



Subcommittee Chairman LaHood, ranking member Davis and distinguished members of the Work and Welfare Subcommittee, thank you for the opportunity to testify today on opportunities for modernization in the child support program.

My name is Connie Chesnik, and I am the Administrator of the Division of Family and Economic Security in the Wisconsin Department of Children and Families. I have worked in the child support program for 40 years, having previously served as legal counsel. I am also the current President of the National Child Support Engagement Association (NCSEA).

The Child Support program is the third largest federal program serving families, yet it is not a public benefit program. It has evolved over the years from its origin as a program designed to recover the costs of other federal programs. Its current legislative framework is based on the welfare reform legislation of 1996, the Personal Responsibility and Work Opportunity Reconciliation Act or PRWORA) which is now 30 years old. Today, the child support program is focused on providing direct parental support to families, serving millions of children across the country, and reducing families' need for government benefits.

NCSEA is proposing new legislation to provide the foundation for the child support program's continued effectiveness in supporting children. I will address each of the 4 main policy areas of the NCSEA legislative package briefly.

Our first proposed change would **Increase Self-Sufficiency and Streamline Program Operations by ending retained child support collections for TANF cases.**

Historically, the child support program was responsible for reducing the cost of TANF payments by retaining some portion of child support collections on current and former TANF cases. However, TANF caseloads have declined by 80 percent since enactment of PRWORA and the proportion of child support collections used to offset TANF benefits has dropped to just over 3% of collections. During the same time period, the child support program has expanded its reach. In FFY 2024, 12.2 million children - one in six nationwide - were served by the program, with 97% of the \$29.5 billion in collections going directly to families. The child support program is also one of the most effective and efficient federal programs, consistently collecting approximately \$5 in support for every \$1 spent administratively. It provides more than 3.5 times as much in financial resources to single parent families as the TANF program.

Recouping of TANF benefits from TANF recipients takes money away from primarily single-parent families at the very time they need it most to establish financial stability and avoid remaining on or returning to public benefits.

Our second proposed change would **Strengthen Enforcement tools in response to changes in the economy and lessons learned from program experience.**

Income withholding is our most effective enforcement tool, accounting for 74% of collections. Given the expansion of nontraditional employment through gig and other independent contractors, NCSEA recommends expanding withholding to increase collections from sources not currently tapped through the existing withholding process.

We are also proposing the establishment of a nationwide standard for both employer reporting of new hires and lump sum payments to make it easier for employers to meet their

responsibilities rather than having to meet the requirements of each state where they do business. This will also speed identification and distribution of funds to families owed support.

NCSEA is also recommending that states be mandated to intercept winnings from gambling and sports betting, and to require state unemployment insurance agencies to comply with interstate income withholding orders.

Our third proposed change would **Update and Strengthen Federal Performance Measures.**

States currently receive incentives based on an evaluation of their performance on a set of 5 performance standards.

These performance standards have been unchanged since 1998. Minimum and maximum levels of performance need to be updated to reflect states' increased performance.

The child support community is willing to raise the bar on required performance as its contribution to improved program outcomes resulting from the other proposed legislative changes in our proposal.

Our final proposed change would make **performance-based funding changes.**

We recognize that there will be some costs associated with an end to retained collections, and we are requesting modest funding increases. While retained collections constitutes only about 3% of the program's total collections, the state share of those collections represents over 15% of the state's administrative program costs. That funding is significant to the successful operation of the child support program in many states. NCSEA proposes a 150% increase in the incentive pool to offset that funding loss. The increase in the performance pool, along with the proposed updating of performance standards, would further incentivize states and their local partners to continue improving key outcomes for the child support program and the people we serve.

NCSEA's legislative proposal demonstrates our commitment to maintaining a vibrant and effective child support program that improves services needed to ensure families are financially stable, maintains the program's historic bipartisan support, and reduces dependency on public benefit programs. I ask that our proposals be made a part of the hearing record. Thank you again for the opportunity to testify.