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TESTIMONY

Statement of

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Before

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Work and Welfare Subcommittee
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Hearing on

"Strengthening the Child Support Program: Status, Challenges, and Opportunities for Modernization"

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Mr. Chairman and members of the committee, thank you for inviting testimony from CRS regarding the history of the Child Support Enforcement Program (CSE). This testimony addresses how the program has evolved since its 1975 establishment, with particular attention to the reforms made to the program three decades ago with the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Few major legislative changes have been made to the program since PRWORA, even as the composition of families served by the program has changed, and states have pursued new enforcement tools and areas of focus for their respective child support programs.[1]

Overview of IV-D Requirements for the CSE Program

The CSE program was enacted in 1975 as a federal-state program (established in Title IV-D of the Social Security Act [SSA] by P.L. 93-647).[2] The program serves about one in six (17%) U.S. children as of FY2024.[3] Though the program is financed in part by the federal government and is subject to federal rules and regulations, it is operated and partially financed by the states.[4] All 50 states and four jurisdictions (the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands) operate CSE programs, generally at the county level of government. (For the purposes of this testimony, these jurisdictions are collectively referred to as "states.") In addition, 63 tribal nations operate CSE programs. At the federal level, the CSE program is administered by the Office of Child Support Enforcement (OCSE), which is in the Department of Health and Human Services's (HHS's) Administration for Children and Families (ACF).

Program Activities

Title IV-D of the SSA places detailed requirements on state CSE programs with regard to services they must provide on behalf of children and related procedures for (1) locating absent/noncustodial parents, (2) establishing paternity, (3) establishing, reviewing, modifying child support orders, (4) collecting and distributing support payments, and (5) establishing and enforcing medical support.

A state can attempt to locate a noncustodial parent through information provided by the custodial parent, or by searching its State Parent Locator Service (SPLS), which is an assembly of systems that includes the State Case Registry (SCR) and the State Directory of New Hires (SDNH). A state also can request the assistance of the Federal Parent Locator Service (FPLS), which is an assembly of systems (including data from the state systems above) operated by OCSE. Within the FPLS is the National Directory of New Hires (NDNH), which contains data from the SDNH systems on (1) all newly hired and rehired employees, (2) the quarterly wage reports of existing employees (in Unemployment Insurance [UI]-covered employment), and (3) UI applications and claims. The NDNH was originally established to help with interstate enforcement, but the authority to access the NDNH has been extended to several additional programs and agencies to, for example, verify program eligibility and prevent or end improper payments.[5]

States must have procedures to establish paternity for all children under age 18. For children born into a marriage, the husband is generally deemed to be the father; therefore, in divorce cases paternity generally

[1] This testimony is largely drawn from CRS Report RS22380, *Child Support Services: Program Basics*, and CRS Report R47630, *The Child Support Enforcement Program: Summary of Laws Enacted Since 1950*.

[2] See Sections 451-469B of the SSA (42 U.S.C. §§651-669b). Federal regulations can be found at 45 C.F.R. Parts 301.0-310.40.

[3] Federal Interagency Forum on Child and Family Statistics, *Child Population: Number of children (in millions) ages 0–17 in the United States by age, 1950–2022 and projected 2023–2050*, https://www.childstats.gov/americaschildren/tables/pop1.asp; Department of Health and Human Services (HHS), Office of Child Support Enforcement (OCSE), *FY2024 Preliminary Data Report and Tables*, https://acf.gov/css/policy-guidance/fy-2024-preliminary-data-report-and-tables. (Unless otherwise noted, all FY2024 data in this testimony are from the *FY2024 Preliminary Data Report and Tables*.)

[4] For the purposes of the IV-D program, Section 1101(a)(1) of the Social Security Act (SSA) defines "state" as including the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa.

[5] For further information, see CRS Report RS22889, *The National Directory of New Hires: An Overview*.

does not need to be affirmatively established. In nonmarital birth cases, however, paternity must be established before child support is ordered. All parties must submit to genetic testing for contested cases.

Federal law requires that states develop guidelines for establishing and modifying child support orders. Guidelines are rules and tables that are used to determine the amount of the child support order.

Income withholding is responsible for most child support that is collected by state CSE programs (71% in FY2024). Additional collections methods include the intercept of federal and state income tax refunds; intercept of unemployment compensation; liens against property; reporting child support obligations to credit bureaus; intercept of insurance settlements; and the seizure of assets held by public or private retirement funds and financial institutions. In cases of past-due support, states also must provide for the withholding or suspending of driver's licenses, professional licenses, and recreational and sporting licenses; federal law also provides for the denial, revocation, or restriction of passports. All CSE jurisdictions must have civil or criminal contempt-of-court procedures and criminal nonsupport laws.[6] (In practice, states also may opt to adopt additional enforcement methods not mandated by the federal government [e.g., intercept of gaming and lottery winnings].)

