Impact in Action – Unpacking HR 1’s Child Support and Benefit Reforms

9:00 – 10:30 AM | 90 minutes

Moderator: Kristie Gordy (WY)
Speakers: Erin Frisch (MI), Kristie Gordy (WY), Jane Venohr (CO)

Impact in Action – Unpacking H.R. 1’s Child Support and Benefit Reforms

July 27, 2026

National Council of Child Support Directors

2026 Conference

Growing Our Impact

Session Panelists

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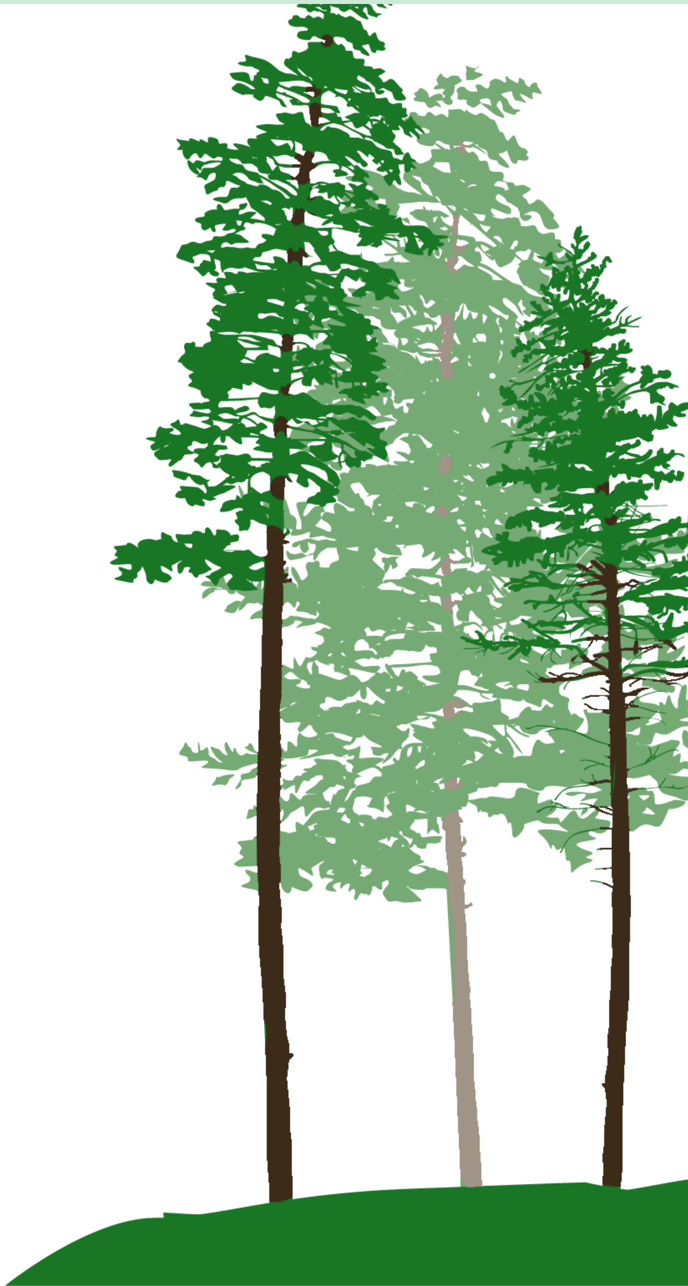
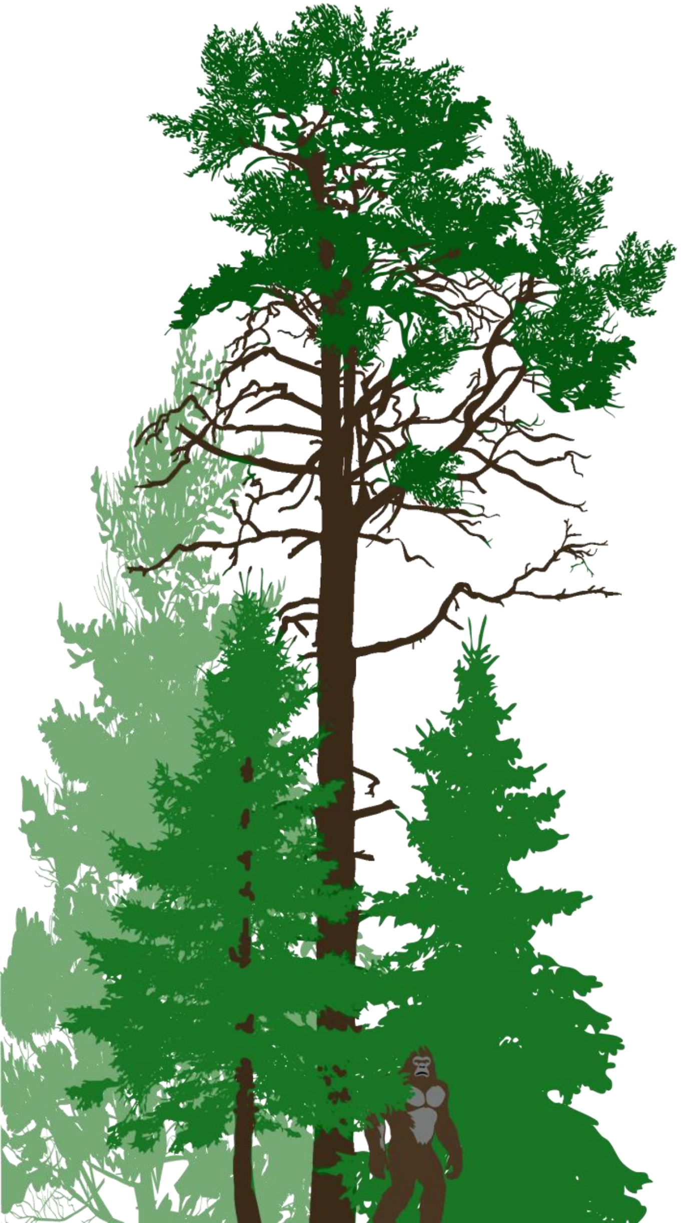





HUMAN SERVICES ECOSYSTEM
How SNAP, TANF, Medicaid, Child Support & Child Care Work Together
One Family • Multiple Programs • Interconnected Impact
Often eligible together
HOUSING
Stability
WIC
Nutrition
COMMUNITY SUPPORTS
Navigation & Basic Needs
Includes 211, United Way, Community Action Agencies, food banks, faith communities & local nonprofits
WORKFORCE
Employment & Training
SNAP
Food Assistance
Helps buy groceries
MEDICAID
Health Coverage
Provides healthcare
FAMILY
Same household, shared needs
TANF
Cash Assistance
Provides monthly cash & work support
CHILD SUPPORT
Payment from other parent
Adds income to household
CHILDCARE
Child Care Assistance
Helps pay for safe, quality care
Income support that impacts benefits
LEGAL SERVICES
Advocacy & Protection
Includes legal aid, domestic violence services, child support legal processes, guardianship & more
BEHAVIORAL HEALTH
Mental Health & Substance Use
DISABILITY SERVICES
Supports & Independence
ENERGY
Assistance
KEY TAKEAWAY: These programs are separate systems – but families experience them together.
What happens in one program impacts the whole family.

