

H.R. 4678 — CHILD SUPPORT ENFORCEMENT ACT OF 2000

Cost to Taxpayers: CBO estimates that the bill would reduce the surplus by \$792 million over the 2001-2005 period and \$3.4 billion over the 2001-2010 period. The CBO estimate is based on the reported bill. The current bill, as altered by the Rules Committee, will likely increase the cost beyond the CBO estimate. The increased cost may be substantial since the revised bill allows States to pay families the Federal share of collected child support payments for families who are or were on welfare.

Does the Bill Create New Government Programs or Regulations: Yes. The bill alters the current Federal-State Child Support Program and creates a new Fatherhood Grants program. Specifically:

Child Support:

Under current law, when a family goes on welfare it assigns to the State any rights the family has to child support collections for the periods before and during the time it receives assistance. The State uses any collections to reimburse itself and the Federal government for the welfare payments. When the family leaves welfare, any collection of past due child support that would have gone to the State if it had been paid on time goes to the State. The bill would alter current law by limiting the amount that a family assigns to the State to an amount equal to the child support payments due during the period the family is on welfare. The bill would also ensure that any arrears collected after a family leaves welfare go to the family to ensure that the family is fully repaid before going to reimburse the State and the Federal government for the welfare payments. The bill would also allow States to pass the Federal share of collected payments to the family if the family is no longer on welfare or if the family has been on welfare for less than five years. Amounts given to families currently on welfare would not be counted as income for the purpose of determining their eligibility for welfare.

Recovery of Medicaid Costs for Certain Births:

The bill would prohibit States from using the Child Support Enforcement Program to recoup the costs of births paid by the Medicaid program from noncustodial parents.

Review of Child Support Orders:

Under current law, States have the option of reviewing and updating child support orders every three years. The bill would require that the orders be reviewed and updated every three years.

Demonstration Program:

The bill creates a new demonstration program to allow up to 10 child support enforcement agencies operated by political subdivisions of a state to access information currently available only to the State Child Support Enforcement Agency. The bill also requires GAO to examine the possible role private companies could play in the collection of child support.

Expanded Enforcement:

The bill lowers from \$5,000 to \$2,500 the amount of past-due child support that triggers passport revocation. The bill also allows the Tax Refund Intercept Program to collect past-due support on behalf of children who are no longer

minors. In addition, the bill allows for the garnishment of veterans disability payments.

Fatherhood Grants:

The bill creates a new ten-member commission to allocate \$140 million over five years in grants (75% to non-governmental groups, including faith-based groups) to provide up to 90% of the costs of operating programs to promote marriage, successful parenting, collection of child support payments and better jobs for poor fathers.

National Clearinghouse on Fatherhood:

The bill requires that the Secretary of HHS spend \$5 million to establish a National Clearinghouse on Fatherhood which will, among other things, establish a media campaign. The recipient of the funds must be a nationally recognized non-profit program with at least four years experience.

Multi-City Fatherhood Projects:

The bill requires that the Secretary of HHS spend \$5 million each on grants to two nationally recognized non-profit fatherhood promotion organizations operating a multi-city program.

New Hires Database:

The bill expands the use of the Federal New Hires Database by allowing State unemployment agencies which currently only have access to their State New Hires List access to the Federal New Hires Database.

Misc. Changes:

The bill makes other miscellaneous changes.

Constitutional Authority: The Committee cites Article I, Section 8 (lay and collect taxes and provide for the general welfare).

Areas of Concern:

Some Members may oppose the bill for one or more of the following reasons:

1) The Fatherhood Grants Program is similar to the Fathers Count Act, which passed as a stand alone bill on November 10, 1999. Forty-two Republicans opposed the bill (Roll Call #586). Many Members opposed the creation of a new federal program to promote fatherhood, believing that the matter is best left up to State and local governments and private entities. In particular with grantees receiving up to 90% of their funds from the federal government, there is concern about federal control via regulation. Some conservatives believe that the proper role of the federal government in promoting fatherhood is the removal of the incentives for single parent families in the welfare and tax systems.

2) Some Members may also oppose the provisions allowing States to give the federal portion of collected child support payments to families that are on taxpayer financed welfare without having that income count towards the calculations used to determine the families eligibility for welfare.

3) Some Members may be concerned about giving State agencies access to the Federal New Hires Database. Currently State unemployment agencies only have access to their State New Hires List, some Members may be concerned that expanding the use of the Federal Database might lead to privacy violations and abuse of the system.

The Conservative Action Team is a Congressional Member Organization of almost 60 House Members and is chaired by Representative John Shadegg (R-AZ).