



## ***CHILD SUPPORT INCENTIVE EARNED REVENUES HOUSE PROPOSAL WILL IMPACT EFFECTIVENESS OF PROGRAM***

A proposal is in the House Budget Reconciliation Bill (H.Con.Res.95) that limits the present state practice of using Child Support Incentive Earned Revenues to match federal funds. Following are reasons why the American Public Human Services Association is in opposition to the proposal.

### ***It Under-Mines The On-Going Effectiveness Of the Program, Which The White House Has Identified As The Highest Rated Performing Program In The Federal Government?***

According to the Office of Management and Budget, the Child Support Enforcement Program (CSE) received a Performance Assessment Rating Tool (PART) score of 90% "making it the highest rated social services program and the highest rated block/formula grant program amongst all programs reviewed government-wide." While CSE has shown improvements in performance every year since welfare reform was enacted by Congress in 1996, much more remains to be done to ensure that America's children receive the child support they are due, on time and in full. Now is not the time to cut back on the use of incentives by States to draw down additional Federal funding to increase collections as more families leave welfare to become self-sufficient.

### ***The House Bill Creates New Authority to Match Marriage Funds With Federal Funds But Prohibits The Same Practice In Child Support.***

The House budget reconciliation bill includes HR 240 that provides \$1 billion in new federal funding for marriage promotion activities and research. Under this provision, states may use federal TANF funds to match federal marriage promotion grants. However, the reconciliation prohibits states from using federal child support incentive funds to match federal child support enforcement funds. For more than a decade, states have been permitted to use these performance bonuses to continue to invest in their child support programs. On the one hand, the authors of this provision have characterized this child support matching provision as "double dipping" and have acted to prohibit it. On the other hand, they create a similar provision for marriage promotion.

### ***Incentive Revenues, reinvested and then matched with additional Federal funds provide a strong motivation for States to continue to improve their enforcement programs.***

CSE is a complex program, requiring collaboration among many State agencies such as courts, welfare, child protective services, Medicaid, criminal justice, vital records, motor vehicles, worker's and unemployment compensation, as well as private entities such as employers, financial institutions, and birthing hospitals. In addition, complex computer systems are required to conduct data matches, manage millions of cases, and collect and disburse billions of dollars. Presently, states use incentive grants throughout their programs at both state and county levels – supporting better customer service, funding staff positions, upgrading outdated computer systems. According to the Congressional Budget Office, this proposal would save the Federal government and cost State governments \$1.646 billion over a short 3 year period (2008-2010). Unlike other social services programs, CSE returns more than \$4 for every dollar spent. Eliminating the ability to use incentive dollars for the Federal matching funds will significantly impede States' ability to establish paternity and establish and enforce child and medical support orders, and will result in foregone child support collections – collections that families leaving or avoiding welfare depend upon for economic survival.