



COALITION ON HUMAN NEEDS

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Testimony of the Coalition on Human Needs
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Submitted to the Subcommittee on Income Security and Family Support
Committee on Ways and Means
U.S. House of Representatives

Hearing on the Impact of Recent Changes to
Programs Assisting Low-Income Families

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The Coalition on Human Needs is an alliance of national organizations working together to promote public policies that address the needs of low-income and other vulnerable people. Our diverse members share a common commitment to ensuring that our government understands and responds to the needs of this nation's most vulnerable families. We therefore appreciate, and applaud, your efforts to identify and remedy the adverse impact of recent legislative – and regulatory – changes on critical programs serving low-income families.

We strongly believe that many members of Congress did not have adequate opportunity to review, debate, or amend changes being made to the Temporary Assistance for Needy Families (TANF) when it was reauthorized as part of the omnibus Deficit Reduction Act of 2005 (DRA). Debating hundreds of pages of legislation through the night with no advance opportunity to see the text is not the best way to enact complex legislation. As a result, the TANF reauthorization law contains many flaws. Among others, those include the substantial increase in rigidly defined work participation, the reduction in state flexibility to respond to the real needs of participants by individualizing work requirements, the removal of the federal match for child support incentive payments, reduction in federal funding to establish paternity, and imposition of a \$25 fee for low-income parents receiving child support assistance.

It is worth noting that the reauthorization of TANF was disappointing not only for what was included in the legislation, but also for what it left out. Much has been learned since TANF's inception about how to encourage work and improve family incomes. The legislation fails to reward states that supplement low wages, place parents in better jobs, and support job retention, and instead simply ratchets up the incentives to close cases regardless of parents' readiness for work. The reauthorization leaves in place a 90 percent work participation rate for two-parent families that has been uniformly criticized as hopelessly unrealistic. In addition, Congress should allow states to count a broader range of education and training activities towards satisfying the work requirement, in order to give more parents a chance at above-poverty pay.

¹ Many thanks to Kevin Hsu, Luke van Houwelingen, Kevin Barry and Heather Sawyer of the Federal Legislation Clinic, Georgetown University Law Center, for their help developing this testimony.

The interim final rules – issued by the Department of Health and Human Services (HHS) this past summer to implement the DRA – exacerbated these flaws. HHS made more families subject to the work requirements and narrowly defined countable work activities, unnecessarily restricting the states’ flexibility to use work-related activities that have proven effective in helping families get and keep better jobs. These changes have a particularly devastating impact on individuals with disabilities, who may be able to participate only if work activities or hours are modified to meet their individualized needs. Under the DRA – as interpreted by HHS – a state may fail to meet federal work participation requirements when it individualizes a work program to accommodate an individual with a disability, as is required by the Americans with Disabilities Act of 1990 (ADA) and Section 504 of the Rehabilitation Act of 1973 (Section 504).

HHS will be issuing its final rules in September 2007 and may take this opportunity to revise its rules in a manner that allows states to count the participation of persons with disabilities in work activities, even if the work activity or number of hours of participation do not match the standard requirements. But there is no guarantee that this will happen and the risk for individuals with disabilities – who now face possible sanction and removal from critical assistance and support – and on the states – who now face penalties for failing to meet rigid work participation requirements – is simply too great. Congress should fix these problems now.

Congress should feel similar urgency to take action to correct other flaws in the Deficit Reduction Act or the HHS interim final regulations. Cutbacks in child support enforcement that are about to be implemented will undermine the program’s success and hurt families. Speedy Congressional action can avert this damage. Legislative action is also needed to make work rates more reasonable for two-parent families and to allow a broader range of allowed work activities for all TANF adults, including more education and training. While many aspects of the DRA deserve additional study and remedial legislation, we focus below on changes to TANF to ensure that states accommodate individuals with disabilities, and critical action needed to restore funding for child support enforcement.

