authorizes nor prohibits the child support program from providing employment and training services under title IV–D, and is not the legal basis for the proposed rule. OCSS has determined, based on section 452(a)(1), that it is appropriate to establish a new standard authorizing employment and training services because the data and evidence now available lead us to conclude that this option is necessary to assure that State programs for obtaining child support will be effective. State expenses for providing these services under their IV–

Services FY 2022 Preliminary Data Tables, Table P–98 available at <https://www.acf.hhs.gov/css/policy-guidance/fy-2022-preliminary-data-report-and-tables>. Sorensen, Elaine, Lilianna Sousa, and Simon Schaner, “Assessing Child Support Arrears in Nine Large States and the Nation,” Washington, DC: Urban Institute (2007), available at <https://www.urban.org/sites/default/files/publication/29736/1001242-Assessing-Child-Support-Arrears-in-Nine-Large-States-and-the-Nation.PDF>.

<sup>21</sup> Miller, Daniel P. and Ronald B. Mincy, “Falling Further Behind? Child Support Arrears and Fathers’ Labor Force Participation,” *Social Service Review* 86:4 (2012), available at <https://www.journals.uchicago.edu/doi/10.1086/668761>. Cancian, Maria, Carolyn Heinrich, and Yiyoon Chung, “Discouraging Disadvantaged Fathers’ Employment: An Unintended Consequence of Policies Designed to Support Families,” *Journal of Policy Analysis and Management* 32:4 (2013), available at [https://www.researchgate.net/publication/264476066\\_Discouraging\\_Disadvantaged\\_Fathers\\_Employment\\_An\\_Unintended\\_Consequence\\_of\\_Policies\\_Designed\\_to\\_Support\\_Families](https://www.researchgate.net/publication/264476066_Discouraging_Disadvantaged_Fathers_Employment_An_Unintended_Consequence_of_Policies_Designed_to_Support_Families). Kimberly Turner and Maureen Waller, “Indebted Relationships: Child Support Arrears and Nonresident Fathers’ Involvement with Children,” *Journal of Marriage and Family* 79:1 (2017), available at <https://online.library.wiley.com/doi/full/10.1111/jomf.12361>.

<sup>22</sup> Freeman, Richard B. and Jane Waldfogel, “Does Child Support Enforcement Policy Affect Male Labor Supply?” in *Fathers Under Fire: The Revolution in Child Support Enforcement*, eds. Irwin Garfinkel, Sara S. McLanahan, Daniel R. Meyer, and Judith A. Seltzer, New York: Russell Sage Foundation (1998).

D plan would, therefore, be eligible for FFP under section 455 of the Act. Since the rulemaking results in providing states the opportunity for federal funding, rather than eliminating or removing FFP, we assume that the rulemaking will not place states in a less favorable position to their detriment, but would provide a new and reliable source of funding for these services, which will in turn improve the effectiveness of state child support programs.

### Relevant Studies of Employment and Training Services

Since the 1990s, a significant body of research has examined the effectiveness of providing employment and training services to unemployed and underemployed parents who owe child support.<sup>23</sup> The first large-scale effort was conducted by MDRC and was called Parents' Fair Share (PFS). PFS was first implemented as a pilot program in nine sites in 1992–1993, followed by a national random assignment demonstration implemented in seven sites in 1994–1996. More than 5,500 noncustodial parents were randomly assigned to PFS or a control group during the national demonstration.<sup>24</sup>

The PFS demonstration gave participating courts and child support agencies the ability to refer noncustodial parents facing contempt for nonpayment of child support to the PFS program where they received the following four core services: employment and training services, enhanced child support services, peer support, and mediation. The employment and training services included job search assistance/job clubs, job development, classroom-based education and training, on-the-job training, and job retention services. The enhanced child support services included assigning smaller caseloads to child support workers who handled PFS cases, expediting modification of child support orders, and offering flexible

rules that allowed child support orders to be reduced while noncustodial parents participated in PFS. Peer support consisted of participating in a facilitated support group built around a responsible fatherhood curriculum developed by MDRC. The lead agency for these demonstration projects varied; only two were led by a local child support agency.

The PFS demonstration found that PFS significantly increased the likelihood of paying child support during the two-year follow-up period. The average quarterly payment rate was 12 percent higher for parents who enrolled in PFS than those who did not.<sup>25</sup> While the final PFS report did not examine the regularity of child support payments, the interim report did. It found that parents who enrolled in PFS during the first year of the demonstration were 19 percent more likely than the control group to pay child support in at least four of the six quarters during the 18-month follow-up period.<sup>26</sup>

In December 2000, a descriptive study conducted as part of the national evaluation of Welfare-to-Work (WtW) grant programs examined the strategies that 11 purposively selected WtW programs used to provide employment services to noncustodial parents. The study found that a variety of organizations can successfully operate employment and training programs for noncustodial parents.<sup>27</sup> Eight of 11 programs partnered with the state or local child support agency. Child support agencies provided referrals, designated specific staff to work with the program, and offered flexible payment options and debt reduction options for participants. The principal employment services that all of the WtW programs provided were employability assessments, individualized employment plans, job search assistance, job readiness activities, job retention services, and assistance with transportation and work expenses. Some of the WtW programs also provided job development and placement services, on-the-job training,

skills training, General Educational Development (GED) instruction, basic skills training, and work experience.

One WtW program that served noncustodial parents was evaluated as part of the national evaluation of the WtW grants program.<sup>28</sup> This program, called Support Has A Rewarding Effect (SHARE), operated in Yakima, Kittitas, and Klickitat counties in the State of Washington from July 1998 through September 2001. It was led by the Tri-County Workforce Development Council (WDC) and involved a strong collaboration among Tri-County WDC, the State's Division of Child Support (DCS), and the office of the Yakima County Prosecuting Attorney (YCPA). SHARE provided the courts and YCPA the ability to offer WtW services to noncustodial parents during a child support contempt hearing. WtW services consisted of employability assessments, individualized employment plans, and other WtW services structured to meet the needs of the noncustodial parent. Job search workshops and referrals for job openings were the principal service offered, but noncustodial parents could be offered pre-employment education, vocational training, or on-the-job training. After the noncustodial parent had secured a job, WtW case management continued for at least 90 days, during which time job retention services were provided. WtW funds were also available to help with work supports such as transportation, uniforms, work supplies, and other short-term emergency needs. The evaluation examined employment and child support payment trends for 574 noncustodial parents who were referred to the SHARE program. The evaluation found that the earnings and child support payments of noncustodial parents referred to SHARE increased substantially after being referred to the program.<sup>29</sup>

