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Directing Child Support Payments to Families, Not Government, Would Help Families Afford Basic Needs and Thrive

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The modern child support program is a family support program that aims to get more cash to families; the program put more than \$25 billion directly into the pockets of families in 2023.² Children living in custodial families³ that participate in the program are significantly more likely to receive child support payments than those that do not.⁴ Receiving child support income is associated with positive benefits for children, including increased income, increased parental involvement, and better child developmental outcomes.⁵

But child support does not benefit children and help them thrive when it is kept by governments rather than paid to families. Despite the importance of income support for families living in and near poverty, nearly half of the families participating in the child support program do not receive all the child support payments made on their behalf. In 2023, state and federal governments kept \$896 million in child support payments, often meant for children in families with the lowest incomes, to reimburse the state for cash assistance it provided to the family through the Temporary Assistance for Needy Families (TANF) program.⁶

\$896 million

Total child support payments that state and federal governments kept in 2023 rather than passed on to the custodial families that they were intended for.

There's broad consensus among researchers, policy analysts, advocates, and program administrators that Congress should require all child support to be paid to families, instead of used to reimburse the government for cash assistance provided.⁷ While federal legislative improvements are needed to entirely eliminate the cost recovery features of the TANF and child support programs, states do not need to wait for Congress to take action. Using existing policy options, states have considerable flexibility to direct *all* child support to current and past TANF participants.

This is an opportune time for states to take action. As state TANF caseloads have continued to decline over the last several years, state revenues derived from TANF cost recovery efforts have also declined, and so improving the policy can be done for only a modest cost.⁸ But the gain for families is real — increasing the amount of child support families receive can help families make ends meet and is one part of an equitable strategy for improving economic security, particularly for families of color.

This report highlights the benefits that accrue to children and parents when families receive child support and discusses why states should shift their child support program away from cost recovery and toward family support and well-being. (See Figure 1.) There are several different policy options in federal law that states may adopt, individually or in combination, to increase family payments and reduce or eliminate the cost recovery burden on families. The specific options are outlined in Appendix I. A chart of state-by-state distribution and pass-through policies is provided in Appendix II. An accompanying CBPP report, “Understanding TANF Cost Recovery in the Child Support Program,” describes the basics of TANF cost recovery and the specific rules governing child support assignment and distribution.⁹

FIGURE 1

Why Receiving Child Support Matters

Child support increases family income and improves financial stability.



Children have basic needs that can only be met with cash, like housing costs, diapers, clothing, and school supplies. A consistent stream of child support income can also protect families from unexpected expenditures or income losses. Research shows that noncustodial parents pay more child support when support is passed through to children and disregarded when determining TANF assistance.

Paying child support to families reduces the risks of child protective services (CPS) involvement.



By directing more child support payments to the children they are intended for, states can increase family income and help parents provide their children with basic necessities leading to reduced reports of neglect to CPS.

Receiving child support is linked to positive child development outcomes.



Receiving child support can encourage and reinforce involvement by noncustodial parents in their children’s lives, which studies show can be linked to child development outcomes including positive educational outcomes and improved emotional well-being.

Paying child support to families can address inequities for custodial and noncustodial parents.



TANF cost recovery policies disproportionately impact Black and Latine parents struggling to make ends meet. Paying all child support to families helps address economic hardship and enables parents to meet their own needs and their children’s needs.

Source: CBPP, “Directing Child Support Payments to Families, Not Government, Would Help Families Afford Basic Needs and Thrive”

Nearly Half of Families Receiving Child Support Services Lose out on Child Support Income

Almost two-thirds of all custodial families (62 percent) receive services funded under title IV-D of the Social Security Act — nearly 8 million custodial parents and 13 million children.¹⁰ That is 16 percent of all children under age 21 in the country. And, importantly, more than 80 percent of custodial parents and their children with incomes below the federal poverty line receive services.¹¹

More than half of the families participating in the child support program never received TANF but instead voluntarily applied for services, and these families receive all of their child support payments.¹² But the rules are different for the 46 percent of participating families that are current or former recipients of TANF assistance, a group that is disproportionately Black and Latine.¹³ Thirty-eight percent of families participating in the child support program in 2023 previously received cash assistance; another 8 percent were currently receiving it.¹⁴

46 percent

Share of families participating in the child support program that are current or former TANF participants and thus subject to TANF cost recovery.

Through a mechanism known as TANF cost recovery, families receiving TANF are required to participate in the child support program and to sign over their legal rights to child support payments to the state to reimburse the state and federal governments for the cost of cash assistance.¹⁵ The state holds back their child support payments as reimbursement for the assistance the family is receiving — or under some circumstances, received in the past.¹⁶ The state then keeps a share of the child support it retains as state revenues (“state share”) and provides a share of the retained support to the federal government (“federal share”). Cost recovery means that too often states and the federal government, not children, benefit from child support payments paid on their behalf. By expecting families to repay cash assistance, these policies fail to recognize the difficult economic circumstances that forced them to turn to TANF in the first place.

Cost recovery efforts continue even after families leave TANF. After families leave TANF, they start receiving their current monthly support to pay for the day-to-day needs of the children and most past-due child support payments. However, states keep some support in former assistance cases — less than 10 percent of total collections for these families is retained, primarily from federal tax offsets — to repay arrears owed during the assistance period. Most child support dollars retained by states as revenue to reimburse cash assistance are collected *after* families leave TANF. This is because more families that formerly received TANF assistance are affected by the cost recovery policies than families currently receiving assistance.¹⁷

In 2023, 57 percent of the support kept by states to reimburse cash assistance was collected in former assistance cases, while 43 percent was collected in current assistance cases, even though the majority of support collected on behalf of families that received assistance in the past is not retained. (The data available includes collections from TANF cases and a small amount of IV-E foster care collections.)¹⁸ The main reason total support retained is higher for former assistance cases than current assistance cases is that there are five times as many child support cases involving families that formerly received assistance as those involving families currently receiving assistance.¹⁹ Also, states have more success collecting support in former assistance cases.²⁰

Under federal law, when child support is collected for a family receiving TANF, the state generally must split that collected support with the federal government. However, if a state passes through up to \$100 for one child or \$200 for two or more children to the family, the federal government waives its share of the passed through amount if it is disregarded in determining TANF assistance. Although states have authority to pass through any amount of assigned support to current TANF families, the federal waiver is capped at \$100/\$200. However, the federal share on support passed through to former TANF families is fully waived, and states may pass through any amount of assigned support without owing a federal share.²¹ No federal share is ever owed on support distributed to families, whether current or former TANF families. This is because the state does not have an assignment on distributed child support payments. (See “[Understanding TANF Cost Recovery in the Child Support Program](#)” for more on assignment and child support distribution policies).

States Should Use Flexibility to Send All Child Support Payments to Families

During the past three decades, Congress has acted twice on a bipartisan basis to limit child support cost recovery and increase child support payments to families. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) began the shift away from cost recovery in former assistance cases.²² The Deficit Reduction Act of 2005 (DRA) significantly narrowed the scope of child support assignment and gave states several options that can be combined to provide 100 percent of child support to all families (both those currently receiving assistance and those receiving assistance in the past).

Most child support dollars retained by states to reimburse cash assistance are collected after families leave TANF.

Although federal legislation is needed to completely end cost recovery,²³ states have authority, through a combination of federal options, to pay *all* collected support, including current support and arrears, to current *and* former TANF families. States interested in adopting policies that pay more support to families have a number of policy choices to consider and different pathways to expand payments over time. These include adopting “DRA distribution,” which gives custodial families, rather than the state, first priority for child support collected by the Internal Revenue Service (IRS) by intercepting the tax refunds of noncustodial parents; passing through both current monthly support and arrears collected to TANF families currently receiving TANF; passing through collected assigned arrears to former TANF families; and cancelling certain old assignments so support collected goes to families rather than being withheld by the state to offset long-ago received TANF assistance. (Note: “assignment” means the state has a legal claim to the support payments.) See Appendix I for details on the policy options available to states.

Some states are using a phased, multi-year approach to expand payments to families. In this way, states can move toward the goal of 100 percent family payments while reducing the near-term impact on the state budget.²⁴ A phased approach allows states to sequence implementation of family distribution and pass-through options to steadily expand child support payments to current and former TANF families. States like California, Illinois, Maryland, New Mexico, Pennsylvania, West Virginia, Wisconsin, and Wyoming have phased in multiple policy options to expand family payments. In addition, states such as Oregon are actively considering ways to further expand family payments.

For states considering a phased approach, a good place to start is to pass through *all current monthly support* collected for families receiving TANF and then not count (“disregard”) that child support as income so the family’s TANF benefits do not go down (see Appendix I, Option 1 for details). This option would directly help families currently facing significant economic insecurity, has modest costs, simplifies state administration, and is easy for the public and families to understand.

Because many noncustodial parents of children receiving TANF have low incomes and cannot afford to pay large amounts of current child support, states often collect less than \$200 in current support for families receiving TANF, which means the federal share of support would be fully waived in many cases. For example, Colorado Department of Human Services researchers determined that the state passed through \$167 per month on average under its policy of passing through all current support.²⁵

While there is a cost to states to direct all child support to families — they give up their share of collections they would otherwise retain and, in cases where more than the \$100/\$200 limits are collected, the state must still pay the federal government a share of the collected support above the limits. But the cost is modest and has declined. State revenues derived from retaining the state share of assigned collections have fallen from \$927 million in 2004 to \$353 million in 2023,²⁶ so it is now less costly for states to adopt policies to redirect child support to families than in the past. Paying all child support to families has some cost savings as well, which are discussed below.²⁷

Paying Child Support Collections to Families Improves Economic Security and Well-Being

Families benefit in multiple ways when they receive their child support payments. The payments provide a valuable source of income, especially for the many custodial families with low incomes. Research, including a University of Wisconsin study using an experimental design, finds that noncustodial parents pay more child support when the child support payments are both passed through to families and disregarded when calculating TANF assistance benefits (so the child support income actually improves the custodial parent’s financial circumstances).²⁸ The Wisconsin study also finds that receiving child support payments helps parents meet their children’s basic needs, leading to reduced risk of Child Protective Services (CPS) involvement. In addition, studies link receipt of child support to increased noncustodial parent involvement in their children’s lives and positive developmental outcomes for children. By directing child support payments to families, states can support healthy dynamics and relationships between parents and other family members, which contribute to child and family well-being.

Redirecting Child Support Increases Families’ Financial Stability

Most custodial families that participate in the child support program have incomes below or near the poverty line.²⁹ Thirty-three percent of children participating in the child support program in 2017 had family incomes below the federal poverty line, and 61 percent had family incomes below twice the poverty line.³⁰

61 percent

Share of children participating in the child support program in families with incomes below twice the federal poverty line.

Especially for families struggling to afford basic necessities, child support can be a significant long-term source of family income. Among custodial families with

incomes below the federal poverty line in 2013, child support represented 41 percent of their income when received, on average. Child support represented an even larger share — 65 percent — of income when received by custodial families living below *half* of the poverty line.³¹

41 percent

Share of income represented by child support payments received by families with incomes below the poverty line.