SNAP (Food Assistance)

Purpose

Provides monthly benefits to help low-income households purchase food.

Who Qualifies

- Based on household size, income, expenses, and certain resources.
- Most households must meet both gross and net income limits. States have some flexibility through options such as broad-based categorical eligibility.
- Some households with elderly or disabled members have different rules.

Biggest Income Rules

- Gross income generally must be at or below **130% of the Federal Poverty Level (FPL)**.
- Net income generally must be at or below **100% FPL** after allowable deductions.
- Child support paid to someone outside the household is deductible.

SNAP & Child Support

Does Child Support Count as Income?

Yes.

- Child support **received** is counted as unearned income.
- Child support **paid** is an allowable deduction.

Major Interaction with Child Support

- An increase in child support often reduces SNAP benefits, but SNAP benefits generally decrease by less than the increase in child support. Families typically keep a portion of the additional support, although the overall financial impact varies by household.
- Most states **do not** require child support cooperation for SNAP.

Medicaid (Healthcare Coverage)

Centers for Medicare & Medicaid Services

Purpose

Provides health coverage for children, pregnant individuals, adults, seniors, and people with disabilities.

Who Qualifies

Varies by eligibility category:

- Children
- Pregnant individuals
- Parents/caretaker relatives
- Adults through Medicaid Expansion programs
- Aged, blind, disabled populations

Biggest Income Rules

- MAGI Medicaid generally uses Modified Adjusted Gross Income.
- Income limits vary by eligibility group.
- Non-MAGI categories use different financial methodologies.

Medicaid & Child Support

Centers for Medicare & Medicaid Services

Does Child Support Count as Income?

Generally no for MAGI Medicaid.

- Child support received is **excluded** from MAGI income.
- Child support paid generally does not reduce MAGI income.

Major Interaction with Child Support

- Child support generally does **not affect Medicaid eligibility** for MAGI groups.
- Medicaid applicants may assign certain medical support rights to the state.
- Medical child support orders may coordinate private insurance coverage.

TANF (Cash Assistance)

Purpose

Provides temporary cash assistance while families work toward self-sufficiency.

Who Qualifies

Families with dependent children meeting financial and non-financial eligibility requirements.

Biggest Income Rules

- Very low income and limited assets.
- Earned income disregards can apply.
- Benefit amount decreases as countable income increases.

TANF & Child Support

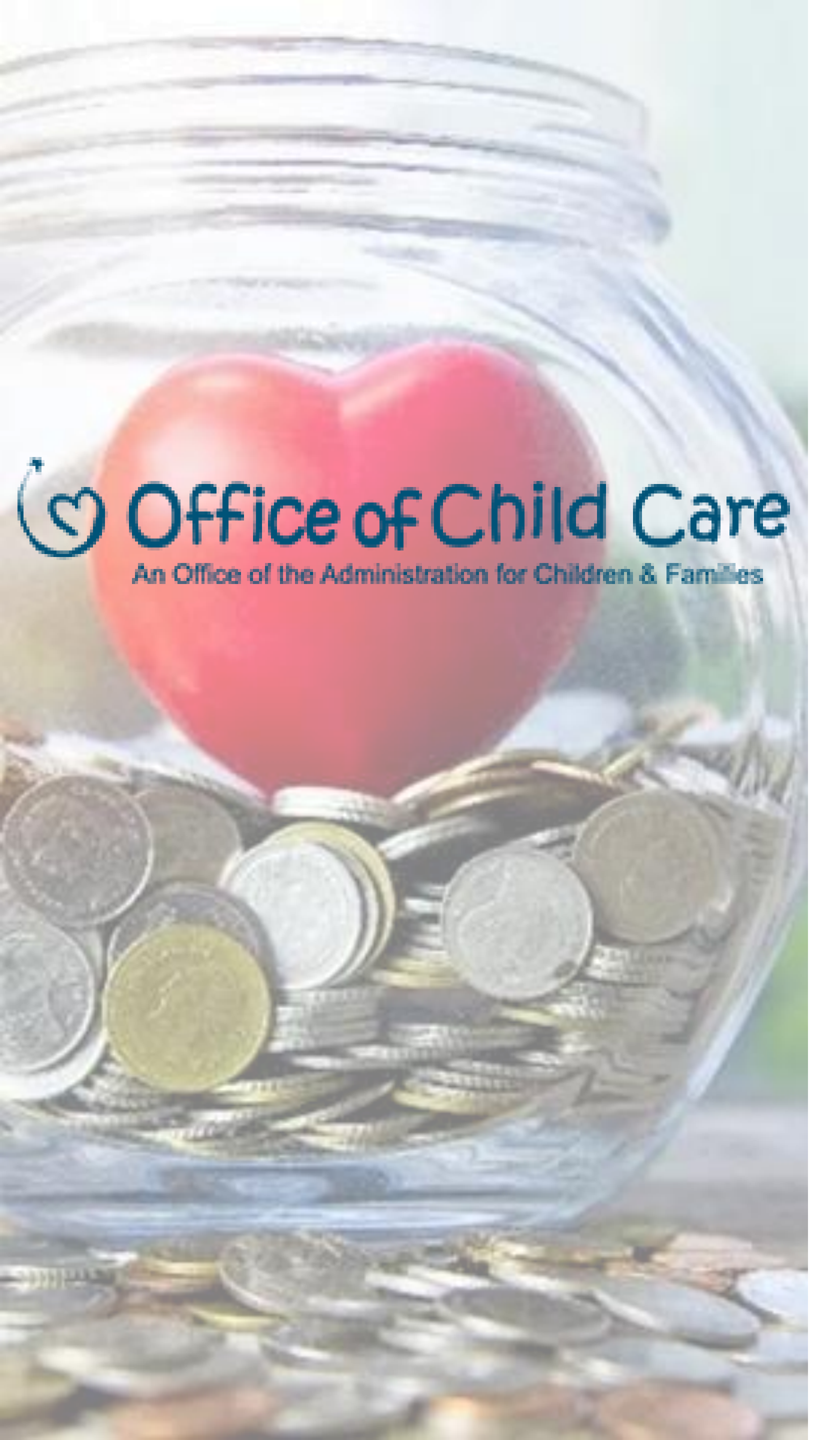
Does Child Support Count as Income?

Generally no while receiving TANF.

- Families receiving TANF assign their child support rights to the state as a condition of assistance, although many states now pass through some or all collected child support to families without reducing benefits.

Major Interaction with Child Support

- Applicants are generally required to cooperate with the child support agency unless a good-cause exception applies.
- Child support collections help reimburse public assistance costs.
- State pass-through and disregard policies vary significantly and can substantially affect how much support families actually receive.