**Ensure that States Accommodate the Needs of Individuals with Disabilities,
As Required by the ADA and Section 504.**

When TANF was created as part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, it explicitly provided that Section 504 of the Rehabilitation Act and Title II of the Americans with Disabilities Act (ADA) apply to Temporary Assistance for Needy Families (TANF) programs.² In a 2001 guidance, the Office for Civil Rights of HHS made clear that these anti-discrimination laws require TANF agencies to provide every recipient with “(1) individualized treatment; and (2) an effective and meaningful opportunity” to participate in TANF programs. To do this, states must consider the specific facts of each case, and must identify and remove possible barriers to participation by modifying program requirements or by providing reasonable accommodations, auxiliary aids and services that make recipients’ participation meaningful and effective.³

² 42 U.S.C. § 608(c)(2)-(3). The ADA (through Title II) and Section 504 prohibit discrimination against individuals with disabilities by all states and other entities administering all or part of a TANF or TANF-related program, regardless of whether they receive TANF funds, other federal funds, or state MOE funds. See, Office for Civil Rights, U.S. Dep’t of Health & Human Servs., “Prohibition Against Discrimination on the Basis of Disability in the Administration of TANF (Temporary Assistance for Needy Families),” at Part A.1, 2001, *available at* <http://www.hhs.gov/ocr/prohibition.html> [hereinafter OCR Guidance].

³ OCR Guidance, *id.* at Part B.

It is critical that states take these anti-discrimination obligations seriously given the high number of TANF applicants and recipients with physical or mental impairments. In its 2001 guidance, OCR noted that “as much as 40 percent of the adult welfare population may have learning disabilities . . . up to 28 percent of welfare beneficiaries have mental health conditions. A significant number of these beneficiaries also have physical disabilities, while some have multiple impairments or face multiple barriers to work.”⁴ A subsequent GAO report found that 44% of TANF recipients have at least one physical or mental health impairment, which is three times higher than the rate of non-recipient adults.⁵

Prior to enactment of the DRA and the accompanying HHS’ interim final regulations, states had flexibility to craft appropriate, individualized programs for individuals with disabilities. States could, for example, use separate state MOE funds to provide supportive services or assistance without demanding that individuals meet federal work requirements. Alternately, because the statutory work activity categories remained undefined, states could work within the broad categories of countable work activities to fashion programs that allowed individuals with disabilities to fulfill federal work requirements. Through these approaches, families with disabled family members were less subject to risk of sanction for failure to meet work requirements, and states did not risk penalty for failing to meet federal work participation rates when they appropriately accommodated individuals with disabilities.

The Deficit Reduction Act (DRA), as currently implemented by HHS, makes drastic changes to this framework that place families and states at risk. First, many more individuals with disabilities are now counted as part of a state’s work participation rate, increasing the pressure on states to require these individuals to meet federal work rules so that the state can meet federal work participation rates.⁶ At the same time, HHS has narrowly defined what activities count within each of the 12 statutory work categories, leaving little room for states to craft individualized programs. States get no credit for engaging an individual in work-related activities that fall outside the narrow definitions included in HHS’ regulations, even if those activities help move a recipient towards employment. Similarly, states get no credit for individuals with disabilities who are able to participate in defined work activities but cannot participate for the requisite hours (e.g., 20-30 hours per week for a single-parent family).⁷

⁴ OCR Guidance, *supra* n. 1, at Part A.2.

⁵ U.S. Gen. Accounting Office, *Welfare Reform: Former TANF Recipients with Impairments Less Likely to be Employed and More Likely to Receive Federal Supports*, (GAO-03-210), Dec. 2002, *available at* <http://www.gao.gov/new.items/d03210.pdf>.

⁶ The DRA, as implemented by HHS, counts two new groups of TANF recipients in calculating a state’s work participation rate: non-recipient parents who have child beneficiaries and individuals who were receiving assistance or support through separate state MOE funds. Because many states previously used separate MOE funds to establish individualized programs for those recipients facing significant barriers to employment, as is true of many recipients with disabilities, including adults served through separate state MOE funds will increase the number of individuals with disabilities who will be used in calculating a state’s work participation rate and, therefore, subject to federal work requirements and sanction for failing to meet those requirements. DRA § 7102(a)-(b). By now including adult non-recipients who have child beneficiaries – a group that will contain parents with disabilities that may prevent them from fulfilling the narrow definitions of work activities set out by HHS – the DRA and accompanying regulations have further increased the number of countable adults who cannot meet the federal work requirements, again placing undue pressure on states and on families with disabilities. Reauthorization of the Temporary Assistance for Needy Families Program, 71 Fed. Reg. 37376-37377 (proposed June 29, 2006) (to be codified at 45 CFR §§ 261.20-261.25).

