ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

November 28, 2005

The Honorable Kay Bailey Hutchison
United States Senate
Russell Senate Office Building, Room 284
Washington, D.C. 20510

Dear Senator Hutchison:

I fully understand that the federal government is facing some difficult choices in deciding how to reduce the budget. I urge you, however, not to reduce the budget by taking food off the plates of Texas children and clothes off their backs. Over a million Texas children will face daily challenges without the bare essentials if the proposed cuts to the child support program contained in the House budget reconciliation bill are enacted. Texas children are counting on you not to rob them of their future.

The impact of the proposed cuts in federal funding for child support enforcement contained in H.R. 4241 pose a serious threat to more than a million Texas children. The bill would phase in, from Federal Fiscal Year (FFY) 2006 - FFY 2010, a reduction in federal matching funds for child support program costs from the current level of 66% to 50%. Moreover, beginning in FFY 2008, it would prohibit states from using federal performance based incentive payments to draw down matching federal funds.

The Texas child support enforcement program, administered by my office, depends on these federal incentive payments and federal matching funds for its annual operations. **If enacted, the proposed cuts would result in a loss to the Texas child support program of $418 million: $200 million from the reduction in the rate of matching funds and $218 million from the prohibition on using federal incentive payments to draw down matching funds.**

At a minimum, over the period of FFY 2007- FFY2010, the cut in federal funds would eliminate more than half of the Texas child support enforcement staff, leading to a nearly $3 billion drop in support collections that benefit some 1.13 million Texas children. According to estimates made by my child support enforcement staff, the projected reduction of $418 million to the Texas child support program from FFY2007- FFY2010 will also result in a nearly $1.85 billion increase in public assistance outlays: $698 million in TANF, $409 million in food stamps, and $749 million in Medicaid. This sort of government math is exactly what the public finds maddening.

Over the past five years the Texas program has made significant strides in collections, performance, and efficiency. Texas now ranks second in the nation in total collections - with collections in FFY 2005 of $1.8 billion, an increase of 83% over FFY 2000. Over the same time period, the percentage of cases in which a support obligation has been established has risen from 55% to 82%, and the cost-effectiveness ratio (amount of collections for every dollar of

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administrative expenditure) has gone from $4.96 to $6.81. Rarely does the federal government achieve such a great return on the funds it invests in state and local programs. The proposed changes in federal funding will seriously undermine the performance of the Texas child support enforcement program.

The outstanding performance of the Texas child support program has earned it the second highest federal performance incentive award in the nation for the past three years. Because the Texas program has achieved that level of performance, the prohibition on using incentive payments to draw down matching federal funds for program expenditures will have a much greater impact on Texas than on the 48 states ranked below it. The proposed cuts will punish Texas' success.

I know that decisions of this nature are never easy. However, I urge you to consider the devastating effect such drastic cuts in the child support system will have on over 1.1 million Texas children. I ask that you carefully consider your position on this bill and help me work to eliminate the cuts to the child support system.

Sincerely,

Greg Abbott
Attorney General of Texas

cc: The Honorable Rick Perry, Governor
The Honorable David Dewhurst, Lieutenant Governor
The Honorable Tom Craddick, Speaker, Texas House of Representatives
The Honorable Steve Ogden, Chair, Senate Finance Committee
The Honorable Jim Pitts, Chair, House Appropriations Committee
The Honorable Jeff Wentworth, Chair, Senate Jurisprudence Committee
The Honorable Harold Dutton, Chair, House Committee on Juvenile Justice and Family Issues