Regular child support payments can promote financial stability by providing custodial families with a long-term stream of consistent cash payments they can use to meet their child's needs. In addition, income from child support can free up time and resources for custodial parents to find better jobs and child care arrangements; research shows this increased flexibility has a positive effect on custodial parent employment.³²

A consistent stream of child support income also can cushion families from the impact of unexpected expenditures or income losses.³³ Fluctuations in month-to-month earnings and other income are more common among low-income families with children than among higher-income families.³⁴ Unexpected expenses such as car repairs and medical bills can worsen financial instability, especially for households with few assets and savings.³⁵

The reality is that most financial support for children living in custodial families with low incomes is provided by their parents, not the government.³⁶ Nearly 80 percent of custodial parents receiving child support services are employed. When families with incomes below the federal poverty line receive child support, custodial and noncustodial parents contribute financially to their children in about equal measure.³⁷ Some custodial families also rely on public assistance to make ends meet: 10 percent of families receiving child support services received TANF cash assistance, 36 percent received SNAP, and 15 percent received housing assistance in 2017.³⁸

For families receiving TANF, those benefits provide only limited family support, leaving a family of three at or below 60 percent of the poverty line in every state.³⁹ The median state benefit level for one parent and two children is \$549, and families often do not receive the full benefit amount when they have earnings or other income, among other reasons.⁴⁰ For TANF families, even modest rental housing is unaffordable based on U.S. Department of Housing and Urban Development Fair Market Rents.⁴¹

Custodial parents have more income when states implement pass-through policies that direct child support payments to the children for whom they are intended rather than retaining some or all of that support.⁴² Not only do families benefit from the money otherwise retained by states, but research demonstrates that pass-through policies change the way noncustodial parents interact with the child support program. Research shows that noncustodial parents pay a higher amount of child support and more noncustodial parents pay support when their support payments are passed through to children and disregarded in determining TANF assistance. Noncustodial parents also establish parentage more readily, the legal prerequisite to a child support order, when they know that the support they pay will benefit their children.⁴³ And they are more willing to pay through the formal child support program, which ensures that their payments are credited against their support obligation and can improve payment regularity for families.⁴⁴

The University of Wisconsin TANF pass-through study referred to earlier compared families in the experimental group that received a pass-through and disregard of all current monthly child support payments with those in the control group that received a partial pass-through and disregard

of current support (the greater of \$50 or 41 percent). The study found that noncustodial parents with a support order in the experimental group were 10 percent more likely to pay any child support than those in the control group by the third year of the experiment. In addition, noncustodial parents with a support order in the experimental group paid 24 percent more child support.⁴⁵

Similarly, an Urban Institute study found that noncustodial parents in Washington, D.C. with a support order were 3 percentage points more likely to pay any child support, and paid 11 percent more support in TANF cases by the third year, under a \$150 pass-through and disregard policy than under the previous \$50 pass-through policy.⁴⁶ Also, in the first year after implementing its policy to pass through and disregard all current monthly support, the Colorado Department of Human Services found that total current collections for TANF families rose 76 percent based on an analysis of its administrative data.⁴⁷

Child Support Can Be Reliable Income Source, Leaves Families Better Off

A common misconception is that child support is rarely a reliable source of income. In reality, a large share of current TANF families that receive any child support receive payments fairly consistently, though many other families do not receive regular payments.⁴⁸

A University of Maryland study of the state's TANF pass-through policy found that 40 percent of families with a support order received a pass-through payment every month during the eight-month study, while 57 percent received a payment for three or more consecutive months.⁴⁹ Similarly, a University of Wisconsin study found that slightly less than half of mothers in the state who received support during a year consistently receive a regular amount. The Wisconsin study determined that child support payments were as regular as custodial mothers' earnings, and typically in higher amounts than other income sources, such as cash assistance and SNAP benefits.⁵⁰

Among families participating in the child support program nationally, 59 percent of families that formerly received assistance had child support collections in 2023, but just 34 percent of families currently receiving assistance.⁵¹ In part, the share of currently-assisted families with collected child support is relatively low because some noncustodial parents of children receiving TANF do not pay support when they are unemployed, have unstable employment, are incarcerated, or avoid making payments through the formal system. In addition, once a family is referred to the child support program, it takes time to obtain a support order that establishes a payment obligation for the noncustodial parent. This means that a state may not begin to collect payments until the family has already left TANF. Among current TANF participants with an established support order, more than half have collections.⁵²

Research on the *amount* of child support collected for families receiving TANF is limited, but two analyses of state pass-through data provide insight into how much money is at stake for families.⁵³ An unpublished University of Maryland analysis found that over the course of a year, the mean amount of child support collected in the state for families receiving TANF that had an active child support case and collections in 2022 was \$323 per month. Collections averaged \$170 in current support and \$208 in arrears.⁵⁴ About half of total collections in TANF cases were current monthly support payments and half were arrears, and a typical family had a mix of current and arrears collections.⁵⁵ As mentioned earlier, the Colorado analysis determined that current monthly support payments averaged \$167 in that state's analysis of its pass-through data.⁵⁶

Another misconception is that families are no better off receiving child support because they lose SNAP and other income-based benefits. In SNAP, both cash assistance and child support payments count as unearned income, but they do not cause a dollar-for-dollar decline in SNAP benefits.⁵⁷ Instead, SNAP benefits phase down as income rises, at the rate of roughly 30 cents for each additional dollar of income.⁵⁸

Research shows that passing through child support increases a family's overall income (including both cash and SNAP) even when SNAP benefits decrease as a result.⁵⁹ The University of Maryland pass-through study found that families in the state received an average of \$132 per month in passed-through child support income, which increased the quarterly household income of most families by up to 20 percent (when counting both families that receive and do not receive child support). In Maryland, child support is counted as income in SNAP when received for three or more consecutive months, and although such families saw their SNAP benefits fall by an average of roughly \$70 to \$80 per month, the net effect on their income was again positive.⁶⁰ The Colorado Department of Human Services concluded from its data analysis that passing through all current support to families receiving TANF and SNAP in the state caused SNAP benefits to decline by \$28 per month, on average, but resulted in a net family budget *increase* of \$134.⁶¹

Directing Child Support to Families Reduces Risk of Child Protective Services Involvement

Families experiencing poverty are far more likely to be reported to child protective services than families with more resources.⁶² Economic hardship may interfere with parents' ability to provide their children with basic necessities like food, shelter, medical care, and supervision — factors that can contribute to a child welfare agency's determination that a child is being neglected. Unemployment, housing instability, and eviction have all been associated with increased risk of families' involvement in the child welfare system.

Studies have linked anti-poverty measures that increase family income and help parents provide their children with basic necessities with fewer reports of child neglect to child protective services.⁶³ Even relatively small infusions of cash can make a difference by helping families maintain housing and employment or meet other expenses of raising children.

To study whether increased child support income passed through to families reduced reports of child maltreatment or neglect to the child welfare system, researchers used administrative data collected for families that had participated in the Wisconsin pass-through demonstration. Researchers compared families randomly assigned to the experimental group, who received a full pass-through of current support, with families in the control group, who received a partial pass-through. The study produced consistent evidence that increased child support income passed through to families can reduce reports of maltreatment or neglect, estimating that mothers who received a full pass-through were about 10 percent less likely to receive a "screened-in report" (a report to child protective services alleging child neglect or maltreatment that met state criteria for further assessment) than mothers who received a partial pass-through.⁶⁴

While the research findings are not uniform, a large number of studies have linked experiences of poverty and hardship with immediate and long-term detrimental effects on children across a range of outcomes, not just reports of neglect. For example, researchers have linked stress associated with a scarcity of resources to lasting negative consequences for children's brain development and physical health.⁶⁵ Conversely, helping families move out of poverty decreases the risks to children

and their families. Policies and programs that increase family income can improve children's academic, health, and economic outcomes, according to a report on reducing child poverty issued by the National Academies of Sciences, Engineering, and Medicine. A study published by the National Bureau of Economic Research estimates that for every \$1,000 provided annually to families with children, society reaps \$5,603 in benefits, including through increased earnings among adults and better health outcomes among children.⁶⁶

Receiving Child Support Linked to Increased Noncustodial Parent Involvement, Positive Child Development Outcomes

Extensive research connects receiving child support payments to positive child developmental outcomes, including stronger school performance. Children who receive child support payments are more likely to receive higher grades, to have fewer school problems, to finish high school, and to attend college than their peers who do not receive child support.⁶⁷

One reason for this connection may be that noncustodial parents who pay child support are more likely to stay engaged in their children's lives. Parental involvement and payment of child support tend to go hand in hand, with studies finding that payment of child support is associated with noncustodial parental contact.⁶⁸ Parental involvement, in turn, is associated with children's emotional well-being, social and behavioral adjustment, and academic achievement.⁶⁹ Children who have supportive and nurturing relationships with their noncustodial parents can also have a clearer sense of identity and social belonging.⁷⁰

In addition, receiving regular child support payments can improve and help stabilize co-parenting relationships,⁷¹ helping to keep the door open for children to maintain relationships with their noncustodial parents as well as paternal grandparents and relatives.⁷² Children with extended family networks often have more social support and more potential sources of care, advice, and opportunities that help their development and outcomes later in life.⁷³

Like custodial parents, noncustodial parents typically want to provide and care for their children.⁷⁴ Custodial mothers report that two-thirds of noncustodial parents spend time with their youngest child.⁷⁵ And a study from the Centers for Disease Control and Prevention found that Black noncustodial fathers are more engaged in their children's lives than their white and Hispanic counterparts.⁷⁶

This evidence suggests that better child support policies — including policies that direct collected child support payments to families — can strengthen noncustodial parents' engagement with their children and, in turn, their extended family members as well, creating a more positive and nurturing environment for their children.

Cost Recovery Policies Can Harm Family Dynamics

Child support services are critical for families that seek them. Child support agencies ensure that child support is collected efficiently, so that families can count on receiving support when it is collected. But at the same time, TANF cost recovery policies — both the cooperation requirement, which mandates participation in the child support program, and the assignment requirement, which authorizes a state to retain support payments as reimbursement for assistance — can undermine the

goals of providing needed support to families and respecting parents' decisions about what is best for their families.⁷⁷

Cost recovery, including mandatory participation in the child support program, can harm family dynamics by disrupting existing co-parenting arrangements and increasing conflict between parents and other family members.⁷⁸ These policies ignore the fact that many parents who live apart have already established co-parenting relationships involving a combination of informal financial support (cash support paid directly to the custodial family and not credited against a legal obligation), in-kind support (non-monetary support contributed to the custodial family), cost-sharing arrangements, and shared caregiving responsibilities.⁷⁹ In fact, many custodial parents decide against obtaining a child support order because they have existing arrangements with the noncustodial parent.⁸⁰ Requiring families receiving TANF to participate in the child support program even if they do not think it is in their best interest can discourage parents from participating in TANF and may contribute to parents' distrust of the child support program.

Research underscores the value of informal forms of support for children.⁸¹ Informal support arrangements can be especially important when noncustodial parents are struggling to support themselves and their children. In-kind support and other material contributions to families made by noncustodial parents who lack the means to make regular cash payments can be another way to reduce custodial parents' financial hardship and increase children's well-being.⁸²

Recognizing the important role of in-kind support for families, the San Francisco Department of Child Support Services is piloting a voluntary program that allows parents to jointly agree that child support obligations will be met through in-kind contributions such as caregiving, cooking meals and managing other household tasks, and purchasing clothing, food, and other necessities. In addition, several tribal child support programs base some child support orders on in-kind contributions such as fish, wood, and car repairs.⁸³ These approaches enable parents to flexibly address their families' needs when they cannot make regular child support payments.

Turbulent family dynamics are stressful and can be traumatic for children as they grow up. Research shows that experiencing parental loss and high levels of parenting and economic stress create lifelong risks to children's health, well-being, and economic opportunity. Studies show that these traumatic experiences, known as Adverse Childhood Experiences (ACEs),⁸⁴ can affect health outcomes across a child's lifespan and their future opportunities in areas such as education, employment, and income.⁸⁵ These studies suggest that preventing early adversity may improve health and life outcomes that reverberate across generations, and that healthy family dynamics can play a role in helping children thrive as they grow up.

Directing Child Support to Families Promotes Equity

Cost recovery policies exacerbate pre-existing inequities for both custodial and noncustodial parents of children receiving TANF. Cost recovery establishes a two-tiered policy, with families in the child support caseload that receive or used to receive TANF — families that typically have very low incomes and are disproportionately Black and Latine — losing out on income that other families are able to receive.⁸⁶ In particular, children in families that currently or formerly received TANF do not benefit from the child support provided by their noncustodial parents when that support is withheld to recover past costs associated with TANF. Children who do *not* receive TANF

are unaffected by cost recovery, so they gain the financial, educational, and social benefits of child support paid by their noncustodial parents.

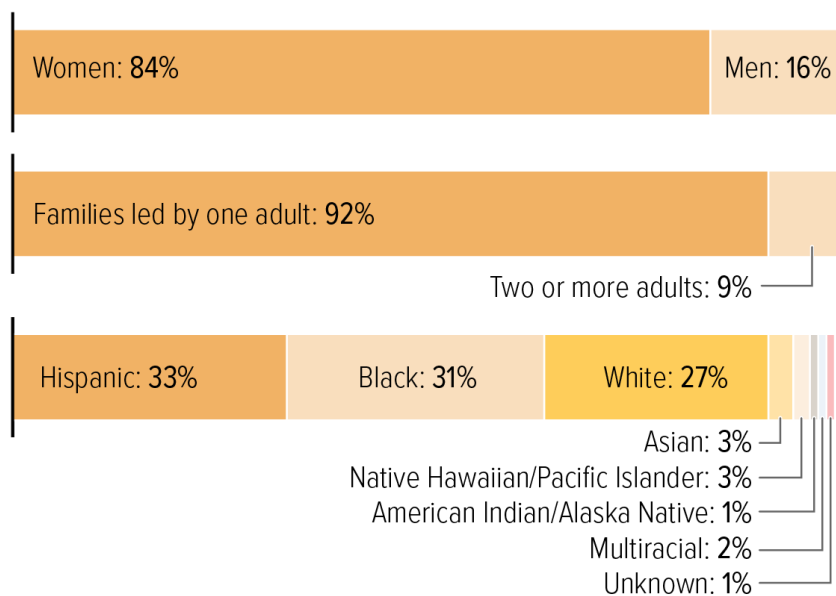
Directing more child support (and ideally *all* support) to families that receive or used to receive TANF would support more equitable family outcomes by increasing families’ income and providing them with more of a protective buffer against financial precarity. Rather than aggravating conflict between the parents, family distribution can give children receiving TANF the same chance as other children to benefit from their noncustodial parents’ financial contributions and stay connected to both parents. When child support is passed through to families, more noncustodial parents pay support, and noncustodial parents pay more support — increasing family income and decreasing the build-up of child support debt.⁸⁷ Child support debt can lead to harsh penalties on noncustodial parents, including the loss of a driver’s license and even incarceration that, in turn, hurts their employment prospects and future ability to pay support.