States are required to have a centralized automated State Collection and Disbursement Unit (SDU) to accept and distribute child support payments. SDUs provide employers with a single location in each state to send the withheld child support payments. They also generate orders and notices of withholding to employers and create and maintain records of child support payments.

Historically, both the states and the federal government have regarded visitation and child support as legally separate issues, with only child support being under the purview of the CSE program. However, in recognition of the negative long-term consequences for children associated with the absence of their noncustodial parent, as well as evidence that contact between the child and noncustodial parent can make it more likely that child support responsibilities will be met,[7] federal and state policymakers have increasingly promoted efforts that address both child support and access and visitation in the same forum. Congressional efforts have included the creation of an Access and Visitation Program within CSE as part of PRWORA. At the state level, some have explored the feasibility of integrating processes for the establishment of child support orders with the establishment of parenting time agreements.[8]

Distribution of Child Support

Once child support is collected, federal law (SSA §457(a)-(d)) applies distribution rules to three categories of families: those who are currently receiving Temporary Assistance for Needy Families (TANF) cash assistance, those who formerly received TANF cash assistance, and those who never received TANF assistance.[9] A family that is currently receiving TANF cash assistance must, as a condition of receiving those benefits, cooperate with its state CSE program in its efforts to establish and enforce an order for that family. They also must assign (i.e., legally turn over) their child support rights to the state to reimburse the state and federal government the cost of the benefits. In general, states and federal government retain any current support and any assigned arrearages (i.e., past-due child support) collected up to the cumulative amount of TANF benefits paid to the family. While states may opt to pass through

[6] Federal criminal penalties may be imposed in certain cases under 18 U.S.C. §228. According to the HHS Office of Inspector General (OIG), investigations of these cases fall to state CSE agencies, OCSE, the OIG, and the Department of Justice (DOJ), but the DOJ makes the ultimate decision about prosecution (https://oig.hhs.gov/fraud/child-support-enforcement/about/).

[7] See HHS, OCSE, *Noncustodial Parents: Summaries of Research, Grants and Practices*, July 2009, https://acf.gov/archive/css/policy-guidance/noncustodial-parents-summaries-research-grants-and-practices.

[8] For further background on these issues, see CRS In Focus IF13043, *Parenting Time Agreements and Child Support*.

[9] Similarly, families receiving Medicaid assistance must cooperate with CSE programs and assign their rights to medical support (SSA §1912). 7 U.S.C. §2015(l) also provides a state option to requirement CSE cooperation of families receiving Supplemental Nutrition Assistance Program (SNAP) assistance.

(i.e., pay) to the family some or all of the state share of the child support (thereby forgoing its share of those collections), they generally still must pay the federal government its share of child support collected on behalf of that TANF family. To help states pay for the cost of their CSE pass-through policies, federal law waives the federal government's share of child support collections that are passed through by states, up to $100 per month for one child or up to $200 per month for two or more children.[10] Based on May 2023 data, 26 states, the District of Columbia, and Puerto Rico have a CSE pass through policy; 24 states, Guam, and the U.S. Virgin Islands do not.[11]

With regard to a former TANF family, the state must prioritize paying to the family all current child support, any child support arrearages that accrue after the family leaves TANF, and any arrearages that accrued before the family began receiving TANF benefits. (Any child support arrearages that accrue during the time the family is on TANF belong to the state and federal government.[12])

Child support collections are fully distributed to families who have never received cash assistance.

SSA Section 471 requires state child welfare agencies to refer children receiving SSA Title IV-E foster care maintenance payments to the state CSE agency, where appropriate. The state CSE agency must collect support on behalf of these children (SSA §454) and must distribute it under rules specific to IV-E foster care (SSA §457(e)). Support collected must first be used to reimburse the state and federal governments for the cost of providing those payments and, may then be used for the "best interests" of the child. Any remaining collections must be retained by the state (to the extent they represent past due obligations assigned to the state) to reimburse the state and federal governments for the cost of previous IV-E foster care payments. (This policy applies only to IV-E foster care and not state foster care.)

Program Financing

For FY2024, total estimated CSE administrative expenditures (excluding incentive payments) were $6.6 billion, of which $4.0 billion was the federal share, and $2.6 billion was the state share. The FY2024 cost effectiveness ratio was $4.24: for every $1 of administrative expenditures, $4.24 of support was collected.