⁷ Comments from Ctr. for Law & Social Policy to Admin. for Children & Families, Dep’t of Health & Human Servs. (Aug. 28, 2006), at 34 (regarding Interim Final Rule Implementing Reauthorization of the Temporary Assistance for Needy Families Program), *available at* <http://www.clasp.org/publications/commentstohhsontanfinterimfinalrule.pdf>.

Under this framework, states are faced with an impossible choice: either (1) force individuals with disabilities to participate in countable work activities without any modification, which means that the state cannot meet its non-discrimination obligation; or (2) exempt individuals with disabilities from work participation requirements entirely. Neither alternative is acceptable, and HHS' response – that it set the work participation rate only at 50% to allow states to accommodate individuals with disabilities – shows an indifference to real world implementation of the work requirements. Nancy Ford, Administrator of Nevada's Division of Welfare and Supportive Services, clearly illustrates the problem in her testimony before this Subcommittee. She points out that only 62 percent of their caseload is considered capable of participating in full-time activities; meeting the 50 percent rate would require 81 percent of them to be complying with the federal rules.⁸ Such a high rate of participation is unlikely, given that in any month, certain numbers of parents are not participating because they are waiting for assessments to occur, for programs to begin, or for child care or transportation arrangements to be completed. States will find it very difficult to exclude the four in ten of TANF adults with physical or mental impairments from participation requirements, but now cannot devise activities appropriate to their needs.

The law should encourage – rather than discourage – states that work to increase the independence, self-sufficiency, and employability of individuals with disabilities. Current law fails to do so, and Congress should fix this, as recommended below.

A. Credit barrier removal activities or modified work activities as countable work activities.

There are several ways that Congress can ensure that the definition of countable work activities ensures that states accommodate TANF recipients with disabilities. These include:

- crediting barrier removal activities toward work requirements (for example, by creating a new category for barrier removal activities or expanding existing statutory categories to include these activities); and
- crediting an individual's participation in statutory work activities when those activities have been modified to accommodate the individual's disability.

B. Allow states to deem the number of hours that a TANF recipient with a disability or an individual caring for a family member with a disability actually participates to be the number of hours required under the work participation rate.

Many individuals with disabilities will be able to participate in one or more of the countable work activities but will not be able to do so for the required number of hours per week (e.g., 20-30 hours per week for single-parent families). Congress should allow states to count the actual hours that TANF recipients with disabilities are able to work as meeting the full required number of hours. Similarly, Congress should recognize that individuals may not be able to meet

⁸ See, e.g., *Hearing on Recent Changes to Programs Assisting Low-Income Families Before the Subcomm. on Income Security & Family Support of the H. Ways & Means Comm.*, 110th Cong. 3 (2007) (statement of Nancy K. Ford, Administrator, State of Nevada Division of Welfare and Supportive Services) (stating that, given Nevada's FY 2006 participation rate of 43%, and recalculating to take into account individuals who were served in the state MOE program, as well as the 38% of caseload with significant barriers to employment, 81% of the remaining households would need to meet participation in order to meet the all-family work participation rate of 50%).

the required number of hours because they are caring for a family member with a disability,⁹ and should allow states to deem the number of hours actually worked as meeting the requisite number of hours under the work participation rate.

C. Exclude individuals with severe disabilities from the work participation rate.

Individuals who have applied but have not yet been approved for Supplemental Security Income (SSI), and individuals with severe, temporary disabilities who would be eligible for SSI but for the durational requirement, should not be considered “work-eligible” By the same reasoning that a parent who has medical documentation to support their need to remain home to care for a family member with a disability is not counted in the work participation rate, parents who have medical documentation to support that they themselves are unable to participate in work activities should not be included in the rate. Given the lengthy process of SSI approval, subjecting individuals with severe disabilities to work requirements – and resulting sanctions for failing to meet those requirements -- means that people with the greatest need for assistance will lose their benefits. As with the current regulations regarding persons receiving SSI,¹⁰ states should be allowed to receive credit toward their work participation rates for any individuals under this category who are able to participate on a case-by-case basis.

