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House Health Committee

June 4, 2019

Testimony of Amy Roehrenbeck, Esq., Executive Director, Ohio CSEA Directors' Association HB200

Chairman Merrin, Vice Chair Manning, Ranking Member Boyd, and members of the Committee, thank you for the opportunity to provide Interested Party testimony on HB200. 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.

We want to provide some background information regarding child support cooperation requirements for parents and caretakers. Presently, only non-two parent households with minor children that receive Ohio Works First benefits are mandated to cooperate with child support. This makes up approximately 8% of our overall caseload in Ohio. All child support orders coming from Domestic Relations Court or Juvenile Court are part of our child support program, and all other parents or caretakers that wish to pursue a child support order apply for services at county child support agencies.



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HB200 would mandate that both custodial and non-custodial parents cooperate with child support as a condition for eligibility. Custodial parents would be required to cooperate in establishing paternity, and in establishing, modifying, or enforcing a support order. Non-custodial parents would be required to cooperate in establishing paternity and in “providing support.” 7 CFR 273.11 notes that refusal to cooperate is “when an individual has demonstrated an unwillingness to cooperate as opposed to an inability to cooperate.”

Child support agencies have a range of enforcement tools available to address nonpayment of support for those that are unwilling to pay, which does not presently include the sanctioning of food assistance benefits, nor any benefits. Our enforcement tools are effective in collecting child support and Ohio currently performs very well nationwide, ranking 4th overall in dollars collected for families.

Implementing cooperation requirements, however, would be a complex and costly endeavor, as Ohio would have to update and fully integrate two statewide automated systems, as well as handle an influx of over one hundred thousand more children into our child support system. HB200 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 to make this work, as the cooperation requirements for non-custodial parents are unprecedented in Ohio and we have no present ability to match these participants in either system. There are significant cost implications that need to be considered to develop, maintain, and upgrade existing interfaces. This includes the need to align policies and procedures for referral, intake, and ongoing case monitoring across these programs. Because SETS is over 20 years old there is not an easy bridge to build to OB to interface and provide the data necessary to address the requirements of this bill. If the automated systems are not updated and integrated, counties would have to rely on manual processes which would slow down the referrals, reporting, and collection of support.

The LSC Fiscal Note indicates that “counties could realize a significant increase in administrative costs to carry out additional SNAP determinations.” The Fiscal Note was surprisingly silent as to the administrative costs to the child support program. HB200 does not include funding for increased caseload and staffing at county agencies to administer additional cases coming over from SNAP. Early estimates indicate over one hundred thousand children on SNAP that are not currently part of our child support caseload. We do not have estimates on the number of non-custodial parents that would also come over into our program. Costs will occur in the counties on both the SNAP side and child support side, as workers will have additional cases, additional

requirements and timelines, and continuing reporting duties across the programs with regard to cooperation. County child support budgets have been stretched thin as a result of stagnant funding and these caseload increases would likely be borne by existing staff as counties do not have funding to hire more staff.

The Federal Congressional Budget Office prepared an estimate of cost for nationwide implementation when SNAP cooperation for child support was being debated as part of the Farm Bill in 2018. See https://www.cbo.gov/system/files/2018-07/hr2_1.pdf Their estimates show an additional 1.2 million households would come into the child support program with an average cost of \$1,000 per case per year to process and maintain. CBO estimated that the total cost to establish and maintain orders for SNAP households would be \$1.2 billion in the first year, and \$7.2 billion in the next decade. CBO estimated that, on average, those SNAP households would receive \$1,400 less in benefits, and that the child support cooperation provision would reduce direct spending on SNAP by \$800 million in the first year, and by \$4 billion over the next decade. Overall, the estimates showed that it would cost the federal government an extra \$7.4 billion over the next decade in their 66% share of the child support program to realize \$4 billion in SNAP savings (a net increased cost of \$3.4 billion). States would still be responsible for their 34% share of the child support funding, which would total \$3.7 billion in extra costs as a result. In the end, the Farm Bill did not include the mandatory SNAP cooperation requirements for child support. Instead, the United States Department of Agriculture was charged with conducting a feasibility study and reporting back by 2021.