There are five primary federal funding streams to the states associated with the CSE program:

- Federal reimbursement to each state program of 66% of all allowable expenditures, which is open-ended (i.e., no upper limit or ceiling by matching the amounts spent by state and local governments); [13]
- Incentive payments to states based on paternity and order establishment, current and past-due support collections, and cost-effectiveness, limited to a set dollar amount with annual increases for inflation (estimated $532 million for FY2023, most recent available data);
- TANF cash assistance retained by the states (estimated at $356 million for FY2024) and federal government (estimated $452 million in FY2024);
- Fees charged by the states (e.g., application fees, annual user fees, genetic testing fees), as well as the option to recover administrative costs in excess of those fees; and
- Access and Visitation Program grant funds ($10 million each fiscal year).

[10] The state also must disregard the passed-through payments as income for the purposes of determining TANF eligibility in order for the federal government to waive its share.

[11] National Conference of State Legislatures, *Child Support Pass-Through and Disregard Policies for Public Assistance Recipients*, May 30, 2023, https://www.ncsl.org/human-services/child-support-pass-through-and-disregard-policies-for-public-assistance-recipients.

[12] The Deficit Reduction Act (DRA; P.L. 109-171) gave states the option of distributing to former TANF families the full amount of child support collected on their behalf (i.e., both current support and all child support arrearages).

[13] In contrast, the CSE program provides tribal IV-D programs direct federal funding equal to 100% of allowable expenditures.

Major CSE (IV-D) Legislation

Since the CSE program's 1974 establishment, more than 50 laws have made changes to the program. The section below provides the legislative history of the program with a focus on several major laws.

Child Support Enforcement Prior to the Enactment of the CSE Program

Before 1950, many noncustodial parents were able to avoid paying child support by leaving their state of residence. Because each state had its own laws that differed as to the circumstances under which support would be owed, many custodial parents gave up on the expensive and time-consuming process of trying to pursue child support across state lines.[14]

In 1950, the National Conference of Commissioners on Uniform State Laws (NCCUSL) and the American Bar Association developed and approved the Uniform Reciprocal Enforcement of Support Act (URESA).[15] The purpose of URESA, a state-level model law was to provide a system for the interstate enforcement of child support orders for states that adopted the law. Passage of URESA gave the court system of one state the authority to enforce the child support orders of another state.[16]

The first federal laws in the child support arena also were enacted starting in 1950 (P.L. 81-734), with additional laws in 1965 (P.L. 89-97) and 1967 (P.L. 90-248). These laws were primarily concerned with child support owed to families receiving cash assistance (i.e., Aid to Families with Dependent Children; AFDC). Over those decades, the AFDC population had experienced a slow but steady increase, which accelerated in the late 1960s with concurrent changes in the caseload composition.[17] In earlier years, the majority of children in the caseload needed financial assistance because their fathers had died; by the 1970s, the families receiving AFDC increasingly were families where the father was alive but absent. At that time, some observers concluded that the cumulative federal child support policy changes that had occurred up until that point were inadequate "because they did not, for example, (1) require AFDC parents to file a child support petition, (2) provide enough incentives for states to initiate actions on behalf of AFDC recipients in their jurisdictions, and (3) impose sanctions on states that failed to help families obtain child support."[18]

The Social Services Amendments of 1974 (Establishment of the CSE Program)

The CSE program was enacted as part of the Social Services Amendments of 1974 (P.L. 93-647). The intent of the program was to reduce public expenditures on cash assistance by obtaining child support from noncustodial parents and by helping poor families get support so they could stay off cash assistance. Families receiving AFDC were required to assign their rights to child support to the government to

[14] William J. Brockelbank and Felix Infausto, *Interstate Enforcement of Family Support*, 2nd Ed., 1971.

[15] URESA was ultimately enacted by all 50 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. The act was amended in 1952, 1958, and 1968. In 1989, the NCCUSL developed the Uniform Interstate Family Support Act (UIFSA), a new interstate act that superseded URESA. The NCCUSL amended UIFSA in 1996, 2001, and 2008.

[16] William F. Fox, "The Uniform Reciprocal Enforcement of Support Act," *Family Law Quarterly*, vol. 12, no. 2, (Summer 1978), pp. 113-145; and Linda Henry Elrod, "The Federalization of Child Support Guidelines," *Journal of the American Academy of Matrimonial Lawyers*, vol. 6, 1990, pp. 106, 107.

[17] See the discussion of the history of the AFDC program in CRS Report R44668, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Legislative History*.