Prevent a Decade of Progress from Unraveling: Restore the Federal Match on Incentive Payments Cut by the DRA

Child support has an enormous impact on the lives of millions of children – it helps to bring more than one million children out of poverty each year,¹¹ and has become the second largest income source for low-income families who receive it, next to mothers’ earnings.¹² Created in 1974 under the Social Security Act, the Child Support Program has been exceptionally successful: in 2005, the Child Support Program served almost 17.2 million children¹³ and collected over \$23 billion for families – a 5.2% increase over the prior year.¹⁴ Since the 1998 congressional overhaul of the Child Support Program, states have more than doubled their child support collection rates.¹⁵

The Child Support Program is not only a successful program, but is also an extraordinarily cost effective one – the Program collected \$4.58 for every dollar spent on

⁹ HHS currently excludes individuals who are caring for “a disabled family member living in the home who does not attend school on a full-time basis,” 45 CFR §261.2(n)(2)(i), but this exclusion is not sufficient to cover individuals who may have significant caregiving responsibilities for a family member who does not reside with them (e.g., a parent or sibling).

¹⁰ 45 CFR §261.2(n)(1)(iii).

¹¹ VICKI TURETSKY, THE CHILD SUPPORT ENFORCEMENT PROGRAM: A SOUND INVESTMENT IN IMPROVING CHILDREN’S CHANCES IN LIFE, CENTER FOR LAW AND SOCIAL POLICY (CLASP) 2, 4 (Oct. 2005), http://www.clasp.org/publications/cfy-safetynet_final2.pdf [hereinafter A SOUND INVESTMENT].

¹² Vicky Turetsky, *What If All the Money Came Home?: Welfare Cost Recovery in the Child Support Program*, 43 FAM. CT. REV. 402, 404 (July 2005); A SOUND INVESTMENT, *supra* note 10, at 3.

¹³ CHILD SUPPORT ENFORCEMENT, FY 2005 PRELIMINARY REPORT, PROGRAM HIGHLIGHTS, OFFICE OF CHILD SUPPORT ENFORCEMENT, DEPARTMENT OF HEALTH AND HUMAN SERVICES (May 2006), http://www.acf.hhs.gov/programs/cse/pubs/2006/reports/preliminary_report/.

¹⁴ *Id.*

¹⁵ VICKI TURETSKY, FAMILIES WILL LOSE AT LEAST \$8.4 BILLION IN UNCOLLECTED CHILD SUPPORT IF CONGRESS CUTS FUNDS-AND COULD LOSE BILLIONS MORE, CLASP 3 (Jan. 18, 2006), <http://www.clasp.org/publications.php?id=4&year=2006#0> [hereinafter FAMILIES WILL LOSE].

enforcement in 2005,¹⁶ and has been lauded by both the White House Office of Budget and Management and the Department of Health and Human Services for its cost effectiveness.¹⁷ Moreover, by ensuring that both parents provide for their children's daily needs, the Child Support Program increases family self-sufficiency and decreases the need for public assistance. In 2004, child support payments allowed more than 300,000 families to leave Temporary Assistance to Needy Families.¹⁸ Families receiving child support receive welfare benefits less often, leave welfare sooner,¹⁹ are more likely to be employed and less likely to be poor.²⁰ Fathers who pay child support are more involved with their children,²¹ and there is strong evidence that child support enforcement increases recipient children's educational attainment,²² reduces divorce rates,²³ and deters non-marital births.²⁴

State and federal governments jointly administer the Child Support Program, with states paying 34% of the costs of the Program, and the federal government making up the other 66% in federal matching funds.²⁵ In addition, the federal government rewards high performing state programs with incentive payments.²⁶ Congress amended the law in 1998 to require that states reinvest these incentive payments back into their child support programs.²⁷ If a state fails to meet minimum performance standards, the federal government will withhold one to two percent of TANF funds, which the state must then replace with state funds.

