



December 14, 2021

To: Special Committee on Child Support Enforcement and Collection

From: Chardae Caine, Fiscal Analyst

Re: Pass Through Policies

PASS THROUGH POLICIES

Defining Pass Through

Families receiving public assistance, known as Temporary Assistance for Needy Families (TANF), must cooperate with child support establishment and enforcement efforts under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These recipients must also assign their rights to child support payments to the state. States may either:

- Retain collected child support payments as reimbursement; or
- Allow some of the payment to be passed through to the family and not be considered as income for eligibility determination.

Pass Through Across the Nation

Across the nation, 28 states have enacted variations of pass through policy. Eleven states allow for a specific amount based on the number of children in the family or depending on the necessary budget of each family. Nine states allow the first \$50 of a child support payment to be passed to the parent and child. Colorado and Minnesota allow 100 percent of child support collected to be passed through to the family. Montana and New Jersey allow for the first \$100 to be passed through, and the District of Columbia allows for \$150. Texas allows for the first \$75 to be passed through. Wisconsin allows 75 percent of payments to be passed through. Virginia allows for up to \$100 to be passed through.

Kansas and Surrounding States

Currently, Kansas does not have a pass through policy in place. Similarly, Iowa, Missouri, Nebraska, and Oklahoma also do not have pass through policies in place. Colorado,

offering a 100 percent pass through of child support collected to be passed through to families, is the only surrounding state that has an established pass through policy.

Participants and Funding

Upon request of the Committee, the Department for Children and Families (DCF) indicated that 6,145 families had their rights to child support payments assigned to the State due to receiving TANF in 2021. Additionally, 6,661 families in FY 2020 and 7,609 families in FY 2019 had their rights assigned to the State.

Collections from this assistance consists of federal funds that are shared between the Administration for Children and Families and DCF. The reimbursed state share is deposited into the agency's Social Welfare Fee Fund and used to cover the costs of administrating the child support system. When funds are spent, they are again matched with federal Child Support Services funds. Fee fund deposits for FY 2019 to FY 2021 are as follows:

Case Type	FY 2019	FY 2020	FY 2021
TANF Child Support Collections	\$4,065,329	\$3,358,891	\$6,731,181
TANF Foster Care Child Support Collections	\$297,665	\$182,833	\$248,787

Note: The above table has TANF Foster Care Child Support Collections separated for the purposes of understanding the actual pass through amount. FY 2021 collections are significantly higher because of collections related to COVID-19 pandemic payments.