[18] HHS, OCSE, National Institute for Child Support Enforcement, *History and Fundamentals of Child Support Enforcement Handbook*, July 1980, pp. 1-4.

reimburse the cost of that assistance. The program also sought to establish paternity for children born outside of marriage so that child support could be obtained for them.

The Health, Education, and Welfare (HEW, now HHS) Secretary was given primary responsibility for the CSE program and was required to establish a separate organizational unit to operate it. Operational responsibilities included establishing and overseeing the FPLS; establishing standards for state programs; reviewing and approving state plans for the program; conducting state program audits; and certifying certain cases in arrears for referral to the IRS for the offset of federal tax returns (tax offset).

Primary responsibility for operating the CSE program was placed on the states, who were to carry out this work in accordance with state plans approved by HEW. State plans were to provide for establishing paternity and securing support for individuals receiving AFDC and others who applied directly for CSE services. Child support payments were to be made to the state for distribution. States were to establish a SPLS that used state and local parent location resources (and the FPLS). States had to cooperate with other states in locating absent parents, establishing paternity, and securing support; and the state was to maintain a full record of collections and disbursements made under the plan.

The law created an incentive system to encourage states to collect payments from parents of children on AFDC. It also established "federal financial participation" (FFP) for state costs in carrying out their CSE programs, which was 75% percent of the total amount expended by the state on CSE expenditures, with reimbursement of state expenditures on behalf of non-AFDC families ending after June 30, 1976.[19]

Amendments in the 1980s

The Child Support Enforcement Amendments of 1984 (P.L. 98-378) amended Title IV-D to require that states enact statutes to improve enforcement, including mandatory income withholding procedures; state income tax refund interceptions for past-due support; liens for past-due support; laws allowing paternity actions any time prior to a child's 18th birthday; and consumer reporting of child support arrears (e.g., credit bureaus). The law set up requirements for wage withholding and related procedures for employers and state programs. To encourage greater reliance on performance-based incentives, FFP was to be gradually reduced to 66% by 1990, although FFP for automatic data processing, was both increased and expanded (e.g., to include computer hardware purchases). States were required to make all of the mandatory CSE tools available for AFDC and non-AFDC types of cases, and to collect support on behalf of children receiving Title IV-E foster care maintenance payments, when referred.

The Family Support Act of 1988 (P.L. 100-485) made additional change to the program that included procedures for order review and modification, statewide automation, and creating the U.S. Commission on Interstate Child Support, to make recommendations to Congress on improving the CSE system. The major recommendations of the Commission's 1992 report focused on further improvements to child support data and systems. Other recommendations included criminalizing nonsupport at the federal level, and making changes to paternity establishment that would allow for voluntary acknowledgement at birth and for paternity to be determined as a civil proceeding. Many of the recommendations of the commission were implemented in the laws enacted over the next several years.[20]

[19] After several temporary extensions of the non-AFDC federal financial participation, matching funds for those state expenditures were permanently extended by P.L. 96-272.

[20] "Official Recommendations of the United States Commission on Interstate Child Support," *Family Law Quarterly*, vol. 27, no. 1 (Spring 1993), pp. 31-84; Jeff Ball, "How a 'Blueprint for Reform' Led to 20 Years of Program Improvement." National Child Support Enforcement Association, https://www.ncsea.org/documents/The_Interstate_Commission_20_Years_Later_FINAL1.pdf.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)

When PRWORA (P.L. 104-193) was enacted, it contained nearly 50 changes to child support law. These changes occurred in the context of other alterations that PRWORA made to cash assistance, by replacing AFDC with TANF, with the goal of reducing the number of families receiving such assistance. Some of the most significant changes to the CSE program related to how support for cash assistance families would be distributed. For current assistance families (which would now receive TANF), PRWORA eliminated a prior requirement that the first $50 in child support collections on behalf of those families be given to them (i.e., "passed through"). Instead, the rules for payments to former cash assistance families were revised to a so-called "family first" policy, which paid to those families certain child support arrearage payments before the state and federal governments retained their share of collections.[21]