Child Care Assistance

Purpose

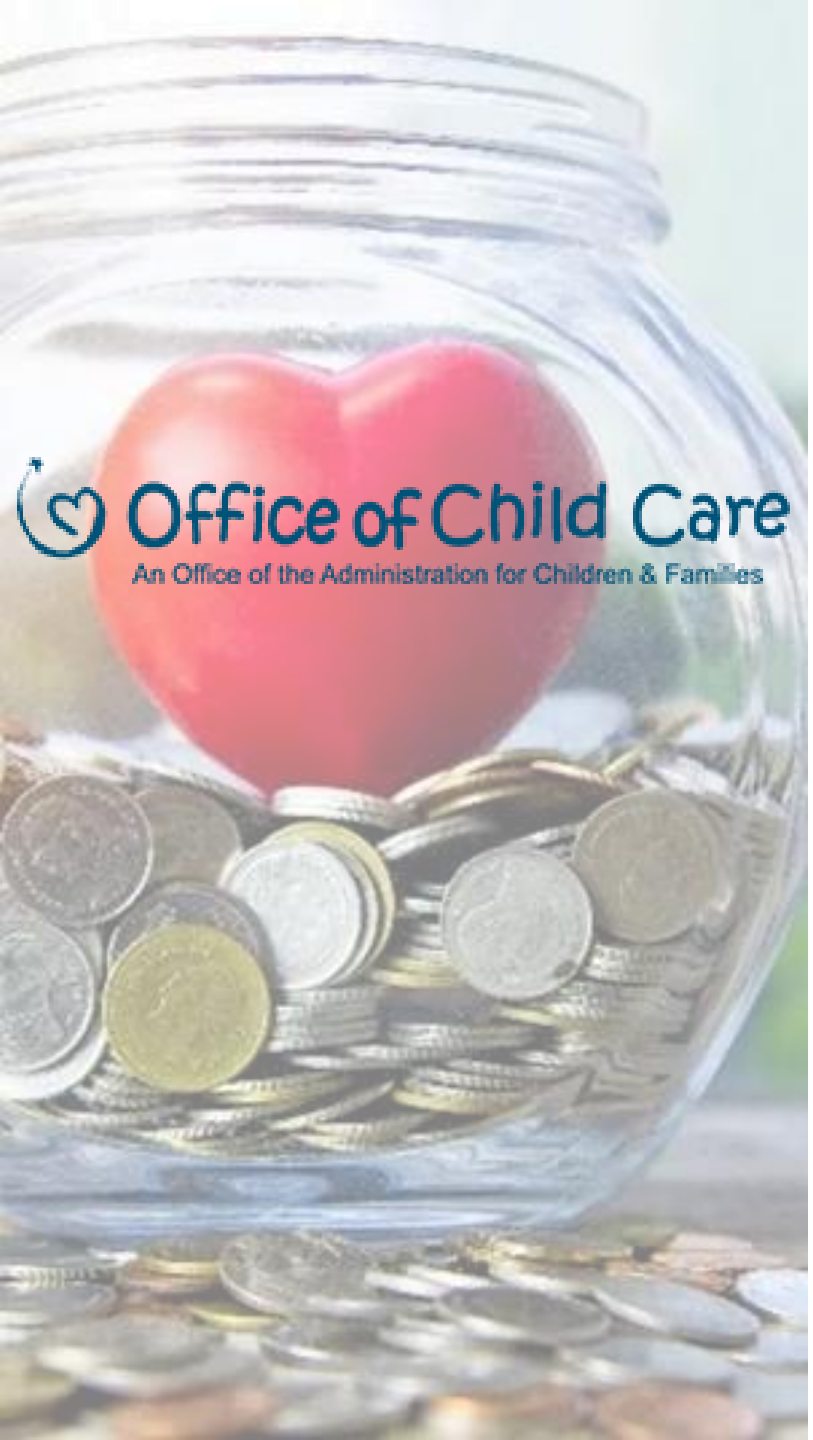
Helps eligible families pay for child care so parents can work, attend school, or participate in approved activities.

Who Qualifies

Working families and those participating in approved education or training who meet income requirements.

Biggest Income Rules

- Income eligibility is based on household income relative to the Federal Poverty Level.
- Families may remain eligible during temporary income fluctuations under continued eligibility policies.



Child Care & Child Support

Does Child Support Count as Income?

Yes.
Child support received counts toward household income.

Major Interaction with Child Support

- Higher child support can increase countable income.
- In some cases, increased support may reduce or end child care assistance if income exceeds eligibility limits.
- Stable child support may also help families transition successfully off assistance.

Low Income Home Energy Assistance Program

Purpose

Helps households pay heating and cooling costs and address energy emergencies.

Who Qualifies

Low-income households meeting federal and state income guidelines.

Biggest Income Rules

- Income limits are established annually.
- Eligibility is generally based on total household income.

LIHEAP and Child Support

Does Child Support Count as Income?

Yes.
Child support received is generally included in household income.

Major Interaction with Child Support

- Increased child support may affect eligibility or benefit levels depending on total household income.
- Most households remain eligible unless income exceeds program limits.

Women, Infants, and Children

Purpose

Provides nutritious foods, nutrition education, breastfeeding support, and referrals for pregnant people, infants, and young children.

Who Qualifies

- Pregnant, postpartum, and breastfeeding individuals
- Infants
- Children under age five
- Must meet income guidelines or participate in certain qualifying programs.

Biggest Income Rules

- Household income generally must be at or below **185% FPL**.
- Participation in Medicaid, SNAP, or TANF often confers income eligibility.

WIC & Child Support

Does Child Support Count as Income?

Yes.
Child support received is included in household income calculations.

Major Interaction with Child Support

- Child support may increase household income.
- Only larger increases are likely to affect WIC eligibility because of the relatively high income threshold.

Housing Assistance

Purpose

Helps low-income households afford safe and stable housing.

- **Who Qualifies**
- Eligibility varies by program but generally includes:
- Very low-income families
- Older adults
- People with disabilities

Biggest Income Rules

- Most programs target households below **50% Area Median Income (AMI)**.
- Rent is generally based on adjusted household income.

Housing & Child Support

Does Child Support Count as Income?

Yes.
Regular child support payments are generally counted as annual household income.

Major Interaction with Child Support

- Increased child support often results in higher tenant rent contributions.
- Housing assistance usually continues, but the family's share of rent may increase.
- Accurate reporting of child support income is required.

H.R. 1 (One Big Beautiful Bill Act): Context for Human Services Programs

- Comprehensive federal legislation affecting multiple policy areas
- Significant implications for **SNAP and Medicaid administration**
- Includes substantial **tax policy changes** affecting many working families
- Emphasizes **work, engagement, and eligibility oversight**
- Creates indirect impacts for **child support and related programs**

Core Policy Direction: Expanded Work and Engagement Expectations

- Broader application of work and engagement requirements
- Narrower exemptions and clearer compliance standards
- Increased expectations for documentation and verification
- Greater consequences tied to noncompliance

H.R. 1 increases expectations on both families and administrative systems; outcomes depend on coordination, communication, and operational alignment across programs.

