

+-----+
| LOCAL COMMISSIONERS MEMORANDUM |
+-----+

DSS-4037EL (Rev. 9/89)

Transmittal No: 95 LCM-86

Date: August 1, 1995

Division: Management Support &
Quality Improvement

TO: Local District Commissioners

SUBJECT: Suspension of driver, professional, occupational and business
licenses for failure to pay child support

ATTACHMENTS: I. Warning notice (Text in English available on line)
The printed notice included in the monthly billing
statements will look different

The purpose of this letter is to notify districts of the statewide issuance of a license suspension warning notice. This is the first important step in realizing collections through our license suspension program. In advance of specific procedures and CSMS development of our license suspension program, we wish to take full advantage of the existence of these new enforcement tools recently enacted in statute by issuing notice to respondents warning them that failure to pay child support may result in their licenses being suspended or denied. The following is important information concerning the suspension of licenses, success in other states, schedule for issuance of the notice, and the impact on local districts.

New laws allowing for suspension and/or denial of licenses

Passage of the 1995 budget included amendments to a number of laws providing for the suspension and/or denial of respondents' driver, professional, occupational, and business licenses for failure to pay child support or child and spousal support.

Success in other states

Experience in other states has demonstrated that warning notices to delinquent respondents have resulted in significant increases in collections. The State of Maine reported to OCSE in May 1995 that since August 1993, \$26 million has been collected from 13,023 chronic nonpayers; an average of \$1,996 per case. None of the obligors had made any payments prior to the notice in at least 90 days. Additionally, less than 100 respondents have had licenses suspended. California sent notices to 22,889 delinquent obligors which has resulted in 10,160 payment agreements and an estimated \$10 million in collections. Massachusetts has sent 60,000 warning notices to delinquent respondents this past year and has already collected over \$600,000.

New York's warning notice and schedule for mailing

We have prepared the warning notice enclosed with this letter which will be sent to respondents with their monthly billing statements. Mailing the warning notice with the billing statements is cost effective as there will be no extra postage cost. The notice points respondents to the billing statement to see if past due support is owed, and directs respondents to use a payment coupon when sending in payment to ensure proper crediting of their account. The warning notice will be mailed according to the following schedule:

August 5-7, 1995

Respondents who are not paying by income execution (approximately 190,000) will be sent the warning notice with their July 28, 1995 billing statements. New York City respondents will receive the notice in English and Spanish.

September 1-6, 1995

All respondents (approximately 380,000) will receive the warning notice with their August 25, 1995 billing statements along with the pre-offset notice sent each year for the state and federal income tax refund offset processes. New York City respondents will receive the notice in English and Spanish.

Impact on local districts

Local districts should expect to be contacted by respondents as a result of the mailing of the license suspension warning notice. Districts should take the following actions with regard to respondent contact:

Promptly credit arrears payment to proper accounts (Note: as required in statute, OCSE will be reviewing payment records to measure the success of sending the notices.)

Obtain and verify respondent social security numbers, residential and mailing addresses, and employer name(s) and address(es).

Advise respondents that no further action will be taken by the SCU at this time to suspend their licenses but that they may only avoid the process to suspend their licenses in the future by making full payment on all arrears/past-due support and/or by providing sufficient information to permit the SCU to implement an income execution.

Based on the experiences of other States, it is our belief that this warning notice will significantly increase child support collections, cause the satisfaction of arrears/past due support and increase cases paying by income execution. All those involved with drafting and passage of this important new law agree that the threat of license suspension or denial should prompt delinquent child support respondents to meet their support obligations, thus lessening the need to actually suspend or deny licenses.

In an effort to ensure local social services district input into this process, it has been discussed with both Cortland County Commissioner Jane Rogers, NYPWA Liaison to the Child Support Program Forum, and Chenango County Deputy Commissioner Charles Root, Forum Team Leader, both of whom fully support the initiative.

Please share a copy of this LCM with your Child Support Enforcement Unit Coordinator. Coordinators should contact the OCSE County Representative assigned to their district at (800) 343-8859 with further questions.

David P. Avenius
Deputy Commissioner
Management Support and
Quality Improvement

-----+
| WARNING: YOUR DRIVER, PROFESSIONAL, OCCUPATIONAL, AND |
| BUSINESS LICENSE MAY BE SUSPENDED OR DENIED |
+-----

New York State law now permits the support collection unit (SCU) to enforce your legal obligation to pay child support by suspending your driver license, your professional and occupational licenses, and your business licenses if you do not pay your arrears. This law applies to both licenses you currently hold and those you may wish to obtain.

If you have failed to make payments in accordance with a child support order or a child support/spousal support order, any license issued to you by the State of New York may be suspended or denied. If you pay your arrears, you will not be subject to these laws. Please check the enclosed billing statement to find out if you owe arrears.

To ensure proper credit of your payment, enclose one of the coupons provided with your billing statement. Send your payment to the address noted on the coupon.

ANY INQUIRIES REGARDING THIS NOTICE MUST BE DIRECTED ONLY TO THE SCU ADDRESS SHOWN IN THE UPPER LEFT HAND CORNER OF THE BILLING STATEMENT.

Sincerely,

Supervisor, SCU

_____(date)