Reducing Inequities for Custodial Parents

Cost recovery policies impact custodial parents participating in the TANF program, who are disproportionately Black and Latina women. According to 2022 data from the Office of Family Assistance, 91 percent of TANF households with an adult participant have one parent. Among all adult TANF participants, 84 percent are women, 31 percent are Black, and 33 percent are Hispanic.⁸⁸ (See Figure 2.)

FIGURE 2

Households Currently Receiving TANF Cash Benefits are Mostly Headed by Women of Color



Note: This data is on adult TANF participants and does not include child-only cases. Category percentages may not sum to 100 due to rounding. All race/ethnicity categories other than Hispanic are non-Hispanic only. Those identifying as Hispanic may be of any race. For more on cost recovery, see “Understanding TANF Cost Recovery in the Child Support Program”

Source: CBPP analysis of ACF 2022 data on characteristics of TANF recipients

Women of nearly all races and ethnicities experience higher poverty rates than men, and this is also true for custodial mothers compared to custodial fathers. In 2017, the poverty rate for all custodial mothers was 27 percent, versus 11 percent for custodial fathers.⁸⁹ Overall, women are much more likely to be custodial parents — in 2018, women represented 80 percent of all custodial parents.⁹⁰ In addition, Black and Latina women are likelier to be custodial parents compared to women in other racial and ethnic groups.⁹¹ Further, Black, Latina, and American Indian or Native Alaskan women experience the highest poverty rates among women.⁹²

27 percent
Poverty rate among all custodial mothers in the U.S.

Higher poverty rates among women, particularly women of color, are linked to the impacts of sexism and racism across society, including the gender and race pay gap, lack of family-work policies, systemic devaluing of caregiving (whether paid or unpaid), and the economic impacts of domestic violence.⁹³ In addition, women are much more likely to raise children alone and therefore bear a disproportionate share of child-rearing expenses and responsibilities.⁹⁴ And, due to occupational segregation, women — especially women of color — are overrepresented in low-paid jobs and part-time work and are less likely to have access to any leave, paid or unpaid.⁹⁵

Child support income can help custodial families address the economic hardship that many face, but only if that support reaches the family.

Reducing Inequities for Noncustodial Parents

Cost recovery policies also reinforce and create inequities for noncustodial parents. By preventing noncustodial parents from using their resources to support their children, cost recovery can diminish their parenting role and their relationship with their children.⁹⁶ And if noncustodial parents do not pay child support through the formal system (which is more likely if child support payments do not benefit their children but are instead kept by the state), they can be subject to coercive debt collection efforts by the child support program. States can help address these inequities by adopting policies that redirect noncustodial parents' child support payments to their children and center the program on families' needs, not state revenue generation.

An estimated 25 percent of noncustodial fathers participating in the child support program have incomes below the federal poverty line.⁹⁷ Most noncustodial parents who fail to pay child support have incomes below poverty and struggle to meet their own basic needs for shelter, food, transportation, and health care.⁹⁸ According to a University of Maryland study, noncustodial parents in the state who made no child support payments earned an average of \$7,350 in 2018, compared to \$44,000 for noncustodial parents who paid all of their child support.⁹⁹ And a University of Wisconsin study found that 90 percent of noncustodial parents in the state who made no child support payments, and 60 percent making partial payments, were either incarcerated or lacked stable employment.¹⁰⁰

25 percent
Poverty rate among noncustodial fathers participating in the child support program

Black noncustodial parents are overrepresented among those impacted by TANF cost recovery policies. They face racial barriers to finding and maintaining stable, full-time employment at a living wage, including overrepresentation in low-paid jobs due to occupational segregation and racial

discrimination in the job market.¹⁰¹ They also face racial disparities in the criminal legal system, including higher rates of arrest and incarceration.¹⁰²

Because noncustodial parents are less likely to comply with support orders if their children do not benefit from their payments, cost recovery can lead to more debt for noncustodial parents. Child support debt can trigger a range of harsh child support enforcement measures, including driver's license suspension and even incarceration.¹⁰³ Research suggests that noncustodial parents are more likely to experience harsh measures for failure to pay child support if their children are receiving TANF.¹⁰⁴

Unmanageable child support debt, in turn, further undermines noncustodial parents' ability to work and contribute to their children, financially or otherwise. However, as the Wisconsin and District of Columbia pass-through studies found, when states pass through and disregard support payments to families receiving TANF and do not retain them, significantly more noncustodial parents pay child support, and they pay a larger amount of support. In other words, pass-through policies can remove disincentives to employment and payment of child support through the formal system experienced by noncustodial parents when their payments actually benefit their children.¹⁰⁵

When the state retains child support payments to reimburse current or past cash assistance costs, noncustodial parents sometimes decide to pay outside of the child support program. But they can find themselves in an untenable position financially if they do not have sufficient resources to “pay out of both pockets” by providing informal support directly to their children while also paying child support kept by the state.¹⁰⁶ Also, custodial parents receive informal support but do not report it to the TANF office risk losing TANF assistance.

Conclusion

Rooted in old poor relief laws (see box), cost recovery pervades traditional child support policies and is incompatible with the modern child support program, which is focused on helping families achieve financial stability. Cost recovery policies work at cross-purposes with parents and hurt the families that are most in need of child support payments. They reduce family income, impede parents' ability to provide for their children, undermine family relationships, and decrease child well-being and development. Policymakers in Congress and in states should adopt family distribution policies that support families and help them thrive.

Cost Recovery Policies Reflect Long-Standing Policy Design Determining Who “Deserves” Public Assistance

TANF cost recovery policies that require families receiving cash assistance to assign to the state their rights to child support and to cooperate with the child support program are part of a long history of prescriptive, coercive, and punitive public assistance policies that have disproportionately harmed Black families.

State “poor relief laws” enacted in the 19th century were designed to deny Black people access to public assistance; definitions of who was legally entitled to public assistance were usually restricted to individuals who were white and unable to work due to mental or physical disability.^a Poverty among those “able-bodied” was thought to reflect personal failings rather than structural inequities. As a result, under these state laws, many people in poverty were not allowed to vote, were incarcerated, were hired out as indentured laborers, or were imprisoned for debt.^b

The belief that only certain people deserve public assistance also informed the cash assistance programs created in the early 1900s, called “mother’s pension” programs.^c These programs reflected traditional ideas about marriage and gender roles and withheld or denied aid to families that did not fit these expectations. A child’s deservingness for aid depended on the mother’s character, which often meant aiding white children of widowed mothers, not those of divorced or unwed mothers.^d Children of Black mothers were largely excluded regardless of whether the mother was widowed, abandoned, or not married — and despite economic need.^e

These beliefs continued to shape policies in the Aid to Families with Dependent Children (AFDC) program and its successor, TANF. For much of AFDC’s history, children could only receive assistance based on the “continued absence” of their fathers. This had the effect of driving fathers out of their homes and away from their children to avoid family destitution, while stereotyping them as “absent fathers” or “deadbeat dads” who abandoned their children and shirked their parental responsibilities.^f In addition, some states had “man in the house” or “substitute father” laws, which cut cash aid under AFDC to families if the mother cohabited with a man who was not the children’s father. These laws were based on the assumption that a man should provide for the children even when he had no legal obligation to the child. The U.S. Supreme Court struck down “substitute father” laws in *King v. Smith*, 392 U.S. 309 (1968).^g

In addition, a number of states enacted “suitable home” laws that denied cash aid under AFDC on the state’s moral determination of a home’s fitness for child rearing. These policies were enforced through surveillance of families and, often, fraud prosecutions. Between the late 1940s and early 1960s, 23 states implemented “suitable home” requirements. In many southern states, the “suitable home” policy regarded the household of an unmarried mother as unsuitable by definition.^h The “suitable home” policy was prohibited by federal law in 1961.ⁱ

In 1950, Congress added a provision to the AFDC program requiring state AFDC agencies to notify law enforcement officials when a child receiving assistance might qualify for child support.^j And at the same time Congress created the child support program by enacting IV-D of the Social Security Act in 1975, it added assignment and cooperation requirements to the AFDC program.^k In 1996, Congress carried over these requirements to the TANF and child support programs.

Cost recovery policies date back to Victorian-era poor relief laws which treated any government assistance as debt to be repaid. The basic idea behind cost recovery is that the government should be reimbursed for supporting children through support paid by noncustodial parents.^l Assigned support kept by the state is shared with the federal government because both the state and federal government contribute to the cost of the TANF program.

The AFDC law required states to pass through the first \$50 of support payments to families receiving cash assistance. While federal law now provides states with flexible pass-through and family distribution options to pay all collected support to families, today’s TANF and child support rules

continue to include cost recovery features, including federal assignment and cooperation requirements.

As the research discussed in this report shows, the basic assumption that cash assistance benefits are a stand-in for support from noncustodial parents and the state should reimburse itself from support paid by noncustodial parents is counterproductive, hurting children and families in both the near and long term.

^a William P. Quigley, “The Quicksands of The Poor Law: Poor Relief Legislation in a Growing Nation, 1970-1920,” *Northern Illinois University Law Review*, Vol. 18, No. 1, 1997, <https://huskiecommons.lib.niu.edu/cgi/viewcontent.cgi?article=1468&context=niulr>.

^b *Ibid.*

^c Ife Floyd et al., “TANF Policies Reflect Racist Legacy of Cash Assistance,” CBPP, August 4, 2021, <https://www.cbpp.org/research/income-security/tanf-policies-reflect-racist-legacy-of-cash-assistance>.

^d Premilla Nadasen, Jennifer Mittelstadt, and Marisa Chappell, *Welfare in the United States: A History with Documents, 1935-1996*, Routledge, 2009, pp. 15-16.

^e Winifred Bell, *Aid to Dependent Children*, Columbia University Press, 1965, pp. 9-11; Nadasen, Mittelstadt, and Chappell, pp. 15-16.

^f See, e.g., U.S. Department of Justice, “Investigation of the Ferguson Police Department,” March 4, 2015, pp. 62, 72 (record of derogatory emails stereotyping Black noncustodial fathers), https://www.justice.gov/sites/default/files/opa/press-releases/attachments/2015/03/04/ferguson_police_department_report.pdf; Congressional Research Service, “The Child Support Enforcement Program: A Legislative History,” March 21, 2016, https://www.everycrsreport.com/files/20160321_R44423_7c7c042b8038f53dcc732fb77538a7924e1cfe14.pdf; Social Services Amendments of 1974, <https://www.fordlibrarymuseum.gov/library/document/0055/12006489.pdf>; Gerald R. Ford Presidential Library, Ford Congressional Papers: Press Secretary and Speech File, Ford Press Releases-Welfare, 1972-1973, “News Release: Runaway Pappy Bill,” January 18, 1973, <https://www.fordlibrarymuseum.gov/library/document/0054/4525593.pdf>.

^g The decision in *King v. Smith* was codified in 45 C.F.R. § 233.90(a)(1).

^h Winifred Bell, *Aid to Dependent Children*, Columbia University Press, 1965, pp. 33-34.

ⁱ The U.S. Department of Health, Education, and Welfare (as HHS was then named) initially prohibited the policy through the “Flemming Ruling,” which was quickly codified in federal statute in 1961 and modified in 1962. S. Rep. No. 165, 87th Cong., 1st Sess. (1961). See 45 C.F.R. § 233.90(a)(2). For further discussion of the history, see *King v. Smith*.

^j Vicki Turetsky, Kevin Guistwite, and Karen Hess Rohrbaugh, “History of the Child Support Program,” Maryland Courts, 2023, <https://www.mdcourts.gov/sites/default/files/import/family/pdfs/childsupportsymposium/historyofchildsupport.pdf>; Assistant Secretary for Planning and Evaluation (ASPE), “A Brief History of the ADFC Program,” <https://aspe.hhs.gov/sites/default/files/private/pdf/167036/1history.pdf>.

^k The Social Services Amendments, P.L. 93-647, were enacted on January 4, 1975, establishing title IV-D (Child Support program) and title XX (Social Services Block Grant program), and amended title IV-A (AFDC) of the Social Security Act. Section(c)(5)(C) included AFDC assignment and cooperation requirements.

