

Melinda D. Haskins 02/02/99 03:27:14 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: James J. Jukes/OMB/EOP, Janet R. Forsgren/OMB/EOP
Subject: HHS Draft Bill on Child Support Enforcement -- Comments Due 4 P.M., 2/4/99

Attached below is the draft HHS language in support of the child support enforcement provisions included in the FY 2000 Budget. Please provide me with comments by 4 p.m., Thursday, February 4th. Thank you.

EXOP: YOU WILL NOT RECEIVE A FAXED COPY OF THE ATTACHED LRM.

----- Forwarded by Melinda D. Haskins/OMB/EOP on 02/02/99 02:24 PM -----

Total Pages: _____

LRM ID: MDH10

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001**

Tuesday, February 2, 1999

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below
FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT: Melinda D. Haskins
PHONE: (202)395-3923 FAX: (202)395-6148
SUBJECT: HHS Draft Bill on Child Support Enforcement -- Payments to States and Adjustment of Child Support Orders
DEADLINE: 4 P.M. Thursday, February 4, 1999

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: Please review the attached legislative language.

THE COMMENT DEADLINE IS FIRM. IF WE DO NOT HEAR FROM YOU BY THE COMMENT DEADLINE, WE WILL ASSUME THAT YOU HAVE NO OBJECTION.

Subtitle __-Child Support Enforcement

SEC. __. ELIMINATION OF ENHANCED MATCHING FOR LABORATORY COSTS FOR PATERNITY ESTABLISHMENT.

Section 455(a)(1) of the Social Security Act (42 U.S.C. 655(a)(1)) is amended—

- (1) in subparagraph (B), by adding “and” at the end; and
- (2) by striking subparagraph (C), and redesignating subparagraph (D) as subparagraph (C).

SEC. __. ELIMINATION OF HOLD HARMLESS FOR STATE SHARE OF DISTRIBUTION OF COLLECTED SUPPORT.

(a) IN GENERAL.—Section 457(d) of the Social Security (42 U.S.C. 657(d)) is repealed.

(b) CONFORMING AMENDMENTS.—Section 457 of that Act (42 U.S.C. 657) is

amended—

- (1) in subsection (a), by striking “subsections (e) and (f)” and inserting “subsections (d) and (e)”;
- (2) in subsection (e), by striking the second sentence; and
- (3) by redesignating subsections (e) and (f) as subsections (d) and (e).

SEC. __. MANDATORY 3-YEAR REVIEW AND MODIFICATION OF CHILD SUPPORT ORDERS FOR TANF RECIPIENTS.

(a) REQUIREMENT.—Section 466(a)(10) of the Social Security (42 U.S.C. 666(a)(10)) is amended in subparagraph (A)(i), in the matter preceding subclause (I)--

- (1) by striking the comma after “or”; and

FAX COVER**Income Maintenance Branch**

Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503



To:

Cynthia Rice

Organization:

DPC

Fax Number:

456-7431

From:

Michele Ahern395-7771

Date/Time:

11 | 3 | 98

Number of Pages:

Cover + 6

Notes:

Cynthia - The Hold Harmless and Paternity
establishment language - and accompanying
HHS transmittal letters.

Michele

Income Maintenance Fax Number: (202) 395-0851

Voice Confirmation: (202) 395-4686



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

*Haskins*Office of the General Counsel
Legislation Division
Washington, D.C. 20201

May 28, 1998

The Honorable James C. Murr
Assistant Director
Legislative Reference Division
Office of Management and Budget
Washington, DC 20503

Subject: Child Support Enforcement Budget Amendments of 1998

Dear Mr. Murr:

Enclosed herewith for your information are copies of the letter to the Speaker of the House (an identical letter was sent to the President of the Senate) transmitting the above-mentioned draft bill, together with copies of the bill transmitted.

Sincerely yours,

A handwritten signature in cursive script that reads "Sondra Stigen Wallace".

Sondra Stigen Wallace
Associate General Counsel

Enclosures (2)



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

May 28, 1998

The Honorable Newt Gingrich
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

Enclosed for the consideration of the Congress is the Administration's draft bill, the "Child Support Enforcement Budget Amendments of 1998".

The bill would amend the child support and paternity establishment program under title IV-D of the Social Security Act to eliminate the provision under which states receive enhanced matching of 90 percent (rather than 66 percent) for costs of laboratory tests for paternity establishment. In addition, the bill would eliminate the "hold harmless" provision under which states are guaranteed a share of AFDC- and TANF-related child support collections not less than the state share of such collections for FY 1995. These amendments carry out proposals in the President's Budget for FY 1999.

