

HB 3347

FIRST to FAMILIES

2025

ENDING COST RECOVERY

Child Support to Families, not the Government

Fifty years ago, the child support program started as a “welfare recovery” program to recoup the cost of cash assistance to low-income families. A parent paid child support to the government, not to the family. By law, the Oregon Child Support Program keeps child support money collected for families receiving TANF—only a portion is passed through to the family. Research now shows that model as ineffective and burdensome on low-income families, and this legislation proposes ending the cost recovery model. All collections for a family receiving TANF would be sent to them directly and those payments would be disregarded as income when determining TANF eligibility.

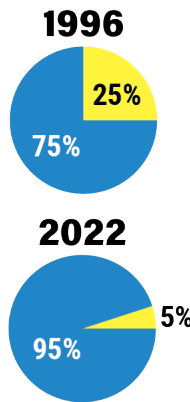
Prioritizing Families

Changes in Child Support

Child support programs have shifted from cost recovery toward family support over the last two decades.

And while child support collections have tripled nationally, TANF spending has cut in half.

■ \$ to families ■ \$ to government



Oregon Child Support Program Collections on TANF Cases

(Approximate monthly for 2023)

Collections:

\$1 million

Number of cases:

4,000

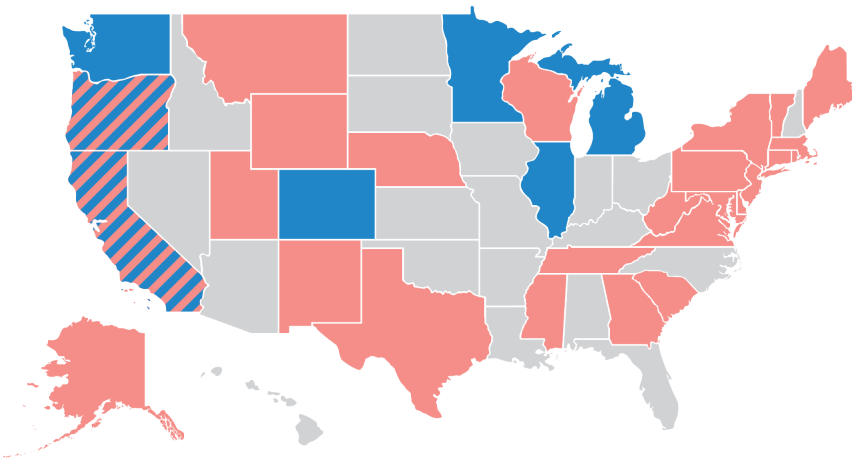
Amount per family:

\$250



Current Pass-Through Status

■ Full pass-through ■ Partial pass-through



National Trends

Washington: HB 1652 (2023-2024), full pass-through on current support, full disregard as income (effective 2026)

California: AB 207 (2023), arrears pass-through effective 2024, current support pass-through passed conditionally, not yet effective

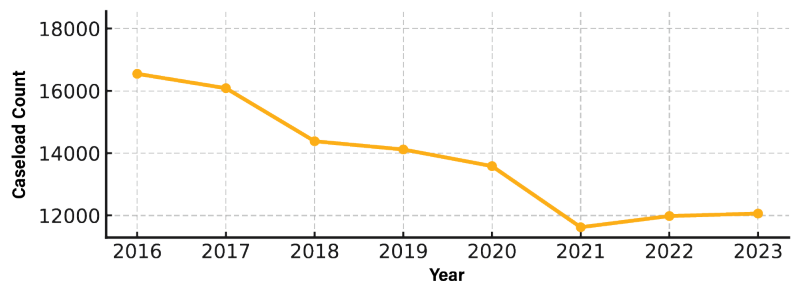
Michigan: full pass-through on current support, full disregard (2023)

Illinois: full pass-through on current support and arrears, full disregard (2024)

Colorado: full pass-through on current support, conditional disregard (2017)

TANF Caseload Trends: Colorado (2016-2023)

Full pass-through did not increase caseloads



- ↑ Family financial stability
- ↑ Positive developmental outcomes for children
- ↓ Child Welfare involvement
- ↓ Inequities between custodial and non-custodial parents

Ending TANF Cost Recovery:

How it benefits families

Presently, Oregon retains support payments to TANF recipients, except for a **pass-through** of \$50 per child, capped at \$200.



Parent with
2 kids:
(Monthly amounts)

Child Support
Paid
\$400
TANF Grant
\$506

Current Model:
Pass-through:
\$100
(\$50 x 2 kids)
State Retains
\$300
Family Total
\$606

Proposed Model:
Pass-through:
\$400
State Retains
\$0
Family Total
\$906




Cell Phone


Transportation


Utilities


Internet


School Supplies


Clothes


Family Time


Medications

For a family, an extra
\$300 a month goes
a long way.