Medicaid Eligibility Changes

New Work Requirements

- Applies to many Expansion enrollees ages 19–64.
- Must work, train or volunteer at least 80 hours/month.
- Non-compliance will lead to loss of coverage.

Effective Date:
January 1, 2027

Six-Month Redeterminations

- Eligibility checks for Expansion population now every six months (instead of annually).
- Increased risk of coverage interruptions due to paperwork gaps.

Effective Date:
January 1, 2027

Retroactive Eligibility Limited

- No more 90-day retroactive coverage.
- Expansion: One month prior to application.
- Other Medicaid enrollees: Two months prior to application.

Effective Date:
January 1, 2027

Limits on Non-Citizen Eligibility

- Fewer pathways to coverage for lawfully present non-citizens.
- Affected individuals will lose full coverage → Moving to Emergency Services Only (ESO) coverage.

Effective Date:
October 1, 2026

Medicaid Work Requirements

Qualifying Activities

80 hours per month of:
- Work.
- Community service.
- Participation in a "work program“.

- Half time+ enrollment in an education.
- Any combination of the above totaling 80 hours per month.
- Monthly income that is not less than the federal minimum wage x 80 hours ($580/month).
- Seasonal worker with an average monthly income over the preceding 6 months that is not less than the federal minimum wage x 80 hours.

Exemptions

Parent, guardian, or caretaker of:
- Dependent children under age 13.
- Disabled individuals.

- Pregnant or postpartum individuals.
- Foster youth or former foster youth under age 26.
- Medically frail.
- Participating in a substance use disorder (SUD) program.
- Meeting SNAP/TANF work requirements.
- American Indians and Alaska Natives.
- Disabled veterans.
- Incarcerated or released from incarceration within the past 90 days.

Hardship Exceptions

Individuals who were in:
- Inpatient hospital.
- Nursing facility.
- Intermediate care facility.
- Inpatient psychiatric hospital.

- Individuals who reside in a county with:
  - A federally-declared emergency or disaster.
  - High unemployment (above 8% or 1.5× national rate.
- Individuals who traveled outside their community for extended medical care (for self or dependent).

Medicaid Renewal Changes

Six-Month Renewals

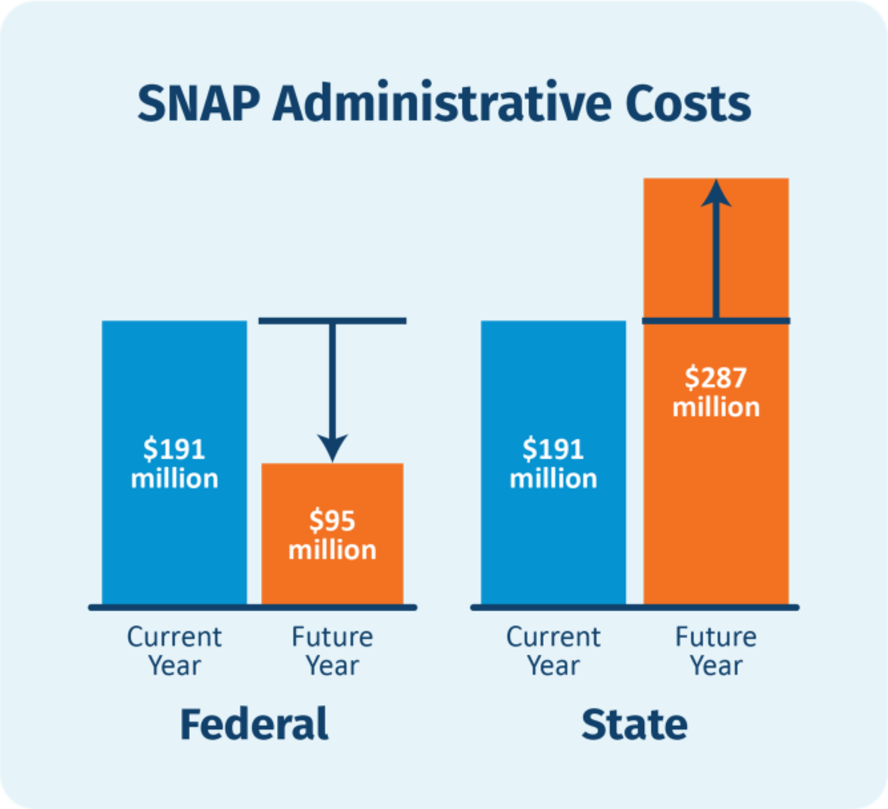
- Beginning in 2027, Expansion enrollees must renew coverage every six months instead of annually.
- Six-month renewals apply to nearly all Expansion enrollees; the only exemption is for American Indians and Alaska Natives.

Six-Month Renewal Timing

- First 6-month renewal cohort: will vary by state

SNAP Admin Cost Shift

- Under current law, SNAP administrative costs are shared equally by the state and federal government.
- Per H.R. 1, the federal share of funding will decrease from 50% to 25%. This will require states to pay 75% of costs, effective FY 2027.



SNAP Benefits Cost Shift

Before H.R. 1

- Federal Government pays 100% benefits

Beginning in FFY 2028 (based on FFY 2026 payment error rates)

- State pays 0-15% benefit costs based on error rate
- Strong incentive to improve payment accuracy

Because child support received counts as income for SNAP, accurately budgeting and verifying child support is one of many factors that now has increased fiscal significance for states under H.R. 1.

SNAP Eligibility Changes

New Work Requirements

- Able-bodied adults without dependents under age 14
- Must work, train or volunteer at least 80 hours/month.
- Non-compliance will lead to loss of benefits

Effective Date:
March 1, 2026

LIHEAP Payments

- Restricts qualifying payments for heating, cooling, and energy bills.
- Limits deduction to adults ages 60+ or who have a disability.

Effective Date:
November, 2025

SNAP Ed

- Nutrition and physical fitness education
- All food assistance program recipients

Effective Date:
Ends September 2026

Limits on Non-Citizen Eligibility

- If not approved as a Lawful Permanent Resident (LPR) may no longer qualify for benefits.
- Includes refugees and those granted asylum.

Effective Date:
July 1, 2026

SNAP Work Requirements

Any food assistance recipient who is an able-bodied adult without dependents (ABAWD), and does not care for a child under 14 or an adult who cannot care for themselves, must complete work activities. They must spend at least 80 hours each month on approved activities.

- Working, including unpaid (volunteer) work and work in exchange for goods or services (in-kind work).
- Participating in an MDHHS-approved employment and training activity at the local Michigan Works! service center.
- Participating in a DOL or Department of Veteran Affairs Employment and Training program for veterans.
- Any combination of working and participating in a work program.
- Participating in a Self-Initiated Community Service (SICS) activity for a nonprofit organization.

