

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Child Support Enforcement and Family Support Programs

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PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT
AND FAMILY SUPPORT PROGRAMS

For making payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), [\$3,292,970,000] \$2,873,802,000, to remain available until expended; and for such purposes for the first quarter of fiscal year [2005, \$1,200,000,000] 2006, \$1,200,000,000, to remain available until expended.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: *Provided*, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act .

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Division E, H.R. 2673, Consolidated Appropriations Bill, FY 2004

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Payments to States for Child Support Enforcement and Family Support Programs

Amounts Available for Obligation

	<u>2003 Actual</u>	<u>2004 Final Conference</u>	<u>2005 Estimate</u>
Appropriation:			
Current Year.....	\$2,475,800,000	\$3,312,970,000	\$2,825,802,000
Advance.....	1,100,000,000	1,100,000,000	1,200,000,000
Indefinite.....	269,424,000	0	0
Subtotal, net budget authority.....	3,845,224,000	4,412,970,000	4,025,802,000
Offsetting collections	234,739,000	194,800,000	194,800,000
Subtotal, gross budget authority.....	4,079,963,000	4,607,770,000	4,220,602,000
Unobligated balance start of year.....	253,000	0	202,096,000
Recovery of prior year obligations.....	6,842,000	0	0
Unobligated balance end of year.....	0	202,096,000	0
Total Obligations.....	\$4,087,058,000	\$4,405,674,000	\$4,422,698,000

Payments to States for Child Support Enforcement and Family Support Programs

SUMMARY OF CHANGES

FY 2004 Final Conference Request

Total estimated budget authority.....	\$4,607,770,000
(Obligations)	4,405,674,000

FY 2005 Estimate.....	4,220,602,000
(Obligations)	4,422,698,000
Net change.....	-387,168,000
(Obligations)	+17,024,000

	<u>2004 Final Conference</u>	<u>Change from Base</u>
Increases:		
<u>Built-in:</u>		
Increase in Child Support Enforcement Administrative costs.....	\$3,897,674,000	+\$93,023,000
<u>Program:</u>		
Increase in administrative costs due to legislative proposals.....	3,897,674,000	5,000,000
Increase in Access and Visitation Grants to States	10,000,000	+2,000,000
Total Increases		<u>+\$100,023,000</u>

Decreases:

Built-in:

Decrease in amount available for incentive payments to states.....	454,000,000	-8,000,000
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Program:

Decrease in administrative costs due to legislative proposals.....	3,897,657,000	-55,000,000
Decrease in payments for prior-year claims for AFDC and related programs repealed by P.L. 104-193.....	20,000,000	-20,000,000
Total Decreases		<u>-83,000,000</u>
Net Change.....		<u>+\$17,023,000</u>

Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Activity
(Obligations)

	<u>2003</u> <u>Enacted</u>	<u>2004 Final</u> <u>Conference</u>	<u>2005</u> <u>Estimate</u>
CHILD SUPPORT ENFORCEMENT:			
State Child Support Administrative Costs.....	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000
Federal Incentive Payments to States	461,000,000	454,000,000	446,000,000
Hold Harmless Payments to States	10,154,000	0	0
Access and Visitation Grants.....	<u>9,872,000</u>	<u>10,000,000</u>	<u>12,000,000</u>
Subtotal, Child Support Enforcement	4,063,058,000	4,361,674,000	4,398,698,000
OTHER PROGRAMS:			
Payments to Territories – Adults..	23,000,000	23,000,000	23,000,000
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Subtotal, Other Programs.....	24,000,000	24,000,000	24,000,000
PRIOR-YEAR AFDC PAYMENTS	0	20,000,000	0
Total Obligations.....	\$4,087,058,000	\$4,405,674,000	\$4,422,698,000

Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Object
(Obligations)

	<u>2004 Final Conference</u>	<u>2005 Estimate</u>	<u>Increase or Decrease</u>
Grants, subsidies and contributions	\$4,405,674,000	\$4,422,698,000	+\$17,024
Total obligations	\$4,405,674,000	\$4,422,698,000	+\$17,024

ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Child Support Enforcement and Family Support Programs

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE
APPROPRIATIONS COMMITTEE REPORTS

FY 2004 Conference Language (Rpt #108-81)

Item

[Social Services and Income Maintenance Research] — The conferees note that efforts undertaken through the State Information Technology Consortium have led to greatly improved systems communications and compliance in both the TANF and child support enforcement (CSE) programs. For TANF, the conferees have provided \$2,000,000 to permit states to utilize uniquely designed web-based technology to improve benefit delivery and fulfill new Federal reporting requirements. For CSE, the conferees have provided \$3,000,000 to continue the consortium's efforts to improve data exchange between CSE and the courts in ways that will significantly reduce the time lag between court orders and enforcement/collections activities.

