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U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker and Members of the House of Representatives:

I am writing on behalf of the National Council of Child Support Directors (NCCSD) to urge the Committee to oppose the drastic cuts to the child support program recommended by the House Ways and Means Committee as part of the budget reconciliation package that is currently under consideration in the House of Representatives. These cuts are severe and will result in major impact to families and children by dramatically affecting their ability to gain or maintain self-sufficiency. These cuts will also have dramatic effect on states, counties and local communities. NCCSD's membership includes the director of the IV-D child support program of each state and territory.

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.

We also urge you to oppose the cuts that would eliminate the ability for states to use federal incentive funds earned through performance improvements as the state's share of expenditures eligible for federal matching. These cuts will have a devastating effect on America's most vulnerable children – those 25% who live in single-parent 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 will result in 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 House — 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.

Thank you for your consideration of these important matters. If you have any questions please contact me at (402) 471-7341

Sincerely,

Daryl D. Wusk
President, NCCSD