^l See Turetsky and Azevedo-McCaffrey, 2024; Daniel L. Hatcher, “Child Support Harming Children: Subordinating the Best Interests of Children to the Fiscal Interests of the State,” *Wake Forest Law Review*, Vol. 42, No. 4, 2007, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1113165; David C. Baldus, “Welfare as a Loan: An Empirical Study of the Recovery of Public Assistance Payments in the United States,” *Stanford Law Review*, Vol. 25, No. 2, January 1973, <https://www.jstor.org/stable/1227967>; W. R. Vance, “The Parent’s Liability for Necessaries Furnished for His Minor Child,” *Virginia Law Register*, Vol. 6, No. 9, January 1901, <https://www.jstor.org/stable/1098948>.

Appendix I: State Policy Options to Direct All Child Support to Current and Former TANF Families

In many states, families participating in the TANF program do not receive the child support collected on their behalf. This is because families that apply for TANF assistance are required to assign their legal rights to child support to the state to reimburse the cost of assistance paid to the family. When a state retains collected child support under an assignment, some of the retained support goes into state coffers and some is sent to the federal government. The amount sent to the federal government depends upon the state's Federal Medical Assistance Percentage (FMAP), which is based on the state's per capita income.

States have several federal policy options to shift away from TANF cost recovery. One set of options impacts families currently receiving TANF, while the other set primarily affects families that no longer receive TANF but remain subject to an assignment of past-due child support owed during the assistance period. These options are described below. States have followed different paths to expand their family distribution and pass-through policies. By combining several options, however, states can direct *all* support, including both current monthly support and arrears, to current and former participants in TANF cash assistance.

Option 1: Pass Through and Disregard All Monthly Child Support to Current TANF Families

States may pass through any amount of child support collections, whether current monthly support or arrears, to families participating in TANF. Federal law waives the federal share of collections that are passed through to current TANF families and disregarded for TANF benefit determination, up to \$100 per month for one child and \$200 for two or more children.¹⁰⁷

Example (partial pass-through of \$100/\$200): West Virginia passes through up to \$100 or \$200 of current monthly support, depending on the number of children. The state has an FMAP of 74 percent in 2024, which means that if it collected \$100 in a TANF case and had not adopted a pass-through policy, it would owe \$74 to the federal government and keep \$26 as the state share. Since West Virginia passes through and disregards the first \$100/\$200, the state forgoes its \$26 share but does not pay the federal government a \$74 share.

Example (pass-through of all current support): Colorado passes through all current monthly support. It has a 50 percent FMAP in 2024. Assume that the state collects \$350 during a month for a family with two children, reflecting \$300 in current support and \$50 in arrears. The state would pass through and disregard \$300, forgoing its \$150 share. The federal share is waived on \$200 of that amount, but the state would still have to pay the federal government \$50 (50 percent of the remaining \$100 passed through as current support). The state would retain the entire \$50 in arrears, keeping half as state revenues and paying the other half to the federal government, for a total federal share of \$75 on current support and arrears.

What states are doing: To date, 27 states, including the District of Columbia and Puerto Rico, pass through some or all current monthly child support to families. Five states maintain “fill-the-gap” budgeting in their TANF programs (which allows states that used this budgeting method under the prior AFDC program to distribute more support to current TANF families without having to pay the federal share,¹⁰⁸ and three states pay a supplemental TANF benefit based on child support collections. Several states pass through more than \$100/\$200 to families receiving TANF:

- Colorado and Michigan pass through all current monthly support to families receiving TANF and also disregard that amount when determining their TANF eligibility and benefit amount.
- Minnesota passes through all current support but limits the monthly amount disregarded to \$100 or \$200, depending on the number of children.
- Wisconsin passes through and disregards 75 percent of current support and arrears.
- Illinois enacted legislation in 2023 to pass through and disregard all current support and arrears, one component of its 100 percent family distribution policy.
- California, which currently has a \$100/\$200 pass-through, adopted budget language in 2022 expressing the legislature's intent to fund a full pass-through and disregard of current support and arrears for current TANF families as part of a broader shift toward a 100 percent family distribution policy. The provision was subject to a fiscal trigger and will not be implemented in 2024 due to budgetary considerations.

The remaining states with pass-through policies pass through and disregard partial amounts, such as up to \$50, \$75, \$100, or \$100/\$200.

Option 2: Pass Through and Disregard All Child Support Arrears to Current TANF Families

As Option 1 discusses, states also may pass through any amount of child support arrears to families participating in TANF. Federal law waives the federal share of collections passed through to families receiving TANF and disregarded, up to \$100 of collections per month for one child and \$200 for two or more children.¹⁰⁹

Example: As noted above, Wisconsin passes through 75 percent of both current support and arrears to current TANF families. The state has a 61 percent FMAP in 2024. If the state collected \$500 in arrears for a family with two children receiving TANF, it would pass through and disregard \$375 and retain \$125. The federal share is waived for \$200 of the passed-through amount. The state would pay a 61 percent federal share on the remaining \$300, or \$183, and could cover this amount by paying the federal government both the federal and state shares of the retained amount and making an additional outlay of \$58 (\$183 minus \$125).

What states are doing: In addition to Wisconsin's current policy, Illinois is in the process of implementing a full pass-through and disregard of arrears to current TANF families as part of 100 percent family distribution. As discussed above, the California legislature expressed its intent in 2022 to pass through arrears to current TANF families (subject to a fiscal trigger). Several other states pass through both current support and arrears under a more limited pass-through policy.

Option 3: Elect the DRA Tax Offset Option to Pay Current and Former TANF Families Child Support Payments Deducted From Federal Tax Refunds

As mentioned above, PRWORA created a special rule for collections that the Internal Revenue Service deducts, or offsets, from tax refunds owed to noncustodial parents. Under this rule, those payments are applied to arrears only, not to current support. The DRA gives states the option to eliminate this special rule, which enables them to distribute collections made through federal tax offsets like collections from any other source. Under the DRA, tax offsets and other collections are distributed first to current support and then to arrears. While a family receives TANF, current

support is assigned to the state. In addition, arrears assigned to the state are paid off before arrears owed to the family. After a family leaves TANF, family arrears are paid off before state debt. Because amounts distributed to families are not assigned, states do not owe a federal share on them.¹¹⁰ States may adopt the DRA option by electing “DRA distribution” (rather than “PRWORA distribution”) in their child support state plan.¹¹¹

Example (family no longer receives TANF): Assume that Maryland receives \$2,000 collected through a noncustodial parent’s federal tax offset. The noncustodial parent owes \$7,000 in assigned arrears to the state to repay assistance, owes \$5,000 in arrears to the family, and owes \$300 in current monthly support. Maryland has elected DRA distribution rules, meaning that the \$2,000 would be applied first to paying the \$300 in monthly support to the family. The state would then distribute the remaining \$1,700 to the family to pay down family arrears. There would be no money left to apply to state arrears, and the state would not owe a federal share on the collection because support distributed to families is not assigned to the state.

Example (family receives TANF): The circumstances are the same as in the previous example, except the family includes two children and receives TANF. Maryland has a \$100/\$200 pass-through policy. The \$2,000 would be applied first to the \$300 in current monthly support. Because the family receives TANF, the monthly support is assigned to the state. However, under its pass-through policy, the state would pass through the first \$200 to the family, disregarding this income in determining TANF benefits. The state would retain \$100. The state then would retain the remaining \$1,700 as assigned arrears. There is no money left to apply to family arrears. The state would owe a federal share on the \$1,800 retained amount (\$100 in retained current support and \$1,700 in retained arrears).

What states are doing: Nine states — Alaska, California, Maryland, New Mexico, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wyoming — have elected DRA distribution.

Option 4: Pass Through Assigned Support After Families Leave TANF

States also may pass through any or all assigned collections to former TANF families.¹¹² When support is passed through, the federal share is fully waived.¹¹³ This pass-through option may be used in combination with DRA distribution to pay any remaining assigned collections to former TANF families, or it may be used in lieu of DRA distribution.

Example (PRWORA distribution): Wisconsin elected PRWORA distribution but passes through all assigned collections to former TANF families. Suppose Wisconsin receives \$8,000 collected through a federal tax offset. The family no longer receives TANF. The noncustodial parent owes the state \$7,000 in assigned arrears to repay assistance, \$5,000 in arrears to the family, and \$300 in current monthly support. Under PRWORA distribution, support collected through a federal tax offset is not distributed to current support, but only to arrears; \$7,000 would be applied to assigned arrears owed to the state, but the state would pass it through to the family and would not keep any amount. The state would not owe a federal share on the passed-through amount because the DRA waives the entire federal share on assigned support passed through to former TANF families. Then the state would distribute the remaining \$1,000 to the family to pay down family arrears. The state would not distribute any amount to current support.

Example (DRA distribution): Wyoming elected DRA distribution and implemented a pass-through of remaining collections to former TANF families. Assume Wyoming receives \$8,000 collected through a federal tax offset. The family no longer receives TANF. The noncustodial parent owes \$7,000 in assigned arrears to the state to repay assistance, \$5,000 in arrears to the family, and \$300 in current monthly support. The state would first distribute \$300 in current support to the family. Next it would distribute \$5,000 to the family to pay off family arrears. The state then would pass through the remaining \$2,700 in assigned arrears to the family. The state would not owe a federal share on any part of the collection.

What states are doing: California, Illinois, Wisconsin, and Wyoming pass through all arrears to former TANF families. Oregon previously elected PRWORA distribution but introduced legislation in 2023 (and plans to reintroduce the legislation in the 2025 legislative session) to pass through all support to former TANF families.

Option 5: Cancel Certain Pre-2009 Assignments

The DRA ended the longstanding policy of requiring families to sign over their rights to past-due child support payments that accrued *before* they applied to TANF; this policy was called “pre-assistance” assignment. Under current law, states may only obtain an assignment of support that becomes due while the family is participating in TANF, and may not obtain an assignment of support owed before the assistance period. The DRA also includes two different options to limit assignments. First, states may cancel assignments entered into before 2009 (“pre-assistance assignments”). In addition, states may cancel any type of assignment entered into before 1997, including pre-assistance assignments and assignments for support owed during the assistance period (“pre-PRWORA assignments”).¹¹⁴

Example (pre-assistance assignments): North Dakota elected to cancel pre-assistance assignments entered into before 2009. Suppose a family applied for TANF cash assistance in 2003 and began receiving a \$457 monthly benefit for 12 months, for a total of \$5,484. At the time of application, the noncustodial parent owed \$300 in current monthly support but had not paid in two years. Federal law at that time required the custodial parent to assign this \$7,200 in accrued pre-assistance arrears along with the \$3,600 owed during the assistance period, though reimbursement was limited to the \$5,484 of cash assistance paid out. Assume that over the next six years, the state was unable to make any collections in the case. Following the DRA’s enactment, the state would have cancelled the \$7,200 pre-assistance assignment but (as required by federal law) would have retained the assignment to the \$3,600 support owed during the assistance period.

Example (pre-PRWORA assignments): West Virginia elected to cancel all assignments entered into before 1997. Suppose a family applied for cash assistance in 1994 under the AFDC program and received a \$253 monthly benefit for 12 months, for a total of \$3,036. At the time the family applied for AFDC, the noncustodial parent owed \$200 in current monthly support but had not paid in two years. Federal law at that time required the custodial parent to assign this \$4,800 in accrued pre-assistance arrears, as well as the \$2,400 owed during the assistance period, though reimbursement was limited to the \$3,036 in cash assistance paid out. Over the next 15 years, the state was unable to make any collections. After the DRA was enacted, the entire assignment was canceled.

What states are doing: Over half of states have canceled old assignments under one or both options.¹¹⁵

Challenges to Directing More Child Support to Families

States face two main challenges to expanding family distribution and pass-through policies: fiscal impacts and computer reprogramming. In some states, the main sticking point to implementing family distribution options is the revenue loss. This is particularly true in states with higher TANF caseloads and benefits, as well as in states that use child support revenues to help fund their child support programs. If a state decides to direct support to families instead of keeping it, the state loses funds that it would have retained as state revenues. Another fiscal sticking point can be the federal share owed on support passed through to families currently receiving TANF. Although states have authority to pass through any amount of assigned support to current TANF families, the federal share is capped at \$100/\$200.

This means that a state that decides to pass through 100 percent of current support and arrears payments must use its state funds to pay for the federal share on passed-through amounts above \$100/\$200.