Action Taken or to be Taken

In FY 2003, ACF contracted with the State Information Technology Consortium (SITC) to help launch the next phase of efforts to remove barriers to child support collections and to improve the flow of information between State IV-D agencies. These joint efforts included: the development of training materials related to the Security of State-to-State Electronic Data Exchange; the provision of logistical support, training, and facilitation related to a Tribal CSE Systems Workgroup; a Tribal/State Cooperation Workgroup; a Conference on State Legislation; an Interstate Workgroup on Interagency Data Access; a National Systems Symposium; a Workgroup on FY 2004 Legislative Initiatives; an International Administrative Cooperation Workgroup; and the delivery of research and evaluation related to possible enhancements to the electronic interface between the TANF and CSE systems. ACF plans to implement the next steps in these efforts in FY 2004.

Payments to States for Child Support Enforcement and Family Support Programs

Authorizing Legislation

	<u>2004 Amount Authorized</u>	<u>2004 Final Conference</u>	<u>2005 Amount Authorized</u>	<u>2005 Budget Request</u>
Payments to States for Child Support Enforcement and Family Support Programs: Titles I, IV-A and -D, X, XI, XIV and XVI of the Social Security Act and the Act of July 5, 1960 (Public Law 86-571)	Indefinite ¹	\$4,412,970,000	Indefinite ¹	\$4,025,802,000

¹ Generally, indefinite authority is authorized for this account; however, there are specific authorizations for a few of the programs covered by this appropriation:

- Section 1108(a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam and the Virgin Islands under titles I, X, XIV, XVI, parts A and E of title IV and subsection 1108(b)(Matching grants). The limitations, which were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$3,554,000 for the Virgin Islands, \$4,686,000 for Guam, and \$1,000,000 for American Samoa. The limitations do not apply however to the Bonus to Reward the Decrease in Illegitimacy, the Bonus to Reward High Performance States, or Loans for State Welfare Programs.
- Section 1113 of the Social Security Act provides for a \$1,000,000 limitation on funding for repatriated U.S. citizens and dependents who return because of destitution, illness or international crisis.
- Access and Visitation Grants are authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L.104-193) for \$10,000,000 for each fiscal year. This budget includes a proposal to increase the level to \$12,000,000 for FY 2005.

APPROPRIATIONS HISTORY TABLE
Payments to States for Child Support Enforcement and Family Support Programs

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1994	\$15,915,966,000	\$15,915,966,000	\$15,915,966,000	\$15,915,966,000
1995	16,961,788,000	16,961,788,000	16,961,788,000	16,961,788,000
1996	18,014,307,000	18,014,307,000	18,014,307,000	18,014,307,000
1997	18,101,000,000	18,101,000,000	18,101,000,000	6,958,000,000 ⁴
1998	607,000,000	607,000,000	607,000,000	607,000,000 ⁵
1999	2,648,794,000	2,648,794,000	2,648,794,000	2,648,794,000 ⁶
2000	750,000,000	750,000,000	750,000,000	1,010,248,000 ⁷
2001	3,091,800,000	3,091,800,000	3,091,800,000	3,091,800,000
2002	3,447,800,000	3,447,800,000	3,447,800,000	3,846,518,000 ⁸
2003	4,036,800,000	4,036,800,000	4,036,800,000	3,845,224,000 ⁹
2004	4,412,970,000 ¹			
2005	4,025,802,000 ²			
2006	1,200,000,000 ³			

¹ Amount requested to finance estimated obligations including \$1,100,000,000 advance appropriation.

² Amount requested to finance estimated obligations including \$1,200,000,000 advance appropriation.

³ Requested advance for first quarter.

⁴ Sum of the FY1997 advance appropriation of \$4,800,000,000 and the FY1997 appropriation for child support enforcement of \$2,158,000,000 due to the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 creating TANF.

⁵ Advance appropriation only. Due to the unobligated balance carryover from FY 97 to FY 98 and the advance appropriation for the first quarter, an appropriation was not needed to finance obligations.

⁶ Amount appropriated consisting of the \$660,000,000 advance appropriation and the appropriated amount of \$1,988,794,000.

⁷ The first three columns include the advance appropriation only. The last column includes \$260,248,000 in indefinite authority used to finance obligations.

⁸ Includes \$398,718,000 in indefinite authority used to finance obligations.

⁹ Includes \$234,729,000 in indefinite authority used to finance obligations.