Other changes to federal CSE program requirements made by PRWORA included

- Locate and case tracking (e.g., requiring the establishment of state case registries of all CSE cases; establishing a centralized and automated SDU; requiring automated wage withholding; new uses and capabilities for the systems in the FPLS, including the establishment of the NDNH);
- Streamlining and uniformity of procedures (e.g., requiring states to enact Uniform Interstate Family Support Act, a new interstate act making various updates and clarifications to interstate enforcement; requiring expedited state procedures to order genetic testing, obtain financial information on parents, obtain vital statistics and other official records, order income withholding, and to secure assets to satisfy past-due child support);
- Paternity establishment (e.g., significant expansions and clarifications related to voluntary paternity establishment and contested cases);
- Program administration and funding (e.g., requiring states to establish automated data systems and enhanced federal funding for specified new automation requirements);
- Establishment and modification of support orders (e.g., mandating reviews of child support orders on a three-year cycle, and more frequently with a "substantial change in circumstances");
- Enforcement of past-due support (e.g., requiring state procedures in cases of past due support, including to establish liens against property, and to withhold, suspend, or restrict the use of drivers' licenses, professional and occupational licenses, and recreational licenses; data matching with financial institutions to identify assets of individuals owing past-due child support; denial, revocation, or limitations on U.S. passports for more than $5,000 in arrears);
- Medical support (e.g., requiring CSE-enforced orders to provide for health care coverage);
- $10 million annually for "access and visitation grants" to the states for purposes that include mediation, counseling, education, development of parenting plans, and supervised visitation.
- Allowed tribes to establish their own IV-D programs subject to certain requirements.

[21] These new rules did not apply to federal tax offset collections. For detail on PRWORA distribution of arrearages, see HHS, OCSE, *Instructions for the Distribution of Child Support Under Section 457 of the Social Security Act*, AT-97-17, October 21, 1997, https://www.acf.hhs.gov/css/policy-guidance/instructions-distribution-child-support-under-section-457-social-security-act.

Post-PRWORA Legislative Changes

Since the enactment of PRWORA, additional amendments to Title IV-D have included expansions to enforcement methods, changes to program funding, and further alterations to the rules that govern how support is distributed to cash assistance families. While these laws have generally focused on adjusting existing program components, major changes were made by the Child Support Performance and Incentive Act of 1998 (CSPIA; P.L. 105-200), and the Deficit Reduction Act of 2005 (DRA; P.L. 109-171).

The primary purpose of the CSPIA was to revise the prior incentive payment system into what is its current form.[22] The new system was based on a percentage of the state's collections on all types of CSE cases and incorporated five performance measures: paternity establishment percentage, establishment of child support orders, current payments, arrearage payments, and cost-effectiveness. The law required states to expend incentive payments on approved activities under that state's IV-D plan, or on other activities to improve the efficacy of the state's CSE program (approved by the HHS Secretary). The amount of a state's incentive payment (out of a capped pool) would depend on its level of performance (or the rate of improvement compared to the previous year) compared with other states.[23]

The DRA altered existing program funding streams and enforcement methods such as passport denial, federal tax offset, and insurance matching. It also changed aspects of program operations related to review and modification, medical support orders, and interstate cases. Significantly, the DRA created new options and requirements for CSE distribution, in part to incentivize states to distribute more child support collections to current and former recipients of TANF benefits.

- For current TANF families, the law (with some exceptions) provided states the option to "pass through" up to $100 (one child) or $200 (two or more children) of child support a month to current TANF families, without paying the federal government its share of these collections. Child support payments to such families were to be disregarded in determining TANF eligibility and benefit levels.
- For former TANF families, states could opt for simplified distribution rules that required any amount of child support collected in excess of current support owed be first paid to the family to the extent necessary to satisfy any support arrearages not assigned to the state and federal government; any support paid in excess of that amount then would be applied to arrearages owed to the states and federal government.[24] States could also choose to pass through any assigned arrears collected on behalf of former TANF families without the need to reimburse the federal government for its share of the collections (as long as the state share was also passed through), among other distribution changes.[25]

[22] PRWORA had included a provision that required the HHS Secretary, in consultation with the State IV-D directors, to develop a revenue-neutral proposal for a new child support incentive system and report the details to Congress by March 1, 1997.

[23] For information on state performance under these incentive payment metrics, see Valerie H. Benson and Riley Webster, "The Child Support Performance and Incentive Act at 20: Examining Trends in State Performance," November 2018, https://mefassociates.com/wordpress/wp-content/uploads/2018/12/CSPIA-ASPE-MEF-Brief.pdf.

[24] Alternatively, states could choose to continue to apply some of the distribution rules that were in effect immediately prior the DRA's enactment. For support collected via the tax refund offset, states that opted for the new DRA rules would distribute those collections in the same way as other support for former-assistance cases. For states opting for the old rules, federal offset payments would first be applied to state-owed arrears, and then to arrears owed to the family.

[25] The DRA amended Section 408(a)(3) of the SSA to eliminate the assignment of pre-assistance arrearages in new assistance cases, but discontinuing older assignments was a state option. For further information about how various scenarios under these distribution rules were implemented after the enactment of the DRA, see HHS, OCSE, *Assignment and Distribution of Child Support Under Sections 408(a)(3) and 457 of the Social Security Act*, AT-07-05, July 11, 2007, https://www.acf.hhs.gov/css/policy-guidance/assignment-and-distribution-child-support-under-sections-408a3-and-457-social.

