



President

Daryl Wusk
Health & Human Services
Office of Economic & Family Support
220 South 17th
Lincoln, NE 68508
(402) 471-1400
(402) 471-7311 (fax)
daryl.wusk@hhss.ne.gov

Vice-President

Alisha A. Griffin
Division of Family Development
Office of Child Support & Paternity
P.O. Box 709
Trenton, NJ 08625
(609) 584-5093
(609) 588-2064 (fax)
AGriffin@dhs.state.nj.us

Secretary/Treasurer

Brenda Lyttle
Child Support Enforcement Program
Department of Family Services
2300 Capitol Avenue
Hathaway Building, 3rd Floor
Cheyenne, WY 82002-0490
(307) 777-6948
(307) 777-7747 (fax)
blyttl@state.wy.us

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The Honorable William Thomas, Chair
Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Rangel, Ranking Member
Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thomas and Congressman Rangel:

I am writing on behalf of the National Council of Child Support Directors (NCCSD) to urge the Committee to oppose proposals to reduce the federal government's percentage of funding to the child support program.

We urge you to retain the current administrative match rate level of 66 percent for the child support enforcement program, rather than reducing the level to 50 percent, as has been proposed. Such a reduction would serve to unravel many of the significant gains that have been realized since the enactment of PRWORA, and will have a tremendous negative impact on the efforts of a program that is critical to the self-sufficiency of American families.

In the Administration's FY 2006 budget proposal, the Office of Management and Budget rated the federal child support enforcement program among the highest, most efficient programs in the federal government. Since the enactment of welfare reform, states have implemented dozens of federal mandates that resulted in a record number of child support collections, more than \$21.2 billion annually. The child support program provides critical financial support to more than 16 million families, many of whom transitioned off of welfare or avoided welfare altogether due to this valuable program. Numerous studies have found that every dollar invested in administering the program generates four dollars in collections. Reducing these investments may result in one or more of the following—a reduction of collections made on behalf of families, an increase in child support caseloads, reconsideration of state policies to pass through a greater share of collections to families or increased numbers of families seeking welfare assistance, and increased Medicaid expenditures.

Reductions of the magnitude contained in the proposal pending before the Committee—more than \$4 billion over five years and 13 billion if projected from 2005 to 2015—will seriously erode the effectiveness of this critical program. Administrative functions, such as paternity establishment, court orders, new hire directories, IRS interfaces, interstate collections, and automated distribution of collections are the very core of the child support program. These reductions will ultimately lead to greater expenditures, as more families request increased assistance from state and federal budgets in the form of TANF and Medicaid applications. While the efforts of the Committee to control the rising level of expenditures in the budget are laudable, an efficient and cost effective program that reduces expenditures in other areas should continue to be funded at the current level.

Sincerely,

Daryl D. Wusk
President, NCCSD