Payments to States for Child Support Enforcement and Family Support Programs

Justification
(Obligations)

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
<u>Child Support Enforcement:</u>				
State Child Support Administrative Costs	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000	+\$43,023,000
Federal Incentive Payments to States	461,000,000	454,000,000	446,000,000	-8,000,000
Hold Harmless Payments to States	10,154,000	0	0	-10,154,000
Access and Visitation	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>	<u>+2,000,000</u>
Subtotal, CSE	4,063,058,000	4,361,674,000	4,398,698,000	+37,023,000
<u>Other Programs:</u>				
Payments to Territories	23,000,000	23,000,000	23,000,000	0
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Subtotal, Other Programs	24,000,000	24,000,000	24,000,000	0
<u>Prior Year AFDC Payments:</u>				
Prior-Year AFDC Payments	0	20,000,000	0	-20,000,000
Total Gross Obligations	4,087,058,000	4,405,674,000	4,422,698,000	+17,023,000
Spending Authority from Offsetting Collections ¹	<u>-234,739,000</u>	<u>-194,800,000</u>	<u>-194,800,000</u>	<u>0</u>
Total Net Obligations	\$3,852,319,000	\$4,210,874,000	\$4,227,898,000	+\$17,023,000

¹ State alternative systems penalties paid by check instead of grant offset. Penalties are used to offset budget authority required to pay grants.

General Statement

The Payments to States for Child Support Enforcement and Family Support Programs support state-administered programs of financial assistance and supportive services for low-income families to promote their economic security and self-sufficiency. In FY 2005 five programs will be funded:

- State administrative expenses for Child Support Enforcement;
- Access and Visitation grants to enable states and tribes to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children;
- Payments for adult-only benefits under assistance programs for the aged, blind and disabled residents of Guam, Puerto Rico, the Virgin Islands, and American Samoa;
- Repatriation of American citizens and dependents returned from foreign countries as a result of illness, destitution, war or other crisis, who need temporary cash and services; and

The FY 2005 President's Budget includes two legislative proposals to enhance and improve state's efforts to collect medical support on behalf of children. These efforts include providing Child Support agencies with COBRA notices so they can assist families in providing continuous health care coverage and requiring states to consider both parents access to health insurance coverage when establishing child support orders.

The FY 2004 President's Budget included proposals to enhance and expand the existing automated enforcement infrastructure at the federal and state level and increase support collected on behalf of children and families. Proceeds from insurance settlements and gaming winnings will be subject to intercept for past due support; a loophole will be closed to allow garnishment of longshoremen's benefits; and, the process for freezing and seizing assets in multi-state financial institutions will be simplified at the federal level. Additionally, the proposals recognize that healthy families need more than financial support alone and increase resources for Access and Visitation Programs to support and facilitate non-custodial parents' access to and visitation of their children. These efforts built upon the opportunities to increase child support collections (expanded passport denial, offset of certain Social Security benefits and mandatory review and adjustment of support orders) and directing more of the support collected to children and families. The President's FY 2004 and FY 2003 budgets will result in over \$3 billion in increased support for families over five years.

Effects of Proposed Legislation

The President's FY 2005 Budget request of \$4.398 billion reflects current law of \$4.446 billion adjusted by -\$0.037 billion assuming Congressional action on legislation proposed in the FY 2003 and FY 2004 President's Budgets as well as the following new proposals:

- Notice to IV-D Agency from Health Care Plan Administrator When a Child Loses Health Care Coverage

Description: This proposal would require health care plans to send a copy of any Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) notices related to a child's loss of health coverage to the State IV-D agency if the health care plan received from a IV-D agency any Qualified Medical Child Support Order for that child. The State IV-D agency can then take action to assure the child maintains continuous health care coverage. The proposal would increase the number of children with continuous health care coverage and would only cost \$5 million in the federal share of administrative costs over five years.

- Require Child Support Enforcement Agencies to Seek Medical Support for Children through Health Insurance Available to Either Parent

Description: This proposal would require states to seek medical support from either or both parents and allow states the option to enforce medical support obligations of custodial parents. This proposal is anticipated to increase children's access to health insurance and would save \$12 million over five years, largely in reduced Medicaid costs.

These legislative proposals build on the legislative base established under welfare reform and expanded under the President's FY 2003 and FY 2004 legislative proposals. Over five years it is estimated that these combined proposals will have a federal cost of only \$105 million yet will result in almost \$3 billion in additional financial support to families.

CHILD SUPPORT ENFORCEMENT

Authorizing Legislation – Title IV-D of the Social Security Act, as amended.