In 1998, OCSS launched an eight-state demonstration to test the effectiveness of fatherhood programs.<sup>30</sup> The purpose of these programs was to assist unemployed or low-income noncustodial parents in paying their child support by improving their employment and earnings and encouraging more involved parenting. States were given wide latitude in program format, services provided, and client eligibility. Most states partnered with community-based organizations to lead the project and most projects offered employment services. The exact

<sup>23</sup> Employment and training programs for noncustodial parents described here were evaluated using one of three evaluation methods: evaluating the outcomes of individuals randomly assigned to the program (*i.e.* the treatment group) or receive business as usual (*i.e.* the control group), typically referred to as a random control trial (RCT) or an experimental evaluation; evaluating the outcomes of individuals who enrolled in the program compared to a group of individuals who did not enroll in the program but are similar to those who did enroll, referred to here as a semi-experimental evaluation; and evaluations that examine the outcomes of individuals who enrolled in the program, typically before and after they entered the program, which are often referred to as outcome evaluations. The first two evaluation methods are considered impact evaluations, which draw causal inferences, while the third evaluation method is not designed to attribute causality.

<sup>24</sup> Miller, Cynthia, and Virginia Knox (2001).

<sup>25</sup> *Ibid.*

<sup>26</sup> Doolittle, Fred, Virginia Knox, Cynthia Miller, and Sharon Rowser, "Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents' Fair Share," New York: MDRC (1998), table 6.3, available at [https://www.mdrc.org/sites/default/files/full\\_38.pdf](https://www.mdrc.org/sites/default/files/full_38.pdf).

<sup>27</sup> Martinson, Karin, John Trutko, and Debra Strong, "Serving Noncustodial Parents: A Descriptive Study of Welfare-to-Work Programs," Washington, DC: Urban Institute (December 2000), available at <https://www.urban.org/sites/default/files/publication/62761/410340-Serving-Noncustodial-Parents-A-Descriptive-Study-of-Welfare-to-Work-Programs.PDF>.

<sup>28</sup> Perez-Johnson, Irma, et al. (October 2003).

<sup>29</sup> *Ibid.*

<sup>30</sup> Pearson, Jessica, et al. (June 2000).

package of employment services varied by project, but employment services across all projects included job search assistance, job readiness services, job development and placement, work supports, and vocational skills training and assessments. This demonstration was evaluated by comparing participant outcomes before and after enrollment in the program. The evaluation found that the percent of participants paying child support increased after enrollment in every participating state, by amounts ranging from 4 percent to 31 percent.<sup>31</sup> The average amount of child support due that was paid also increased after enrollment in every participating state, by amounts ranging from 1 percent to 16 percent.<sup>32</sup>

In 2000, OCSS and the Ford Foundation launched a national demonstration called Partners for Fragile Families (PFF), which was conducted in 13 sites and ended in 2003.<sup>33</sup> The goals of this demonstration were to promote voluntary paternity establishment; improve the parenting and relationship skills of young fathers; and help young fathers secure and retain employment. It targeted fathers between the ages of 16 and 25 years old who had not yet established paternity and did not have extensive involvement in the child support program. The lead agency in all 13 sites was a community-based organization, but each site partnered with the local child support agency and typically other organizations, such as workforce development agencies. The primary service consisted of a series of structured workshops on topics such as fatherhood, parenting, job readiness and job search, and child support. The exact package of employment services varied across projects, but the following employment services were offered across all projects: job readiness instruction, job search assistance, job referral and placement, job development, on-the-job training, GED classes, and job skills training. PFF enrolled over 1,470 noncustodial parents.<sup>34</sup> The evaluation of PFF examined child support outcomes of participants at the time of enrollment and over the next two years. It found that the percent of participants with

child support orders increased from 14 percent to 35 percent during the first two years after program enrollment.<sup>35</sup> It also found that the average number of months participants paid child support increased from 4.2 months to 5.2 months, and the average annual amount of child support paid increased by 43 percent from \$1,238 to \$1,775 between the first and second year after enrollment.<sup>36</sup>

In 2005, the Child Support Division of the Office of the Attorney General of Texas and the Texas Workforce Commission established the Noncustodial Parent (NCP) Choices program.<sup>37</sup> The goal of the program is to help parents make regular child support payments and become financially stable.<sup>38</sup> This program remains in operation today and is currently operating in 21 of the 28 workforce development board areas in Texas.<sup>39</sup> To be eligible to receive services, noncustodial parents must be court-ordered to participate. When a noncustodial parent enters the program, workforce development staff perform an assessment of needs and barriers and create an individual employment plan designed to move that individual into a stable employment situation. Additional employment and training services offered to noncustodial parents mirror those provided to TANF recipients under the Texas' Choices Program.<sup>40</sup> The services emphasize Work First, providing job referrals and job search assistance, and may include job referrals and job development, support services, short-term training, subsidized employment/work experience, GED and English as a Second Language (ESL) classes, and job retention and career advancement assistance.

NCP Choices was evaluated during the initial years of its operation.<sup>41</sup> The impact evaluation was based on data from 2005 to 2009 and ten local workforce development areas. It used a quasi-experimental evaluation design.<sup>42</sup>

<sup>35</sup> Martinson, Karin, et al. (September 2007).

<sup>36</sup> Ibid.

<sup>37</sup> Schroeder, Daniel and Nicholas Doughty (September 2009).

<sup>38</sup> Texas Workforce Commission, Noncustodial Parent Choices Program, available at <https://www.twc.texas.gov/programs/noncustodial-parent-choices#:~:text=The%20goal%20of%20NCP%20Choices,Alamo>.

<sup>39</sup> Ibid.

<sup>40</sup> <https://www.twc.texas.gov/programs/choices>.

<sup>41</sup> Schroeder, Daniel and Nicholas Doughty (September 2009).