This shared funding and incentive scheme has contributed to the dramatic success of the Child Support Program in assisting millions of American families – most of them poor or near poor.²⁸ The Program's success also garnered significant bipartisan support for maintaining funding levels. When the Deficit Reduction Act was being considered in late 2005 and early 2006, many members of both parties and both chambers of Congress spoke out against cuts to the Program. Senator John Cornyn, for example, spoke on the Senate floor to strongly urge proposed cuts not be included in the final bill, and cited as support his experience overseeing Texas' child enforcement program when he was attorney general, the Child Support Program's high ratio of collections to federal spending, its high rating from the OMB, and the increased engagement of fathers in their children's lives that results from effective enforcement.²⁹ The Senate unanimously passed a sense of the Senate amendment that the reconciliation bill should not contain any cuts, and both chambers passed instructions to their respective conference

¹⁶ Fact Sheet, Office of Child Support Enforcement, Department of Health and Human Services, http://www.acf.hhs.gov/opa/fact_sheets/cse_factsheet.html.

¹⁷ Department of Health and Human Services, 2007 Budget in Brief, at 87, *available at* <http://www.hhs.gov/budget/docbudget.htm>

¹⁸ VICKI TURETSKY, IT MAKES SOUND FISCAL SENSE TO RESTORE FUNDING FOR CHILD SUPPORT ENFORCEMENT, CENTER FOR LAW AND SOCIAL POLICY (CLASP).

¹⁹ *Id.*

²⁰ A SOUND INVESTMENT, *supra* note 10, at 2, 3.

²¹ *Id.* at 4

²² BARNOW, ET. AL, THE POTENTIAL OF THE CHILD SUPPORT ENFORCEMENT PROGRAM TO AVOID COSTS TO PUBLIC PROGRAMS: A REVIEW AND SYNTHESIS OF THE LITERATURE, PREPARED FOR HHS 46-48 (April 2000).

²³ *Id.* at 40-43.

²⁴ *Id.* at 44-46.

²⁵ Title IV of the Social Security Act, 42 U.S.C. § 655(a)(1)(A), (a)(2)(C).

²⁶ 42 U.S.C. § 658a.

²⁷ Child Support Performance and Incentive Act of 1998, Pub. L. No. 105-200, Title II, § 201(a), 112 Stat. 648 (1998); *see* H.R. REP. NO. 105-422 at 33-34 (1998).

²⁸ Vicky Turetsky, *What If All the Money Came Home?: Welfare Cost Recovery in the Child Support Program*, 43 FAM. CT. REV. 402, 404 (July 2005).

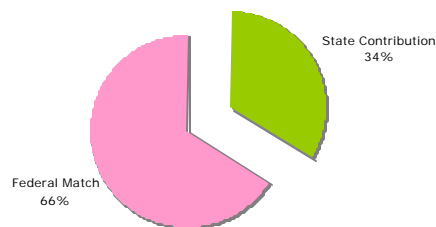
²⁹ 151 CONG. REC. S13326-28 (Nov. 18, 2005) (statement of Sen. Cornyn).

committee delegates to the same effect.³⁰ Unfortunately, the bill that the President ultimately signed on February 8, 2006 contained major cuts to the Child Support Program.³¹

The DRA's cuts impact the Child Support Program in three significant ways. First, the DRA reduces the enhanced federal match rate for laboratory costs to establish paternity from 90% to 66%, which threatens to roll back the great improvements made in establishing paternity over the last few years.³² Second, the DRA requires states to collect an annual fee of \$25 from families who have never received TANF funds and whose collections are at least \$500, imposing a cost on families already struggling to make ends meet that will discourage some parents from participating in the Child Support Program.³³ Finally, effective October 1, 2007, the Deficit Reduction Act will prohibit states from claiming federal matching funds on federal incentive payments.³⁴ Elimination of the federal match will have an immediate and very negative impact on the Child Support Program and the millions of American children who rely on child support to meet their daily needs.

Currently, the federal government funds 66% of the costs of the Child Support Program.

Federal v. State Contribution to Child Support Enforcement Program



³⁰ FAMILIES WILL LOSE, *supra* note 14, at 1.

³¹ Deficit Reduction Act of 2005, Pub. L. No. 109-171, 120 Stat. 4 (Feb. 8, 2006) [hereinafter DRA].