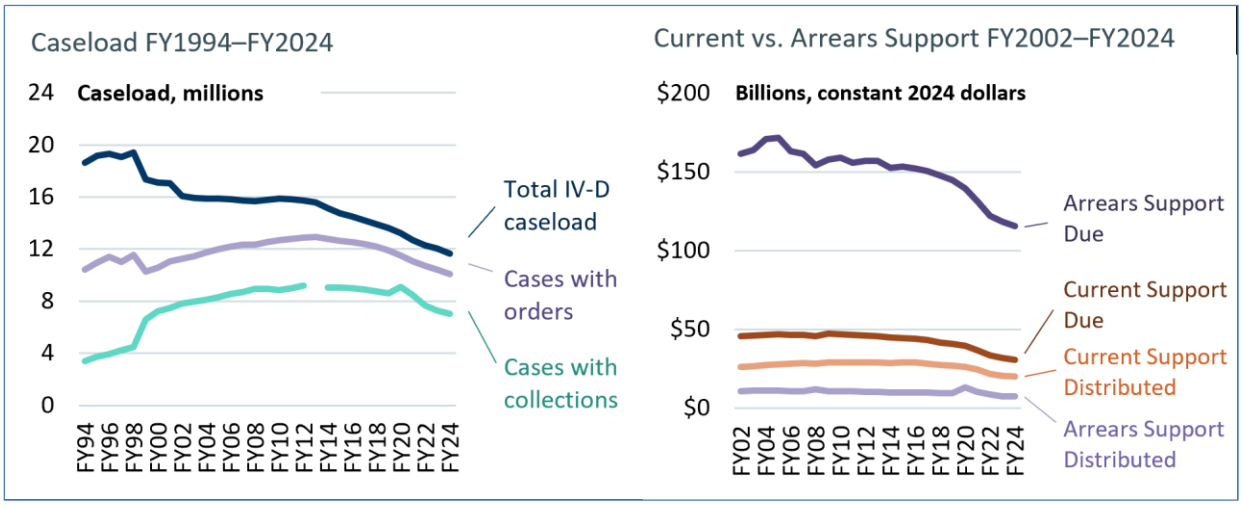
The most recent law to make changes to the CSE program was the Supporting America's Children and Families Act (P.L. 118-258). This law sought to enable tribal CSE programs to have access to federal tax information (FTI) comparable to that of state and local CSE programs, and to allow contractors of state, local, and tribal CSE agencies to have access to FTI comparable to that of CSE agency employees.[26]

CSE Program Trends

The reach and performance of the CSE program can be conceptualized in terms of both its caseload and its collections. Caseload and collections trends for IV-D families from around the time of PRWORA to FY2024 are illustrated in **Figure 1**.[27] Though the total IV-D caseload has declined, orders established and collections made on those orders have improved since the time of PRWORA. In FY2024, orders were established for 86% of IV-D cases, 70% of those cases with orders had collections. Program performance for current child support due also has improved, with 65% of current support being collected and distributed (to families or retained by the state and federal government) in FY2024. With regard to collections made on arrears owed to IV-D families, the CSE program has typically collected about 7% of total arrears during a given fiscal year during this post-PRWORA period.

Figure 1. IV-D Caseload and Child Support (Current versus Arrears)

Collections in constant 2024 dollars (i.e., inflation-adjusted), in billions



Source: CRS analysis of data in CSE, *Annual Report to Congress*, for FY2002-FY2020, and the *FY2024 Preliminary Data Report and Tables*, https://acf.gov/css/site_search?keyword=annual%20report%20to%20Congress and https://acf.gov/sites/default/files/documents/ocse/fy_2024_preliminary_report.pdf. Data after FY2020 is preliminary.

Notes: No data on cases with collections were reported for FY2013. FY=Fiscal Year. Funding was inflation-adjusted to 2024 dollars using the Consumer Price Index Retroactive Series (R-CPI-U-RS), 1977-2024. The differences in fiscal years covered by each half of the figure are due to changing performance metrics, which affect the consistency, reliability, and availability of some of the current versus arrears support data prior to FY2002.

