

that prospective SSI recipients apply for all other Federal benefits for which they may be eligible. As a result, it is considered "the program of last resort."

Since 1989, SSI eligibility has been restricted to qualified persons who have resources of not more than \$2,000, or \$3,000 in the case of a couple. This effectively requires a recipient to have extremely limited assets and a very low-income to be eligible for the program. As a result, these recipients have higher rates of poverty compared to other elderly and disabled populations, such as those receiving retirement and disability benefits under the Social Security program. Over one-half of all SSI recipients have no other income outside of their SSI benefits. SSI benefits alone only get a recipient to 76 percent of the Federal poverty level. Recipients who have other forms of income in addition to their SSI payment have an average income (excluding SSI) of \$438 a month or \$5,256 a year. On average, these recipients' total income (including SSI) allows them to just meet the Federal poverty level (on average, this total income is 102 percent of the poverty line).

The one-time emergency payments will immediately stimulate the economy and will help SSI recipients make modest improvements to their overall quality of life. These recipients will have little choice but to immediately put these payments back into the economy to purchase food, certain health-related expenses, and transportation.

In addition to stimulating the economy, these payments also will assist those who were left out of the first economic stimulus package. Social Security beneficiaries were made eligible for the tax rebate in 2008, but SSI recipients were excluded.

EFFECTIVE DATE

The provision is effective at the "earliest practical date" in 2009, but not more than 120 days after enactment of the legislation.

C. TEMPORARY RESUMPTION OF PRIOR CHILD SUPPORT LAW (SEC. 2103 OF THE BILL)

PRESENT LAW

The Federal government pays States an incentive payment to encourage them to operate effective Child Support Enforcement (CSE) programs. The incentive payment is based on several factors including the State's performance in five program areas. Federal law capped the amount of incentive payments to the States (in aggregate) at \$483 million for fiscal year 2008. For Fiscal Years after Fiscal Year 2008, the aggregate incentive payment amount is to be increased to account for inflation. Federal law requires States to reinvest CSE incentive payments back into the CSE program or related activities. The Deficit Reduction Act of 2005 (P.L. 109-171) prohibits Federal matching/reimbursement of CSE incentive payments that are reinvested in the CSE program.

EXPLANATION OF PROVISION

The proposal requires the Department of Health and Human Services (HHS) to temporarily provide Federal matching funds on CSE incentive payments that States reinvest back into the CSE program. Thus, CSE incentive payments that were received by States and reinvested in their CSE program can be used to draw down Federal funds for Fiscal Years 2009 and 2010 (i.e., the period October 1, 2008 through September 30, 2010).

REASON FOR CHANGES

The Committee believes that restoring full Federal funding for child support enforcement activities will provide a critical source of income to children and families during the economic downturn. Child support disproportionately reaches lower-income families with children who are more likely to put the money back into the economy as they make purchases to meet their basic needs. Moreover, families who receive child support income spend it quickly. According to data collected by States and banking institutions, 97 percent of child support funds that are dispensed to family debit cards are spent by the end of the month.

Child support is 30 percent of family income for poor families that receive it. The average child support payment received by low-wage families is nearly \$4,000 per year. When families do not receive this money, they are more likely to need public assistance. Twenty-four Governors sent a letter to Congress last summer asking that the child support cut be repealed and warned that the financial loss of Federal funding to the child support enforcement program could result in greater financial pressure on other social assistance programs including the Temporary Assistance for Needy Families (TANF), Medicaid, and Food Stamps.

The proposal would suspend the Federal funding cuts in the child support enforcement program in fiscal years 2009 and 2010, thereby restoring full Federal funding for collecting support owed to families for two years.

EFFECTIVE DATE

The provisions shall take effect on the date of the enactment of this legislation.