

Child Support and TANF Reauthorization

July 23, 2009

- **Child Support Is an Important Part of the Safety Net.**
 - The child support program served *17 million children* and collected \$26.6 billion in owed child support in FY 2008. Over 90% of the money collected, *\$24 billion*, was distributed to families; the rest went to reimburse federal and state public assistance.
 - Services are available to families at all income levels. But most of the families served are former or current TANF recipients (45% and 13%, respectively), and many of the 42% of never-TANF cases are low- and moderate-income.

- **The Child Support Program Is Threatened by Funding Cuts Next Year.**
 - Child support collection rates have doubled over the past 10 years, with the biggest improvements for the poorest families. However, a 20% cut in funding included in the Deficit Reduction Act of 2005 could reverse this progress.
 - Funding for child support was restored by the American Recovery and Reinvestment Act – but only through September 30, 2010.

- **Child Support and TANF Are Separate but Related Programs.**
 - TANF cash assistance recipients must assign their right to child support to the state *while receiving TANF*. (Assignment of pre-assistance arrears eliminated as of October 1, 2009.)
 - TANF recipients must cooperate with the state in establishing paternity and collecting child support unless they have good cause not to, such as domestic violence.
 - Most child support collected while a family receives TANF is retained by the states and shared with the federal government. However, the federal share is waived if a state pays the child support to the family and disregards it in calculating TANF assistance, up to \$100 for one child, \$200 for two or more children.
 - Half of the states (26) do not pass through or disregard any child support. Nine states have a \$50 passthrough/disregard; six states have a passthrough/ disregard above \$50; one state passes through and disregards all child support under a special waiver; the others have varying policies (e.g., fill-the-gap budgeting, increased TANF payments for families receiving child support).
 - After families leave TANF, current child support and most of their arrears are paid to them first. Arrears collected by intercepting noncustodial parents' federal tax refunds may be retained by the state and federal government to reimburse TANF costs. However, if states elect to give tax offset collections to families first, the federal share is waived.

- **Child Support Issues for TANF Reauthorization.**
 - Permanently repeal funding cuts to child support in the Deficit Reduction Act.
 - Make child support a true family support program: eliminate assignment and cooperation requirements, require that all collected child support go to families and children. (Because of the impact on state budgets, this may require a phase-in or additional assistance.)
 - Fund grants to states to improve child support policies and services for vulnerable families, including connection to employment services for noncustodial parents, services for victims of domestic violence, arrears management, and more effective modification.