

## Assembly Joint Resolution No. 17

### RESOLUTION CHAPTER 118

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

[Filed with Secretary of State September 12, 2005.]

#### LEGISLATIVE COUNSEL'S DIGEST

AJR 17, 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.

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

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

WHEREAS, California's child support automated system is expected to be operational by the 2006 federal fiscal year, by which time California's cumulative penalties will have reached \$1.2 billion; and

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

WHEREAS, The federal penalties no longer serve their intended purpose and in fact: (a) penalize the state for increasing its spending on program improvements and automation development; (b) force system procurement and technology decisions to focus on avoiding federal penalties, rather than prudent technology goals and system objectives; and (c) reduce the ability of the program to continue to collect child support

payments for largely low-income families who have left the welfare system or are able to avoid relying on welfare; and

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

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

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

*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature respectfully memorializes the Congress of the United States, and each Senator and Representative from California in the Congress of the United States to enact the Child Support Reinvestment Act of 2005 which (a) allows states that have been assessed federal penalties to reinvest those child support automation penalties in child support program improvements and automation system development, which would allow California and other states to enhance and improve their child support automation systems; and (b) imposes the penalty based on the year prior to when penalties were first imposed, as opposed to the prior year, to avoid penalizing states for increased program investments and system development costs; and be it further

*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the Speaker of the House of Representatives, the President of the Senate, and each Senator and Representative from California in the Congress of the United States.