The reduction of the paternity establishment matching rate should have no adverse effect on states' ability to establish paternity. The need for an enhanced matching rate for genetic testing costs to encourage expansive use of such procedures has diminished. The use of laboratory tests has become a standard procedure for paternity establishment, and economies of scale and improved efficiency of the testing have made it an extremely cost-effective method for carrying out the states' responsibilities for paternity establishment. States should share more equally in these costs to ensure that they seek cost-efficient contracts for genetic testing. This proposal should also provide a further incentive for states to fully implement cost-effective paternity acknowledgement programs in hospitals and state vital statistics agencies.

The welfare reform law (P.L. 104-193) made several changes to the support enforcement program. It established a "family first" provision that gave former TANF recipients the first claim on State collections of child support arrearages. In addition, P.L. 104-193 guaranteed States their 1995 level of TANF-related child support collections in order to protect them from potential

The Honorable Newt Gingrich - Page 2

declines in collections due to the "family first" provision. This "hold harmless" provision, however, effectively protects States from all declines in child support collections, whether resulting from "family first" or other causes.

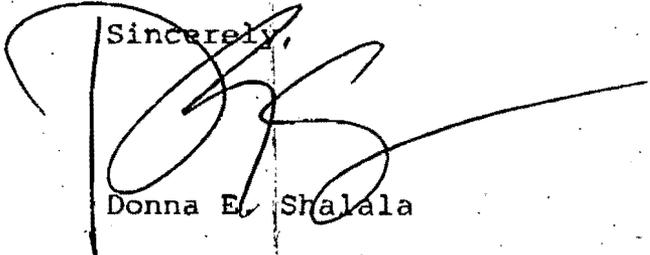
For a number of reasons, collections for families on TANF are projected to decline. The most significant cause of the decline is the marked reduction nationwide in the number of families on TANF. The "hold harmless" provision was not intended to protect States against declines in child support collections caused by falling TANF caseloads. For these reasons, we are proposing to repeal the "hold harmless" provision. We believe that eliminating the "hold harmless" guarantee will increase States' incentive to continue maximizing TANF-related collections within the goal of collecting child support for all children.

We recommend that the Congress give the draft bill its prompt and favorable consideration.

This draft bill would affect direct spending; therefore, it is subject to the pay-as-you go requirement of the Omnibus Budget Reconciliation Act of 1990. The draft bill would decrease direct spending by \$48 million in FY 1999 and a total of \$300 million during FYs 1999-2003.

The Office of Management and Budget has advised that there is no objection to the transmittal of this draft legislation, and that enactment of this legislation would be in accord with the President's program.

Sincerely,



Donna E. Shalala

Enclosure

A BILL

1 To amend title IV-D of the Social Security Act to adjust formulas
2 for payments to States for Child Support Enforcement, and for
3 other purposes.

1 *Be it enacted by the Senate and House of Representatives of*
2 *the United States of America in Congress assembled, That this Act*
3 *may be cited as the Child Support Enforcement Budget Amendments*
4 *of 1998.*

5 **SEC. 2. ELIMINATION OF ENHANCED MATCHING FOR LABORATORY COSTS FOR**
6 **PATERNITY ESTABLISHMENT.**

7 Section 455(a)(1) of the Social Security Act (42 U.S.C.
8 655(a)(1)) is amended—

- 9 (1) in subparagraph (A), by adding "and" at the end;
10 (2) in subparagraph (B), by striking ", and" at the
11 end; and
12 (3) by striking subparagraph (C).

13 **SEC. 3. ELIMINATION OF HOLD HARMLESS FOR STATE SHARE OF**
14 **DISTRIBUTION OF COLLECTED SUPPORT.**

15 (a) **IN GENERAL.**—Section 457(d) of the Social Security (42
16 U.S.C. 657(d)) is repealed.

17 (b) **CONFORMING AMENDMENTS.**—Section 457 of that Act (42
18 U.S.C. 657) is amended—

- 19 (1) in subsection (a), by striking "subsections (e) and
20 (f)" and inserting "subsection (e)";

1 (2) in subsection (e), by striking the second sentence;
2 and

3 (3) by redesignating subsections (e) and (f) as
4 subsections (d) and (e).

5 **SEC. 4. EFFECTIVE DATE.**

6 The amendments made by this Act shall be effective with
7 respect to calendar quarters beginning on and after October 1,
8 1998.