<sup>42</sup> Quasi-experimental designs aim to assess causal relationships without using random assignment. When evaluating a program, they compare the group of individuals who participated in the program to a group of individuals who did not participate in the program who are as similar as possible to those who participated in the

A total of 2,296 noncustodial parents who participated in NCP Choices were included in the evaluation. The evaluation found monthly child support collection rates among NCP Choices participants were 47 percent higher than the comparison group in the first year after program enrollment, and the amounts collected averaged \$57 per month higher.<sup>43</sup> In addition, those ordered into NCP Choices paid their child support 50 percent more consistently over time than the comparison group.<sup>44</sup> All of these positive impacts continued well into the second through fourth years after program enrollment.<sup>45</sup>

In 2006, the New York State Legislature enacted the Strengthening Families Through Stronger Fathers Initiative, a pilot program to help low-income noncustodial parents find work and pay their child support.<sup>46</sup> The legislation authorized funding for five programs to provide employment and other supportive services to low-income noncustodial parents, which operated from 2006 to 2009. Employment services offered by the five programs consisted of job search and placement assistance, job readiness training, job development, job skills training, and employment-related supports.<sup>47</sup> One program provided subsidized employment and job retention and career enhancement services. The pilot programs served 3,668 noncustodial parents.<sup>48</sup> The impact evaluation used a quasi-experimental design. It found that Strengthening Families Through Stronger Fathers increased the percent of parents paying child support by 22 percent, and the amount of child support paid by 35 percent in the first year after enrollment compared to the comparison group.<sup>49</sup>

program in terms of pre-intervention characteristics. For further information, see Handley, Margaret A., Courtney Lyles, Charles McCulloch, and Adithya Cattamanchi, "Selecting and Improving Quasi-Experimental Designs in Effectiveness and Implementation Research" Annual Review of Public Health 39 (2018), available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8011057/pdf/nihms-1671041.pdf>.

<sup>43</sup> Schroeder, Daniel and Nicholas Doughty (September 2009).

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

<sup>46</sup> Tannehill, Tess G., Carolyn T. O'Brien, and Elaine J. Sorensen, "Strengthening Families Through Stronger Fathers Initiative: Process Evaluation Report." Washington, DC: Urban Institute (July 2009), available at <https://www.urban.org/sites/default/files/publication/28106/1001412-Strengthening-Families-Through-Stronger-Fathers-Initiative-Process-Evaluation-Report.PDF>.

<sup>47</sup> Ibid.

<sup>48</sup> Lippold, Kyle, et al. (October 2011).

<sup>49</sup> Ibid.

<sup>31</sup> Pearson, Jessica, et al. (September 2003).

<sup>32</sup> Ibid.

<sup>33</sup> Martinson, Karin, John Trutko, Demetra Smith Nightingale, Pamela A. Holcomb, and Burt S. Barnow, "The Implementation of the Partners for Fragile Families Demonstration Projects," Washington, DC: The Urban Institute (June 2007), available at <https://www.urban.org/sites/default/files/publication/46576/411511-The-Implementation-of-the-Partners-for-Fragile-Families-Demonstration-Projects.PDF>.

<sup>34</sup> Ibid, Exhibit 2.1.

In 2006, Maryland began the Noncustodial Parent Employment Program (NPEP), a joint effort of the Child Support Enforcement and Family Investment Administrations of the Maryland Department of Human Resources.<sup>50</sup> The purpose of this program is to provide employment services to noncustodial parents who are behind in their child support so that they can be a reliable source of income for their children. NPEP was a statewide program in its initial years and still operates today, but not in all counties.<sup>51</sup> During its initial phase, each NPEP program provided employment services similar to those offered during the WtW grants program. An evaluation of NPEP was conducted, which examined 3,900 noncustodial parents referred to NPEP in 2007 and 2008.<sup>52</sup> Outcomes for these participants were examined one year before and after enrollment. The evaluation found that the average amount of child support paid increased from \$1,094 in the year prior to enrollment to \$1,246 in the year after enrollment, a 14 percent increase.<sup>53</sup> It also found that the average number of months that a participant paid child support rose from 3.7 months in the year prior to enrollment to 4.5 months in the year after enrollment, a 22 percent increase.<sup>54</sup>

In 2008, the Arapahoe County Division of Child Support Enforcement, the Arapahoe/Douglas Workforce Center, and the 18th Judicial District Court in Colorado established the Parents to Work program to secure jobs for unemployed and underemployed noncustodial parents and generate child support payments.<sup>55</sup> The program is still in operation today.<sup>56</sup> An evaluation of this program was conducted, which examined the first two years of operation. During that time the following employment services were offered: intensive job search assistance, job readiness training, job placement, job development, on-the-job training, work experience, occupational and vocational training, subsidized employment, pre-GED or GED preparation, and assistance with transportation, work clothes and tools. The evaluation examined the outcomes of participants one year before and after enrollment and compared them to a

group of noncustodial parents who did not participate in Parents to Work.<sup>57</sup> It found that the average percentage of child support due that was paid by the treatment group rose from 36.6 percent in the year prior to enrollment to 41.3 percent in the year following enrollment, but was approximately the same at both points in time for the comparison group.<sup>58</sup> Payment regularity also improved significantly for the treatment group, rising from an average of 5.3 payments in the year prior to enrollment to 5.7 payments in the year following enrollment, but again payment regularity was about the same for the comparison group.<sup>59</sup>

In 2009, the Tennessee Department of Human Services (DHS) was awarded a grant from OCSS to develop, implement, and evaluate a program providing employment, parenting time, and case management services to low-income, unwed parents in the child support program in three Tennessee judicial districts. The program, called the Parent Support Program (PSP), placed child support staff known as Grant Program Coordinators in each of the three local child support offices to provide services to families. These staff were the primary providers of employment, parenting time, and case management services. The Grant Program Coordinators conducted a needs assessment at enrollment and developed a service plan for each participant. They also provided job search and job readiness assistance, job development, and financial assistance with work-related expenses. For other employment services, such as job training, participants were referred to other service providers. Enrollment began in January 2010 and ended in March 2013. During that time, PSP enrolled 1,016 noncustodial parents. The evaluation examined participant outcomes in the year before and after enrollment. The evaluation found that the average percentage of child support due that participants paid rose from 33 percent

in the year prior to enrollment to 36 percent in the year after enrollment.<sup>60</sup>

Many more states than those discussed above have operated employment and training programs for noncustodial parents, but they have not been able to use FFP to pay for these services. This has limited the potential impact and reach of these services. As of February 2014, 30 States and the District of Columbia were operating 77 employment and training programs for noncustodial parents with active child support agency involvement. Three of these states were operating statewide programs—Georgia, Maryland, and North Dakota. But only a few of these programs have been able to secure resource commitments to fund these services in an ongoing, consistent or statewide basis. As a result, many programs that were operating in 2014 are no longer in operation. Other programs have had to scale back because of reduced funding. Nonetheless, because of the continued work of child support agencies, many new programs have emerged so that there are roughly the same number of states that have employment and training programs for noncustodial parents with active child support agency involvement as in 2014.