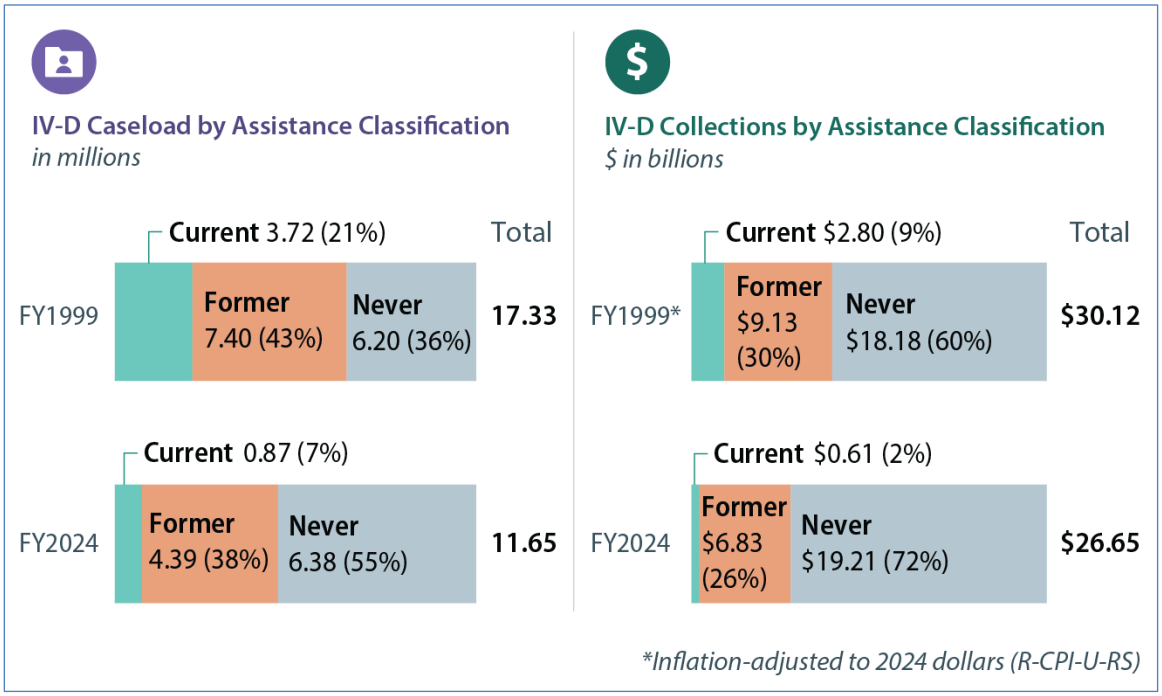
[26] For further information, see CRS Report R48503, *Child Welfare and Child Support: The Supporting America's Children and Families Act (P.L. 118-258).*

[27] A child support case is comprised of the one or more children and the parent to whom support is owed.

The distribution of the IV-D caseload by different assistance classifications (current assistance, former assistance, never assistance) is illustrated in **Figure 2**, The number of current cash assistance families being served by the child support program has declined during this period (3.7 million in FY1999, to .873 million in FY2024), reflecting the decreasing population receiving cash assistance.[28] Twenty-five years ago, families currently receiving cash assistance were more than one-fifth of the child support caseload. They were about 7% of the caseload in FY2024. In the meantime, the share of former assistance families served by the program has decreased when comparing FY2024 (38%) to FY1999 (43%), while the families never receiving cash assistance are now a majority of those served by the program. With regard to IV-D program collections, the bulk of these over the past few decades have consistently been for never assistance families, increasing from 60% of collections in FY1999, to 72% of collections for FY2024. Current assistance collections are now 2% of IV-D collections (versus 7% in FY1999), and former assistance collections are now 26% of collections (versus 30% in FY1999).

Figure 2. Distribution of IV-D Caseload and Collections by Assistance Classification (Current, Former, and Never Assistance)

Constant 2024 dollars (i.e., inflation-adjusted), in billions



Source: CRS based on HHS, OCSE, *FY1999 and FY2000 Annual Report to Congress*, December 1, 2000, https://acf.gov/css/report/fy-1999-and-fy-2000-annual-report-congress; HHS, OCSE, *FY2024 Preliminary Data Report and Tables*, July 17 2025, https://acf.gov/css/policy-guidance/fy-2024-preliminary-data-report-and-tables.

Notes: FY2024 is preliminary data. Current=Current Assistance. Former=Former Assistance. Never=Never Assistance. FY1999 Funding was inflation-adjusted to 2024 dollars using the Consumer Price Index Retroactive Series (R-CPI-U-RS), 1977-2024.

[28] For background on this issue, see CRS Report R47503, CRS Report R47503, *Temporary Assistance for Needy Families: The Decline in Assistance Receipt Among Eligible Individuals*.