If a state decides to pass through support to the family instead of retaining it, the state loses funds that it would have kept as state revenues and, in some cases, still has to pay a federal share of the retained support to the federal government. However, states with higher FMAP rates that expand their TANF pass-through policies will experience proportionately lower costs than states with lower FMAP rates. A state's FMAP rate is based on the share the federal government pays of certain state Medicaid costs. A state with a higher FMAP receives a higher percentage of federal Medicaid funding because it has lower per capita income — but a state with a higher FMAP also sends most of its retained collections to the federal government (sometimes 70 percent or more) to reimburse federal TANF costs. In other words, when a state with a higher FMAP passed through support above the \$100/\$200 federal waiver cap, the cost is born primarily by the federal government, rather than the state.¹¹⁶

On the other hand, states with lower FMAP rates send back a lower share of assigned support to the federal government and keep more for themselves, so adopting the DRA option costs them somewhat more, but these states also tend to have larger budgets and more capacity to absorb what is still a modest revenue loss.¹¹⁷

The revenue loss is modest for other reasons as well. States with lower TANF caseloads or lower TANF benefits may determine that expanding child support payments to families would result in limited revenue losses and net budgetary savings.¹¹⁸ The same is true of states with fill-the-gap budgeting.¹¹⁹ Because far fewer families now receive TANF, retained collections have declined substantially over the past two decades. And when benefits are lower, families assign less support to the state. In addition, a reduction in state revenues would be partially offset by savings from reduced state operational costs, better performance resulting in higher federal incentive payments, and better outcomes for families. In addition, states may count the state share of assigned collections passed through to families receiving TANF toward their TANF maintenance-of-effort requirement.¹²⁰

To address the budgetary impact of eliminating revenues and paying a partial federal share associated with cost recovery, a number of states have used a phased approach to implementing

federal options. This phased approach allows states to defer costs to subsequent budget years by sequencing the adoption of family distribution and pass-through options. For example, California and Wyoming adopted DRA distribution and began passing through \$100 for one child and \$200 for two or more children to families currently receiving TANF, and then implemented a pass-through of all assigned arrears to families that *formerly* received TANF. Illinois, on the other hand, implemented one piece of legislation to pass through 100 percent of collections to current and former TANF families and implemented it over a relatively short period of time. By combining options, however, all three states have significantly expanded family payments.

In some states, the greatest challenge in implementing family distribution and pass-through options is computer systems reprogramming, especially if the state's computer systems are outdated and difficult to adjust for changes in policies. For that reason, it can be advantageous for states to adopt family distribution options at the time of systems replacement or other systems enhancement projects. States that move to 100 percent family distribution can reduce costs due to simplified program administration, reduced systems maintenance costs, greater cooperation by parents (which reduces the cost of collecting support), and avoided costs in other programs (because families receive more income).¹²¹ According to one estimate, computer systems savings attributable to 100 percent family distribution could be as high as 6 to 8 percent of all program expenditures, but up-front investment in systems changes is necessary.¹²²

Appendix II

APPENDIX TABLE 1

State TANF Pass-Through and Distribution Policies

State	Pass through and disregard for families who receive TANF (current assistance cases) ^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases) ^b
Alabama	No	No	PRWORA
Alaska^c	\$50 passed through and disregarded	No	DRA
Arizona	No	No	PRWORA
Arkansas	No	No	PRWORA
California^d	First \$100/\$200 passed through and disregarded. In 2022, the legislature adopted a statement of intent to pass through and disregard 100% of current support and arrears to currently assisted families in 2025, subject to a fiscal review. Following a budgetary review, however, the provision will not be implemented in 2024.	In 2022, the legislature enacted a pass-through of all assigned arrears. The pass-through became operative on May 1, 2024.	DRA
Colorado^e	All current support passed through and disregarded	No	PRWORA
Connecticut^f	First \$50 from current support passed through and disregarded	No	PRWORA
Delaware^g	Fill-the-gap budgeting; in addition, first \$50 passed through and disregarded	No	PRWORA
District of Columbia^h	First \$150 from current support passed through and disregarded	No	PRWORA
Florida	No	No	PRWORA
Georgiaⁱ	Fill-the-gap	No	PRWORA
Hawai'i	No	No	PRWORA
Idaho	No	No	PRWORA
Illinois^j	As of Jan. 1, 2024, all current support and arrears are passed through and disregarded. Support collected	All assigned arrears collected on or after Jan. 1, 2024 are passed through.	PRWORA

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State	Pass through and disregard for families who receive TANF (current assistance cases) ^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases) ^b
	between Jan. 1, 2023 and Dec. 31, 2023 is being paid to families in lump sum payments through August 2024.	All assigned arrears collected between Jan. 1, 2023 and Dec. 31, 2023 are to be paid in a lump sum by August 2024.	
Indiana	No	No	PRWORA
Iowa	No	No	PRWORA
Kansas	No	No	PRWORA
Kentucky	No	No	PRWORA
Louisiana	No	No	PRWORA
Maine ^k	Fill-the-gap budgeting; in addition, first \$50 of current support passed through and disregarded	No	PRWORA
Maryland ^l	First \$100/\$200 of current support passed through and disregarded	No	DRA
Massachusetts ^m	First \$50 of current support passed through and disregarded	No	PRWORA
Michigan ⁿ	All current support passed through and disregarded	No	PRWORA
Minnesota ^o	All current support and arrears passed through; \$100/\$200 disregarded	No	PRWORA
Mississippi ^p	\$100 passed through and disregarded	No	PRWORA
Missouri	No	No	PRWORA
Montana ^q	\$100 supplemental payment paid from TANF funds when support is collected	No	PRWORA
Nebraska ^r	No. \$100/\$200 of current support will be passed through and disregarded beginning July 1, 2027.	No	PRWORA
Nevada	No	No	PRWORA

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State	Pass through and disregard for families who receive TANF (current assistance cases) ^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases) ^b
New Hampshire	No	No	PRWORA
New Jersey ^s	\$100/\$200 of current support passed through and disregarded	No	PRWORA
New Mexico ^t	\$100/\$200 of current support and arrears passed through and disregarded effective Jan. 2023	All assigned arrears passed through effective Jan. 2023	DRA
New York ^u	First \$100/\$200 of current support passed through and disregarded	No	PRWORA
North Carolina	No	No	PRWORA
North Dakota	No	No	PRWORA
Ohio	No	No	PRWORA
Oklahoma	No	No	PRWORA
Oregon ^v	\$50 per child up to \$200 of current support passed through and disregarded. In 2023, SB 186 was introduced in the state legislature at the request of the Attorney General, with the support of the TANF agency, to pass through and disregard all current monthly support; the state plans to reintroduce the legislation in 2025.	No	PRWORA
Pennsylvania ^w	First \$100/\$200 from current support passed through and disregarded	No	DRA
Puerto Rico	\$50	No	DRA
Rhode Island ^x	\$50	No	PRWORA
South Carolina ^y	Fill-the-gap	No	PRWORA
South Dakota	No	No	PRWORA
Tennessee ^z	Fill-the-gap	No	PRWORA
Texas ^{aa}	\$75	No	PRWORA
Utah	No	No	PRWORA

APPENDIX TABLE 1

State TANF Pass-Through and Distribution Policies

State	Pass through and disregard for families who receive TANF (current assistance cases)^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases)^b
Vermont^{bb}	First \$50 passed through and disregarded; effective Jan. 1, 2024, pass-through and disregard increases to \$100	No	DRA
Virginia^{cc}	\$100 passed through and disregarded; in addition, up to \$100 supplemental TANF payment for 2 or more children when additional support is collected	No	PRWORA
Washington^{dd}	\$50/\$100 passed through and disregarded; full pass-through of current support enacted March 2024 to be implemented on January 1, 2026	No	PRWORA
West Virginia^{ee}	\$100/\$200 of current support passed through and disregarded; an additional \$25 supplemental payment when support is collected	No	DRA
Wisconsin^{ff}	75% of all current support and arrears passed through and disregarded	100% of assigned collections passed through	PRWORA
Wyoming^{gg}	\$100/\$200 of current support passed through and disregarded	Pass-through of all assigned collections implemented January 1, 2024	DRA

^a The primary reference for state pass-through and distribution policies is Office of Child Support Services, “Intergovernmental Reference Guide (IRG),” section 8, which is regularly updated by state child support agencies. Other sources include NCSL, “Child Support Pass-Through and Disregard Policies for Public Assistance Recipients”; Michele Vinson and Vicki Turetsky, “State Child Support Pass-Through Policies,” CLASP, 2009.

^b “\$100/\$200” refers to the policy contained in 42 U.S.C. § 657(a)(1) and (6)(B), which waives the federal share of retained support when up to \$100 for one child and \$200 for two or more children is passed through to the family and disregarded in determining TANF benefits. DRA distribution, sometimes called “family-first distribution,” refers to a state plan election in the Deficit Reduction Act of 2005 to distribute IRS tax offsets to current support before arrears and to pay family arrears before state-owed arrears. PRWORA distribution, sometimes called “state-first distribution,” refers to the earlier version of 42 U.S.C. § 657(a)(2) contained in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. 42 U.S.C. §§ 654(34).

^c Alaska Stat. § 47.27.040(c); Alaska Department of Health, “Alaska Temporary Assistance Program Manual,” § 717-7A (as of April 2017). Child support pass-through payments are made through the TANF program. (“The Department may distribute to an Alaska temporary assistance program

State TANF Pass-Through and Distribution Policies

State	Pass through and disregard for families who receive TANF (current assistance cases) ^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases) ^b
<p>participant per month from a monthly child support payment, or the amount of the child support payment if it is less than \$50, received by the child support services agency for the support of a child[.]”</p> <p>^d In 2020, California implemented DRA distribution, which was subsequently codified in 2021as CCP § 695.221(f). In 2022, California also implemented a \$100/\$200 pass-through and disregard. Cal. Code, FAM § 17504. On July 1, 2022, the legislature enacted Ch 48, Stats. 2022 (SB 189), which contains a commitment to fund a 100 percent pass-through of support to currently assisted families, commencing on Jan. 1, 2025, subject to a fiscal trigger in the spring of 2024. The legislature also required a report to the legislature on unintended consequences of implementing a full pass-through, (§ 77, p. 110). On February 27, 2024, the Legislative Analyst’s Office (LAO) anticipated that “the administration likely will not implement” the full pass-through to current TANF families due to a budget shortfall, indicating that the budget language becomes inoperative July 1, 2024, https://lao.ca.gov/Publications/Report/4861. On or before January 10, 2026, California Department of Child Support Services is required to submit a report to the Legislature on its continued efforts to research and make the necessary changes to facilitate the implementation of a full pass-through of current support to families currently receiving CalWORKs, “Supplemental Report of the 2024-25 Budget Act,” Legislative Analyst’s Office, September 2024, https://lao.ca.gov/reports/2024/4927/Supplemental-Report-2024-25-Budget-Act-091124.pdf. On September 27, 2022, the legislature enacted Ch. 573, Stats. 2022 (AB 207), which includes a provision to pass through assigned arrears to formerly assisted families (§ 7), codified as Cal. Code, FAM § 17504.2, as well as a statement of intent to provide a full pass-through to currently assisted families (§§ 20-21), codified as Welfare and Institutions Code, §§11477.06-11477.7). California Department of Child Support Services, “Election of Federal Deficit Reduction Act of 2005 Distribution,” CSSP Letter: 20-05 (August 10, 2020); “Permanent Election of Federal Deficit Reduction Act of 2005 Distribution,” CSSP Letter: 21-05 (November 29, 2021). See California Department of Child Support Services, “Frequently Asked Questions,” https://childsupport.ca.gov/faq/; “What is the 2022 Pass-Through Increase?” https://www.youtube.com/watch?v=OV0VA7Pdeac; “Former Assistance Arrears Pass Through: What You Should Know,” https://childsupport.ca.gov/formerassistance/.</p> <p>^e Colo. Rev. Stat. §§ 26-2-108(1)(b) (enacted 2015 and implemented April 1, 2017); 26-2-111(3)(a)(V); 9 C.C.R. § 2503-6-3.605.5. Child support income is disregarded in calculating TANF benefits but considered in determining eligibility.</p> <p>^f Conn. Gen. Stat. § 17b-112(d). The \$50 is disregarded in determining eligibility and calculating benefits.</p> <p>^g 16 Del. Adm. Code § 3005; “Delaware State Plan for TANF.”</p> <p>^h D.C. Stat. § 4-205.19(c)(5).</p> <p>ⁱ GA R & R Rule 290-2-28-.13; Georgia Department of Human Services, “Georgia’s State Plan Renewal: Temporary Assistance for Needy Families,” pp. 36-37 (2019).</p> <p>^j 305 ILCS § 5/4-1.6. The 100 percent pass-through is included in the Supplemental Implementation Bill, Pub. Act 102-1115 (SB 1720), § 5-36, p. 55 (enacted Jan. 9, 2023). After implementing systems changes, the state began paying out currently and formerly assisted families lump sum</p>			