Informed by the child support program's positive experience with providing employment and training programs, and the positive outcomes of three decades of national demonstrations and state evaluations, OCSS now proposes to allow states to access FFP for these services and establish standards and requirements for states when opting to provide federally assisted employment and training services under their IV–D State plans. This proposed rule would provide additional stability and support for states to increase the effectiveness of their respective programs for collecting child support payments.

#### Further Studies in Support of the Proposed Rulemaking

OCSS previously issued an NPRM on November 17, 2014 that included regulatory changes similar to those being proposed here. 79 FR 68547, 68556 (November 17, 2014). While this proposed rule received overwhelming support from states, many Members of Congress, and the public, it was not included in the final rule issued on December 20, 2016 in order to allow for further study. The final rule stated, “While we appreciate the support the commenters expressed, we think allowing for federal IV–D

<sup>50</sup> Born, Catherine E., et al. (April 2011).

<sup>51</sup> <https://dhs.maryland.gov/child-support-services/noncustodial-parents/noncustodial-parent-employment-programs/>

<sup>52</sup> Born, Catherine E., et al. (April 2011).

<sup>53</sup> *Ibid.*

<sup>54</sup> *Ibid.*

<sup>55</sup> Pearson, Jessica, et al. (February 2011).

<sup>56</sup> <https://www.adworks.org/job-seekers/programs/parents-to-work/>.

<sup>57</sup> Pearson, Jessica, et al. (February 2011). Parents to Work was intended to be evaluated using random assignment, but the treatment group was disproportionately selected from case worker and court referrals, while the comparison group was disproportionately selected from ad hoc reports. Because of this difference in procedures, the two groups were statistically significantly different prior to program entry. In an effort to offset this limitation, the study examined the outcomes of noncustodial parents in both groups after controlling for observed differences in pre-program earnings, child support payments, and other characteristics. The sample size for the evaluation was 601 parents in the treatment group and 349 in the comparison group.

<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*

<sup>60</sup> Davis, Lanae, et al. (November 2013).

reimbursement for job services needs further study and would be ripe for implementation at a later time.” 81 FR 93492, 93496 (December 20, 2016).

Since 2016, findings from three new national demonstrations that offered employment and training services to noncustodial parents have been released. They are the Child Support National Parent Employment Demonstration (CSPED), Enhanced Traditional Jobs Demonstration (ETJD), and Families Forward Demonstration (FFD). These three demonstrations added considerably to OCSS’s understanding of the effectiveness of employment programs for noncustodial parents and further informed the development of this NPRM.

#### *Child Support National Parent Employment Demonstration (CSPED)*

CSPED was a randomized control trial (RCT) demonstration designed to test the effectiveness of child support-led employment programs for noncustodial parents. It was funded by OCSS, which awarded demonstration grants to eight state child support agencies in 2012. These child support agencies operated employment programs for noncustodial parents in 18 local jurisdictions from 2013 to 2017. A total of 10,173 noncustodial parents enrolled in the demonstration.<sup>61</sup> CSPED was able to reach such a large number of noncustodial parents in part because it recruited noncustodial parents administratively as well as during contempt hearings. Key services included employment services, enhanced child support services, and parenting classes. Employment services consisted of one-on-one job counseling, job search assistance, job readiness training, and job placement and retention services. Programs were encouraged to offer short-term job skills training and vocational educational training, but not required to do so. Enhanced child support services were expected to include initiating order modifications if needed, removing license suspensions and holding other enforcement remedies in abeyance while parents participated in the program, and reducing state-owed arrears if permitted by state law.<sup>62</sup>

<sup>61</sup> Cancian, Maria, Daniel R. Meyer, Robert Wood, “Final Impact Findings from the Child Support Noncustodial Parent Employment Demonstration,” Madison, WI: Institute for Research on Poverty (March 2019), available at [https://www.acf.hhs.gov/sites/default/files/documents/ocse/csped\\_impact\\_report.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocse/csped_impact_report.pdf).

<sup>62</sup> Office of Child Support Enforcement, “National Child Support Noncustodial Parent Employment Demonstration Projects,” Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families, HHS—

CSPED increased the effectiveness of the child support program by increasing noncustodial parents’ employment and earnings as measured by quarterly earnings, which, in turn, increased the likelihood of paying child support through wage withholding. Specifically, it increased participants’ employment rate by 3 percent during the first 2 years after enrollment, and increased their earnings by 4 percent during the first year after enrollment, both of which are measured using quarterly earnings.<sup>63</sup> This, in turn, increased the likelihood of participants paying child support through income withholding by 8 percent during the first year after enrollment.<sup>64</sup> It also increased noncustodial parents’ satisfaction with the child support program, increased noncustodial parent-child contact, and improved noncustodial parents’ attitudes about responsibility for children, all of which contributed to an improved image of the child support program and helped overcome significant distrust among noncustodial parents, paving the way for better communication, more cooperation, and a more effective child support program.<sup>65</sup> Finally, a benefit-cost analysis of CSPED found that the benefits of CSPED outweighed its costs within two years when the costs of employment and parenting services received by members of the regular-services group were taken into account.<sup>66</sup>

2012–ACF–OCSE–FD–0297 (2012), available at [https://www.acf.hhs.gov/sites/default/files/documents/ocse/hhs-2012-acf-ocse-fd-0297\\_csped.pdf](https://www.acf.hhs.gov/sites/default/files/documents/ocse/hhs-2012-acf-ocse-fd-0297_csped.pdf).

<sup>63</sup> Sorensen, Elaine (November 2020).