An ABAWD is exempt from work requirements if they are:

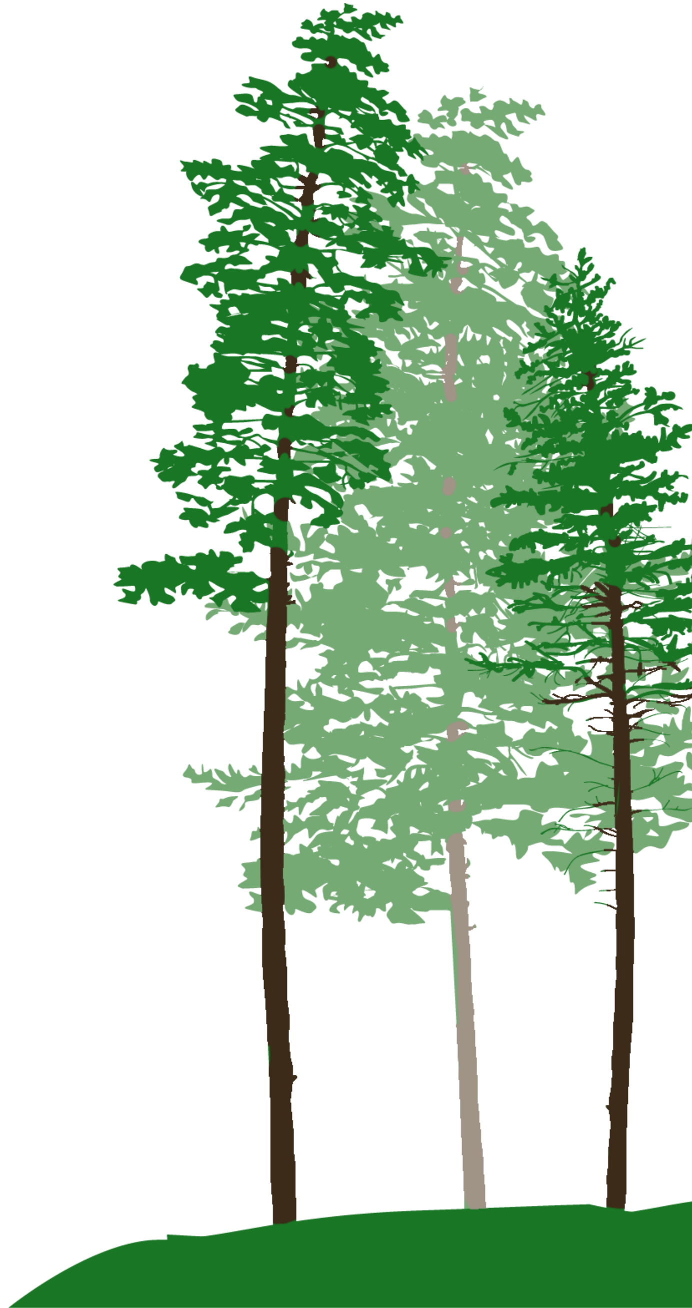
Under age 18 or older than 64; or Physically or mentally unable to work; or Pregnant; or Living in a SNAP household with a child under age 14; or An Alaskan Native, American Indian, American Urban Indian, or California Indian (as defined in the Indian Health Care Improvement Act); or Residing in a waived city or county

Human Impact- CBO Estimates

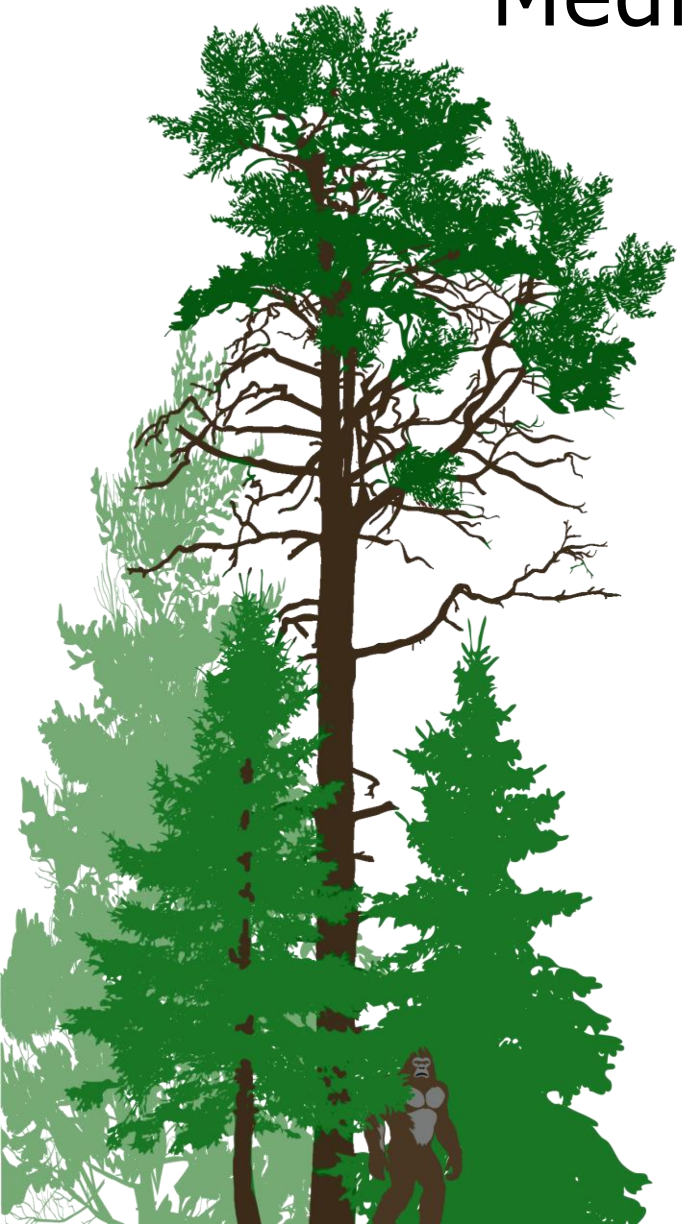
- More than **2.4 million people** in a typical month cut from SNAP; broader analyses estimate about 4 million will lose some or all food assistance once changes are fully implemented.
- The law will increase the number of uninsured people by **10 million in 2034**, including 7.5 million due to Medicaid changes.
- **5.3 million** people will lose Medicaid and become uninsured because of the Medicaid work requirement.