State TANF Pass-Through and Distribution Policies

State	Pass through and disregard for families who receive TANF (current assistance cases) ^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases) ^b
	payments of support collected and retained dating back to January 1, 2023. Payments received between January 1, 2023 and December 31, 2023 are being paid out as a lump sum through August 1, 2024.		
	^k Me. Rev. Stat. Ann. tit. 22, § 3762-3-B(i); Maine Department of Health and Human Services, “Maine Public Assistance Manual,” § 555-4; “How Much Child Support Should I Get from DHHS? Information for TANF Families,” https://www.ptla.org/how-much-child-support-should-i-get-dhhs-information-tanf-families . The \$50 is disregarded in determining eligibility and calculating benefits.		
	^l Md. Code, Hum. Serv. § 5-310(a) (enacted in 2017 and effective on June 11, 2020).		
	^m 106 CMR § 705.900.		
	ⁿ Michigan Department of Health and Human Services, “Michigan IV-D Child Support Manual,” § 5.40, no. 7.1.3 (rev. December 5, 2022). The pass-through became effective January 1, 2023.		
	^o Minn. Stat. §§ 256.741, subd. 2a(a); 256P.06, subd. 3(2)(xv) (disregard enacted 2015); Minnesota Department of Human Services, “Combined Manual,” 0017.15.03. The \$100/\$200 disregard was enacted in 2015; the pass-through was implemented in 2001. Current support and arrears above the disregarded amount are passed through but counted as unearned income.		
	^p Mississippi Department of Human Services, “Child Support Policy Manual,” § 4081 (rev. September 1, 2021); “Personal Responsibility Contract for Temporary Assistance for Needy Families (TANF),” MDHA-EA-312 (rev. October 1, 2021); “Notice of Child Support Enforcement,” MDHA-EA-941 (rev. October 1, 2021). Passed-through child support is disregarded when determining TANF eligibility and benefits (eff. November 1, 2021).		
	^q Mont. Code Ann. § 53-4-260. The supplemental payment is disregarded when determining TANF eligibility and benefits.		
	^r Neb. Rev. Stat. §§ 43-512(3); 43-512.07(5); 68-1201(2); 68-1713(1)(v) (chaptered). On April 11, 2024, LB 233 was enacted by the Nebraska state legislature and approved by the governor on April 17, https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=50212 . An earlier version of LB 233, introduced on January 10, 2023, included a TANF pass-through and disregard of current support but was subsequently amended to provide for a \$100/\$200 pass-through and disregard.		
	^s N.J. Stat. Ann. § 44:10-49 (effective Oct 1, 2008) (“The county agency shall pass through to the assistance unit the full amount of the current child support collected on behalf of a child”); New Jersey Division of Family Development, “Child Support Pass-Through Increase for State Fiscal Year 2021-2022,” DFDI No. 21-12-02, December 10, 2021.		
	^t N.M. Stat. Ann. § 27-2B-7(B)(10)(b) Effective Oct. 2, 2008); N.M.A.C. §§ 8.50.125.12 and 8.50.13 (adopted Sept. 1, 2022 and eff. Jan. 23, 2023); 8.102.520.9 (eff. Jan. 1, 2023); New Mexico Child Support Enforcement Division, “Distribution of Collections and Pass-Through,” CSED-MR-23-01 (Jan. 20, 2023); CSED “Policy and Procedures Manual,” Part 125, “Fees, Payments and Distributions” (January 2023); 8.102.520.9 (eff. January 1, 2023). See WICSEC, “Distribution Outside the (Retained Support) Box: How States are Changing Their Policies to Pass Through Retained Support,” September 2023.		

State TANF Pass-Through and Distribution Policies

State	Pass through and disregard for families who receive TANF (current assistance cases) ^a	Pass through to families who used to receive TANF (former assistance cases)	PRWORA or DRA distribution (current and former assistance cases) ^b
	<p>^u N.Y. Social Services Law § 111-c(2)(d).</p> <p>^v Or. Rev. Stat. §§ 25.020(b) and 412.007(3) (effective Oct. 1, 2008); OAR 137-055-6010(9) and 137-055-6022. SB 186, introduced on January 9, 2023, included a TANF pass-through of all current support but did not pass during the 2023 legislative session.</p> <p>^w Pa. Cons Stat. tit. 23 § 4374(c) (effective Oct. 1, 2008); Pennsylvania Department of Human Services, “Cash Assistance Handbook,” Appendix A.</p> <p>^x R.I. Gen. Laws § 40-5.2-35; Department of Human Services, “Child Support Program Rules and Regulations,” chapter 30, “Distribution” § 1.23.4.</p> <p>^y S.C. Code Ann. § 43-5-222(1) (“of amounts collected which represent monthly monetary support obligations, the first seventy-five dollars of the monthly payment must be paid to the AFDC family and thereafter must be increased up to the amount of the monthly support obligation”); South Carolina Department of Social Services, “Temporary Assistance for Needy Families Policy Manual,” §§ 8.7, 8.16.</p> <p>^z Tenn. Comp. R. & Regs. §§ 1240-01-03 and 1240-01-04; Tennessee Department of Human Services Child Support Handbook, pp. 16-17.</p> <p>^{aa} Tex. Admin. Code tit. 1, Part 15, § 372.404(4) (effective Oct 1, 2008); Texas Department of Health and Human Services, “Texas Works Handbook,” A-1125, “OAG Distribution,” revisions 15-4 (Oct. 1, 2015).</p> <p>^{bb} Vt. Stat. Ann. tit. 33, § 1105 (effective January 1, 2024); Vermont Office of Child Support, “Child Support in Vermont: A Handbook for Parents,” p. 37. Passed-through support is disregarded in determining eligibility and benefits.</p> <p>^{cc} Virginia Acts of Assembly-Chapter 780, Appropriations Act of 2016, Department of Social Services, §1-96, item 342 (approved May 20, 2016), p. 314; Virginia Department of Social Services, “Temporary Assistance for Needy Families (TANF) Manual,” § 304.4.</p> <p>^{dd} RCW §§ 26.23.035(4) and 74.08A, as amended by HB 1652, which was enacted by the Washington legislature on March 5 and signed by the governor on March 19, 2024, https://app.leg.wa.gov/billsummary?BillNumber=1652&Initiative=false&Year=2023. See Brandon Block, “WA intercepts millions in child support for low-income families,” Crosscut, January 25, 2024, https://crosscut.com/investigations/2024/01/wa-intercepts-millions-child-support-low-income-families.</p> <p>^{ee} WV Code §§ 9-9-6(d)(3); 48-18-113; “State of West Virginia FY 2021 State Plan for Temporary Assistance for Needy Families,” p. 5, https://dhhr.wv.gov/bcf/Reports/Documents/StatePlan_TANF_2021.pdf; “West Virginia Income Maintenance Manual,” §§ 4.5.2.B. (pp. 119-120); 4.5.3.C. (p. 123); 4.5.3.D. (p. 123).</p> <p>^{ff} Wis. Stat. Ann. §§ 49.145(2)(s); 49.1452 (“paid to an individual applying for or receiving W2”); Wisconsin Department of Children and Families, “Wisconsin Works (W-2) Manual,” chapter 15.1.2.</p> <p>^{gg} Wyoming “Child Support Program Policy Manual,” chapter 14.4 (implemented on May 1, 2021 and Oct. 1, 2021). See WICSEC, “Distribution Outside the (Retained Support) Box: How States are Changing Their Policies to Pass Through Retained Support,” September 2023.</p>		

¹ Vicki Turetsky is an independent consultant and former Commissioner of the Office of Child Support Services (OCSS) during the Obama Administration.

² In 2023, the child support program collected \$26.7 billion overall. Families received \$25.1 billion, or 94 percent of total collections, while states and the federal government kept \$896 million or 3 percent as reimbursement for cash assistance. Most of the remainder, \$635 million, was collected as medical support. Most medical support is paid to families to reimburse their out-of-pocket health care costs, but a portion is kept by the government to reimburse Medicaid costs. Office of Child Support Services (OCSS), “Preliminary Report FY 2023,” Table P-1, https://www.acf.hhs.gov/sites/default/files/documents/ocse/fy_2023_preliminary_report.pdf.

³ In order to receive child support, a child must have a parent who lives in a separate household. A “custodial parent” lives with the child most of the time and typically has primary responsibility for daily care. A “noncustodial parent” lives apart from the child and is responsible for paying child support to the custodial parent to help pay for the cost of raising the child. 42 U.S.C. § 654(4). We use these terms because they are more commonly understood by the public. However, in reality, family structures and parental responsibilities are more complicated and varied than the terms suggest. In recent years, state child support programs have moved away from the terms “custodial” and “noncustodial” parents, and may instead use more modern terms such as “paying parent” and “receiving parent.”

⁴ Elaine Sorensen, “Characteristics of Custodial Parents and Their Children: Who Receives Child Support (IV-D) Services and Who Doesn’t?” OCSS, November 2021, https://www.acf.hhs.gov/sites/default/files/documents/ocse/characteristics_cps_and_their_children.pdf.

⁵ Elaine Sorensen, “The Child Support Program is a Good Investment,” OCSS, 2016, https://www.acf.hhs.gov/sites/default/files/documents/ocse/sbtn_csp_is_a_good_investment.pdf.

⁶ OCSS, “Preliminary Report FY 2023,” table P-1.

⁷ See, e.g., Maria Cancian and Robert Doar, “Child Support Policy: Areas of Emerging Agreement and Ongoing Debate,” McCourt School of Public Policy, Georgetown University and American Enterprise Institute, working paper delivered at the Association for Public Policy Analysis & Management 2023 Fall Research Conference, November 9, 2023, <https://www.aci.org/research-products/working-paper/child-support-policy-areas-of-emerging-agreement-and-ongoing-debate/>; Maretta McDonald *et al.*, “Factors That Impact the Child Support Program’s Role in Reducing Child Poverty: Convening Summary,” Assistance Secretary For Planning and Evaluation, Office of Human Services Policy, September 2024, <https://aspe.hhs.gov/sites/default/files/documents/d3636e92120856f652a0d796d29a886d/factors-impact-child-support-programs.pdf>.

⁸ During the five-year period between 2018 and 2022, the number of families receiving TANF declined by 21 percent. The steady decline in TANF cases continues to affect the child support program; current assistance cases in the child support caseload declined by 24 percent and former assistance cases declined by 17 percent during the same period. Since the Deficit Reduction Act (DRA) was enacted in 2006, current assistance cases have declined by 61 percent and former assistance cases have declined by 36 percent. Office of Family Assistance (OFA), “Characteristics and Financial Circumstances of TANF Recipients Fiscal Year (FY) 2022,” table 1, <https://www.acf.hhs.gov/ofa/data/characteristics-and-financial-circumstances-tanf-recipients-fiscal-year-2022>; OFA, “Characteristics and Financial Circumstances of TANF Recipients Fiscal Year (FY) 2018,” table 1, https://www.acf.hhs.gov/sites/default/files/documents/ofa/fy17_characteristics.pdf; OCSS, “Preliminary Report FY 2023,” table P-2; OCSS, “Annual Report to Congress FY 2006,” table 2, <https://www.acf.hhs.gov/css/report/fy-2006-annual-report-congress>.

⁹ Vicki Turetsky and Diana Azevedo-McCaffrey, “Understanding TANF Cost Recovery in the Child Support Program,” CBPP, January 3, 2024, <https://www.cbpp.org/research/income-security/understanding-tanf-cost-recovery-in-the-child-support-program>.

¹⁰ According to Census data (CPS-CSS), there were 83.4 million children under age 21 living in the United States in 2018. Of them, 22 million children lived apart from a parent, making them eligible for child support; 13 million of these children received services from the child support program. Sorensen, 2021; Timothy Grall, “Custodial Mothers and

Fathers and Their Child Support,” Current Population Reports, P60-262, U.S. Census Bureau, May 2020, <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p60-269.pdf>.

¹¹ Elaine Sorensen, “2016 Characteristics of Families Served by the IV-D Program,” OCSS, December 4, 2018, <https://www.acf.hhs.gov/css/ocssedatablog/2018/12/2016-characteristics-families-served-iv-d-program>.

¹² In 2023, 54 percent of child support program cases were “never assistance cases” and were not subject to the cost recovery policies discussed in this paper. However, states deduct an annual \$35 service fee from collections made for families who never received cash assistance in cases with annual collections of at least \$550. In 2023, collected fees totaled \$70 million. 42 U.S.C. § 654(6)(B)(ii); OCSS, “Preliminary Report FY 2023,” tables P-1 and P-2.