<sup>64</sup> *Ibid.* While CSPED was successful at increasing the likelihood of paying child support through income withholding, it did not increase the amount of child support paid. As noted in the text, CSPED provided both employment and enhanced child support services. It appears that these services worked at cross-purposes to one another. As part of enhanced child support services, child support agencies offered order modification services to participants, which reduced their average amount of child support orders. Reducing child support orders will necessarily reduce income withholding orders, which reduces the amount of child support paid since most child support is paid via income withholding. In contrast, employment services are designed to increase the employment and earnings of noncustodial parents, which, in turn, are expected to increase child support payments. Thus, it appears that one service reduced the amount of child support paid while the other increased it, resulting in no impact on the amount of child support paid.

<sup>65</sup> Cancian, Maria, et al. (March 2019).

<sup>66</sup> Cancian, Maria, Daniel R. Meyer, and Robert G. Wood, “Carrots Work Better than Sticks? Results from the National Child Support Noncustodial Parent Employment Demonstration,” *Journal of Policy Analysis and Management*. 41:2 (2022), available at <https://onlinelibrary.wiley.com/doi/pdf/10.1002/pam.22370>.

#### *Enhanced Traditional Jobs Demonstration*

ETJD was a RCT demonstration designed to test the effectiveness of providing temporary subsidized jobs and other enhanced services. It was funded by the U.S. Department of Labor (DOL) and the Office of Planning, Research, and Evaluation within the U.S. Department of Health and Human Services, Administration for Children and Families. DOL awarded seven demonstration grants, four of which targeted noncustodial parents and three of which targeted formerly incarcerated individuals. The demonstration operated from 2011 to 2014 and enrolled a total of 4,000 individuals in the four demonstrations that targeted noncustodial parents. Key services in the noncustodial parent demonstration sites included up to four months of subsidized employment, other employment services, and child support-related assistance.<sup>67</sup>

ETJD showed that providing subsidized employment to noncustodial parents successfully increased their employment and earnings in the final year of the 30-month follow-up period, well after the subsidized employment ended. During this period, noncustodial parents who received ETJD services were 7 percent more likely to be employed, and their earnings were 13 percent higher than the noncustodial parents who did not receive ETJD services.<sup>68</sup>

ETJD also successfully increased the likelihood of noncustodial parents paying child support and the average number of months of paying child support during the final year of the 30-month follow-up period. During this period, noncustodial parents who received ETJD services were 11 percent more likely to pay child support, and the average number of months of paying child support was 16 percent higher than noncustodial parents who did not receive ETJD services.<sup>69</sup>

<sup>67</sup> Redcross, Cindy, Bret Barden, and Dan Bloom, “The Enhanced Transitional Jobs Demonstration: Implementation and Early Impacts of the Next Generation of Subsidized Employment Programs,” New York: MDRC (November 2016), available at [https://www.mdrc.org/sites/default/files/ETJD\\_STED\\_2016\\_FR.pdf](https://www.mdrc.org/sites/default/files/ETJD_STED_2016_FR.pdf).

<sup>68</sup> Barden, Bret, Randall Juras, Cindy Redcross, Mary Farrell, Dan Bloom, “New Perspectives on Creating Jobs: Final Impacts of the Next Generation of Subsidized Employment Programs,” New York: MDRC (May 2018), available at [https://www.mdrc.org/sites/default/files/ETJD\\_STED\\_Final\\_Impact\\_Report\\_2018\\_508Compliant\\_v2.pdf](https://www.mdrc.org/sites/default/files/ETJD_STED_Final_Impact_Report_2018_508Compliant_v2.pdf).

<sup>69</sup> Barden, Bret, et al. (May 2018). ETJD did not increase the amount of child support paid in the final year of the follow-up period. This is likely because local child support agencies in three of the four ETJD sites initiated order modifications if

### *Families Forward Demonstration*

FFD was designed to test the effectiveness of offering free occupational training to increase reliable child support payments. It operated in five locations from 2018 to 2020 and enrolled 761 noncustodial parents. FFD was funded through a grant from the W. K. Kellogg Foundation, local funding raised by participating child support agencies, and matching federal funds through Section 1115 Waivers approved by the Office of Child Support Services.<sup>70</sup> FFD provided the following three services: free occupational training, other employment services and wraparound supports, and responsive child support services. Free occupational training targeted demand-driven occupations, which varied by location. Other employment services focused on job search and placement assistance and career planning. The most common wraparound supports were work-related, such as assistance with work-related transportation costs or other work-related expenses. Responsive child support services included child support navigation, arrears compromise programs, order modification if needed, and suspension of enforcement action.<sup>71</sup> The evaluation of this demonstration consisted of an implementation study and an analysis of child support outcomes for program participants prior to and after program enrollment.<sup>72</sup> It found that the trends in child support payments for noncustodial parent participants improved relative to their pre-enrollment trends.<sup>73</sup> While this study was not designed to attribute causality, these findings suggest that offering free training to noncustodial parents may have a positive impact on child support payments, providing further evidence that offering training services to noncustodial parents holds promise for increasing the effectiveness of the child support program.

Results from these recent demonstrations, in addition to the large

needed as an enhanced child support service to address the possibility that orders were too high relative to participants' ability to pay. If orders are reduced, income withholding orders will be lower and the amount of child support withheld will be lower. Thus, the amount of child support paid will not necessarily increase as a result of increased earnings if orders are modified downward. Only one ETJD site did not offer to initiate order modifications and that was the only site that saw a statistically significant increase in the amount of child support paid.

<sup>70</sup> The FFD program in New York was additionally supported by the Robin Hood Foundation.

<sup>71</sup> Wasserman, Kyla, et al. (April 2021).

<sup>72</sup> *Ibid.*

<sup>73</sup> *Ibid.*

body of evidence that preceded these demonstrations, provide support for OCSS's determination that permitting states to provide employment and training services to noncustodial parents can increase the effectiveness of the child support program. By allowing states to use FFP to provide employment and training services, OCSS aims to create a reliable funding source for states that choose these services to supplement traditional enforcement tools and effectively obtain child support.

### **Section-by-Section Discussion of the Provisions of This Proposed Rule**

This NPRM proposes to allow FFP for certain optional and nonduplicative employment and training services designed to supplement traditional enforcement tools and to help noncustodial parents find and retain employment so they can support their children.

#### *§ 302.76 Employment and Training Services*

We propose to add a new optional State plan provision at § 302.76, Employment and Training Services. The proposal permits states to provide certain employment and training services to eligible noncustodial parents pursuant to § 303.6(c)(5).

