

**NEW REPORT FROM OIG RAISES QUESTIONS ABOUT CHILD SUPPORT
DISTRIBUTION FOR FAMILIES LEAVING TANF**

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The Department of Health and Human Services Office of Inspector General (OIG)¹ recently issued a report called **“Distributing Collected Child Support to Families Exiting TANF”**, OEI-05-01-0020 (October 2001).² The OIG found that many states are having difficulty getting support redirected to families leaving TANF. The problems include both delays in payment and underpayment of the amount due to the family. The following summarizes the findings of this report as well as the OIG’s important recommendations for resolving these problems.

Background

During the time that a family receives Temporary Assistance to Needy Families (TANF) any child support collected for the family is assigned to the state which may “pass through” part of the support to the family or keep the support as reimbursement for the assistance given to the family.³ When there are no unreimbursed arrears on a family’s TANF account, the state is required to pass through any collected child support that exceeds the amount of the TANF grant, although states have the option of passing through excess child support even if a family has unreimbursed arrears.

When a family exits TANF, the state is required to transfer child support collections to the family. The receipt of child support at this time of transition can be crucial as a family strives to become self-sufficient. Custodial parents who receive monthly support payments have only a 9 percent chance of returning to TANF, while those who do not receive monthly support payments have a 31 percent chance of returning to TANF after six months.⁴

¹ The OIG is responsible for the investigation of all of the agencies within HHS in order to ensure that these agencies serve the public as intended. After an investigation, the OIG prepares a report on any problems found and makes legislative, regulatory, and operational recommendations to the Secretary of HHS.

² The full report can be found at www.hhs.gov/oig/oei or by contacting the Chicago regional office at 312 353-4124.

³ According to the OIG, 23 states pass through a portion of collected child support to TANF families.

⁴ Testimony of Olivia Golden, Assistant Secretary of the Administration for Children and Families (ACF), Department of Health and Human Services before the Subcommittee on Human Resources, Committee on Ways and Means, United States House of Representatives, May 2000.

OIG Findings

The OIG conducted a study of the problems associated with the distribution of collected child support to families exiting TANF through in-depth site visits in five states (California, Colorado, Louisiana, Massachusetts and Washington) and a survey of the remaining 51 State TANF and Child Support Enforcement (CSE) agencies. They report the following:

- In the case-study states, after leaving TANF, eight percent of custodial parents experienced delays receiving child support payments while three percent were underpaid. None of the five states require a systematic review of the distribution of child support to families leaving TANF: as a result, most were unaware of these problems.
- In the survey states, 11 reported difficulties in ensuring that families exiting TANF receive the child support payments to which they are entitled. Furthermore, 28 states reported problems with their automated systems that potentially cause delays and underpayments of child support to families leaving TANF.
- In case-study states, some TANF recipients underwent at least one month when the amount of their TANF cash assistance grant was less than the amount of child support collected by the state, yet only in one case-study state were these families eligible to receive the excess support. This means that some states pay less in TANF than they collect in child support for current TANF families, adding “unnecessary months to their TANF life-time clocks”.

The OIG’s Recommendations

In order to ensure that families leaving TANF receive the child support payments they are entitled to, and help families transition from welfare to self-sufficiency, the OIG developed the following recommendations:

- State TANF and CSE agencies should improve their automated systems so that TANF case closures automatically result in the redistribution of collected child support without caseworker intervention.
- To facilitate timely disbursement of collected child support state TANF and CSE agencies should emphasize the verification of custodial parent addresses in the TANF discontinuation notice and the Child Support Enforcement continuing services notice;
- Policies and procedures for handling excess child support should be implemented; and
- State child support self-assessment processes should address the effectiveness of the collection and distribution of child support for TANF leavers.

Hopefully, there will be swift action on these recommendations so that low-income custodial parents get the support payments they need and low-income non-custodial parents see that their payments are helping their children.