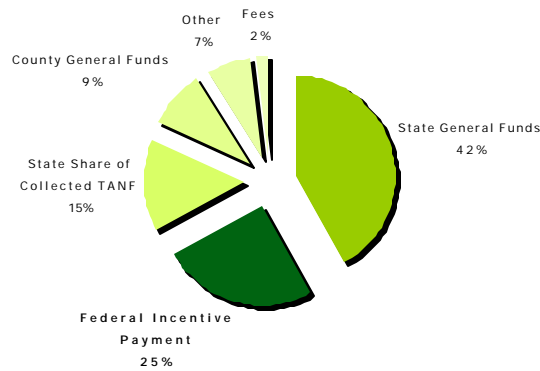
³² DRA § 7308, 42 U.S.C. § 655(a)(1)(C); A SOUND INVESTMENT, *supra* note 10, at 2 (“[Since] 1993, the number of cases in which the paternity relationship between fathers and their children is legally established each year by [the child support enforcement program] has nearly tripled”).

³³ DRA § 7310, 42 U.S.C. § 654(6)(B)(ii); *see* Testimony of Bruce Wagstaff, Director, California Department of Human Assistance Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, U.S. House of Representatives, Hearing on Recent Changes to Programs Assisting Low-Income Families, at 7 (March 6, 2007) [hereinafter Wagstaff Testimony].

³⁴ DRA § 7309 (to be codified at 42 U.S.C. § 655(a)(1)).

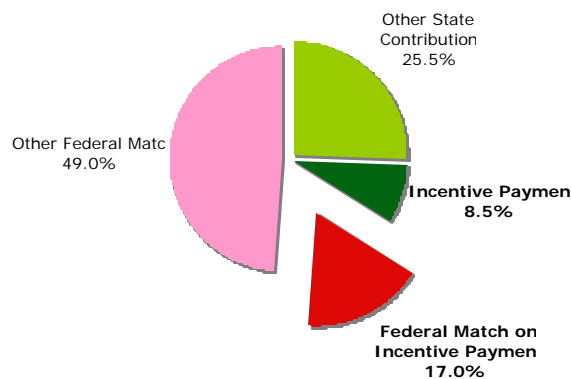
States come up with the other 34% in a variety of ways – generally, from a combination of federal incentive funds and state and county general funds. Federal incentive payments generally account for about a quarter of each state’s contribution.³⁵

Breakdown of State Contribution to Child Support Enforcement Program



Although the incentive payments themselves account for only 8.5% of the total funds for the program, each dollar of this incentive is matched by nearly two more dollars through the general reimbursement rate of 66%. The federal match, in effect, triples the value of the incentive funds to states.

Breakdown of Federal v. State Contribution



³⁵ These percentages and the figures in the appendix are based on a hypothetical average state child support enforcement budget, prior to the implementation of Section 7309 of the DRA. See MICHAEL FISHMAN, KRISTIN DYBDAL & JOHN TAPOGNA, STATE FINANCING OF CHILD SUPPORT ENFORCEMENT PROGRAMS, FINAL REPORT, PREPARED FOR PLANNING AND EVALUATION AND OFFICE OF CHILD SUPPORT ENFORCEMENT, DEPARTMENT OF HEALTH AND HUMAN SERVICES 8, http://www.acf.hhs.gov/programs/cse/pubs/archive.html#hhs_report; see also FAMILIES WILL LOSE *supra* note 14, at 3.

As a result, in 2008, when the anticipated cut goes into effect, states will receive \$483 million in federal incentive payments, but they will lose \$937 million in federal matching funds.³⁶ Federal incentive payments will only be worth one-third of what they were prior to the DRA. This is not what Congress intended. Since the early days of the Child Support Program, states have been allowed to draw down federal matching funds through the use of incentive payments reinvested in reimbursable child support activities.³⁷ In order to increase the pool of funds available to states – especially poorer and small states – to improve their child support performance, Congress intended to allow high performing states to receive federal matching funds on incentive payments reinvested back into their child support programs.³⁸ Reducing the value of federal incentive payments by two-thirds would have the opposite result – shrinking the pool of funds available to states and undermining child support performance.