APHSA

American Public Human Services Association

Marva Livingston Hammons, *President*

William Waldman, *Executive Director*

May 13, 1999

Bruce Reed
Assistant to the President for Domestic Policy
The White House
Washington, DC 20502

Dear Mr. Reed:

I am writing on behalf of the American Public Human Services Association (APHSA) about our opposition to cuts in funding for the child support enforcement program.

As you know, the Subcommittee on Human Resources of the House Committee on Ways and Means is considering legislation for expanded post-foster care independent living programs. The subcommittee plans to mark up soon the Foster Care Independence Act of 1999 that would expand services to help older youth aging out of foster care make the transition to independence. However, proposals for paying for the expansion in services have most recently included eliminating the hold harmless provision in the child support program which ensures that state TANF collections do not fall below 1995 levels and by reducing the paternity establishment match rate.

Attached is a letter sent by APHSA to Chairman Johnson of the subcommittee and Ranking Member Cardin opposing these cuts of \$300 million to the child support program to pay for expansions included in the bill. The cuts would jeopardize the noteworthy progress that states have achieved in recent years in making child support collections. Repealing the "hold harmless" provision and reducing the paternity establishment match rate would hurt states' ability to administer an already overburdened and under-funded child support enforcement program.

I am writing to ask you to work to oppose making cuts to the child support program. We believe that the long-term, structural financing challenges of child support enforcement program must be addressed by any comprehensive reform proposal. Reducing funding now for the child support enforcement program would make broader discussions of approaches to improving the child support system to ensure maximum support for

families more difficult. States would be starting out any discussions with a weakened financial base.

Thank you for considering our position on this legislation. If you need additional information or have questions please contact Elaine Ryan or Justin Latus at 202-682-0100.

Sincerely,

A handwritten signature in cursive script, appearing to read "William Waldman".

William Waldman
Executive Director
American Public Human Services Association

Attachments

Cc: Cynthia Rice



American Public Human Services Association

Marva Livingston Hammons, *President*

William Waldman, *Executive Director*

May 10, 1999

Rep. Nancy L. Johnson, Chairman
House Ways and Means Subcommittee on Human Resources
2113 Rayburn House Office Building
Washington, DC 20515

Rep. Benjamin L. Cardin
House Ways and Means Subcommittee on Human Resources
104 Cannon House Office Building
Washington, DC 20515

Dear Chairman Johnson and Rep. Cardin:

I am writing on behalf of the American Public Human Services Association (APHSA) to express our strong opposition to the \$300 million in reductions to the child support enforcement program included in your legislation to help older youth aging out of foster care make the successful transition to independence. While APHSA supports your goals of improving and enhancing services to this population, we believe that increases in one human service program ought not to come at the expense of another critical program for poor families.

The child support enforcement program is at a critical juncture; the state share of collections is declining while caseloads and administrative demands are increasing. Moreover, a reduction in federal funding for this program is the wrong policy at the wrong time. In 1996, Congress adopted dozens of new mandates on states and states have struggled to implement these new requirements. Now, just at a time when families are beginning to realize the promise of this program, Congress is proposing to retreat from its federal financial responsibilities. We believe that the \$300 million in federal cuts you propose break the deal Congress struck with the states in welfare reform.

We urge you and your colleagues to reconsider the financing of the Independent Living program initiative and to hold families harmless from cuts in the child support program.

Sincerely,

A handwritten signature in black ink that reads "Will Waldman".

William Waldman
Executive Director

Representing Public Human Services Since 1930

810 First Street, NE, Suite 500, Washington, DC 20002-4267 • (202) 682-0100 • fax: (202) 289-6555 • <http://www.aphsa.org>



Cynthia A. Rice

05/18/99 02:26:02 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP, Neera Tanden/WHO/EOP, Ruby Shamir/OPD/EOP
cc: Andrea Kane/OPD/EOP, J. Eric Gould/OPD/EOP
Subject: FYI: pay-fors in independent living bill

FYI -- as expected, the states are not all that happy with the two child support pay-fors which were in our budget and are in the Independent living bill (a third one was in our budget but not used by Johnson and Cardin). The human services directors have sent Johnson, Cardin and Bruce a letter opposing these pay-fors, which I will fax you. These provisions have been in our budget two years running and the states have never made opposing them a top priority. I'll also send you the letter we sent the Hill in 1998 transmitting language for these two provisions. Mary Bourdette is quite knowledgeable on these.