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase Or Decrease
State Child Support Administrative Costs	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000	+43,023,000
Federal Incentive Payments to States	461,000,000	454,000,000	446,000,000	-8,000,000
Hold Harmless Payments to States ¹	10,154,000	0	0	0
Access and Visitation Grants	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>	<u>+2,000,000</u>
Total Obligations	\$4,063,058,000	\$4,361,674,000	\$4,398,698,000	+\$37,023,000

2005 Authorization... Such sums as may be appropriated.

Purpose and Method of Operation

Child Support Enforcement

The Child Support Enforcement program (CSE) is a federal/state effort to foster family responsibility and promote self-sufficiency by ensuring that both parents support children financially and emotionally. It reduces the need for public assistance and its cost to the taxpayers. CSE agencies locate non-custodial parents, establish paternity when necessary, and establish and enforce orders for support. CSE services are available to all people with custody of a child who has a parent living outside of the home.

The Administration for Children and Families' (ACF) strategic goal of increasing economic independence and productivity for families is dependent upon a strategy of increasing income through the enforcement of child support.

¹ The Hold Harmless provision was enacted, in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), to provide that the federal government would make up the difference if the state share of Temporary Assistance for Needy Families (TANF) collections falls below its FY 1995 levels. The Foster Care Independence Act (P.L.106-169) narrowed these payments for FY 1999 and FY 2000 and repealed them effective October 1, 2001. The final payment for FY 2001 was made during FY 2003.

The program strengthens families by helping children get the support they are owed from non-custodial parents. By securing support from non-custodial parents on a consistent and continuing basis, families may avoid the need for publicly funded assistance, thus reducing government spending. In non-TANF cases, child support collections are forwarded to the custodial family. Applicants for TANF assign their rights to support payments to the state as a condition of receipt of assistance. Child support collections in TANF cases are shared between the state and federal governments, reducing taxpayer costs. Some states choose to pass through a portion of a TANF family's child support collections to the family and disregard these payments in determining eligibility or amount of assistance. A portion of the federal share of child support collections is paid to the states as incentive payments. Incentive payments are based on state performance in paternity establishment, order establishment, collection of current support and arrears in addition to cost effectiveness.

The federal government provides funding in several ways: a 66 percent match rate for general state administrative costs; a 90 percent match rate for paternity testing; and funding of incentive payments (\$446 million for FY 2005).

Access and Visitation Grants

This grant program was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Funding began in FY 1997 with a capped entitlement of \$10 million. Every Governor has designated a state agency that will use these grant funds to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children. Activities which may be funded include: mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pick-up), and development of guidelines for visitation and alternative custody arrangements. The funding is separate from funding for federal and state administration of the Child Support Enforcement program.

Rationale for the Budget Request

The Child Support Enforcement program collected \$21 billion in FY 2003, serving an estimated 16 million child support cases. Since the creation of the Child Support Enforcement program, child support collections within the program have grown annually. States have increased collections by using a wide variety of approaches such as income withholding, offset of income tax refunds, support guidelines, and reporting to credit bureaus. In addition, states are continuing to reap the benefits of the tools provided by PRWORA.

- The government collected \$1.5 billion in overdue child support from federal income tax refunds for tax year 2002. More than 1.4 million families benefited from these collections.
- A program to match a list of delinquent parents with financial institution records found over 1.6 million accounts during 2002 belonging to more than 927,000 delinquent non-custodial parents nationwide with a value in excess of \$3.0 billion.

- The number of paternities established or acknowledged was 1.5 million in FY 2002. Of these, over 830,000 were established through in-hospital acknowledgement programs.
- Voluntary state reports indicate that the Passport Denial program resulted in collections of over \$6.3 million in lump sum child support payments in FY 2002.
- Using the expanded Federal Parent Locator Services, OCSE was able to provide states information on over 4.5 million non-custodial parents and putative fathers.

ACF will measure the CSE program's success using the outcome measures, which are part of the new incentive system to gauge the achievement of the goals and objectives of the National CSE Strategic Plan. The measures for FY 2005 are:

