

**1995-17**

**RESOLUTION OBJECTING TO A REDUCTION IN FEDERAL  
CHILD SUPPORT INCENTIVES TO THE COUNTIES**

Introduced by the Finance Committee

WHEREAS, the Friend of the Court (FOC) offices in the State of Michigan have collected more child support than any other state in the country virtually every year since records have been kept, with Michigan's FOC offices collecting 10% of the total child support collected (\$874,483,000) nationwide in 1993, and

WHEREAS, because of the effectiveness of these FOC offices, the State of Michigan has realized a savings of \$52 million in 1993 and over \$250 million over five years, more than any other state in the Union except for California, and

WHEREAS, the Michigan FOC's have the most cost effective system of any state in the country at \$8.43 collected per \$1 of administrative costs, and

WHEREAS, because of the effectiveness and efficiency of the FOC offices, the Federal Performance Incentive program has paid additional money to the State of Michigan, consistently more than any other state in the country with the exception of California, that amount being \$24,900,000 in 1993, the last year for which figures are available, and

WHEREAS, since approximately 1984, the State of Michigan has annually retained approximately \$7 million of the Federal Performance Incentives and has only paid out to the respective counties the balance of those funds, with the State being paid slightly more than 14% of total AFDC collections and paying out to the counties 10% of AFDC collections plus an average of approximately \$2,000,000 in bonus incentives at the end of each year, and

WHEREAS, the State of Michigan experienced a drop in performance incentives in fiscal year 1994 and fiscal year 1995 because of significant additional expenditures related primarily to the new statewide Child Support Enforcement computer System, (CSES), and

WHEREAS, a letter dated August 15, 1995, by Dr. Gerald H. Miller, Director of the Department of Social Services, informed all Friends of the Court that there would be no bonus incentive in fiscal year 1994, and, furthermore, that previously paid 10% incentives would be dropped to 9%, representing a shortfall to the counties of at least \$2,000,000 in calendar year 1995 with an additional drop of at least \$1,000,000 plus the \$2,000,000 for each of the subsequent years, and

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WHEREAS, in the same letter, Dr. Miller indicates a significant drop in the AFDC caseload is causing reduced incentive pools for child support, however, the analysis ignores the huge savings realized by the State of Michigan due to this drop in AFDC cases, and

WHEREAS Clinton County believes that reduced AFDC payments should be redistributed to the various FOC offices to finance enforcement of the corresponding increase in Non-AFDC cases so that the AFDC rolls do not increase again, and

WHEREAS, it appears that the State of Michigan is not passing on to the counties for the benefit of the Friend of the Court system any of the saving realized by having people go off AFDC and is, indeed, penalizing the counties severely by passing on the counties some \$3,000,000 less in incentives while the State received only some \$400,000 less from the Federal Government.

NOW THEREFORE IT IS RESOLVED that Dr. Gerald H. Miller be requested to rescind his decision to decrease the Federal Incentives to the counties as outlined in his letter dated August 15, 1995, and that a copy of this resolution be sent to Governor John Engler, Dr. Gerald Miller, Senator Mike Rogers, Representatives Cropsey and Harder, the Michigan Association of Counties, and the Friend of the Court Association.

BE IT FURTHER RESOLVED that the Clinton County Board of Commissioners requests that the Governor and the State Legislature review and eliminate the capture of Federal Incentives at the state level and return the full share earned by the counties to the counties.

BE IT FURTHER RESOLVED that the Clinton County Board of Commissioners also requests that the Governor and the State Legislature develop appropriate legislation, in conjunction with the Michigan Association of Counties and the Friend of the Court Association, to pass the savings from a reduction in AFDC payments back to the counties to finance an increased non-AFDC caseload.

BE IT FURTHER RESOLVED that the Clinton County Board of Commissioners strongly believes that local, elected representatives can best determine and represent the interests of local communities, and this body strongly objects to continued efforts at all levels of state government to reduce local revenue sources and displace local governmental authority and responsibility.

STATE OF MICHIGAN  
COUNTY OF CLINTON

I, Diane Zuker, Clerk of the County of Clinton do hereby certify that the foregoing resolution was duly adopted by the Clinton County Board of Commissioners at their annual meeting held October 10, 1995 as on file in the records of this office.

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Diane Zuker  
County Clerk