We propose to limit eligibility to noncustodial parents who have an open IV–D case; have a current child support order or be determined by the IV–D agency to be fully cooperating with the IV–D agency to establish a current child support order; are unemployed or underemployed or at risk of not being able to comply with their current support order; and are not receiving the same employment and training service under Temporary Assistance for Needy Families (TANF) (45 CFR part 261), Supplemental Nutrition Assistance Program Employment and Training program (7 CFR 273.7 and 273.24), Federal Pell Grant (34 CFR part 690), the U.S. Department of Labor Employment and Training programs authorized under Title I of the Workforce Innovation and Opportunity Act (20 CFR parts 675–688), the Adult Education and Family Literacy Act (AEFLA) program (34 CFR part 463), or the Vocational Rehabilitation program (34 CFR part 361). States may add additional eligibility criteria. We invite comment on these proposed eligibility criteria.

We acknowledge the benefits of improved coordination between the various Federal programs that are eligible to provide employment and training services. We encourage states to

establish a coordinated, nonduplicative set of employment and training services with other federally-funded programs.

The primary goal of offering employment and training services is to increase the consistency of current support payments to families with minor children. Thus, the proposed rule does not allow noncustodial parents with arrears-only cases to be eligible to receive employment and training services as a reimbursable IV–D cost when no current support obligation exists or is being established.

We propose that allowable employment and training services are limited to:

- (i) Job search assistance;
- (ii) Job readiness training;
- (iii) Job development and job placement services;
- (iv) Skills assessments to facilitate job placement;
- (v) Job retention services;
- (vi) Work supports, such as transportation assistance, uniforms, and tools; and

(vii) Occupational training and other skills training directly related to employment, which may also include activities to improve literacy and basic skills, such as programs to complete high school or a high school equivalency certificate, or English as a second language, as long as they are included in the same employment and training services plan.

We recognize that providing these services will require case management. Thus, FFP may also be used to provide case management for these allowable services. FFP may not be used for subsidized employment or to provide to the noncustodial parent cash payments, checks, reimbursements, or any other form of payment that can be legally converted to currency. For example, FFP may not be used to provide financial incentive payments to noncustodial parents, or to directly reimburse noncustodial parents for employment and training related expenditures. Allowable services must be secured through service providers as opposed to allowing reimbursement to parents.

We have included a focused set of employment and training services because our review of research found that employment and training programs for noncustodial parents tend to provide a package of employment and training services in their effort to improve the effectiveness of child support program. The list of proposed allowable services includes those services that were most frequently provided in various demonstrations, research evaluations, and state-based



programs detailed in the proposed rule. We invite comment on the list of proposed allowable employment and training services.

We suggest that child support agencies should partner wherever possible with existing employment and training providers and that child support agencies especially should not try to carry out job development on their own and should consider doing so through or in partnership with the local American Job Center business services representatives.

We have included work supports and job retention services as allowable expenditures because, as described above, many of the employment and training programs for noncustodial parents that have been evaluated included these services as part of a package of employment and training services, which were found effective at improving child support outcomes. Work supports consist of costs incurred for bona fide services and assistance provided to noncustodial parents so that they may find and retain employment or participate in employment and training services. For example, a common form of work supports is transportation assistance, such as bus tokens and gas vouchers. Work supports may also include the cost of providing emergency child care assistance for children on the child support case associated with the noncustodial parent receiving employment and training services if that emergency inhibits participation in employment and training services or finding or retaining work.<sup>74</sup> Job retention services are services that assist a job holder with retaining employment and can include regular check-ins with job holders as well as supporting managers who hired job holders with on-the-job issues. Job retention services can be offered directly to the job holder or to the employer to serve the job holder.

We propose that this State plan provision be optional to states since offering employment and training services may increase state costs. If the state chooses this option, this proposal will require that the State plan include a description of the employment and training services and eligibility criteria. It will also require that the State plan

<sup>74</sup> Other eligible work supports may include, but are not limited to: costs incurred for bona fide services and assistance such as work-related tools; work-related clothing or uniforms; transportation and travel to or from training and work sites; emergency vehicle repairs if affordable transportation alternatives are not available; referrals for child care assistance; referrals to health care, mental health counseling or drug treatment; licenses; application fees; and other costs of employment and training tests or certifications.

include an explanation of how the child support program is establishing a coordinated, nonduplicative set of employment and training services with other federally-funded programs. It will also require that states comply with future reporting requirements prescribed by the Office.

#### *§ 303.6 Enforcement of Support Obligations*

We propose to redesignate existing paragraph § 303.6(c)(5) as new paragraph § 303.6(c)(6) and to add new paragraph § 303.6(c)(5) to provide program standards related to the proposed optional State plan provision § 302.76, Employment and Training Services. Additionally, we propose that funds can only be used for a limited set of employment and training services which complement, not duplicate, the services a noncustodial parent may be receiving from another federally-funded program. OCSS remains diligent in efforts to not duplicate services provided to noncustodial parents under other federally-funded programs. Because IV–D funds can only be used for a limited set of employment and training services, OCSS will encourage states to use other funding to pay for services that are not eligible for IV–D funds and combine those services with IV–D funded services to address the multiple barriers to employment that low-income noncustodial parents often face.

The proposed language allows flexibility for states to coordinate with other programs to ensure that IV–D funds are used effectively to help noncustodial parents obtain and maintain employment to support their children, while avoiding duplicating services. Partnering with other programs can allow child support programs to broaden the types of services they provide to noncustodial parents in their caseload. For example, if a noncustodial parent is currently enrolled in a high school equivalency certificate program or any service already being provided to the noncustodial parent that is being paid for by another federal funding source, IV–D funds would not be available for this same service, but would be available for non-duplicative services, such as job search assistance, provided a noncustodial parent is not receiving that service from any of the federal funding sources detailed in the proposed amendments to 303.6 and 302.76.

