



National Child Support Enforcement Association

Hall of the States o 444 North Capitol Street o Suite 414 o Washington, DC 20001-1512
Phone: 202-624-8180 o FAX: 202-624-8828 o E-mail: ncsea@sso.org o Web Site: www.ncsea.org

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Dear Representative:

As you prepare for the final vote on the Budget Reconciliation Bill scheduled for February 1, 2006, we ask you to **vote against** the current bill with its cuts to the child support program funding. We thank you for the action that you have taken previously to eliminate provisions that would have reduced the Federal Financial Participation and we also understand the huge responsibility you have to maintain the financial stability of the country while at the same time provide for services to its citizens. **However, the cuts to child support funding are the wrong cuts to make. If these cuts are enacted, states will lose up to \$8.55 billion and families will lose up to \$17 billion in child support collections.**

In essence, the proposed cuts:

- **reduce the child support collections to families by \$8.4 billion in the next ten years if states replace half of the lost federal funds or \$17 billion if they are not able to do so;**
- **reduce the number of local child support staff who provide direct services to families;**
- **decrease state and local child support programs ability to work with other agencies to provide special services to foster family responsibility and stability; and**
- **increase local, state and federal government spending in Medicaid, TANF, Food Stamps, and other means-tested social service programs.**

The budget conference agreement contains large funding cuts to the child support program and, in turn, to the collections made for America's families in need. The bill would repeal the long-standing authority that allows states to use their performance incentive payments as part of the state match for drawing down federal funds. The Congressional Budget Office (CBO) estimates that the reduction in funding will be \$4.9 billion over ten years, **but it is important to note that this estimate is based on states using their own funds to replace one-half of the federal funds.** The Center for Law and Social Policy (CLASP) estimates that the real effect will be a reduction in funding of \$8.55 billion over those ten years if states are not able to add state funds to child support program budgets. **CLASP further estimates that \$17 billion in support payments would go uncollected unless states replace the lost federal funds.**

Our members report that the latter figure is more realistic as their states are in no fiscal position to add dollars to the child support budgets and the cuts in federal funding to other programs will only make this less likely. The funding cuts would severely restrict the ability of local human service agency workers, prosecutors, law enforcement agents, judges and court officials to provide services to your constituents in both local and interstate child support cases. Indeed, our

members report that staff reductions in local offices would be as high as 30%. **These cuts to local child support programs are likely to result in lowered performance rates and fiscal penalties in many jurisdictions.**

The bill also would **impose a \$25 annual fee** on cases in which a state collects \$500 or more annually and the recipient had never received public welfare benefits and **reduce federal funding for efforts to establish paternity for children.**

Below are some key points and information that we urge that you consider.

1. Nationally, the child support program provides critical financial support to more than 16 million families. Child support collections have allowed many to leave the welfare rolls or to avoid welfare altogether.
2. In federal fiscal year 2004, \$19.6 billion in child support collections were transferred to families from the non-custodial parent through the work of state and local child support enforcement agencies. These are private not public dollars. In addition, child support collections of \$2.3 billion were returned to the state and federal governments to reimburse TANF grants paid to families.
3. In FFY 2005 alone, more than 300,000 families (16.6%) were able to close their TANF cases due to the receipt of child support collections. Former welfare families receiving child support are also more likely to retain jobs than those who are not receiving child support.
4. Child support enforcement programs provide more than money. The program also supports a range of programs and services that support healthy involvement of the non-custodial parent in his or her child's life.
5. Non-custodial parents who regularly pay child support are more likely to stay actively and responsibly involved with their children. Children supported by two parents, whether or not the parents live together, are less likely to drop out of school, become teen parents, engage in drug or alcohol abuse, or become involved in the juvenile justice system or child protective services.
6. Although family law has generally been within the sole purview of the state, the child support program operates under extensive federal mandates. States have supported these mandates to improve program performance and provide uniform enforcement in interstate cases, recognizing that federal funding assisted states in meeting these mandates. Reductions in federal funding will greatly impede states' ability to ensure compliance with the federal mandates and offset the intended positive results of federal legislation.
7. Orders for parents to provide medical insurance reduce Medicaid costs by tens of thousands of dollars per child during the child's minority. According to the HHS CMS, in 2000, Medicaid paid out annually an average of \$1,358 per child for health care.

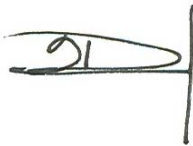
We have noted that in your deliberations you have stated in more than one session that the intent of your budget reductions is to ensure that programs are funded which meet the needs of the American family and do so efficiently. We urge you to consider that the child support program does that. Indeed, the Congress's action to provide performance-based incentives has allowed states, with federal leadership, to make real improvements in the services they provide to the

families in your District. In like manner, there are very strict federal penalties against TANF funds for states and the loss of federal funding will likely put many states at risk of these penalties further reducing funds and their ability to serve families.

We represent the four (4) largest organizations whose members are dedicated to the administration of the national child support program. The combined membership of the National Child Support Enforcement Association (NCSEA), the Eastern Regional Interstate Child Support Association (ERICSA) and the Western Interstate Child Support Enforcement Council (WICSEC) includes not only public child support administrators but also judges, court masters, hearing officers, government and private attorneys, social workers, advocates, and corporations that partner with government to provide child support services. The National Council of Child Support Directors' (NCCSD) members are the directors of the child support programs of the states, territories and the District of Columbia. Together, we work to provide training services and policy and program development with a goal of improving our combined ability to collect child support from parents and ensure the financial and emotional well-being of children.

We stand ready to provide more information to you and urge you to contact your state and local child support staff to better understand the impact on your local area.

Sincerely,



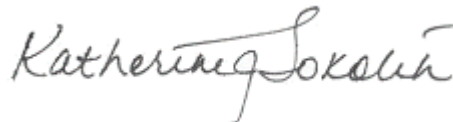
Vernon Drew
President
National Child Support Enforcement Association



Jeff Ball
President
Eastern Regional Interstate Child Support Association



Daryl Wusk
President
National Council of Child Support Directors



Kathy Sokolik
President
Western Interstate Child Support Enforcement Council