Based on the CBO estimate, the cost to all states for SNAP cooperation requirements in child support would total \$3.7 billion over the next decade. In Ohio, we paid 4.4% of the state share of total program expenditures in 2017. Extrapolating Ohio's share of the estimates for the state child support costs for the cooperation requirement, Ohio would pay \$163 million over the next ten years (\$3.7 billion x 4.4%), or \$16 million per year in GRF. An annual expenditure increase of \$16 million is over a 15% increase in Ohio's state share of program costs per year.

Turning from cost to feasibility, we have questions about the impact of the requirements when comparing SNAP households to child support cases. As I noted earlier, we do not currently have an interface data exchange that is robust enough to provide the full data needed to determine the next steps in these cases. One SNAP household does not necessarily equate to one child support case. Our cases can be quite complex, involving multiple parents and child support cases within the context of one SNAP household. This scenario gets more complicated when the "custodial parent" is a grandparent or relative with only physical custody of a child, or a scenario where an individual is both a custodial and non-custodial parent across multiple cases.

Here is a sampling of questions that a child support agency would need answered to address cooperation in cases on a daily basis: What is cooperation? What if a grandparent has custody of the child but only wants to cooperate for an order against one of the parents? Is the grandparent still cooperating? What does “providing support” mean for a non-custodial parent? Does this mean that they are current in their child support payments? Does this mean that they have past due child support but are currently paying on their order? What happens if they have multiple child support cases and are paying what is allowed to be withheld under Consumer Credit Protection Act, but still accruing arrears? What if the parent is both a custodial parent in one case and a non-custodial parent in another? What if they are not paying but are part of a seek work program? Would a sanction for not providing support take effect immediately? And can it be lifted mid-month if a non-custodial parent becomes compliant? What if the non-custodial parent is before the court for a contempt action? May the court order reinstatement of SNAP benefits? Can a CSEA exercise discretion in using other enforcement remedies before sanctioning food benefits? Is a party “cooperating” when a CSEA cannot take action due to a lack of legal custody (e.g. a grandparent has kinship placement that only gives them physical custody and not legal custody)?

As many of you will recall, we worked in the last General Assembly to finally update the Child Support Guidelines, which is the manner and math used to set a child support order. The main goal of that legislation was to ensure that child support orders were determined based on an ability to pay. In drafting that legislation, Ohio focused on the massive build-up of unpaid support orders over the past two decades and made changes to curb the growth of these arrearages, as 70% of the past due child support owed is owed by non-custodial parents who earn less than \$10,000 per year. Mandating cooperation for non-custodial parents as a condition for SNAP eligibility may not change their present ability to pay child support. In fact, the CBO concluded that if the child support cooperation requirement is fully implemented, 75% of the SNAP households will receive no child support. This would result in lower performance rates and incentive payments, which puts a greater burden on state budget to fund the program.

At the last committee hearing you heard about Kansas and their adoption of SNAP cooperation requirements in child support. The witness indicated that Kansas had increased their child support collections by 40%. I was intrigued by this substantial increase and pulled their performance data from the Federal Office of Child Support to review it. I was disappointed to learn that Kansas increased their current support collected overall by 0.4%, not 40%. In reviewing their performance data, I found that Kansas has some of the lowest collection rates in the United States, scoring in the bottom 20% of states in child support collections. In 2017, the nationwide current support collection average was 65.43%. Ohio’s rate was 69.50%, while Kansas was 55.87%. Ohio’s caseload is almost six times higher than Kansas and is much more diverse, yet we currently perform

much better. This is important in terms of expectations for implementation of SNAP cooperation requirements and the resulting impact to child support collections. Requiring SNAP recipients to participate in the child support program is expected to lower performance rates and incentives earned by Ohio, which offset local costs to administer the program.

We believe that it is critical to review the feasibility of SNAP cooperation requirements in child support through a cost/benefit lens, as well as a review of outcomes for a state as large as Ohio. There should be a thorough evaluation that includes cost of coordinated system development and interfaces, cost of increased staffing and workload, impact on our ability to meet performance benchmarks set by the federal government that affect Ohio's ability to draw down federal funds and incentives, and adequate timelines for proper planning, development, and testing of both SETS and OB. Utah commissioned such a study in 2014 and published a detailed analysis of the impact of Food Stamp Child Support Cooperation. See <https://le.utah.gov/interim/2014/pdf/00005534.pdf>. We believe it would be beneficial for Ohio to commission a similar study and we stand ready to assist.

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