



Written Statement of  
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Subcommittee on Social Security  
House Committee on Ways and Means  
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### **Impact of the New Employee Verification Act (HR 5515) on Child Support Enforcement**

The National Women's Law Center ("Center") submits these comments on HR 5515, the New Employee Verification Act of 2008 ("NEVA"). The NEVA would transform the National Directory of New Hires, a database developed to facilitate child support enforcement, into a database for verifying employment eligibility. The Center is concerned that this approach would seriously interfere with the functioning of the child support enforcement program, a program that over 17 million children rely upon to collect \$24 billion in owed child support annually.

The National Women's Law Center is a nonprofit organization that has worked since 1972 to advance and protect women's rights and opportunities. Since the creation of the federal-state child support enforcement program in 1975, the Center has worked at the federal and state level to strengthen this vital program. Center staff have testified before Congress on child support issues on several occasions, commented on administrative regulations and policies, served on expert panels at the federal and state level, published numerous analyses, and provided technical assistance to state child support agencies. The reforms enacted by Congress have improved the program dramatically, doubling the collection rate while boosting cost effectiveness over the past ten years.

The NEVA seeks to present an alternative to an electronic employment eligibility verification system based on the Social Security Administration (SSA) database. Problems with using the SSA database have been identified by GAO and the SSA Inspector General in their analyses of the current E-Verify pilot program, and several witnesses at the Subcommittee's May 6, 2008 hearing described the far greater problems that would be presented by expanding the E-Verify program as proposed by HR 4088, the Secure America through Verification and Enforcement Act of 2008. However, utilizing the National Directory of New Hires for employment eligibility verification, as NEVA proposes, also would present serious problems.

The National Directory of New Hires plays a critical role in child support enforcement, facilitating the enforcement of child support orders when a parent who owes support moves to another state. Established as part of the 1996 child support reforms, the National Directory requires employers to report basic information about newly hired employees to the state Directory of New Hires. Each state directory then reports the information to the National Directory. States match their child support records against new hire reports to locate parents and enforce child support orders.

The National Directory does not currently collect the information needed for employment verification, and requiring it to do would present serious cost, timing, and privacy issues. Employers currently are required to report only the newly hired employee's name, address, Social Security number, and medical insurance information to state new hire directories, which then report the information to the National Directory. No information about citizenship, immigration status, or work authorization is reported. To include such information in the National Directory would require much more than reprogramming the National Directory database. Every state child support database would have to be modified, which would require authorizing legislation in some states. Because state automated systems vary, ensuring an effective interface with the National Directory would have to be checked for each state. All employers who use automated payroll systems to submit their new hire data would have to modify their systems. Not all employers use automated systems; in these cases, the additional information required would have to be entered by hand by both the employer and the states. The costs and time involved for the federal and state governments, and private and public employers, would be substantial. These additional responsibilities could overwhelm the child support enforcement program, which already is cutting back services in response to a cut in federal funding of about 20 percent under the Deficit Reduction Act of 2005.

In addition to redesigning federal, state, and employer automated systems to handle more data, the timeframes for processing data would have to be accelerated dramatically if the National Directory were to be used for employment eligibility verification. The child support law allows up to 30 business days for new data to be entered into the National Directory: 20 business days for employers to submit information about new hires to the state, 5 business days for the state to enter the information into its database, 3 business days for the state to report the information to the federal government, and 2 days for the federal government to enter the data into the National Directory. In contrast, an employer is required to verify an employee's work eligibility within three business days of the date of hire under current law. Changing the timeframes for data to be entered in the National Directory would substantially increase the burden on employers; for example, employers could no longer coordinate submissions with regular weekly or bi-weekly payroll processing. Employers with questions or concerns about the new reporting requirements would turn to state agencies, adding to the burden such new responsibilities would pose for child support enforcement agencies.

Transforming the child support National Directory of New Hires into an immigration enforcement database would adversely impact child support enforcement in ways beyond the drain on limited program resources. Employer cooperation with new hire reporting is crucial for effective child support enforcement, because wage withholding is the most effective way to ensure regular payment of child support. The current new hire data reporting system works well because it minimizes the burden on employers, serves a clear and limited purpose, and effectively protects the privacy of data. Child support programs have an excellent record of maintaining the confidentiality of data. In addition, all information in the database is purged within 24 months after the date of entry, and access to wage and unemployment compensation information is limited after 12 months if there has not been a match with a child support order. If employers are less willing or less able to provide the additional information required for immigrant employment verification, for any reason, they may not submit any information – and

child support programs may lose the access they currently have to information vital for child support enforcement. In addition, some parents who need child support enforcement services may be reluctant to seek help if the system is tied to immigration enforcement.

Turning the National Directory of New Hires into an employment eligibility verification database, as NEVA would do, would have unintended but grave consequences for child support enforcement services for millions of families. The National Women's Law Center hopes that Congress will reject this approach.