Operational Implications for Eligibility Systems

- More frequent income and employment changes processed mid-period
- Higher administrative workload for front-line staff
- New mandatory engagement documentation
- Increased IT, data integration, tracking and reporting demands
- Increased potential for participant confusion and churn

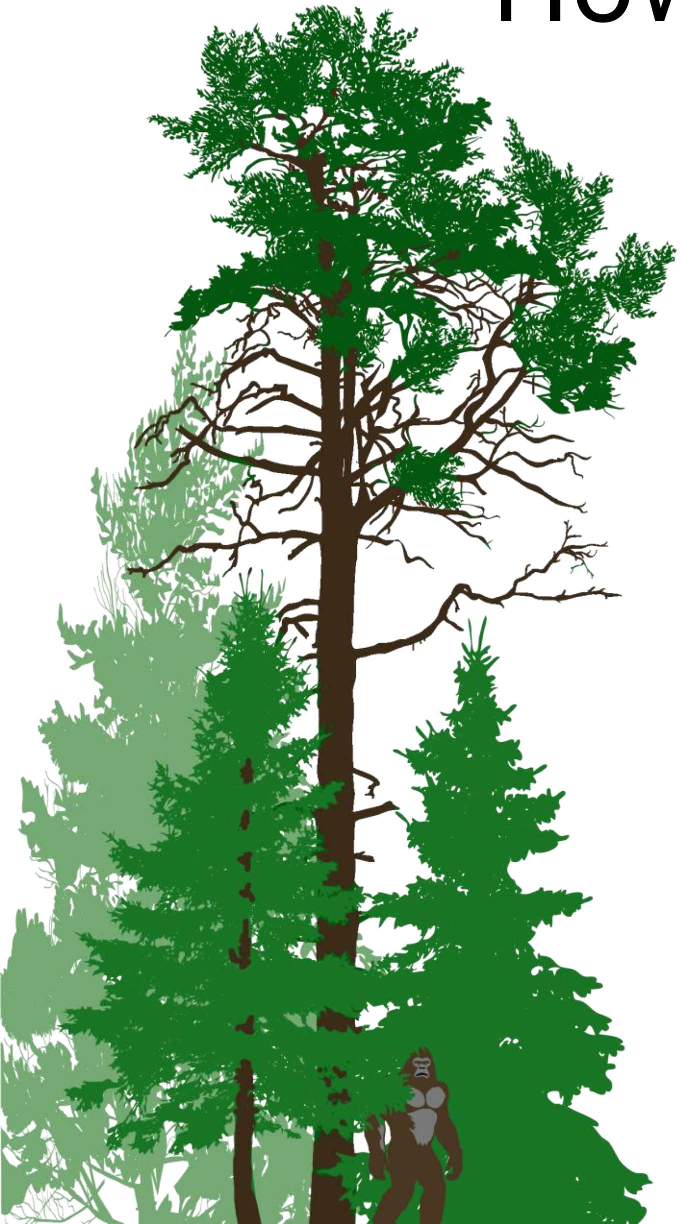


Cross-Program Effects Beyond SNAP and Medicaid



- Employment volatility affects child support compliance and collections
- Child support payments affect SNAP eligibility calculations
- Participants seek answers from any program touchpoint
- Lack of coordination increases churn and administration burden

How can child support...

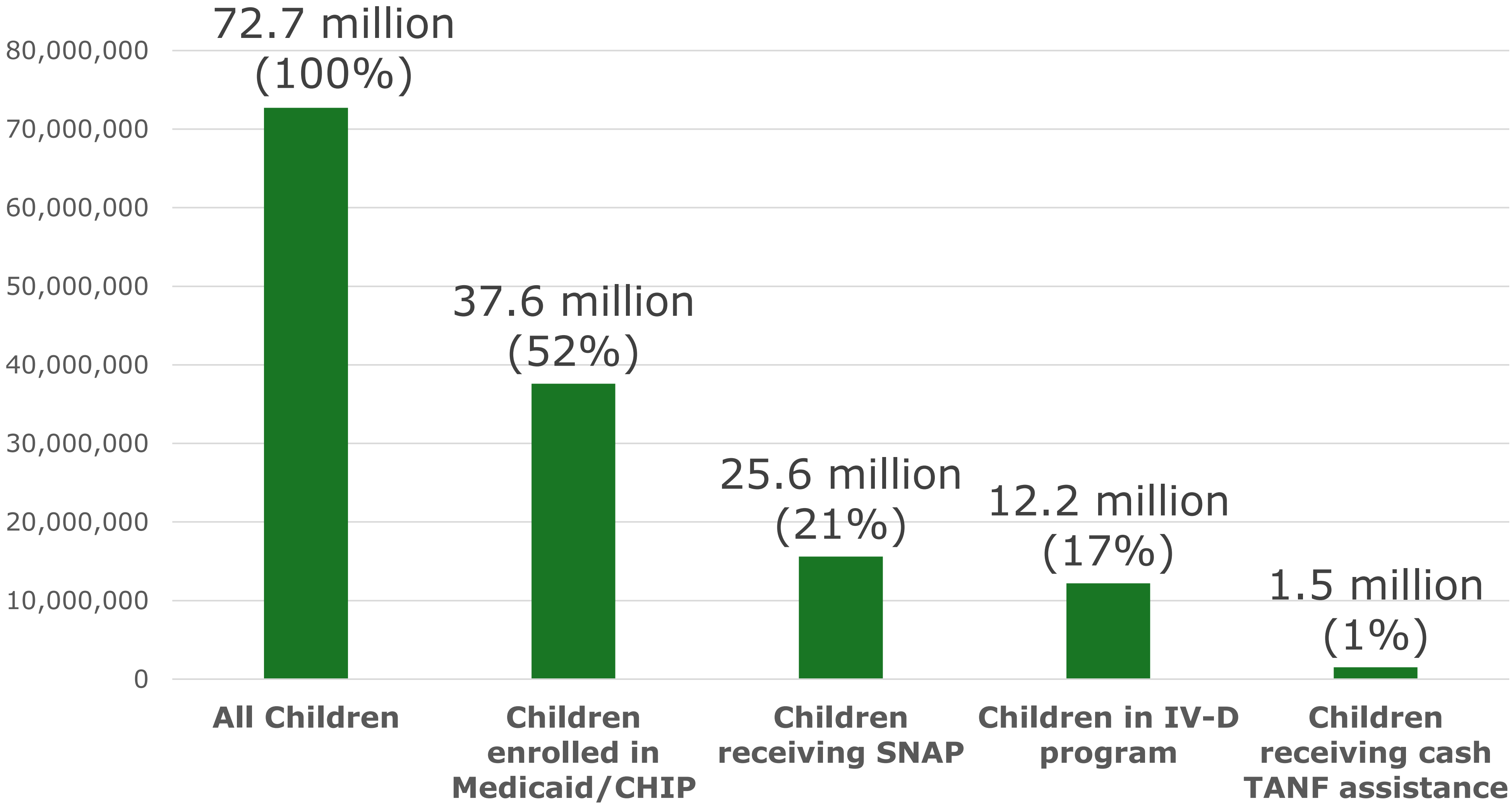


- reduce administrative burden?
- improve referrals?
- improve messaging?
- anticipate unintended consequences?