¹³ Unlike custodial parents participating in TANF, the racial and ethnic composition of custodial parents participating in the child support program is not significantly different than custodial parents who do not receive IV-D services. However, families in the child support program have significantly lower incomes than other custodial families. In 2017, 61 percent of custodial children receiving child support services had incomes below 200 percent of poverty, compared to 49 percent of custodial children not receiving child support services. Sorensen, 2021.

¹⁴ OCSS reports data for “current assistance” and “former assistance” cases and collections, which include both families receiving TANF and children receiving IV-E funded Foster Care Maintenance. OCSS does not further disaggregate data to report collections in current and former TANF cases and collections. Whenever we use the terms “current assistance” or “former assistance,” we are referring to the combination of TANF and IV-E cases or collections. However, the overwhelming share of these current and former assistance cases and collections are for families receiving TANF, and only a small fraction is for children receiving IV-E cash assistance — approximately 95 percent of assigned collections apply to TANF (tables P-10, P-11, and P-12).

¹⁵ The TANF requirement to participate in the child support program is called “cooperation.” 42 U.S.C. §§ 608(a)(2); 654(4) and (29); 45 C.F.R. §§ 264.30; 302.33; 302.38. Families receiving TANF are required to “assign,” or sign over to the state, their rights to child support payments that become due during the time they receive TANF. 42 U.S.C. §§ 608(a)(3); 657(a) and (b); 45 C.F.R. § 235.70; 302.50. Although families may decide to stop receiving child support services once they leave TANF, the state’s authority to collect and keep child support owed during the TANF assistance period continues until the entire amount of assigned child support is collected. 42 U.S.C. § 654(25); 45 C.F.R. § 302.38. Under 42 U.S.C. § 654(4), cooperation and assignment are also required in two other federally-funded programs— Medicaid and IV-E funded foster care. This statute also gives states the option to require cooperation (but not assignment) by SNAP participants. See Food and Nutrition Service, “Evaluation of Child Support Enforcement Cooperation Requirements in SNAP,” U.S. Department of Agriculture, June 6, 2024, <https://www.fns.usda.gov/research/snap/child-support-enforcement-requirements>. States may only use the federally-funded child support program to reimburse assistance in TANF, IV-E, and Medicaid. TANF cost recovery is by far the largest source of cost recovery dollars to federal and state governments collected through the child support program. Note that states may not keep regular child support payments to reimburse Medicaid. Instead, they may separately order a noncustodial parent to pay medical support to cover a child’s medical expenses. Medical support payments may be assigned to reimburse Medicaid. 42 U.S.C. § 1396k(a)(1); 42 C.F.R. § 433.145 and 435.610; 45 C.F.R. § 303.31 However, most collected medical support is paid to families, not Medicaid. In 2023, states collected \$635 million in combined medical support payments for families and as Medicaid reimbursement. OCSS, Preliminary Report FY 2023, table P-1.

¹⁶ In 2023, states kept nearly two-thirds (63 percent) of collections made in current assistance cases, collecting \$610 million on their behalf but retaining \$386 million. Of the remaining third, almost half were passed to families and half were distributed to families as unassigned “excess payments” because they exceeded the unreimbursed assistance (URA) limit. These “excess payments” were counted as family income in determining TANF eligibility and benefits. 42 U.S.C. § 657(a)(1); OCSE-AT-97-17, “Instructions for the Distribution of Child Support Under Section 457 of the Social Security Act” (Oct. 21, 1997), <https://www.acf.hhs.gov/css/policy-guidance/instructions-distribution-child-support-under-section-457-social-security-act>; OCSS, “Preliminary Report FY 2023,” tables P-1, P-30, P-32.

¹⁷ In current assistance cases, states collected \$610 million and kept \$386 million in 2023. In former assistance cases, states collected \$7.1 billion and kept \$510 million, OCSS, “Preliminary Report FY 2023,” table P-1.

¹⁸ In 2023, less than 10 percent of current assistance collections were assigned IV-E foster care collections (OCSS, “Preliminary Report FY 2023,” tables P-1 and P-12). This reflects a significant one-year decline in assigned IV-E foster

care collections. In 2022, the Children’s Bureau issued guidance providing states with more flexibility to stop referring foster care cases to the child support program. Diana Azevedo-McCaffrey, “States Should Use New Guidance to Stop Charging Parents for Foster Care, Prioritize Family Reunification,” CBPP, October 13, 2022, <https://www.cbpp.org/research/income-security/states-should-use-new-guidance-to-stop-charging-parents-for-foster-care>.

¹⁹ Overall, there were 12.1 million child support program cases in 2023, including 904,690 current assistance cases, 4.6 million former assistance cases, and 6.5 million cases involving families that never received cash assistance. OCSS, “Preliminary Report FY 2023,” table P-2.

²⁰ By the time they leave TANF, most families have support orders established, and they are more likely to receive child support. The prerequisite to collecting support in a case is a support order that establishes the amount a parent is legally obligated to pay. In FY 2023, 92 percent of former assistance cases had established support orders, compared to 66 percent of current assistance cases. Among those cases with established orders, 66 percent of former assistance cases and 54 percent of current assistance cases had collections. When all cases are considered (that is, those with and without orders), 59 percent of former assistance cases and 34 percent of current assistance cases had collections. OCSS, “Preliminary Report FY 2023,” table P-2.

²¹ 42 U.S.C. § 657(a)(6)(A) and (B).

²² For an explanation of PRWORA-era distribution rules, see Vicki Turetsky, “In Everybody’s Best Interests: Why Reforming Child Support Distribution Makes Sense for Government and Families,” CLASP, September 16, 2005, <https://www.clasp.org/publications/report/brief/everybodys-best-interests-why-reforming-child-support-distribution-makes/>. As it describes the PRWORA “family-first” distribution policy, “The basic rule is simple enough: when the family is on welfare, the state is paid first. When the family is off of welfare, the family is paid first. In addition, collected support is allocated first to satisfy the current monthly obligation, with remaining support allocated to any arrears balance.”

²³ A number of federal bills have been introduced to eliminate assignment and cost recovery so that children receive the support they need. For Senate bills, see S. 4844, Strengthening Families for Success Act of 2020 (Van Hollen and Wyden); S. 1309, Responsible Fatherhood and Healthy Marriage Act of 2009 (Bayh); S. 1626, Responsible Fatherhood and Healthy Families Act of 2007 (Bayh and Obama); and S. 3607, Responsible Fatherhood and Healthy Families Act of 2006 (Bayh and Obama). For House bills sponsored by Rep. Danny Davis, see H.R. 8704, Strengthening Families for Success Act of 2020, H.R. 3465; Julia Carson Responsible Fatherhood and Healthy Families Act of 2017; H.R. 3005, Julia Carson Responsible Fatherhood and Healthy Families Act of 2015; H.R. 2359, Julia Carson Responsible Fatherhood and Healthy Families Act of 2013; H.R. 2193, Julia Carson Responsible Fatherhood and Healthy Families Act of 2011; H.R. 2979, Julia Carson Responsible Fatherhood and Healthy Families Act of 2009; and H.R. 3395, Responsible Fatherhood and Healthy Families Act of 2007. Between 1997 and 2005, before the DRA was enacted, at least 40 bills were introduced in the Senate and House on a bipartisan basis to increase child support family pass-through and distribution.

²⁴ Vicki Turetsky, “Ensuring Families Receive Child Support Payments,” An Evidence-Based Approach to Child Support, Ascend at Aspen Institute and Good+Foundation, revised February 2023, <https://ascend-resources.aspeninstitute.org/resources/child-support-policy-fact-sheet-paying-support-to-families/>.

²⁵ Thomas Zolot *et al.*, “Dollar for Dollar: Why the Child Support Pass-Through Makes Sense,” The Free Library, 2020 American Public Human Services Association, 2014, <https://www.thefreelibrary.com/Dollar+for+Dollar%3a+Why+the+Child+Support+Pass-Through+Makes+Sense.-a0652591389>.

²⁶ In 2023, states kept \$353 million as the state share of assigned collections to reimburse cash assistance, sending \$543 million to the federal government as the federal share. Twenty years previously, in 2004, states kept \$927 million as the state share of revenues — more than twice as much. The federal share was \$1.1 billion in 2004. OCSS, “Preliminary Report FY 2023,” table P-1; “FY 2006 Annual Report to Congress,” table 1.

²⁷ In fact, the University of Wisconsin found that a pass-through and disregard of all current support to families receiving cash assistance in the state’s W-2 program resulted no net costs to the state, since forgone state revenue was offset by reduced cash assistance costs. Daniel R. Meyer and Maria Cancian, “W-2 Child Support Demonstration Evaluation, Phase 1: Final Report, Volume I: Effects of the Experiment,” Institute for Research on Poverty, University

of Wisconsin-Madison, April 2001,
<https://www.irp.wisc.edu/wp/wp-content/uploads/2022/10/csde-p1v1-full-report.pdf>.

²⁸ Maria Cancian, Daniel R. Meyer, and Emma Caspar, “Welfare and Child Support: Complements, Not Substitutes.” *Journal of Policy Analysis and Management*, Vol. 27, No. 2, 354-375, 2008,
[https://users.ssc.wisc.edu/~gwallace/Papers/Cancian,%20Meyer,%20and%20Caspar%20\(2008\).pdf](https://users.ssc.wisc.edu/~gwallace/Papers/Cancian,%20Meyer,%20and%20Caspar%20(2008).pdf); Meyer and Cancian, 2001; Kye Lippold, Austin Nichols, and Elaine Sorensen, “Evaluation of the \$150 Child Support Pass-Through and Disregard Policy in the District of Columbia,” Urban Institute, March 29, 2013,
<https://www.urban.org/research/publication/evaluation-150-child-support-pass-through-and-disregard-policy-district-columbia>.

²⁹ Sorensen, 2021.

³⁰ *Ibid.*

³¹ Sorensen, 2016.

³² Wei-Yin Hu, “Child Support, Welfare Dependency, and Women’s Labor Supply,” *Journal of Human Resources*, Vol. 34, No. 1, 71-103, January 1999, <https://doi.org/10.2307/146303>, <https://www.jstor.org/stable/146303?origin=crossref>; Maria Cancian and Daniel R. Meyer, “Child Support Demonstration Evaluation Research Summary,” University of Wisconsin-Madison, Institute for Research on Poverty, January 2007,
https://www.researchgate.net/publication/255666384_THE_CHILD_SUPPORT_DEMONSTRATION_EVALUATION_RESEARCH_SUMMARY.

³³ Yoonsook Ha, Maria Cancian, and Daniel R. Meyer, “The Regularity of Child Support and Its Contribution to the Regularity of Income,” *Social Service Review*, Vol. 85, No. 3, September 2011, DOI: 10.1086/661923,
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⁵⁰ Payment regularity depends upon the amount and stability of noncustodial parent employment. Ha, Cancian, and Meyer, 2011.

⁵¹ OCSS, “Preliminary Report FY 2023,” table P-2.

⁵² In 2023, 53 percent of current assistance cases with support orders had collections and 64 percent of former assistance cases with support orders had collections. OCSS, “Preliminary Report FY 2022,” table P-2.

⁵³ Because Maryland has a higher collection rate than the national average, the amounts collected for TANF families with collections in Maryland may not be representative of other states, and OCSS does not report this data for each state. We estimate that the child support program nationally may collect closer to \$215 per month on average for those TANF families with collections. This estimate is based on a cross-comparison of published OCSE and OFA national data. (The sample size collected by the Census Bureau is too small to be meaningful.) Nationwide, current assistance cases with collections received on average \$1,824.41 per year, or \$152.03 per month (including current monthly support and arrears) in FY 2022. However, this amount likely understates the average support amount received by families currently

receiving TANF. This is partly because the average support amount is calculated based on child support cases, not families. Some families have collections in more than one child support case; we estimate that TANF families have on average 1.2 cases. In addition, “current assistance cases” include IV-E funded foster care cases and cases with adult children who no longer have monthly support obligations — both of which may yield lower average collections than TANF-only cases. We estimate that 80 percent of current assistance cases involve TANF families. We also estimate that 80 percent of these TANF families are referred for child support services nationwide. There were 804,193 TANF families and 940,451 current assistance cases in 2021. About 1.43 million children receive TANF, while over 391,000 children are in foster care. TANF households have 1.8 children on average. Child Welfare Information Gateway, “Key Facts and Statistics,” Children’s Bureau, 2023, <https://www.childwelfare.gov/fostercaremonth/awareness/facts/>; OFA, “Characteristics and Financial Circumstances of TANF Recipients Fiscal Year (FY) 2021,” tables 4, 28, and 39; OCSS, “Preliminary Report FY 2022,” tables P-1, P-2, P-6.