- The paternity establishment percentage will remain the same at 98 percent for FY 2004 and FY 2005 – This measure directly indicates achievement of the performance target by comparing paternities established during the fiscal year with the number of non-marital births during the preceding fiscal year. The rate above includes paternities established by the IV-D program and paternities established by hospital-based programs.
- The child support order establishment rate will be 71 percent for FY 2005 – A support order is needed to collect child support. This measure directly indicates achievement of the performance target by comparing the number of IV-D cases with support orders with the number of IV-D cases. With the establishment of new reporting requirements the caseload data has come into alignment and no longer reflects double counting of cases that fall into more than one category. Hence, our goal has been adjusted to reflect a more accurate case and order count.
- The collection rate for current support will be 61 percent for FY 2005 – This measure, which is a proxy for the regular and timely payment of support, directly indicates achievement of the performance target by comparing total dollars collected for current support in IV-D cases with total dollars owed for current support in IV-D cases.
- The percentage of cases with child support arrearages that pay some amount is projected to increase from the FY 2004 target of 60 percent to 61 percent in FY 2005 – This measure directly indicates achievement of the performance target by comparing the total number of IV-D cases paying any amount toward arrears with the total number of IV-D cases with arrears due.
- The cost-effectiveness ratio (total dollars collected per \$1 of expenditures) will be adjusted to \$4.42 for FY 2005 – This measure directly indicates achievement of the performance target by comparing total IV-D dollars collected by states with total IV-D dollars expended by states.

Impact of FY 2005 Legislative Proposals on Program and Families

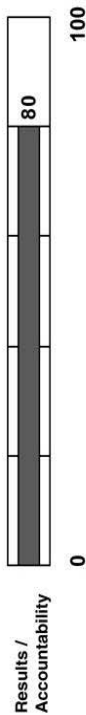
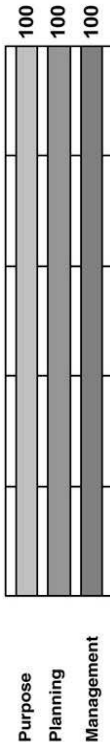
The FY 2005 legislative proposals will improve collection of medical child support by increasing the number of children that receive and maintain medical child support coverage. By assuring that IV-D agencies receive notice of a child's loss of health insurance coverage and by seeking health insurance from either parent, more children will have access to continuous health coverage, which will result in healthier children and families.

These changes build on pending child support enforcement legislation addressed in the President's FY 2004 and FY 2003 budgets to increase collections and direct more support to families. The President's legislative proposals will continue to move the program toward a focus on healthy, financially strong families and away from the historic purpose of recouping of federal and state outlays for welfare.

A PART assessment was conducted for this program and the PART findings support the FY 2005 budget proposals to increase and improve the provision of medical support to children. The Child Support Enforcement program received a PART score of 90 percent, making it the highest rated social services program and the highest rated block/formula grant program among all programs reviewed government-wide. A summary of the PART assessment follows on the next page.

Program: Office of Child Support Enforcement

Agency: Department of Health and Human Services
Bureau: Administration of Children & Families



Key Performance Measures	Year	Target	Actual
Annual Measure: Percent of IV-D collection rate for current support	2001	0.54	0.57
	2002	0.55	0.58
	2003	0.58	
	2004	0.6	
Annual Measure: Cost-effectiveness ratio (total dollars collected per \$1 of expenditures.)	2001	4	4.18
	2002	4.2	4.13
	2003	4.25	
	2004	4.35	
Long-term Measure: Annual child support distributed collections	2002	baseline	\$20billion
	2008	\$30billion	
	2013	\$40billion	

Rating: Effective

Program Type: Block / Formula Grant

Program Summary:

The Child Support Enforcement Program is designed to help low-income and vulnerable families with children become self-sufficient by obtaining support from the children's non-custodial parents. The program helps families by establishing paternity, locating non-custodial parents, obtaining child and spousal support, and assuring that such assistance is available to all children for whom it is requested.

The CSIE program received a PART score of 90% making it the highest rated social services program and the highest rated block/formula grant program amongst all programs reviewed government-wide. This program's high rating is due to its:

- clear purpose and unambiguous mission linked to salient and meaningful performance measures;
- strong management practices with financial incentives awarded and penalties assessed to states based on meeting the specific performance measures;
- demonstration of measurable progress toward meeting its long-term and annual performance goals; and
- independent evaluations indicating the program's effectiveness in achieving results

In response to these findings, the Administration is supporting

1. proposals to encourage families to transition off welfare, achieve self-sufficiency, and practice responsible parenthood while increasing HHS's ability to collect child support more effectively;
2. medical support enforcement proposals to assist the approximately 3 million children without health care coverage in the CSE system

Program Funding Level (in millions of dollars)

2003 Actual	2004 Estimate	2005 Estimate
3,845	4,413	4,074

Child Support Enforcement Collections and Costs
(\$ in millions)