States are strongly encouraged to maximize coordination to ensure effective service delivery and to provide the most appropriate mix of services that address the multiple barriers to

employment that low-income noncustodial parents often face while minimizing costs to the child support program. In particular, we strongly encourage coordination with the six core programs providing services through state workforce development systems established under the Workforce Innovation and Opportunity Act (WIOA) to make the most appropriate use of federal funds. Furthermore, we strongly encourage states to coordinate with high-quality training programs and other evidence-based training models shown to lead to sustained earnings gains—to increase noncustodial parents' ability to meet their financial obligations to their children. Noncustodial parents who receive Pell Grants may use those funds, to the extent permissible by the Higher Education Act of 1965, to pay for some of the same eligible employment and training services that state child support programs can provide under this NPRM. Therefore, we will encourage states to communicate with noncustodial parents concerning Pell Grants and ensure non-duplication of any employment and training services attained with Pell Grant funds. OCSS's policy goals are to make it possible for state child support agencies to provide employment and training services to noncustodial parents who need them but are not being provided such services by other federally-funded programs.

OCSS anticipates that many state child support agencies will purchase employment and training services by entering into contracts with public, private and community-based employment, fatherhood, and community re-entry programs, community action agencies, community colleges, or other service providers, rather than offer these services in-house, in accordance with 45 CFR 304.22, *Federal financial participation in purchased support enforcement services*. Child support agencies may also access employment and training services by partnering with labor organizations. However, this does not preclude a child support agency from providing employment and training services to noncustodial parents directly. In addition, OCSS encourages child support agencies to develop and maintain partnerships with TANF, the Supplemental Nutrition Assistance Program, workforce agencies, workforce development boards, and American Job Centers to offer available employment and training services to noncustodial parents whenever those resources are available. We also encourage state child support agencies to partner with other

organizations that can offer additional employment and training activities beyond those funded under title IV–D, such as Vocational Rehabilitation agencies for those noncustodial parents who are individuals with disabilities and are eligible for the Vocational Rehabilitation program.

We do not want states to duplicate other services, but we also do not want to make it impossible for states to provide employment and training services due to the unavailability of data needed to verify that such services are not being duplicated. Thus, child support programs will make individual determinations about whether a noncustodial parent is receiving the same employment and training services from other programs. To ensure the eligibility criterion is met, the child support program may obtain an attestation from the noncustodial parent that the parent is not receiving the same

employment and training services under the federal programs listed in § 303.6(c)(5). This will allow a noncustodial parent getting some services from the American Job Center to also receive nonduplicated employment and training services through the child support program.

*§ 304.20 Availability and Rate of Federal Financial Participation*

We propose to redesignate existing paragraph § 304.20(b)(3)(vii) as new paragraph § 304.20(b)(3)(viii), and to add new paragraph § 304.20(b)(3)(vii) allowing FFP for certain employment and training services when they are provided in accordance with § 303.6(c)(5).

**Effective Dates**

The proposed effective date will be 60 days from the date of publication of the final rule.

**Impact Analysis**

**Paperwork Reduction Act of 1995**

Under the Paperwork Reduction Act (Pub. L. 104–13), all Departments are required to submit to OMB for review and approval any reporting or recordkeeping requirements inherent in a proposed or final rule. There is one new State plan reporting requirement because of this proposed rule for states that implement the optional and nonduplicative employment and training services. The description and total estimated burden on the “State Plan for Child Support Collection and Establishment of Paternity Under Title IV–D of the Social Security Act,” and the State Plan Transmittal Form [OMB 0970–0017] are described in the chart below.

Section and purpose	Instrument	Number of respondents	Average burden hour per response	Total cost	National Federal share	National State share
Added optional requirement § 302.76 Employment and training services.	State plan amendment.	One time for 33 states.	3 hours × \$66.82 × 33 states.	\$6,615.18	\$4,366.02	\$2,249.16

A state may submit a plan amendment for the optional and nonduplicative employment and training services at any time after the proposed rule becomes final. But not all states will implement these optional services. Out of the 54 states, we estimate 33 will eventually submit plan amendments for these optional services. Additionally, we estimate that states will take 3 hours to draft the required information to amend their State plans. The cost to respondents was calculated using the Bureau of Labor Statistics job code for State Government Management Analyst [13–1111] and wage data from May 2021, which is \$33.41 per hour. To account for fringe benefits and overhead, the rate was multiplied by two, which is \$66.82. The total estimated cost is \$6,615.18 with a state share of \$2,249.16. OCSS reimburses states for 66 percent of the administrative costs incurred to administer the State plan.

ACF will consider comments by the public on this proposed collection of information in the following areas:

1. Evaluating whether the proposed collection is necessary for the proper performance of the functions of ACF, including whether the information will have practical utility;
2. Evaluating the accuracy of ACF’s estimates of the proposed collection of

information, including the validity of the methodology and assumptions used;

3. Enhancing the quality, usefulness, and clarity of the information to be collected; and

4. Minimizing the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technology, e.g., permitting electronic submission of responses.

OMB is required to make a decision concerning the collection of information contained in these proposed regulations within 60 days after publication of this document in the **Federal Register**. Written comments to OMB for the proposed information collection should be sent directly to the following: Office of Management and Budget (OMB), either by fax to 202–395–6974 or by email to *OIRA\_submission@omb.eop.gov*. Please mark faxes and emails to the attention of the desk officer for ACF.

**Regulatory Impact Analysis**

*Executive Orders 12866 and 13563*

Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits

(including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule meets the standards of Executive Order 13563 because providing employment training and services benefits the public, particularly children and families whose economic security would be improved by increasing family income and improving financial stability. These services help to reduce the need for and cost of providing public assistance. This proposed rule was designated by OMB as a significant regulatory action under Executive Order 12866, as amended by Executive Order 14094. If finalized, the rule would not result in economic impacts that exceed the monetary threshold in section 3(f)(1) of Executive Order 12866 (as amended).

The estimated fiscal impact of allowing child support programs to use FFP for employment and training services would result in an increase of \$15.5 million in federal expenditures during FY 2025, the anticipated first fiscal year of implementation. As more child support programs use this authority, the estimated fiscal impact will increase. By FY 2034, the estimated

fiscal impact is expected to be \$75.9 million per budget year. These estimates do not reflect the potential benefits to the Federal Government of implementing this program, such as reducing the cost of providing child support enforcement services and reducing reliance on means-tested programs; they only reflect the estimated cost of providing employment and training services to noncustodial parents.

### Regulatory Flexibility Analysis

The Secretary proposes to certify that, under 5 U.S.C. 605(b), as enacted by the Regulatory Flexibility Act (Pub. L. 96–354), this proposed rule, if finalized, will not result in a significant impact on a substantial number of small entities. The primary impact is on state governments. State governments are not considered small entities under the Regulatory Flexibility Act.