Program Cheat Sheet

Program	Administered by	Income tested?	Child support Interaction	Biggest HR1 changes
SNAP	State human services agency (USDA/FNA oversight)	**Yes**. Gross and net income tests in most cases, plus asset rules in some states.	**Received child support generally counts as unearned income.** Child support **paid** is generally an allowable deduction.	Expanded work requirements, limited waiver authority, increased state cost share tied to payment accuracy, and other admin changes.
Medicaid	State Medicaid agency (CMS oversight)	**Yes.** MAGI-based rules for most children, parents, and expansion adults; different rules for aged, blind, and disabled populations.	**Child support is generally not included in MAGI income**, so it typically does not affect eligibility for MAGI populations.	New community engagement (work requirement) for certain adults, more frequent eligibility redeterminations, and additional verification requirements.
TANF	State human services agency (ACF oversight)	**Yes.** State-defined income and resource limits with substantial state flexibility.	**Highly state-specific.** Assignment, pass-through, and disregard policies vary considerably, so the impact of child support differs across states.	No major direct H.R. 1 changes.
Child Care	State childcare agency (ACF oversight)	**Yes.** Income eligibility is state-defined within federal parameters.	**Usually counted as household income**, although policies vary by state.	No major direct H.R. 1 changes.
LIHEAP	State or tribal energy assistance agency (HHS oversight)	**Yes.** States set income limits within federal parameters; many also use categorical eligibility.	**Generally counted as household income,** although states have some flexibility in determining countable income.	No major direct H.R. 1 changes, though interactions with SNAP eligibility may affect access for some households and states continue to rely on categorical eligibility pathways.
WIC	State health agency (USDA/FNA oversight)	**Yes.** Household income generally must be at or below **185% FPL**, or participants may qualify through adjunctive eligibility (e.g., Medicaid, SNAP, TANF).	**Generally counted as household income** when determining income eligibility. Child support may affect eligibility if it increases household income above program limits.	No major direct H.R. 1 changes.

Impact: Number of Children in 2024

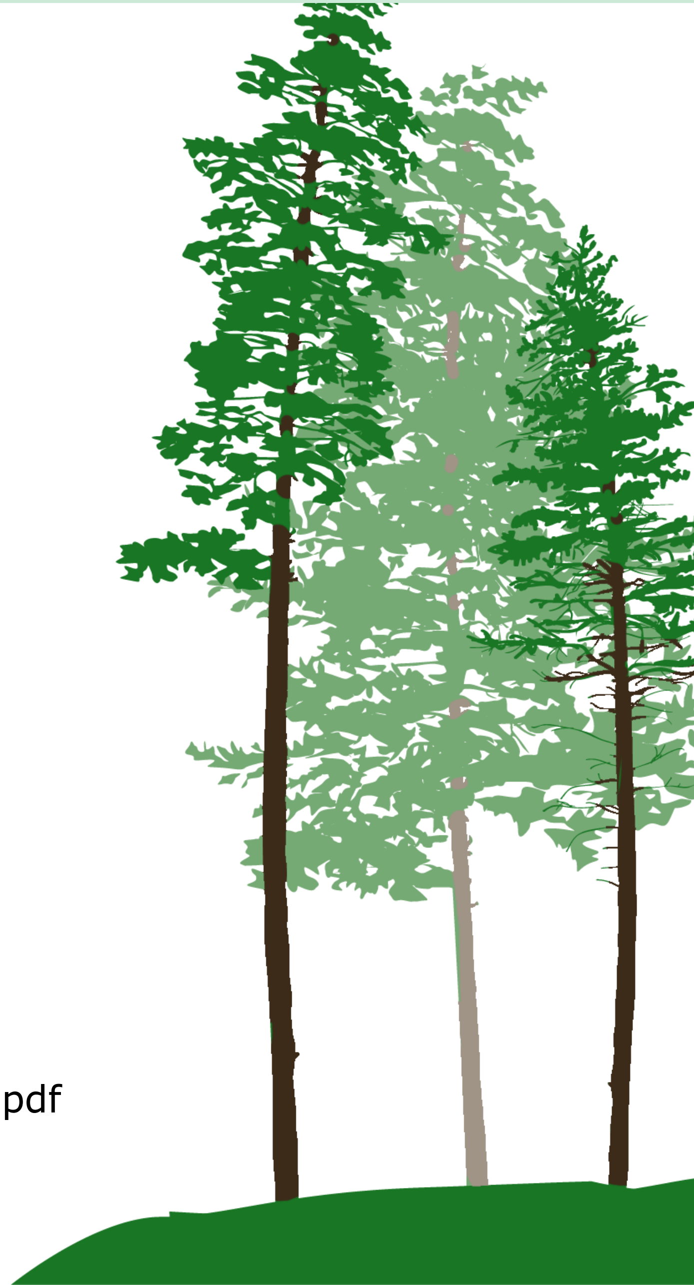


Impact: Overlap of IV-D and Assistance in 2016

Custodial Households with an IV-D Case & ……

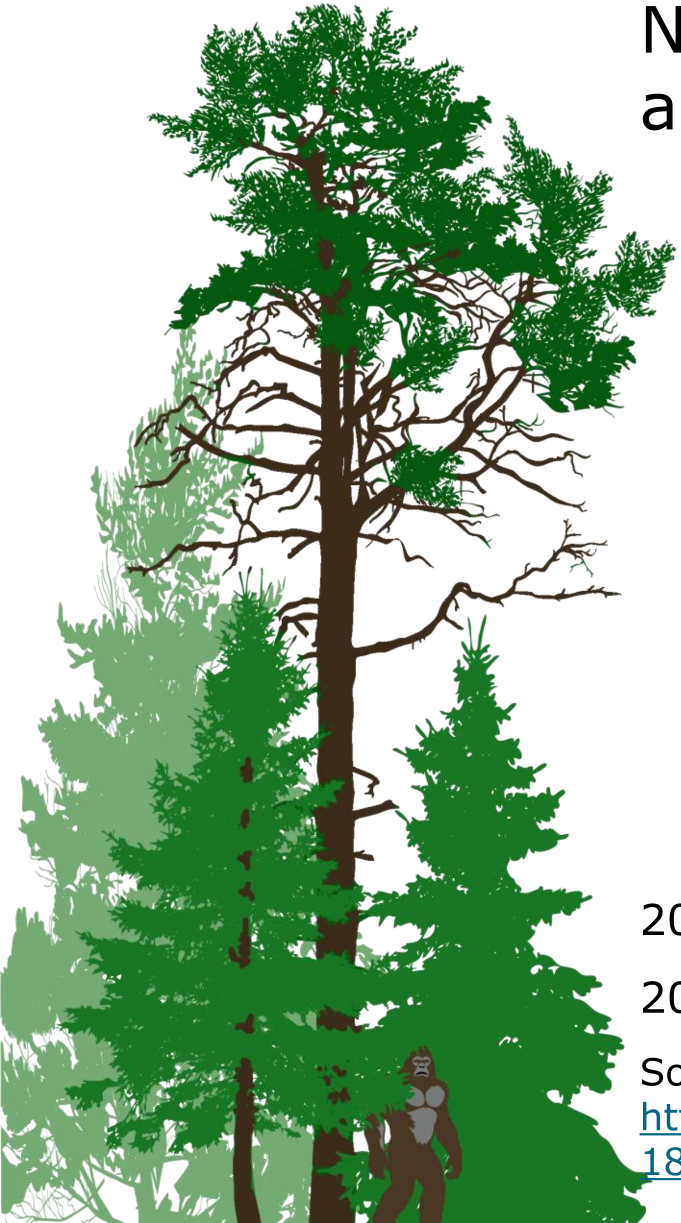
- TANF: 9%
- Medicaid: 73%
- SNAP: 45%
- Housing subsidy: 15%

