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Chairman Ginter, Ranking Member Boyd, and Members of the Community and Family Advancement Committee,

My name is Natasha Plumly. I am a staff attorney with Southeastern Ohio Legal Services (SEOLS). SEOLS is a non-profit organization which provides free legal assistance to citizens in Southeastern Ohio with low income and limited savings and/or assets. I am here on behalf of the Ohio Legal Aid Family Law Task Force. This Task Force is comprised of domestic relations attorneys from each of the Ohio Legal Aid programs. These programs include: Advocates for Basic Legal Equality, Legal Aid of Western Ohio, Community Legal Aid Services, The Legal Aid Society of Greater Cincinnati, The Legal Aid Society of Southwest Ohio, The Legal Aid Society of Cleveland, The Legal Aid Society of Columbus, and Southeastern Ohio Legal Services. Collectively, our organizations provide free legal assistance to Ohioans with low income, and limited savings and assets, in a variety of civil legal matters, including domestic relations, public benefits, housing, education, and consumer law. Members of the Task Force represent clients primarily on family law matters, including domestic violence, custody, divorces, and child support.

Ohio's Legal Aid programs work with both child support obligors and obligees. We see first hand how poverty affects people, affects children, and affects families. We see first hand how a steady and sufficient source of income can help to stabilize a family's situation. It is from this experience that we come here today seeking a more balanced approach to the child support guidelines revisions set forth in HB 366. We believe this balance will help not only low-income obligors, but also low-income obligees and their children. We understand that all the parts of HB 366 are intended to work together. We agree that the Self-Sufficiency reserve needs updated to today's cost of living, and we agree that it would be better if child support could be more easily updated. We are not trying to remove any of the pieces. We have drafted ten proposed amendments that we believe will lessen the impact of reduced child support orders on working low-income families and their children.

LEGAL AID PROPOSED AMENDMENTS TO HB 366

Amendment 1: Modify the proposed language to state that the department of job and family services will initially review the basic child-support schedule, including the SSR incorporated into the schedule within two years after the effective date of this section, as opposed to the proposed four-year review. Legal aid's traditional participation in the review committee will also be written into the statute.

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Amendment 2: Increase the minimum support order from \$80 to \$150.

Amendment 3: Increase the phase-out percentage from .3 to .6 for one child, .62 for two children, .64 for three children, .66 for four children, .68 for five children, and .7 for six children.

Amendment 4: Create a rebuttable presumption that it is in the best interest of the children for the residential parent and legal custodian to be the parent to claim the children as dependents for federal income tax purposes.

Amendment 5: Add a reference to R.C. 3119.302(A)(2) to clarify that reasonable cost of health insurance is when the contributing cost of private family health insurance to either parent exceeds five per cent of the parent's annual gross income.

Amendment 6: Add a deviation factor so that when determining whether to grant a deviation of the child support guideline calculation, the court may consider the obligor's history of domestic violence against the obligee or the children.

Amendment 7: Allow only a court to determine that a parent is unable to work based upon medical documentation.

Amendment 8: Delete the new provisions which would grant an automatic 10% parenting time reduction for parenting time of 90 days or more and an enhanced parenting time deviation for parenting time of 147 days or more. Delete the new provision that creates a limitation on child care expenses.

Amendment 9: Extend OWF time limits for obligees by including in the definition of "good cause" and "hardship" situations in which the amount of child support ordered to be paid is lower than would otherwise have been ordered because of the self-sufficiency reserve.

Amendment 10: Create a priority for obligors and obligees for career and training services funded by and through the Workforce Innovation and Opportunity Act (WIOA).

CHILD SUPPORT GUIDELINES

Under the current child support guidelines, the child support obligation is calculated by a formula and the guidelines implement a self-sufficiency reserve for lower income obligors. The purpose of a self-sufficiency reserve is to assist low-income obligors in sustaining their own households by reducing their income considered when calculating the support obligation. The calculation also includes a phase-out percentage. The phase-out is to provide a gradual transition from the self-sufficiency reserve to the actual cost of raising a child.