	<u>2003</u> <u>Enacted</u>	<u>2004 Final</u> <u>Conference</u>	<u>2005</u> <u>Estimate</u>	Increase Or Decrease
Total Collections Distributed to:				
Families	18,960	20,270	21,641	1,371
TANF Program	2,062	2,082	2,131	49
FC Program	49	50	52	2
Total	21,071	22,402	23,824	1,422
Distributed to TANF /FC Program:				
Federal Share	1,166	1,175	1,203	28
State Share	945	957	980	23
Total	2,111	2,132	2,183	51
Administrative Costs: (Obligations)				
Federal share	3,592	3,898	3,941	43
State Share	1,784	1,871	2,036	165
Total	5,376	5,769	5,977	208
Incentive Payments To States	461	454	446	-8
Program Costs: (Costs Minus Collections)				
Federal Costs	-2,887	-3,177	-3,184	-7
State Costs	-378	-460	-610	-150
Net Costs to Taxpayer	-3,265	-3,637	-3,794	-157

Resource and Program Data
State Child Support Administrative Costs
(Obligations)

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$3,592,186,000	\$3,897,674,000	\$3,940,698,000
<u>Program Data:</u>			
Number of Grants	63	69	88
New Starts:			
#		6	19
\$		3,000,000	\$20,000,000
Continuations:			
#	63	63	69
\$	\$3,592,186,000	\$3,894,674,000	\$3,920,698,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

Resource and Program Data
Federal Incentive and Hold Harmless Payments to States

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Incentive	\$461,000,000	\$454,000,000	\$446,000,000
Hold Harmless	10,154,000		
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$471,154,000	\$454,000,000	\$446,000,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts:			
#	0	0	0
\$			
Continuations:			
#	54	54	54
\$	\$471,154,000	\$454,000,000	\$446,000,000
Contracts:			
#	0	0	0
\$			

Resource and Program Data
Access and Visitation Grants

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$10,000,000	\$10,000,000	\$12,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$10,000,000	\$10,000,000	\$12,000,000
<u>Program Data:</u>			
Number of Grants	54	54	62
New Starts:			
#	0	0	8
\$			\$250,000
Continuations:			
#	54	54	54
\$	\$10,000,000	\$10,000,000	\$11,750,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2004 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Federal Share of State and Local Administrative Costs (CFDA # 93.563)

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Alabama	\$42,935,397	\$46,056,107	\$46,215,775	\$159,668
Alaska	16,238,565	17,418,846	17,479,234	60,388
Arizona	42,328,556	45,405,159	45,562,569	157,410
Arkansas	39,417,296	42,282,297	42,428,881	146,584
California	800,417,421	858,594,841	861,571,423	2,976,582
Colorado	47,139,678	50,565,971	50,741,274	175,303
Connecticut	52,370,265	56,176,738	56,371,491	194,753
Delaware	14,120,749	15,147,099	15,199,611	52,512
District of Columbia	13,150,505	14,106,334	14,155,238	48,904
Florida	181,362,727	194,544,869	195,219,318	674,449
Georgia	83,396,859	89,458,464	89,768,599	310,135
Hawaii	7,975,339	8,555,017	8,584,676	29,659
Idaho	13,970,239	14,985,650	15,037,602	51,952
Illinois	125,503,881	134,625,987	135,092,710	466,723
Indiana	37,698,244	40,438,298	40,578,489	140,191
Iowa	37,987,400	40,748,471	40,889,738	141,267
Kansas	34,788,234	37,316,777	37,446,147	129,370
Kentucky	46,834,544	50,238,659	50,412,827	174,168
Louisiana	39,059,180	41,898,152	42,043,404	145,252
Maine	17,943,656	19,247,870	19,314,599	66,729
Maryland	71,790,674	77,008,697	77,275,671	266,974
Massachusetts	65,861,507	70,648,575	70,893,500	244,925
Michigan	209,154,690	224,356,859	225,134,660	777,801
Minnesota	114,828,433	123,174,606	123,601,628	427,022
Mississippi	21,255,342	22,800,262	22,879,306	79,044
Missouri	70,896,599	76,049,637	76,313,286	263,649
Montana	9,437,283	10,123,221	10,158,316	35,095
Nebraska	32,695,918	35,072,383	35,193,972	121,589
Nevada	24,113,961	25,866,657	25,956,331	89,674
New Hampshire	12,843,603	13,777,126	13,824,888	47,762
New Jersey	121,883,631	130,742,603	131,195,862	453,259
New Mexico	25,471,997	27,323,400	27,418,125	94,725
New York	223,985,058	240,265,155	241,098,107	832,952
North Carolina	88,587,221	95,026,081	95,355,518	329,437
North Dakota	8,888,086	9,534,106	9,567,159	33,053