Issues for Congress

When the IV-D CSE program was established, a primary goal was to reduce public expenditures on cash assistance for single-parent-headed households. This was to be accomplished both through cash assistance cost recovery (whereby the child support collected for those families was used to reimburse the federal and state governments for the cash assistance payments), and by providing a mechanism for reliable financial support that would enable some of those families to remain off public assistance. In the decades since the program was established, income support for cash assistance families also became an increasing focus of the program. This resulted in federal laws that provided a state option to allow some child support to be retained by the families. In addition, the "family first" policies were enacted in PRWORA and expanded by the DRA were intended to support the ability of families to obtain and maintain financial stability through child support income distributed to them once they are no longer receiving cash assistance. With regard to IV-E foster care cost recovery, the distribution rules for these cases have been largely unchanged since 1984. However, recent attention has been given to flexibilities that exist for states to decide whether referral to CSE is appropriate in a given case.[29] In the context of these developments, some have called for cooperation requirements to apply to other public assistance programs, whereas others have raised concerns about the challenges that they can create both for the CSE program and low-income families.[30] At the same time, some have argued that states should have the ability to reduce or forgive state- and federal-owed child support arrearages to incentivize parents to make regular and on-time payments.[31] All of these changes likely would have implications for federal and state finances, with reductions or eliminations in TANF cost recovery directly affecting one funding stream into the program.

Another factor that has influenced the evolution of the CSE program has been the need to develop federal capabilities to support the needs of the state CSE programs. Over the years, Congress and the President have enacted law to create or expand federal enforcement tools (e.g., Federal Tax Offset, Passport Denial) or to reach additional populations (e.g., children of noncustodial parents that serve in the U.S. Armed Services). They also have repeatedly mandated improvements in the technological capabilities of both federal and state programs to locate parents and collect support, sometimes with additional funding provided for these improvements. In recent years, multiple proposals have emerged at the federal level for enhancements to these tools, or to improve technological capabilities. For instance, prior administrations have proposed requiring a business or government entity that receives services from a non-employee (such as an independent contractor) to report specific information about those individuals to their state's SDNH, requiring employers to report lump sum payments for intercept, and to allow single-state financial institutions to participate in the OCSE multi-state financial institution match program.[32] Enhancements to federal capabilities and automated tools also have been supported by various CSE stakeholders over the years.[33]

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[29] HHS, ACF, DCL-22-06, "Children's Bureau-OCSE Joint Letter on Updated Child Support Referral Policy," July 29, 2022, https://acf.gov/css/policy-guidance/childrens-bureau-ocse-joint-letter-updated-child-support-referral-policy.

[30] See, for example, Paula Roberts, Center for Law and Social Policy, "Child Support Cooperation Requirements and Public Benefits Programs: An Overview of Issues and Recommendations for Change, November, 2005. Daniel Schroeder, American Enterprise Institute, "The Limited Reach of the Child Support Enforcement System," December 2016, https://www.aei.org/wp-content/uploads/2016/12/The-Limited-Reach-of-the-Child-Support-Enforcement-System.pdf.

[31] Maria Cancian and Robert Doar, "Child Support Policy: Areas of Emerging Agreement and Ongoing Debate," October 2023, https://www.aei.org/wp-content/uploads/2023/11/Child-Support-updated.pdf?x97961.

[32] HHS, ACF, *Congressional Justification 2020*, p. 277, https://acf.gov/sites/default/files/documents/olab/acf_congressional_budget_justification_2020.pdf; HHS, ACF, *Congressional Justification 2015*, p. 255, https://acf.gov/sites/default/files/documents/olab/fy_2015_congressional_budget_justification.pdf.

[33] National Child Support Engagement Association, "Resolution in Support of New Tools to Improve Child Support Collections," August 6, 2023, https://www.ncsea.org/wp-content/uploads/2023/09/03-Resolution-in-Support-of-New-Tools-to-Improve-Child-Support-Collections_August-2023.pdf.

Finally, much of the legislative trajectory of the CSE program over the decades has been in response to innovations led by the states. For example, the early success of state CSE programs in serving both cash-assistance and non-cash assistance families led to the permanent expansion of federal financial support. With PRWORA, federal legislation responded to the practical challenges that state programs were experiencing by requiring uniform legal procedures to expedite the establishment and collection of support. PRWORA also established federal systems such as the NDNH, which integrated already-existing SDNH state systems that had demonstrated their effectiveness in locate and enforcement efforts. At the same time, lessons learned at the state level about the program population resulted in the creation of the Access and Visitation Program. As Congress considers changes to the CSE program 30 years after PRWORA, individual state experiences with child support may continue to inform its legislative efforts.

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