Under the current statute, the self-sufficiency reserve includes an adjustment to an obligor's income by reducing the after-tax income by 100% of the 1992 federal poverty level and then disregarding 10% of that adjusted income for one child (this is called a 90% phase-out). The current phase-out for two children is 91%, for three is 92%, for four is 93%, for five is 94%, and

for six if 95%. HB 366 proposes an adjustment to an obligor's income by reducing the gross income amount by 116% of the federal poverty level and then disregarding 70% of the adjusted income (a 30% phase-out) across the board regardless of the number of children.¹

The Ohio Legal Aid community believes that this new formula for the self sufficiency reserve will drastically lower child support obligations and create hardship for many low-income parents, including the working poor, who are the primary caretakers of their family's children; and this hardship would occur in situations where both the obligor and obligee are employed and child support is in fact being paid. Our proposed amendment maintains the reduction of the obligor's gross income by 116% of the federal poverty level but we believe that a slight increase to the phase-out percentage from .3 to .6 (a 40% income disregard)² would significantly benefit low-income children without undermining the overall structure of the new guidelines. Although the 30% figure was chosen because it "reflects the maximum incentive for an obligor to maintain employment in the official economy while providing support for his or her children," we believe that there are other reasons that obligors are not maintaining employment in the official economy and that lowering child support orders to this degree will not further incentivize obligors to pay. The phase-out should be no higher than 70% because of taxes. 2017 Child Support Guidelines Review Report to the General Assembly citing "Economic Data on the Cost of Raising Children and Updating the Ohio Child Support Schedule by Jane Venohr, PhD, Center for Policy Research, February 13, 2017 (revised). This is why our suggested phase-out caps at 70% for six children.

Similarly, the Legal Aid community believes, based on the study done in May 2010 by Carl Formoso, PhD, and Liu Qinghua, PhD, through Management Accountability & Performance Statistics Office, Economic Services Administration, and the Washington State Department of Social and Health Services, entitled *Arrears Stratification In Washington State – Developing Operational Protocols in a Data Mining Environment*, funded by the U.S. Department of Health and Human Services, Office of Children, that low income obligors can afford more than what is being ordered in the red section of the table. This study, along with a prior study conducted by Formoso, showed that obligors can, on average, afford child support obligations that are 20 percent of their annual income. Even the calculated child support orders proposed in the amendment above for Section 3109.06(B)(2)(d) are lower than 20 percent. Just as the self-sufficiency reserve is a policy decision, so too are the minimum orders and the sliding scale. Venohr, *supra*.

Further, we have proposed that the department of job and family services review the basic child-support schedule, including the SSR incorporated into the schedule within two years after the effective date of this section. In that the Ohio Legal Aid programs' contention is that the hypothesis upon which this legislation is based has not been adequately vetted, waiting four years to evaluate the effectiveness of these changes is too long and would be harmful to children. An earlier assessment would enable the legislature to move quickly to correct or reverse a negative trend hurting families and impoverishing children. Two years is a sufficient amount of time to determine the impact on children, whether positive or negative. However, four years is a tantamount to a lifetime for children in poverty who experience the residual effects of such

¹ Both examples assume one child in the household.

² This example assumes one child in the household.

decisions.

EXAMPLES

In the following chart, it is assumed that the obligee always has an income of \$16,800 and there are 3 children in the obligee's household. There are no other factors affecting child support.

FPL = Federal Poverty Level

Obligor Income	Current: annul order	HB 366: annual order	FPL HB 366 (Support subtracted/added)		Legal Aid Proposal: annual order	FPL Proposal (Support subtracted/added)	
			Obligor	Obligee		Obligor	Obligee
\$16,800	\$4,991.50	\$1,968	125%	93%	\$3,228	114%	99%
\$24,000	\$6,627.84	\$3,066	176%	99%	\$6,540.29	147%	116%
\$48,000	\$10,580.90	\$10,266	317%	134%	\$12,647.45	299%	146%
\$73,200	\$14,592.23	\$16,383.93	478%	165%	\$16,383.93	478%	165%

CONCLUSION

HB 366 is a bill about manner, methodology, and math but it is so much more. It has the ability to positively or negatively affect some of the most vulnerable persons of Ohio's population, low-income working families and children. We understand that Ohio's child support guidelines have not been updated in 25 years and are based upon 1992 poverty levels. We are not opposing this bill because we like to see substantial child support awards that are unpayable and uncollectable. We too would like to see actual and consistent monthly collection of support for custodial households. We are opposing this bill because it is weighted heavily in favor of obligors and does not adequately consider the financial consequences on the household of the obligee and the children. We believe that our 10 proposed amendments will provide balance to this bill so that it will benefit all parties in a child support matter, not just the obligor.

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On Behalf of Members of the Ohio Legal Aid Family Law Task Force subcommittee on SB 125 and HB 366:

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Susan Fitch, Community Legal Aid Services
Natasha Plumly, Southeastern Ohio Legal Services
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