⁵⁴ The *median* amount collected in the state for Maryland families receiving TANF who had an active child support case and collections in 2022 was \$231 per month, including \$119 in current support and \$104 in arrears. (Monthly collections were annualized, that is, collections made during the year were divided by 12 months.) The unpublished data analysis was provided to the authors by Letitia Logan Passarella, Research Director of Family Welfare Research, University of Maryland School of Social Work. The authors thank Passarella, along with Kevin P. Guistwite, Executive Director, Child Support Administration, Maryland Department of Human Services. The University of Maryland determined that noncustodial parents in the state who earned no more than full-time minimum wages (\$18,200 in 2017) paid a median annual amount of about \$2,038. The University of Maryland also has consistently found that families that leave TANF and have an order for current support receive a median annual amount of over \$2,000 in child support payments in the first year after exit. Haley Smith, Lauren Hall, and Letitia Logan Passarella, “Life After Welfare: 2022 Annual Update,” School of Social Work, University of Maryland, https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-after-welfare/Life-after-Welfare_-2022.pdf?&. OCSS reports on current assistance cases and collections (combining TANF and IV-E foster care cases), and does not separately break out TANF cases and collections. In FY 2022, the child support program collected on average \$1,824, including current monthly support and arrears, in current assistance *cases* with any collections. It may be that child support collections in TANF cases are higher than in IV-E foster care cases. In addition, collections are reported based on child support cases, not families. Some families have collections in more than one child support case, which can increase the collections made for a family. OCSS, “Preliminary Report FY 2022,” tables P-1, P-2, P-6.

⁵⁵ The University of Maryland analysis found that on average, the state collected 7 months of current support and 5 months of arrears for currently-assisted families. This suggests that even states that pass through current support are holding back a substantial amount of support that instead could benefit families.

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⁵⁷ Nonrecurring lump-sum payments are excluded from income. Also, income that is received too infrequently or irregularly to be reasonably anticipated is excluded, but not in excess of \$30 in a quarter. 7 C.F.R. § 273.9 (c)(2) and (8); 7 C.F.R. § 273.9(b)(2)(i) and (iii), (b)(5)(ii), (c)(2), (c)(8), and (c)(18)(vi). See CBPP, “A Quick Guide to SNAP Eligibility and Benefits,” updated March 3, 2023, <https://www.cbpp.org/research/food-assistance/a-quick-guide-to-snap-eligibility-and-benefits>.

⁵⁸ 7 C.F.R. § 273.9(b)(2)(i) and (iii), (b)(5)(ii), (c)(2), (c)(8), and (c)(18)(vi). See CBPP, “A Quick Guide to SNAP Eligibility and Benefits,” updated March 3, 2023, <https://www.cbpp.org/research/food-assistance/a-quick-guide-to-snap-eligibility-and-benefits>.

⁵⁹ Unlike SNAP, child support and other unearned income are counted dollar for dollar in calculating SSI benefits. Social Security Administration, “Understanding Supplemental Security Income (SSI) Income,” 20243 edition, <https://www.ssa.gov/ssi/text-income-ussi.htm>.

⁶⁰ However, the SNAP benefits of most families were not significantly affected by the pass-through policy. Smith and Hall, 2021.

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⁹⁰ Grall, 2020. In 2018, women represented over 90 percent of custodial parents receiving child support services. Sorensen, 2021.

⁹¹ Among all custodial *mothers*, 44 percent are white, 28 percent are Black, 24 percent are Hispanic, and 5 percent have other backgrounds. Although not highlighted in the Census Bureau report, 2018 CPS-CSS data indicate that the racial and ethnic backgrounds of custodial mothers who participate in the child support program are not significantly different than those of custodial mothers as a whole. However, Black and Hispanic women are more likely to be custodial mothers, and therefore more likely to participate in the child support program. Among custodial *parents* (mothers and fathers) participating in the child support program, 47 percent are white, 24 percent are Black, 24 percent are Hispanic, and 5 percent have other backgrounds. Among custodial parents not participating, 50 percent are white, 24 percent are Black, 24 percent are Hispanic, and 5 percent have other backgrounds. Grall, 2020; Sorensen, 2021. https://www.acf.hhs.gov/sites/default/files/documents/ocse/characteristics_cps_and_their_children.pdf.

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⁹⁹ Lauren A. Hall, Letitia Logan Passarella, and Catherine E. Born, “Who Pays Child Support? Noncustodial Parents’ Payment Compliance,” University of Maryland School of Social Work, May 2014, <https://www.ssw.umaryland.edu/media/ssw/fwrtg/child-support-research/cs-caseload-special-issues/paymentcompliance.pdf>.

¹⁰⁰ Yoonsook Ha *et al.*, “Factors Associated with Nonpayment of Child Support,” Institute for Research on Poverty, University of Wisconsin-Madison, September 2008, <https://www.irp.wisc.edu/resource/factors-associated-with-nonpayment-of-child-support/>.

¹⁰¹ Lisa Klein Vogel, “Challenges and Opportunities for Engaging Noncustodial Parents in Employment and Other Services,” Institute for Research on Poverty, University of Wisconsin-Madison, revised 2019; Yoonsook Ha, Maria Cancian, and Daniel R. Meyer, “Child Support and Income Inequality,” *Poverty & Public Policy*, Vol. 10, No. 2, 147-158, June 2018, DOI:[10.1002/pop4.215](https://doi.org/10.1002/pop4.215); Holcomb *et al.*, 2015; Darrick Hamilton, Algernon Austin, and William Darity, Jr., “Whiter Jobs, Higher Wages: Occupational segregation and the lower wages of black men,” Economic Policy Institute, February 28, 2011, <https://files.epi.org/page/-/BriefingPaper288.pdf>; Devah Pager, Bruce Western, and Bert Bonikowski, “Discrimination in a Low-Income Wage Market: A Field Experiment,” *American Sociological Review*, Vol. 74, 2009, <https://scholar.harvard.edu/files/bonikowski/files/pager-western-bonikowski-discrimination-in-a-low-wage-labor-market.pdf>.

¹⁰² Ashley Nellis, “The Color of Justice: Racial and Ethnic Disparity in State Prisons,” Sentencing Project, October 2021, <http://cdn.cnn.com/cnn/2021/images/10/13/the-color-of-justice-racial-and-ethnic-disparity-in-state-prisons.pdf>.

¹⁰³ Vicki Turetsky, “Reducing Arrears: Implementing Sensible Debt Reduction Strategies,” Ascend at Aspen Institute and Good+Foundation, revised February 2023, <https://ascend-resources.aspeninstitute.org/resources/child-support-policy-fact-sheet-reducing-arrears/>; Vicki Turetsky, “Providing Equal Access to Justice,” Ascend at Aspen Institute and Good+Foundation, January 2023, <https://ascend-resources.aspeninstitute.org/resources/providing-equal-access-to-justice/>; Vicki Turetsky and Maureen Waller, “Piling on Debt: The Intersections Between Child Support Arrears and Legal Financial Obligations,” *UCLA Criminal Justice Law Review*, Vol. 4, No. 1, 2020, <https://escholarship.org/uc/item/7vd043jw>. Black and Hispanic custodial and noncustodial parents are overrepresented in the child support program. Although there is ample evidence that child support enforcement policies and practices exacerbate existing income disparities among noncustodial parents with low incomes, there is limited research examining whether child support policies generate specific racial and ethnic disparities that are distinct from income disparities. See Yoona Kim, Katarina Liptrot-Ploch, and Daniel R. Meyer, “Racial and Ethnic Disproportionality and Disparity in Child Support: A Scoping Review,” University of Wisconsin-Madison, rev. January 2024, <https://www.irp.wisc.edu/wp/wp-content/uploads/2024/01/CSRA-22-24-T7-01042024.pdf>.

¹⁰⁴ Maretta D. McDonald, “Looking at the Impact of Race on Child Support Enforcement Outcomes,” Southeastern Louisiana University 2016 (unpublished thesis). Although there were no significant differences in child support enforcement actions based on race, the TANF status of custodial parents was associated with increased use of punitive enforcement actions against noncustodial parents. See Steven T. Cook, “Child Support Enforcement Use of Contempt and Criminal Nonsupport Charges in Wisconsin,” Institute for Research on Poverty, University of Wisconsin-Madison, 2015, <https://www.irp.wisc.edu/wp/wp-content/uploads/2018/06/CS-2009-11-Task7B-Cook.pdf>. (Black noncustodial parents were much more likely than white parents to have a warrant issued for failing to show up for a contempt hearing or to comply with contempt conditions, but they were less likely to be picked up on the warrant and jailed. Younger parents, parents with no or low earnings, and parents with high debts were the most likely to have warrants issued, but the likelihood of being picked up and jailed did not increase.)

¹⁰⁵ Cancian, Meyer, and Caspar, 2008; Meyer and Cancian, 2001; Lippold, Nichols, and Sorensen, 2013.

¹⁰⁶ Turetsky, 2000.

¹⁰⁷ 42 U.S.C. § 657(a)(6)(B).

¹⁰⁸ “Fill-the-gap” budgeting is an AFDC policy which allows families receiving TANF to keep support payments without reducing assistance up to a certain income level (called “standard of need”). 42 U.S.C. § 657(d). Five states (Delaware, Maine, Georgia, South Carolina, and Tennessee) have continued fill-the-gap budgeting in their TANF programs under a provision included in PRWORA. See Turetsky and Azevedo-McCaffrey, 2024.

¹⁰⁹ 42 U.S.C. § 657(a)(6)(B).

¹¹⁰ 42 U.S.C. § 657(a)(2).

¹¹¹ 42 U.S.C. § 654(34). The distribution statute, 42 U.S.C. § 657, does not include PRWORA distribution language. That is because the PRWORA language was superseded by the DRA. The only reference in existing federal statute to the federal tax offset exception is contained in the state plan statute, § 654(34).

¹¹² 42 U.S.C. § 657(a)(2)(B)(ii)(II).

¹¹³ 42 U.S.C. § 657(a)(6)(A).

¹¹⁴ 42 U.S.C. § 657(b)(1) and (2). See OCSE-AT-07-05.

¹¹⁵ Alaska, Arkansas, Connecticut, Colorado, Florida, Hawai’i, Indiana, Iowa, Kansas, Massachusetts, Minnesota, Mississippi, New Hampshire, New Jersey, North Dakota, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virgin Islands, West Virginia, Wisconsin. Turetsky, “Ensuring Families Receive Child Support Payments,” 2023.

¹¹⁶ This is particularly true for states that already distribute support under a TANF fill-the-gap policy — including Delaware, Georgia, Maine, South Carolina, and Tennessee.

¹¹⁷ The FMAP is used to determine the federal share of costs for Medicaid and certain other state programs. HHS, “Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children’s Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2023 Through September 30, 2024,” 87 FR 74432, December 5, 2022, <https://www.federalregister.gov/documents/2022/12/05/2022-26390/federal-financial-participation-in-state-assistance-expenditures-federal-matching-shares-for>.

¹¹⁸ For a state-by-state list of TANF cash benefit levels, see Gina Azito Thompson, Diana Azevedo-McCaffrey, and Da’Shon Carr, “Increases in TANF Cash Benefit Levels Are Critical to Help Families Meet Rising Costs,” CBPP, updated February 3, 2023, <https://www.cbpp.org/research/family-income-support/more-states-raising-tanf-benefits-to-boost-families-economic-security>.

¹¹⁹ Fill-the-gap budgeting means that certain kinds of income do not count against a family’s TANF benefit until their income reaches a certain level. See Turetsky and Azevedo-McCaffrey, 2024.

¹²⁰ 42 U.S.C. § 609(a)(7)(B)(I)(aa); OCSE-AT-07-05, “Assignment and Distribution of Child Support Under Sections 408(a)(3) and 457 of the Social Security Act,” July 11, 2007, <https://www.acf.hhs.gov/css/policy-guidance/assignment-and-distribution-child-support-under-sections-408a3-and-457-social>.

¹²¹ One technical issue for states to work through when they implement DRA distribution is the timing of disbursing current support payments made from federal tax offsets. States have authority to hold federal tax offset collections for six months when an “innocent spouse” has a potential claim to a tax refund. 45 U.S.C. § 664(a)(3); 45 C.F.R. § 303.72(h)(5); OCSE-AT-07-05.

¹²² Paul Legler and Vicki Turetsky, “More Child Support Dollars to Kids: Using New State Flexibility in Child Support Pass-through and Distribution Rules to Benefit Government and Families,” CLASP and Policy Studies, Inc., July 30, 2006, <https://www.clasp.org/publications/report/brief/more-child-support-dollars-kids-using-new-state-flexibility-child-support/>; November 1, 1999 letter to Ron Haskins, Subcommittee on Human Resources, U.S. Committee on Ways and Means, U.S. House of Representatives from Robert Williams, President, Policy Studies, Inc. (in author’s possession). In 2023, nationwide program expenditures were \$6.4 billion annually: 6 percent of these expenditures equals \$387 million.