Poverty rate: 34%
>200% poverty: 65%



Source: 2016 U.S. Census Data
https://acf.gov/sites/default/files/documents/ocse/iv_d_characteristics_2016_census_results.pdf

Low-Income, Nonresidential Parents in 2017



Nonresident Parents with Incomes below 200% of Poverty and…

- SNAP: 33%
- Medicaid:39%

Poverty rate: 18%

< 200% of poverty: 36%

- 35% nonresident mothers/65% nonresident fathers
- 43% with resident children/57% without resident children

2026 federal poverty level (FPG) = $1,330 per month

2017 FPG = $1,005 per month

Source: 2018 Survey of Income and Program Participation
https://www.everycrsreport.com/files/2021-10-18_R46942_2e56b37aaac4d231ea0bf3404266682938954e8d.pdf

HR1 Tax Changes: Questions

1. Do HR1 tax changes affect income available for child support?

2. Will HR1 put more pressure on addressing the child tax credit in IV-D cases or are there are other changes in HR1 that a parent may argue should offset the amount of child support order?

3. Do state guidelines need to be changed to reflect HR1 taxes?
   - Recall guidelines must apply to both IV-D and non-IV-D cases
   - Specific questions
     A. Will states have to change their definition of income or assumptions about taxes due to HR1?
        - State guidelines are mixed on whether they start the guidelines calculation based on gross income or net income

     B. Does HR1 affect child-rearing expenditures?
        - Most state guidelines are based on the analysis of expenditure data from large data sets tracking household expenditures

Context of Tax Research and Attachment

- First and foremost, thank you to Illinois for letting us share!
- Illinois child support guidelines provides for:
    1. Child support schedule based on AFTER-TAX income
    2. Gross-to-net income table to avoid the calculation of taxes
        - Standardized tax assumptions (alternatively, users can used individualized tax amount)
        - Question: does HR1 change standardized assumption?
        - Answered by earlier draft of attachment, which is an 8-page matrix of tax changes and likely impact on child support

Excerpts from Illinois Child Support Guidelines

Income Shares Schedule Based on Net Income

Combined Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
854.00 - 874.99	196	298	361	403	443	482
875.00 - 924.99	207	316	382	426	469	510
925.00 - 974.99	219	333	403	450	495	538
975.00 - 1024.99	230	351	424	474	521	566
1025.00 - 1074.99	242	368	445	497	547	595

2026 Gross to Net Income Conversion Table Using Standardized Tax Amounts

Monthly Gross Income	Net Income: Parent with the Majority of Parenting Time	Net Income: Parent without the Majority of Parenting Time
325.00 - 374.99	323	318
375.00 - 424.99	369	362
425.00 - 474.99	416	405
475.00 - 524.99	461	449
525.00 - 574.99	505	493
575.00 - 624.99	549	536
625.00 - 674.99	592	580

Overview of Impact of HR1 Tax Changes*

- 2017 TCJA tax cuts were expiring Dec. 2025
  - HR1 made permanent; nominal increases to standard deduction, income brackets & child tax credit; and other changes
- An average tax cut of $611
- 0.8% increase in after-tax income
- More tax cuts for middle to upper-middle incomes
- No major gains at lower-incomes with little to no tax liability
- High-incomes will be ineligible for most of the new tax cuts due to income eligibility limits (other articles say high incomes benefited)

*Source: York, Erica and Watson, Garrett. (Jan. 15, 2026.) *Tax Refunds and the One Big Beautiful Bill Act.* Retrieved from https://taxfoundation.org/blog/tax-refunds-one-big-beautiful-bill-act/#:~:ext=Maximum%20child%20tax%20credit%20increase,including%20100%20percent%20bonus%20depreciation

Q1:HR1 Tax Changes Impact on Guidelines Income and Modification

Answer: No for most states and for typical circumstances of an IV-D case based on forecasted amounts. Uncertainty about gap between preliminary amounts and forecasts.

Background: most states provide for modification if significant/substantial change & at least a 10-30% change

Exceptions

- States with net-income guidelines that use actual tax circumstance especially those who itemize and have high state taxes/property tax
- Some anomalous circumstances (cases involving seniors, possibly tipped income)

No tax on tips: deduction of voluntary tip income up to $25K for 60+ occupations; phase-out, expire 2028

- Preliminary report from 2025 tax returns: over 7.5 million (about 5%) with an average deduction of $7,000
- Forecast: 3 million with average deduction of $1,400
- Expanding tipping norms to eligible occupations/industries and tipflation, some interactions with FICA

No tax on OT income: deduction of first $12.5K in OT income; income phase-out; Fair Labor Standards Act

- 2025 tax returns: over 29 million (about 17%) with an average deduction of $3,100
- Forecast: 8-9% of hourly workers with average benefit of $1,400

Q2: Earned Income Tax Credit & the Child Tax Credit

- EITC and CTC cannot be advanced; 2nd page of W-4 accounts for CTC but overstates it
- CTC requires tax liability, Additional CTC does not
- IRS: CTC can be signed over to other parent through IRS form 8332
- Research shows EITC and CTC significant reducer of poverty, EITC increases work
- Most state guidelines consider EITC means-tested income & are silent on CTC although 6 states include the CTC in their automated guidelines calculator

EITC: No change other than annual inflationary changes

- 2025 income eligibility: $19,104 (single with no children) and $68,675 (married with 3+children)
- Maximum EITC: $649 (0-child household); $4,329 (1-child household); $7,152 (2-child household)
- Phase-out of maximum: about $23K and complete phase-out: about $50K (1-child household)

Additional Child Tax Credit: No change, $1,700 per child per year

- ¼ children receive no child tax credit or partial child tax credit

Child Tax Credit: HR1 increased from $2,000 to $2,200 per child per year with optional inflationary increases annually

- Some state guidelines provide/allow sharing of child tax credit

Q2: What about Trump Accounts?

Answer: No, it's not an income or a benefit received while a child

Overview of Trump Accounts

- Sets up account that grows tax deferred until owner (the child) makes withdrawals
    - Can't withdraw before age 18
- Receives a $1,000 one-time federal contribution
- Parents and employers can contribute up to $5,000 per year
- Pilot begins July 4, 2026 (birth years of 2025-2028)
- 1.4 million eligible for pilot
- Age 18: Forecasted to be worth $6,000 with 0 contribution and $271,000 for those contributing $5,000 per year

Q3: Do State Guidelines Need to Change to Comport with HR1?

Answer: Tweaks

- Definition of income:
  - Tipped income: early reports suggest more than forecasted, but expiring in 2028
  - SALT/Itemizers: 10% or less of filers
  - Other
- Policy decision about child tax credit:
  - Is it income available for child support?
  - Should it offset child support?
  - Should the guidelines direct who receives it?
  - How should annual adjustments be addressed?
- Childcare tax credit: almost doubled amount of credit, requires tax liability that isn’t typical of IV-D incomes
- Health-related tax credits: infrequent, treat as deviation?