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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 198
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 198's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Rep. Liston

Local Impact Statement Procedure Required: No

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Highlights

- The Ohio Department of Job and Family Services (ODJFS) will be required to pass through a portion of its child support collections to Ohio Works First (OWF) recipients, which would reduce the funds available to make cash assistance payments.
- ODJFS will spend \$3.0 million to \$5.0 million over two years to make information technology changes relating to the bill's provisions.

Detailed Analysis

Current law requires an assistance group receiving OWF cash assistance to assign the child support it receives to ODJFS. Support revenues collected are deposited into the Child Support Collections Fund (Fund 4A80). Deposited moneys are used to make cash assistance payments to OWF participants and are counted toward the Temporary Assistance for Needy Families (TANF) Maintenance of Effort (MOE) spending. The bill instead requires that \$100 per month for a one child assistance group and \$200 per month for a two or more child assistance group be passed through to the assistance group. The bill also requires any support passed through to be disregarded from that assistance group's income when determining OWF eligibility. After these funds are passed through, any remaining amounts are then used to make cash assistance payments. In FY 2018, about \$21.7 million was deposited into Fund 4A80 from assigned child support collections. However, the total amount of child support passed through to assistance groups will depend on the number of children in each assistance group and possibly the monthly support amount.

Under federal law, as stated above, states are allowed to retain child support revenues, up to the amount of the child support order, to reimburse themselves and the federal government for payments to the family. According to the National Conference of State Legislatures, the collections are shared between the federal and state governments. The

amount owed to the federal government is equal to the state's Medicaid federal matching rate.¹ If all of the child support collections were passed through, ODJFS would need to provide the federal government with approximately \$13.3 million;² however, the total cost will depend on the number of children in each assistance group and possibly the monthly support amount.

Finally, ODJFS estimates it will spend \$3.0 million to \$5.0 million to make information technology changes to implement the bill that will take about two years to complete.

Background

TANF provides federal grant funds to states to provide families with financial assistance and related support services. States have flexibility to determine how funding will be used, but TANF resources must first be used to provide cash assistance payments, administered as OWF. In order to receive the full TANF amount, states must spend enough to meet MOE requirements. Ohio's annual federal TANF Block Grant award is about \$725.7 million with an MOE of \$416.8 million. If the state does not meet the MOE, the block grant amount for the next federal fiscal year will be reduced by the amount of the shortage, and the state will be required to increase its TANF spending by an amount equal to the penalty.

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¹ <http://www.ncsl.org/research/human-services/enforcement-collecting-and-distributing-support.aspx>.

² Total child support collections multiplied by Ohio's current federal matching rate.