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## House Civil Justice Committee

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HB198

Chairman Hambley, Vice Chair Patton, Ranking Member Brown, and members of the Committee, thank you for the opportunity to provide Interested Party testimony on HB198. My name is Amy Roehrenbeck, and I am the Executive Director for the Ohio CSEA Directors' Association (OCDA). OCDA is a membership organization of county child support enforcement agencies (CSEAs), dedicated to strengthening Ohio's child support program.

Ohio's Child Support Program serves over one million children in our state. Our county child support agencies work diligently to ensure that these children receive financial support for a better future. Our program serves these children for long periods of time, often from infancy to adulthood, and beyond. We provide services to families of all types, from divorcing parents, to unmarried parents, to caretaker relatives, to families with children in protective custody, and others, regardless of family income. The child support program encourages responsible parenting, family self-sufficiency, and child well-being by providing services to locate parents, establish parentage, establish child support and medical support orders, collect support, modify orders when circumstances have changed and enforce orders that are not being paid.

I want to provide some background information on how child support payments currently allocate for families that receive Ohio Works First benefits, and how this would change under HB198. I also want to communicate our questions and concerns regarding cost and implementation should the bill pass in its current form.

Presently, an obligee (person that receives child support through a formal child support order) is required to assign over their rights to any child support collected during the period of time when they are receiving Ohio Works First (OWF) benefits. Any child support received during the time of their assignment is used to repay the government to recover the cost of the benefits provided and is



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also used to meet the Temporary Assistance for Needy Families (TANF) maintenance of effort (MOE). The Child Support Program initially began as a program for cost recovery for these types of benefits. The program has changed significantly over the past decades as it has moved from welfare cost recovery to a family-first program, but this assignment piece remains. Once an obligee goes off OWF any current payments of child support would be paid to the obligee, and payments toward back support could be paid to the family or the state, depending on the payment type and assignment.

HB198 seeks to change the process regarding child support paid on an order while an obligee receives OWF to allow for a full pass-through of all child support paid directly to the family, thereby terminating the assignment of this support to the government. This change will result in more dollars coming into a low-income obligee's household, which could make quite a difference for these families that are struggling. There is a body of research that supports the premise that child support should be passed through to a family that receives cash public assistance as this leads to an increase in the amount of parents paying support, an increase in the amount of support paid, a decrease in the amount of child welfare complaints, and better outcomes for children. This is a worthwhile endeavor to help family self-sufficiency, as child support can be an important income supplement for families and can help stabilize income for families leaving the welfare system.

In Ohio, we presently have around 77,000 open active OWF cases in the child support system, which represents about 8% of our overall caseload. Over 70% of the OWF cases involve caretaker relatives who are caring for children living outside of their parents' homes. These caretakers are often on fixed incomes and have taken on the responsibility for raising their grandchildren, nieces, nephews, etc. By passing child support payments through we can increase the financial security of these low-income families. It is important to note, however, that not all caretakers have legal custody. In some jurisdictions in Ohio child support would not pass through to caretakers under HB198 if the caretaker only has physical custody. See *Tuscarawas County CSEA v. Sanders*, 2003-Ohio-5624 (5<sup>th</sup> dist., 2003).

Despite the many benefits of child support pass-through, this change would not be without its challenges to implement. As with similar bills, Ohio would have to update and fully integrate two statewide automated systems to allow full data access to cases for families involved in both the OWF and child support programs. HB198 provides no funding to address IT infrastructure to update and enhance our automated data systems and electronic interfaces. Presently, our statewide child support system, SETS (Support Enforcement Tracking System) does not have full data access capability to talk with the OB (Ohio Benefits) system. SETS is over 20 years old and runs as a COBOL mainframe system. Modifications would need to be made to both SETS and OB to allow for full data access, as well as the ability to do distribution on these cases. There would have to also be an alignment policies and procedures across these programs. Cost estimates from ODJFS put the price tag between \$3m to \$5m with a 24-month timeframe to implement for the child support

changes alone. We do not presently have cost estimates from county agencies, but we expect increased costs for personnel, substantial training on distribution, a likely increase in state hearing requests, and other on-going training costs.

The other major area of fiscal concern involves the change that was made in the substitute version of the bill. In the as-introduced version of HB198, the pass-through amounts were limited to \$100 for one child per month and \$200 for two or more children per month. Amounts paid over those amounts in child support would still be paid to reimburse the state and federal government for OWF benefits. In the substitute version of the bill, the pass-through has changed from a partial to a full pass-through of child support amounts paid. With a full pass-through, Ohio is required to pay the federal government their FMAP (Federal Medicaid Assistance Percentage), which we currently satisfy by retained collections. These collections would instead pass through to the families and Ohio would face a GRF shortfall of approximately \$13.3 million each year. Ohio would also realize a loss in TANF MOE that is estimated at over \$21 million per year. By implementing full pass-through the state would also be required to implement provisions from the 2005 Federal Deficit Reduction Act that are not currently in effect in Ohio.

27 states and territories have a form of formal pass-through to families, but only two states currently operate with a full pass-through. We believe Ohio should consider which option works best to achieve the goals of increasing family self-sufficiency while also being realistic about cost and time to implement. The as-introduced version of HB198 does not carry the additional price tag of the FMAP reimbursement (\$13.3 million) nor does it spring into action previously dormant provisions of the 2005 Federal Deficit Reduction Act that make the substitute bill a “game changer” with respect to TANF MOE and GRF.

OCDA appreciated meeting with the sponsor for an Interested Parties meeting recently, and we look forward to continuing discussions about how to best achieve the desired outcomes of the bill.

I appreciate the opportunity to provide testimony and answer any questions that you may have. Thank you.