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Testimony of Vikram Swaruup Executive Director Legal Aid DC

Before the Committee on the Judiciary and Public Safety Council of the District of Columbia

Budget Oversight Hearing Regarding Office of the Attorney General

June 2, 2025

Chairperson Pinto and members of the Committee, thank you for the opportunity to testify regarding the budget for the Office of the Attorney General (OAG) today.

Legal Aid DC¹ works with OAG on a number of issues. From protecting survivors of domestic violence to enforcing our consumer- and tenant-protection laws, OAG does indispensable work on behalf of our neighbors, and we generally support the agency's work in support of the District's most vulnerable residents.

I am before you today to discuss one small, but important, part of OAG's budget. Specifically, Legal Aid seeks a modest appropriation of approximately \$500,000 to modernize OAG's child support collections efforts in a way that will reduce childhood poverty and improve public safety by updating the rules around the TANF pass through.

When a custodial parent receives TANF benefits, they must assign their right to receive child support from the non-custodial parent to the government, and the custodial parent must help the government collect that child support. When the government collects child support from the non-custodial parent, that money then largely goes to the government,

¹ Legal Aid DC is the oldest and largest general civil legal services program in the District of Columbia. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal legal system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. For more information, visit <u>www.LegalAidDC.org</u>.



rather than to provide for the child. These funds do not expand or reimburse the social safety net but instead fund further collections efforts by OAG or go into the federal Treasury. Far from supporting children, these "child support" funds are taken away from families living in poverty for whom even a small amount of additional dollars would make a large difference.

The small amount of money that, under the right circumstances, sometimes makes its way to families is through what is known as the "pass through." Essentially, for families currently receiving TANF benefits, the government passes through to the family up to \$150 of any payment made on a current child support order (and this amount is not counted toward eligibility for other public benefits, known as the "disregard"). Nothing else gets through to a family on TANF, including when payments are made toward arrears – such as when a custodial parent makes a late payment – including to families who no longer receive TANF but once did.

Extensive research suggests that passing through more money – and ideally, all child support collections – has positive effects on families and children. It is easier to collect when both parents know that the money will go toward supporting their child, as opposed to the government. Families are more cohesive and non-custodial parents, largely fathers, are more involved when the government takes less money away. And childhood poverty falls, with the attendant benefits on reducing child neglect and improving public safety. Increasing the pass through is also critical to combatting systemic racism, since the existing system disinvests Black families (disproportionately) to fund the government.

As a result of these important policy considerations, there are federal incentives in place to encourage states to pass through more money to families – incentives that the District is currently failing to utilize.

It is for these reasons that we have been working with OAG to update the District's pass through policies.

Through this collaboration, we understand that OAG can, in Fiscal Year 2026, increase the pass through from \$150 to \$200 for families currently receiving TANF – by definition, the District's poorest residents – both for current orders and arrears. Doing so would require technological upgrades, reduced revenues, and payments to the federal government that total approximately \$500,000. But the benefits to children and families would far exceed that cost. In a challenging budget environment, this small cost, which takes advantage of some federal incentives, will have outsized benefits. We urge the Council to take up this critical anti-poverty measure now, in the 2026 Budget, when DC's poorest families are likely to be hard hit by other budgetary constraints.

legal aid<mark>dc</mark>

Increasing the pass-through to \$200 of current orders or arrears for families currently on TANF can be a critical first step in modernizing the child support system to support children, rather than fuel debt collection to fund government operations. But the District can – and should – go much further. It should pass through all child support it collects – not only for families who are currently receiving TANF but also for families who previously received TANF. DC was the first jurisdiction to implement a "pass through" policy, but our progressive policies from 2006 have fallen behind the curve. There are now strong federal incentives in place to pass through amounts collected for arrears owed to the state for these families who previously received TANF. DC should join Illinois and neighboring Maryland and shift completely away from its current "cost recovery" system that takes child support away from families and the children who so desperately need it. OAG has indicated that it cannot take advantage of those incentives until it completes the process of updating its DCSSES computer system. We urge the Committee to ensure that OAG does so within the next few years, so that it can implement this critical and cost-effective policy change to alleviate child poverty and its negative consequences.

Beyond the pass through, there are two other updates to child support policy that we urge the Council to make through the Fiscal Year 2026 Budge Support Act of 2025 ("BSA"):

- Update the District's policy on the order in which child support dollars are paid out. Under the distribution model that the District has currently chosen, monies collected by the IRS through federal tax intercepts (one of the largest sources of child support collections) go first to satisfy arrears specifically arrears owed to the state before any money is directed to the family. But under federal law, the District could easily choose to flip the order to pay the current order first, in which case a family receiving TANF would receive the pass through amount of \$150 (or \$200), followed by arrears owed to the family and lastly state arrears. While we encourage, over the long term all collections received to be passed through to the family, in the short term, this simple update along with changes to the pass-through would return more money to families by taking advantage of updates to federal law.
- Update the District's policies regarding child support payments while the non-custodial parent is incarcerated. Currently, a non-custodial parent may, at the time of sentencing, file a petition to modify or suspend their child support obligations while they are incarcerated and the sentencing judge must provide notice of this opportunity. But inconsistent implementation and the fact that this notice requirement only applies in D.C. courts (as opposed to cases in other jurisdictions or federal court where a D.C. resident may be



a defendant) has undermined the just goal of this policy. Beyond that, the limited nature of the notice policy clogs our understaffed courts with additional notice obligations and unnecessary petitions. Most people facing incarceration are unlikely to have any income and are thus eligible for a suspension of child support obligations. Instead of requiring individualized court involvement, this suspension should occur as a matter of law unless there is evidence that the non-custodial parent has some significant income during their period of incarceration.

I appreciate the opportunity to testify before you on these important policy issues affecting our child support system. We know there are tough decisions that you face with this budget, but ensuring that child support collections are used to support children is a cost-effective way of reducing child poverty. We therefore urge this Committee to work with the Human Services Committee to expand the current pass through, and, in the longer term, we look forward to collaborating further with OAG and the Council to enact a full pass through.