### Unfunded Mandates Reform Act of 1995

The Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4) requires agencies to prepare an assessment of anticipated costs and benefits before issuing any rule that may result in an annual expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation). That threshold level is currently approximately \$177 million. This rule does not impose any mandates on state, local, or tribal governments, or the private sector, that will exceed this threshold in any year.

### Assessment of Federal Regulations and Policies on Families

Section 654 of the Treasury and General Government Appropriations Act of 1999 requires federal agencies to determine whether a proposed policy or regulation may affect family well-being. If the agency's determination is affirmative, then the agency must prepare an impact assessment addressing seven criteria specified in the law. We certify that we have assessed this proposed rule's impact on the well-being of families. This proposed rule will have a positive impact on family well-being as defined in the legislation by proposing evidence-informed policies and practices that help to ensure that noncustodial parents support their children more consistently and reliably.

### Congressional Review

This proposed rule is not a major rule as defined in 5 U.S.C. Chapter 8.

### Executive Order 13132

Executive Order 13132 prohibits an agency from publishing any rule that has federalism implications if the rule either imposes substantial direct compliance costs on state and local governments and is not required by statute, or the rule preempts state law, unless the agency meets the consultation and funding requirements of section 6 of the Executive Order. This rule does not have federalism impacts as defined in the Executive Order 13132.

Jeff Hild, Principal Deputy Assistant Secretary for the Administration for Children and Families, performing the delegable duties of the Assistant Secretary for Children and Families, approved this document on April 24, 2024.

### List of Subjects

#### 45 CFR Part 302

Child support, State plan requirements.

#### 45 CFR Part 303

Child Support, Standards for program operations

#### 45 CFR Part 304

Child support, Federal financial participation

Dated: May 24, 2024.

**Xavier Becerra,**

*Secretary, Department of Health and Human Services.*

For the reasons stated in the preamble, the Department of Health and Human Services proposes to amend 45 CFR parts 302, 303, and 304 as set forth below:

### PART 302—STATE PLAN REQUIREMENTS

- 1. The authority citation for part 302 continues to read as follows:

**Authority:** 42 U.S.C. 651 through 658, 659a, 660, 664, 666, 667, 1302, 1396a(a)(25), 1396b(d)(2), 1396b(o), 1396b(p), and 1396(k).

- 2. Section 302.76 is added to read as follows:

#### § 302.76 Employment and training services

The State plan may provide for employment and training services for eligible noncustodial parents in accordance with § 303.6(c)(5) of this chapter. If the state chooses this option, the State plan must include a description of the employment and training services and the eligibility criteria. In addition, the State plan must explain how the IV–D agency is coordinating with the state agencies

administering the Temporary Assistance for Needy Families program (TANF) (45 CFR part 261), the Supplemental Nutrition Assistance Program Employment and Training program (7 CFR 273.7 and 273.24), and the six core programs of the state's workforce development system established under the Workforce Innovation and Opportunity Act (WIOA), to ensure the noncustodial parent is receiving well-coordinated employment and training services across these programs and systems, and that services are not being duplicated. States electing the option must comply with future reporting requirements prescribed by the Office.

### PART 303—STANDARDS FOR PROGRAM OPERATIONS

- 3. The authority citation for part 303 continues to read as follows:

**Authority:** 42 U.S.C. 651 through 658, 659a, 660, 663, 664, 666, 667, 1302, 1396a(a)(25), 1396b(d)(2), 1396b(o), 1396b(p), 1396(k), and 25 U.S.C. 1603(12) and 1621e.

- 4. Amend § 303.6 by:
  - a. Redesignating paragraph (c)(5) as paragraph (c)(6); and
  - b. Adding paragraph (c)(5).

The addition reads as follows:

#### § 303.6 Enforcement of support obligations

\* \* \* \* \*

(c) \* \* \*

(5) As elected by the state in § 302.76 of this chapter, provide employment and training services to eligible noncustodial parents. In addition to eligibility criteria that may be set by the IV–D agency, the noncustodial parent must: have an open IV–D case; have a current child support order or be determined by the IV–D agency to be fully cooperating with the IV–D agency to establish a current child support order; be unemployed or underemployed or at risk of not being able to comply with their current support order; and not be receiving the same employment and training services under the Temporary Assistance for Needy Families program (TANF) (45 CFR part 261), Supplemental Nutrition Assistance Program Employment and Training program (7 CFR 273.7 and 273.24), Federal Pell Grant (34 CFR part 690), the U.S. Department of Labor Employment and Training programs authorized under Title I of the Workforce Innovation and Opportunity Act (20 CFR parts 675–688), the Adult Education and Family Literacy Act (AEFLA) program (34 CFR part 463), or the State Vocational Rehabilitation program (34 CFR part 361).

These IV–D agency employment and training services are limited to:

- (i) Job search assistance;
- (ii) Job readiness training;
- (iii) Job development and job placement services;
- (iv) Skills assessments to facilitate job placement;
- (v) Job retention services;
- (vi) Work supports, such as transportation assistance, uniforms, and tools; and
- (vii) Occupational training and other skills training directly related to employment, which may also include activities to improve literacy and basic skills, such as programs to complete high school or a high school equivalency certificate, or English as a second language, as long as they are

included in the same employment and training services plan.

Federal financial participation may also be used to provide case management in connection with these allowable services. Federal financial participation is not available for cash payments, checks, reimbursements, or any other form of payment that can be legally converted to currency.

\* \* \* \* \*

**PART 304—FEDERAL FINANCIAL PARTICIPATION**

■ 5. The authority citation for part 304 continues to read as follows:

**Authority:** 42 U.S.C. 651 through 655, 657, 1302, 1396a(a)(25), 1396b(d)(2), 1396b(o), 1396b(p), and 1396(k).

■ 6. Amend § 304.20 by:

- a. Redesignating paragraph (b)(3)(vii) as paragraph (b)(3)(viii); and
- b. Adding paragraph (b)(3)(vii).

The addition reads as follows:

**§ 304.20 Availability and rate of Federal financial participation**

\* \* \* \* \*

(b) \* \* \*

(3) \* \* \*

(vii) Employment and training services activities in accordance with § 303.6(c)(5).

\* \* \* \* \*

[FR Doc. 2024–11842 Filed 5–30–24; 8:45 am]

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