The Congressional Budget Office (CBO) estimates that even if states use their own funds to make up for half of the anticipated shortfall, the elimination of the federal match on incentive funds will result in a net reduction of \$6.7 billion in enforcement funding over the next ten years.³⁹ But many states may not be able to replace these funds in light of other funding demands, including increased costs of meeting the new TANF requirements detailed above.⁴⁰ The net reduction over the next ten years may therefore be far higher. The Director of the California Department of Human Assistance testified before this Subcommittee that his state faces a loss to its child support program of over \$90 million a year.⁴¹ Other states face devastating losses as well: \$60 million in Ohio, \$28 million in Michigan, \$10 million in New York, \$7 million in Indiana, and \$5.3 million in North Carolina.⁴² In Ohio, the only way for the state child support program to compensate for the loss of funds will be to reduce approximately 25% of its staff.⁴³

A corollary to the adage “if it ain’t broke, don’t fix it” ought to be “if it’s working, encourage it.” That is in fact exactly what the reinvestment of incentive payments has achieved. Over the last ten years child support collections have doubled, helping families receive money they are owed and badly need, and reducing the amount of federal dollars spent on other assistance programs. But the DRA’s cuts say “if it’s working, break it.”

Cutting enforcement staff or operations is heartbreakingly misguided and will seriously undermine the program’s very practical results for children and families. CBO estimates that if states use their own funds to make up for half of the anticipated shortfall, \$11 billion in child support owed to families will go uncollected over the next ten years.⁴⁴ If states replace less than half of the shortfall, much more child support could go uncollected.

Savings to the federal government do not justify these cuts. While the CBO estimates that the federal government may save \$1.8 billion through 2010, and \$5.3 billion over the next ten years because of the cut, some of the children and families who do not receive child support will be forced to rely on public assistance for their daily needs. As some commentators have

³⁶ FAMILIES WILL LOSE, *supra* note 14, at 3; *see* 42 U.S.C. § 658a(b)(2)(A)(ix).

³⁷ FAMILIES WILL LOSE, *supra* note 14, at 2.

³⁸ *Id.*; *see* Wagstaff Testimony at 7.

³⁹ Preliminary revised CBO estimate.

⁴⁰ FAMILIES WILL LOSE, *supra* note 14, at 2.

⁴¹ Wagstaff Testimony, *supra* note, at 7.

⁴² *Id.* at 7-8.

⁴³ *Id.* at 8.

⁴⁴ Preliminary revised CBO estimate.

pointed out, elimination of the federal match is “penny-wise and pound-foolish,”⁴⁵ and, as Senator Cornyn stated, “make[s] no sense whatsoever.”⁴⁶ Worse still, the loss of the match on federal incentive payments will lead to a downward spiral. With less funding for child support programs, state performance will likely slip, causing states to lose incentive payments and fall into penalty status. Reduced funding and undermined performance is not how Congress intended to respond to a decade of dramatic progress by the Child Support Enforcement Program.

For the past 10 years, the Child Support Enforcement Program has been enormously successful. Changes contained in the Deficit Reduction Act threaten not only to halt a decade of progress, but to roll it back. With all the facts and figures demonstrating the effectiveness of the Child Support Enforcement program, it is important to remember that these figures reflect real improvement in the day-to-day lives of millions of American children. Families receiving support whose incomes were between 100 – 200 percent of the federal poverty line received nearly \$4,000 a year in 2001, about 15 percent of their incomes.⁴⁷

Restore the Federal Match on Incentive Payments Cut by the DRA

There is still time to stop the worst of the DRA’s impacts from becoming a reality in October. We urge you to restore the federal match on incentive payments by repealing Section 7309 of the Deficit Reduction Act (i.e., support H.R. 1386 and S. 803).

While restoration of the federal match on incentive payments is of particular concern because it will prevent the deepest cuts,, the Coalition on Human Needs also urges Congress to:

Reinstate the enhanced federal match rate (90%) for laboratory costs to determine paternity; and

Eliminate the imposition of a \$25 annual fee on families who have never received TANF assistance in child support cases with collections of at least \$500.

⁴⁵ Testimony of David Hansell, Acting Commissioner, NY State Office of Temporary and Disability Assistance Before the Subcommittee on Income Security and Family Support, Committee on Ways and Means, U.S. House of Representatives, Hearing on Recent Changes to Programs Assisting Low-Income Families, at 4 (March 6, 2007).

⁴⁶ 151 CONG. REC. S13326 (Nov. 18, 2005).

⁴⁷ VICKI TURETSKY , THE CHILD SUPPORT PROGRAM: AN INVESTMENT THAT WORKS, CLASP, July 2005, http://www.clasp.org/publications/cs_funding2_072605.pdf