

AMENDED IN SENATE JUNE 1, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

Assembly Joint Resolution

No. 17

Introduced by Assembly Member Jones

March 30, 2005

Assembly Joint Resolution No. 17—Relative to child support penalties.

LEGISLATIVE COUNSEL'S DIGEST

AJR 17, as amended, Jones. Child support penalties.

This measure would request the Congress of the United States to enact the *Child Support Reinvestment Act of 2005* which would revise the method used to assess federal penalties imposed for the failure of a state to fully implement a certified statewide child support automation system, as specified.

Fiscal committee: no.

1 WHEREAS, California and other states have been subject to
2 federal penalties since 1998 due to their failure to fully
3 implement a certified statewide child support automation system
4 and these penalties, which have increased from 4 percent to 30
5 percent of the federal share of the Department of Child Support
6 Services program's administrative costs, are levied against the
7 state until the state has a certified statewide automation system in
8 place; and

9 WHEREAS, California reached the 30 percent penalty level in
10 the 2002 federal fiscal year and has incurred a total penalty of
11 \$754 million through the 2004 federal fiscal year; and

12 WHEREAS, California's child support automated system is
13 expected to be operational by the 2006 federal fiscal year, by

1 which time California's cumulative penalties will have reached
2 \$1.2 billion; and

3 WHEREAS, California entered into a contract in July 2003
4 with a team of vendors led by IBM for development of the child
5 support enforcement system component of the California Child
6 Support Automation System, California entered into a services
7 contract in December 2004 with Bank of America to operate the
8 State Disbursement Unit, the second component of the California
9 Child Support Automation System, and California is well along
10 the way toward securing a statewide automation system that will
11 comply with all the federal certification requirements and
12 improve program performance; and

13 WHEREAS, The federal penalties no longer serve their
14 intended purpose and in fact: (a) penalize the state for increasing
15 its spending on program improvements and automation
16 development; (b) force system procurement and technology
17 decisions to focus on avoiding federal penalties, rather than
18 prudent technology goals and system objectives; and (c) reduce
19 the ability of the program to continue to collect child support
20 payments for largely low-income families who have left the
21 welfare system or are able to avoid relying on welfare; and

22 WHEREAS, The Legislature supports the policy directives of
23 the National Governors Association, the National Conference of
24 State Legislatures, the American Public Human Services
25 Association and other organizations that urge penalty
26 reinvestment to help states both complete automation and
27 improve child support performance; and

28 WHEREAS, The Legislature supports changing the penalty
29 structure to ensure that states are not penalized for increased
30 investment in the program and for system development costs by
31 imposing penalties based on the year prior to the year penalties
32 were first imposed, rather than the prior year; *and*

33 *WHEREAS, Congresswoman Matsui has introduced the Child*
34 *Support Reinvestment Act of 2005 which would allow for penalty*
35 *reinvestment in the program and would change the penalty*
36 *structure to ensure that states are not penalized for increased*
37 *investment in the program and for system development costs;*
38 *now, therefore, be it*

39 *Resolved by the Assembly and Senate of the State of*
40 *California, jointly, That the Legislature respectfully*

1 memorializes the Congress of the United States, and each
2 Senator and Representative from California in the Congress of
3 the United States to enact ~~legislation to (a) allow~~ *the Child*
4 *Support Reinvestment Act of 2005 which (a) allows* states that
5 have been assessed federal penalties to reinvest those child
6 support automation penalties in child support program
7 improvements and automation system development, which would
8 allow California and other states to enhance and improve their
9 child support automation systems; and (b) ~~impose~~ *imposes* the
10 penalty based on the year prior to when penalties were first
11 imposed, as opposed to the prior year, to avoid penalizing states
12 for increased program investments and system development
13 costs; and be it further
14 *Resolved*, That the Chief Clerk of the Assembly transmit
15 copies of this resolution to the Speaker of the House of
16 Representatives, the President of the Senate, and each Senator
17 and Representative from California in the Congress of the United
18 States.