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Ohio	270,533,356	290,196,761	291,202,818	1,006,057
Oklahoma	41,173,009	44,165,622	44,318,735	153,113
Oregon	42,778,992	45,888,334	46,047,420	159,086
Pennsylvania	166,158,371	178,235,402	178,853,309	617,907
Rhode Island	7,635,062	8,190,008	8,218,401	28,393
South Carolina	25,162,314	26,991,208	27,084,781	93,573
South Dakota	7,094,285	7,609,925	7,636,307	26,382
Tennessee	52,180,526	55,973,208	56,167,256	194,048
Texas	228,843,035	245,476,228	246,327,246	851,018
Utah	26,011,617	27,902,242	27,998,973	96,731
Vermont	10,210,706	10,952,859	10,990,831	37,972
Virginia	71,157,142	76,329,117	76,593,735	264,618
Washington	109,596,766	117,562,681	117,970,248	407,567
West Virginia	29,016,521	31,125,554	31,233,460	107,906
Wisconsin	111,499,986	119,604,235	120,018,879	414,644
Wyoming	7,342,750	7,876,449	7,903,755	27,306
Subtotal	4,002,727,176	4,293,660,807	4,308,546,088	14,885,281
Indian Tribes	13,156,880	18,000,000	38,000,000	20,000,000
Guam	2,863,064	3,071,163	3,081,810	10,647
Puerto Rico	31,197,936	33,465,522	33,581,541	116,019
Virgin Islands	3,240,944	3,476,508	3,488,561	12,053
Subtotal	50,458,824	58,013,193	78,151,912	20,138,719
Total States/Territories	4,053,186,000	4,351,674,000	4,386,698,000	35,024,000
TOTAL RESOURCES	4,053,186,000	4,351,674,000	4,386,698,000	\$35,024,000

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2004 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Access and Visitation (CFDA # 93.597)

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Alabama	\$146,610	\$146,610	\$171,044	\$24,434
Alaska	100,000	100,000	120,000	20,000
Arizona	154,416	154,416	180,153	25,737
Arkansas	100,000	100,000	120,000	20,000
California	970,431	970,431	1,132,168	161,737
Colorado	119,443	119,443	139,351	19,908
Connecticut	100,000	100,000	120,000	20,000
Delaware	100,000	100,000	120,000	20,000
District of Columbia	100,000	100,000	120,000	20,000
Florida	485,954	485,954	566,946	80,992
Georgia	274,295	274,295	320,011	45,716
Hawaii	100,000	100,000	120,000	20,000
Idaho	100,000	100,000	120,000	20,000
Illinois	345,253	345,253	402,796	57,543
Indiana	182,299	182,299	212,682	30,383
Iowa	100,000	100,000	120,000	20,000
Kansas	100,000	100,000	120,000	20,000
Kentucky	121,519	121,519	141,772	20,253
Louisiana	170,393	170,393	198,792	28,399
Maine	100,000	100,000	120,000	20,000
Maryland	172,830	172,830	201,635	28,805
Massachusetts	172,640	172,640	201,413	28,773
Michigan	312,971	312,971	365,133	52,162
Minnesota	0	128,014	149,350	21,336
Mississippi	111,014	111,014	129,516	18,502
Missouri	174,425	174,425	203,496	29,071
Montana	100,000	100,000	120,000	20,000
Nebraska	100,000	100,000	120,000	20,000
Nevada	100,000	100,000	120,000	20,000
New Hampshire	100,000	100,000	120,000	20,000
New Jersey	214,698	214,698	250,481	35,783
New Mexico	100,000	100,000	120,000	20,000
New York	606,330	606,330	707,385	101,055
North Carolina	248,098	248,098	289,447	41,349
North Dakota	100,000	100,000	120,000	20,000

STATE/TERRITORY	2003 Enacted	2004 Final Conference	2005 Estimate	Difference +/- 2004
Ohio	356,353	356,353	415,745	59,392
Oklahoma	105,956	105,956	123,616	17,660
Oregon	100,000	100,000	120,000	20,000
Pennsylvania	333,852	333,852	389,494	55,642
Rhode Island	100,000	100,000	120,000	20,000
South Carolina	138,905	138,905	162,056	23,151
South Dakota	100,000	100,000	120,000	20,000
Tennessee	179,100	179,100	208,949	29,849
Texas	621,404	621,404	724,972	103,568
Utah	100,000	100,000	120,000	20,000
Vermont	100,000	100,000	120,000	20,000
Virginia	203,537	203,537	237,460	33,923
Washington	172,933	172,933	201,755	28,822
West Virginia	100,000	100,000	120,000	20,000
Wisconsin	147,846	147,846	172,487	24,641
Wyoming	100,000	100,000	120,000	20,000
Subtotal	9,543,505	9,671,519	11,360,105	1,688,586
Tribes			250,000	250,000
Guam	100,000	100,000	120,000	20,000
Puerto Rico	128,481	128,481	149,895	21,414
Virgin Islands	100,000	100,000	120,000	20,000
Subtotal	328,481	328,481	639,895	311,414
Total States/Territories	9,871,986	10,000,000	12,000,000	2,000,000
TOTAL RESOURCES	\$9,871,986	\$10,000,000	\$12,000,000	\$2,000,000

