

THE SENATE SHOULD GIVE STATES ADEQUATE FLEXIBILITY TO GIVE MORE CHILD SUPPORT TO FAMILIES (Rev. June 2003)

Increasing the support that poor children receive from both their parents is a critical component of real welfare reform. For families who receive it, child support contributes substantially to family income and child well-being. For all poor families who receive child support, it provides over a quarter of total income: the largest source of income after the mother's earnings. And for poor children not on welfare, whose parents may keep all current support collected, child support provides, on average, 35% of family income when families receive it.¹ Receipt of child support helps families leave and avoid a return to welfare.²

Outmoded welfare policies that use child support payments to reimburse government public assistance costs deprive many poor children of much of the child support paid on their behalf. In a majority of states, *none* of the child support paid by the fathers of children currently receiving TANF, many of whom are low-income themselves, goes to the family. Even after a family leaves welfare and is struggling to avoid a return, in some circumstances child support collections will go to repay government arrears before the family's (for example, when past-due child support is collected by intercepting the father's federal tax refund). Overall, the various exceptions to "family first" child support distribution mean that families that have left welfare get to keep only half of the child support arrearages collected on their behalf.³

These policies not only deprive children of economic support, but are a source of additional stress on the fragile relationships of low-income parents. Poor mothers are frustrated that they are not receiving help from the father; poor fathers are frustrated because they are making payments, but their efforts are not making a difference for their children; community groups find that messages promoting responsible fatherhood are received with skepticism when child support payments go to the government, not their children.⁴

When TANF families receive the child support paid on their behalf, fathers pay more child support. Under a waiver from the federal government, Wisconsin experimented with a different approach: giving *all* child support payments to children and disregarding those payments when determining cash assistance. As the Administration recognizes, "[a] major research study in Wisconsin has shown that when TANF families receive the child support paid on their behalf, fathers are more likely to pay child support and to pay more child support."⁵

¹ Sorensen and Zibman, *Child Support Offers Some Protection Against Poverty*, Urban Institute No. B-10 (March 2000).

² See U.S. Department of Health and Human Services, *1999 Report to Congress: Analysis of the Impact on Welfare Recidivism of PRWORA Child Support Arrears Distribution Policy Changes*.

³ Ron Haskins, *Testimony on Child Support and Fatherhood*, before the Subcommittee on Human Resources, House Committee on Ways and Means (June 2001).

⁴ See National Women's Law Center and Center for Fathers, Families and Public Policy, *Family Ties: Improving Paternity Establishment Procedures for Low-Income Mothers, Fathers, and Children* (2000), *Dollars and Sense: Improving the Determination of Child Support Obligations for Low-Income Mothers, Fathers and Children* (2002).

⁵ *Working Toward Independence* 27 (February 2002),

<http://www.whitehouse.gov/news/releases/2002/02/welfare-reform-announcement-book.pdf>.

Senator Snowe's bill would give states more flexibility than the House bill to give more child support to families receiving TANF. Under S. 669, the Child Support Distribution Act of 2003, the federal government would share in the cost of giving more child support to families currently receiving TANF (passing through the support and disregarding the amount in calculating the TANF grant) up to \$400/month for one child, \$600/month for two or more. The federal government would assist states that already pass through and disregard child support, and would allow states to implement policy changes immediately. Under the 2003 House bill, H.R. 4, the federal government will share in the cost only for states that newly adopt or increase a child support pass-through, by no more than \$50 per month over current levels or \$100 per month, whichever is greater, and only after October 2005.

Senator Snowe's bill would give states more flexibility than H.R. 4 to give more child support to families that have left TANF. Under both bills, states could give families that have left welfare the past-due child support collected by intercepting the tax refunds of noncustodial parents, and the federal government would share in the cost. However, under S. 669, states could implement this policy immediately; under H.R. 4, states would not have this option – and families would not get this money – until October 2005. In addition, Senator Snowe's bill, but not H.R. 4, eliminates the requirement that families that apply for TANF sign over to the state their claims to past-due child support for the period *before* they receive TANF.

Senator Snowe's bill does not impose a new child support fee or tax on working families. Under H.R. 4, the child support reforms are financed in part by a new annual fee of \$25 that would be imposed on families that rely on the public child support system that never received TANF. However, most of the families served by the public child support program are low- and moderate-income themselves.

Last year, the Senate Finance welfare reauthorization bill, H.R. 4737, endorsed these child support provisions with bipartisan support. As part of welfare reauthorization this year, Congress should adopt the child support reforms in Senator Snowe's bill: they promote self-sufficiency, help children, strengthen families, and give states more flexibility.