

2026 SB 337

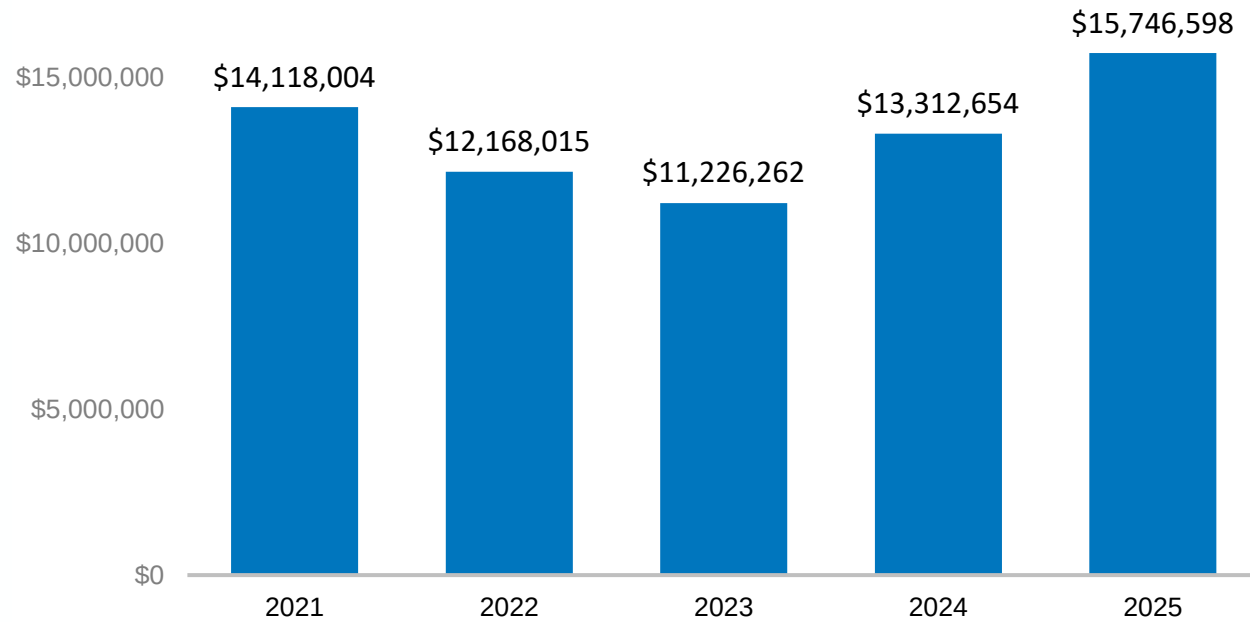
*Directing Child Support Payments to Kentucky Kids,
Not the State & Federal Government*

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Each Year Kentucky Diverts Millions in Child Support Payments From Our Poorest Kids

Total amount of child support diverted from children actively participating in KTAP,
Federal fiscal year 2021 - 2025



Source: U.S. Office of Child Support Enforcement, Preliminary Report, FY 2025.

Kentucky Center for Economic Policy | kypolicy.org

The Problem: “Cost Recovery”

Kids who participate in KTAP cash assistance surrender child support payments to the state.

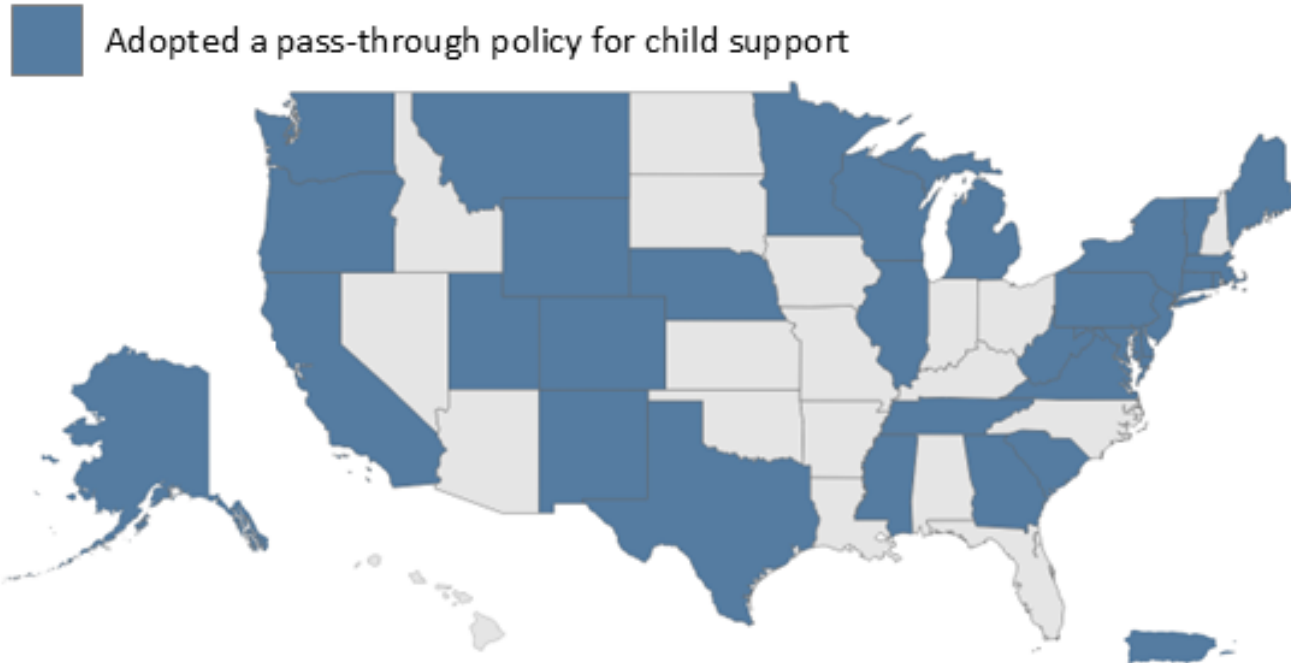
Over 14,000 Kentucky households that participate in the KTAP basic cash assistance program have child support payments “cost recovered” by the state.

In FY 2025, the state kept \$4.4 million (28%), and sent \$11.3 million (72%) to the Federal Government.

Income eligibility for KTAP is capped at \$12,252 for a household of two – these kids are the poorest of the poor.

Most States Pass-Through Some Child Support To Kids With TANF Cash Assistance

States where some or all child support payment is passed-through to the household with the child participating in TANF-funded basic cash assistance as of September 2026



Source: Center on Budget and Policy Priorities & National Conference of State Legislatures.

The Solution: “Pass-Through”

Pass-through \$100 in paid child support per kid, up to \$200 per household

If states pass-through \$100 per child up to \$200 per household, **the Federal Government will waive its portion** (72%).

If Kentucky passed-through \$11 million in child support payments, the Federal Government would forego \$7 million. Kentucky would need to account for \$3 million currently going to OCSS.

31 states, D.C. and P.R. already have some form of pass-through policy.



The Benefit: Kentucky Families

**Child support being paid to kids
(rather than the governments) is good
for parents and kids**

Cost Recovery undermines the role parents play in their families and penalizes fathers who are doing the right thing.

Puts child support payments where they are needed the most, with families raising children, rather than the state and federal government.

Research points to real benefits for families:

- Child support payments more likely to be made
- Child support payments more likely to increase
- Fathers more likely to claim paternity
- Children less likely to become involved in child welfare system.