OTHER PROGRAMS

Authorizing Legislation — Titles I, X, XI, XIV and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch.9).

	2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
Territories – Adults	\$23,000,000	\$23,000,000	\$23,000,000	\$0
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Subtotal, BA	24,000,000	24,000,000	24,000,000	0

Purpose and Method of Operation

Payments to Territories -- Adults (Aged, Blind and Disabled)

State maintenance assistance programs for the aged, blind and disabled were federalized under Title XVI of the Social Security Act as the Supplemental Security Income program on January 1, 1974. A small residual program, however, remains for the residents of Puerto Rico, Guam, and the Virgin Islands. These grants are subject to spending limitations under Section 1108 of the Social Security Act. The limitations, which were established by P.L. 104-193 and most recently amended by P.L. 105-33, are: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands, and \$1,000,000 for American Samoa.

Repatriation

This program provides assistance to U.S. citizens and their dependents returning from foreign countries that have been determined by the Department of State to be destitute, mentally ill or requiring emergency evacuation due to threatened armed conflict, civil strife or natural disasters. The authorizing statute, Section 1113 of the Social Security Act, sets the funding level for the repatriation program. Spending is entirely dependent upon external events, and is affected substantially by the extent of conflict and natural disasters abroad.

The repatriation program traditionally reimburses states directly for assistance provided by them to individual repatriates and for state administrative costs. In January 1997, the program entered into a cooperative agreement with a national, private organization for provision of some of the direct services for the destitute and mentally ill individuals. All individuals receiving assistance are expected to repay the cost of such assistance. These repatriate debts are collected by the Program Support Center, which is the HHS component charged with collecting debts owed by individuals.

Rationale for the Budget Request

Amounts requested for FY 2005 reflect the continued operation of these existing programs. Building on the success of the 1996 welfare reform program, the FY 2005 budget follows the framework proposed in the reauthorization of PRWORA.

Resource and Program Data
Payments to Territories – Adults (Aged, Blind, Disabled)

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$23,000,000	\$23,000,000	\$23,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$23,000,000	\$23,000,000	\$23,000,000
<u>Program Data:</u>			
Number of Grants	3	3	3
New Starts:			
#	0	0	0
\$			
Continuations:			
#	3	3	3
\$	\$23,000,000	\$23,000,000	\$23,000,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

Resource and Program Data
Repatriation

	2003 Enacted	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary	\$1,000,000	\$1,000,000	\$1,000,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,000,000	\$1,000,000	\$1,000,000
<u>Program Data:</u>			
Number of Grants	1	1	1
New Starts:			
#	0	0	0
\$			
Continuations:			
#	1	1	1
\$	\$1,000,000	\$1,000,000	\$1,000,000
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			

PRIOR YEAR AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PAYMENTS

Authorizing Legislation — Title IV-A of the Social Security Act.

2003 Enacted	2004 Final Conference	2005 Estimate	Increase or Decrease
\$0	\$20,000,000	\$0	-\$20,000,000

Rationale for the Budget Request

The FY 2005 estimate does not include payments for the AFDC and related programs. States had until August 21, 1998, to submit prior-year claims for expenditures incurred before the AFDC, EA and IV-A child care programs were repealed by PRWORA. The FY 2005 request includes appropriations language to provide authority to pay prior year claims in the event that disputed claims from prior years are not resolved during FY 2004.

Resource and Program Data
Prior Year Aid to Families with Dependent Children (AFDC) Payments

	2003 Actual	2004 Final Conference	2005 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula		\$20,000,000	
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical			
Program Support			
Total, Resources		\$20,000,000	
<u>Program Data:</u>			
Number of Grants	0	2	0
New Starts:			
#	0	0	0
\$			
Continuations:			
#	0	2	0
\$		\$20,000,000	
Contracts:			
#	0	0	0
\$			
Interagency Agreements:			
#	0	0	0
\$			