



HFS

Illinois Department of
Healthcare and Family Services

JB Pritzker, Governor

Theresa A. Eagleson, Director

201 South Grand Avenue East, Springfield, Illinois 62763

Telephone: +1 217-782-1200, TTY: +1 800-526-5812



Subcommittee Chairs LaHood and Schweikert, Ranking Members Davis and Pascrell, distinguished members of the Work and Welfare and Oversight Subcommittees, thank you for holding today's hearing on the use of federal tax information (FTI) in the Child Support program. Additionally, thank you for the opportunity to testify on this issue that is of the utmost importance to the economic health of American families.

My name is Bryan Tribble. I have been fortunate to work for the State of Illinois, Department of Healthcare and Family Services-Child Support Services, and serve the families of Illinois, from 2001 to present. In January of 2021, I was named the administrator of the Illinois Child Support program, a role in which I continue to serve to date. Today, I am speaking to you on behalf of the State of Illinois to address the need to clarify current law regarding contractor access to FTI and to expand this access to Tribal child support programs.

My colleagues are providing background, history, and context around this issue, so I will be speaking to the real-world impact access to FTI, and the ability to offset federal tax returns for those who owe past-due support for the benefit of their family, has on the families of my state.

The Illinois Child Support Services program serves nearly 360,000 families, which include over a half a million children. Regarding children served, child support is the third largest government program, behind only Medicaid and SNAP. Nationally, child support is one of the most cost-effective programs, and this is certainly the case in Illinois where our program collects \$4.43 for every dollar invested. In federal fiscal year 2023, we collected more than \$1.1 billion on behalf of the families of our state.

The federal offset program makes a real difference in the lives of the families we serve in Illinois. In some cases, this may be the only support a family receives during the course of any given year. On average, we collect more than \$65 million annually via the offset of federal tax returns of those who are behind in their payment of support. This \$65 million is paid on behalf of more than 44,000 families. Finally, for approximately 18,000 Illinois families, this represents the only collection they may receive in any given year. Without access to FTI, all of these families would be negatively impacted and this important element of those family's economic stability would cease to exist.

Simply, child support programs cannot operate without this critical access to FTI. As others will provide, in accordance with [45 CFR 302.60](#), [45 CFR 303.72](#), and [464 of the Social Security Act](#), states are mandated to submit past-due child support debt for collection via federal tax return offset. Even if it were possible for child support programs to operate without access to FTI, as stated previously, the impact to the families we serve would be disastrous in that it would be removing, on average, more than \$65million from the homes of Illinois families.

Additionally, contractors are a necessity in the operation of child support programs across the nation, and they have been for many years. The issue prompting my testimony today is not a new issue, as there has been a long-standing conflict of regulations between the IRS and the federal Office of Child Support Services (OCSS). What is new is that this issue and the finding related to the issue will no longer be held in abeyance. A proposed legislative fix that has recently been introduced in the Senate, [S.3154](#), by Senators Thune (SD) and Wyden (OR). This bill would not expand access but would maintain status quo. Of note, this practice has been in place for nearly 20 years and there have been no known breaches of taxpayer FTI. I specifically wanted to make mention of this fact, due to the possible misunderstanding of the word, “finding” in routine audits of child support programs. A “finding” does not denote a breach occurred or any taxpayer FTI was compromised.

Child support programs operate within a highly regulated work area subject to many safeguarding requirements in order to have access to FTI. Illinois has a ten-page policy memo that distills the 216-page [IRS Publication 1075](#) rules, requirements, and guidelines down to those to which all with FTI access must adhere. Also, our policy memo cross-references eight other security-related policy memos and procedural documents. All individuals with FTI access completed training related to this access, specifically, in addition to other confidentiality related trainings, prior to ever receiving FTI access. Further, all those who have FTI access must recertify annually by again completing this training. Finally, all individuals with FTI access are subject to a rigorous background check that must include:

- FBI fingerprinting;
- Review of local law enforcement where the individual has lived, worked, and/or attended school over the course of the last 5 years to ensure there were not any issues that may have occurred that did not rise to the level of the FBI having knowledge, but may, nonetheless, preclude the individual from FTI access;
- Citizenship/residency review;
- All must be completed again every 5 years; and
- Contractors are held to the absolute same standards, with oversight.

It is not only FTI that child support programs safeguard. Privacy and confidentiality is at the heart of our business and always has been a major component of our programs. As such, we have developed robust safeguards for personal identifying information (PII) of individual, not to mention that of their children.

If legislation is not passed to resolve the existing issue, in addition to the detrimental impact to the families we serve, as previously provided, the costs of mitigation would be enormous in dollar amounts, would be a large-scale endeavor, and would limit access to experts to assist government.

The totality of the scope of mitigation is difficult to determine at present; however, at minimum, in Illinois, this would be in the hundreds of millions of dollars. We are more than halfway through a system modernization project where we are adopting the system of another state that is already federally certified. Our new system is SAP based, meaning that it can only be maintained and upgraded via SAP contractors. If this is not addressed, then we would have to start our modernization process completely over from the beginning.

If we had to restart our system modernization efforts, it would introduce the possibility of catastrophic risk to the families we serve, as our legacy system is COBOL-based and is being maintained by programmers who are beyond the age of retirement. Most of these programmers are only continuing to work to help us bridge the period until our new system is up and running. Restarting from the beginning would likely lead to most, if not all, of our existing programmers to move toward retirement as the process of designing and implementing a new system is laborious and time consuming. Our losing these programmers is not something that could be easily remedied. We would need to start over from the beginning and create a system that could be 100% operated, maintained, and upgraded without the use of any contractors. This, endeavor would cost hundreds of millions of dollars, including the funds that have already been spent toward design and development of our modernized system. Additionally, we would need numerous full-time state staff to do this work with an annual cost of more than \$6million.

Next, we would have to maintain our practice of processing payments outside of our federally required State Disbursement Unit (SDU). In accordance with Illinois law, the SDU must be administered by a contractor. So, we would have to maintain separate payment processing devoted to just FTAX offset. Our continuing to maintain this antiquated structure in a new system would cost an estimated \$1.5million annually.

With insight and encouragement from Congress, the federal government and state governments have created incredibly successful partnerships with public and private agencies to make child support a reliable source of income for those who receive it. FTI and the federal offset process are critical components of this success. Congress needs to be aware that if action is not taken, states will be forced to abandon these partnerships and assume hundreds of millions of dollars per year in additional expense, of which the federal government will be responsible for 66%

Again, this does not need to be an eventuality and can be avoided. S.3154, the Tribal Child Support Enforcement Act, would address all of these issues and ensure the continuity of services child support programs provide to the families we serve. A similar bill passed by unanimous consent in the Senate in the previous session. S.3154 would maintain the status quo and the very narrow and unique way in which child support programs around the nation use FTI to provide services to the families of our states.

On behalf of the families of Illinois whom we serve, I thank the subcommittees for their time and attention to this important issue and for their interest in strengthening state and Tribal child support programs.