

Cuts to Child Support Enforcement in House Budget Will Hurt Women and Children

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There are many painful cuts to essential services for struggling families in the House spending reconciliation bill, but the cut in funding for child support enforcement is one of the most unexpected. And the cuts are deep: the bill would cut \$5 billion from child support enforcement over the next five years; by the fifth year, the cuts in federal funding for state child support enforcement programs would reach 40 percent.¹

These cuts were not proposed in the Bush Administration's budget, which rated child support enforcement as very effective. They were not included in the package of changes to child support, child care, and Temporary Assistance for Needy Families previously approved by the Republican-controlled House.

In fact, child support enforcement enjoyed strong bipartisan support—at least until House Republican leaders began a drive to increase cuts to programs for the poor and middle class from \$35 billion to over \$50 billion—not to pay for hurricane relief or to reduce the deficit, but to help finance \$70 billion in additional tax cuts for the wealthy and corporations.

Child support enforcement is a smart investment that deserves bipartisan support. It:

- Reinforces the responsibility of non-custodial parents to provide financial and medical support for their children.
- Collected \$22 billion last year at a total cost of about \$5 billion to the federal and state governments combined: that's \$4.38 in private child support collected for every public dollar spent.
- Provides significant economic and non-economic benefits to children. Receipt of child support reduces poverty and economic hardship and promotes children's achievement in school.
- Helps single parents—overwhelmingly mothers—make ends meet and become self-sufficient: avoid welfare, leave welfare, and stay employed.
- Reduces divorce rates and discourages non-marital births.²

The proposed cuts to child support enforcement are as short-sighted as they are mean-spirited. The cuts will cost children more than the federal government will save: \$8 billion in lost child support over five years and \$24 billion over ten years, according to the Congressional Budget Office. And the CBO estimate assumes that states will make up \$1.6 billion of the cuts to child support enforcement over five years and \$5.2 billion over ten years. Given all the other cuts that states are facing in this budget, this seems an optimistic assumption—so children and single parents could lose even more child support than CBO estimates. At the same time, under

¹ For an analysis of the state-by-state impact of these cuts on child support funding and child support collections, see Vicki Turetsky, Center for Law and Social Policy (CLASP), *Update: Ways and Means Committee Approves 40 Percent Cut in Child Support Funds* (Oct. 27, 2005)

² See Vicki Turetsky, CLASP, *The Child Support Enforcement Program: A Sound Investment in Improving Children's Chances in Life* (October 2005).

this budget, many low-wage working parents and their children would also be losing Food Stamps, access to health care services, and child care assistance.³

Moreover, the cuts to child support enforcement proposed in this budget could unravel all the progress the program has made in the past decade.

Since 1996, Congress has enacted significant reforms to the child support enforcement program. It set specific design and performance standards so that state programs would operate effectively across state lines and would work the toughest cases. Most importantly, Congress provided states resources and incentives to implement the reforms. As a result, the reforms worked. Child support collections have nearly doubled since 1996—and former welfare recipients and their children have enjoyed the biggest increase in collections.

Yes, there's still room for improvement. But the investment in child support enforcement has paid off, big time, especially for low-income families for whom receipt of child support makes the biggest difference.

The cuts proposed in the House budget for child support enforcement would reverse course. And low-income children and custodial parents are likely to suffer the most from the cutbacks. Their cases need the most intensive child support enforcement services—finding a parent, establishing paternity, collecting from a parent with unstable employment. When program managers have to make do with less, and lose part of their incentive to work the tough cases, these are the cases that are most likely to suffer.

And, once a program starts heading downhill, the process can accelerate. As performance declines, support for the program may deteriorate—leading to more funding cuts. Dedicated employees and managers start leaving in frustration. So the program keeps getting worse—leaving single parents and their children without the help they need to collect the child support they are owed.

The cut to child support enforcement is a perfect example of what's wrong with the priorities in this budget. For a small fraction of the cost of just one of the *additional* tax breaks planned for those with household incomes *over \$1 million*, we could avoid cutting child support enforcement and preserve child support for children. In the year 2010, federal funding for child support enforcement will be cut by \$1.8 billion. In that same year, extending the tax cut on dividends and capital gains will provide households with incomes over \$1 million with an average *additional* tax cut of \$36,600. For 12 percent of what it will cost that year just to provide households with incomes over \$1 million with this added tax break, we could avoid cutting child support enforcement, preserving \$2.8 billion or more in additional child support for children.⁴

Which priorities will Congress choose: protecting needed child support enforcement services or giving millionaires more tax cuts? The American people will be watching and counting on Members of Congress make to the right decision.

³ See Sharon Parrott and Isaac Shapiro, Center on Budget and Public Policies, *Unshared Sacrifice: Who's Hurt, Who's Helped, and What's Spared Under the Emerging House Budget Reconciliation Plan* (Nov. 2, 2005).

⁴ National Women's Law Center, *Wrong Priorities: Comparing the Cost of Additional Tax Cuts for Millionaires to Cuts in Services for Vulnerable Families in the House Budget* (Nov. 9, 2005).