

Cuts to Child Support Enforcement in Budget Bill Will Cost Families \$8.4 Billion or More in Uncollected Child Support

- **The final budget bill (S. 1932) cuts federal funding for child support enforcement by \$4.9 billion or more over ten years.** The child support cuts in the conference report are not as deep as in the original House budget reconciliation bill, but are still substantial: S. 1932 eliminates the federal match for incentive payments reinvested by states in child support enforcement programs.

CBO estimates that eliminating the federal incentive match will result in a *net* reduction in federal funds of \$4.9 billion over ten years (\$1.6 billion over five years). This estimate assumes that states will use their own funds to replace half of the federal spending reduction. However, states face other new costs under the budget bill; if states do not replace lost child support enforcement funds, they could lose \$8.55 billion over ten years—a 20 percent cut—according to the Center on Law and Social Policy (CLASP).

- **The child support cuts will cost families \$8.4 billion or more in uncollected child support.** CBO estimates that the cut in federal funding from the elimination of the federal incentive match will cost families \$8.4 billion in child support in the form of payments owed to children by their non-custodial parents that will go uncollected. And this estimate—which finds that children will lose more from this cut than the federal government will save—assumes that states replace half of the spending reduction. If states fail to do so, children will lose twice as much: \$17 billion in uncollected support over the next ten years (CLASP estimate).
- **The federal incentive match is key to the performance-based funding system for the child support enforcement program—not "double dipping."** The federal government has matched the incentive payments that states reinvest in their child support enforcement programs since the early days of the child support program. In 1998, Congress overhauled the incentive payment system to create a more performance-based system. States are evaluated on five performance measures that determine whether they will receive full, partial or no incentive payments—or penalties. States are now required to reinvest incentive payments in the child support program or related activities and are eligible for a federal match on the reinvested incentive payments. This carefully designed system has given states the incentives and resources they need to improve their child support enforcement programs. *None of President Bush's budgets nor any of the welfare reauthorization bill passed by the House or the Ways and Means Committees in the past four years proposed elimination of the federal incentive match.*
- **These cuts to child support enforcement threaten a decade of progress.** The performance-based funding system has helped states double their child support collection rates in the last decade—and helped millions of families toward self-sufficiency. As funding is cut, performance will erode, leaving children without the support they deserve from both parents.

Source: Vicki Turetsky, [*Families Will Lose at Least \\$8.4 Billion in Uncollected Child Support If Congress Cuts Funds—and Could Lose Billions More*](#) (January 18, 2006).

Comparison of 10-Year Cuts If States Do Not Replace Lost Funds or Replace Half of Funds

State	If States Do Not Replace Any Funds (\$ millions)	If States Replace Half of Funds (\$ millions)
Nationwide	-\$8,550.0	-\$4,893.0
Alabama	-\$73.9	-\$42.3
Alaska	-\$36.4	-\$20.9
Arizona	-\$94.0	-\$53.8
Arkansas	-\$63.3	-\$36.2
California	-\$827.1	-\$473.3
Colorado	-\$91.0	-\$52.1
Connecticut	-\$65.1	-\$37.2
Delaware	-\$23.8	-\$13.6
Dist. Columbia	-\$11.3	-\$6.4
Florida	-\$472.4	-\$270.4
Georgia	-\$199.1	-\$114.0
Hawaii	-\$29.5	-\$16.9
Idaho	-\$44.0	-\$25.2
Illinois	-\$159.0	-\$91.0
Indiana	-\$133.4	-\$76.3
Iowa	-\$136.5	-\$78.1
Kansas	-\$62.3	-\$35.6
Kentucky	-\$143.7	-\$82.2
Louisiana	-\$110.7	-\$63.4
Maine	-\$44.1	-\$25.2
Maryland	-\$103.2	-\$59.0
Massachusetts	-\$172.7	-\$98.8
Michigan	-\$547.5	-\$313.3
Minnesota	-\$245.7	-\$140.6
Mississippi	-\$61.1	-\$35.0
Missouri	-\$198.2	-\$113.4
Montana	-\$20.0	-\$11.4
Nebraska	-\$68.5	-\$39.2
Nevada	-\$25.5	-\$14.6
N. Hampshire	-\$34.0	-\$19.4
New Jersey	-\$307.6	-\$176.1
New Mexico	-\$18.3	-\$10.5
New York	-\$495.3	-\$283.4
North Carolina	-\$241.2	-\$138.0
North Dakota	-\$29.0	-\$16.6
Ohio	-\$580.8	-\$332.4
Oklahoma	-\$64.7	-\$37.0
Oregon	-\$112.2	-\$64.2
Pennsylvania	-\$499.7	-\$286.0
Rhode Island	-\$23.9	-\$13.7
South Carolina	-\$67.9	-\$38.9
South Dakota	-\$28.6	-\$16.4
Tennessee	-\$146.3	-\$83.7
Texas	-\$659.5	-\$377.4
Utah	-\$69.3	-\$39.6
Vermont	-\$22.5	-\$12.9
Virginia	-\$201.0	-\$115.0
Washington	-\$253.2	-\$144.9
West Virginia	-\$71.1	-\$40.7
Wisconsin	-\$273.6	-\$156.6
Wyoming	-\$22.2	-\$12.7

CLASP calculations based on December 17, 2005 Congressional Budget Office preliminary estimates of federal savings assuming that states replace half of the lost federal funds. The total cut was allocated by state based on each state's 2004 share of child support incentive payments (unpublished data).