



1108 City Park Avenue, Suite 200
Columbus, OH 43206
614/827-0549
800/589-5888
www.ohiopoveritylawcenter.org

Testimony in Opposition to House Bill 366

To: Ohio House of Representatives Community and Family Advancement Committee

From: Graham Bowman, Attorney, Ohio Poverty Law Center

Date: December 13, 2017

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

My name is Graham Bowman. I am an attorney with the Ohio Poverty Law Center. The Ohio Poverty Law Center is a nonprofit law office that advocates for evidenced-based policies aimed at protecting the rights of low-income Ohioans living, working, and raising their families in poverty. We work closely with legal aid agencies that represent thousands of families every year across the state in promoting access to healthcare, family stability, and expanded access to justice and opportunity.

While we are here today to testify in opposition to HB 366, we want to stress our belief that updates to the child support guidelines are long overdue and we support many aspects of the bill. The child support guidelines have not been updated in twenty-five years and reflect economic data from the 1980s. Not only are the guidelines out-of-date; they are also complicated. As the Executive Director of the Ohio Child Support Enforcement Agency Directors' Association explained last week, the major components of HB 366 are intended to work together, like gears, to achieve an intended outcome that would be frustrated if any single component were removed. It is not our desire to oppose this legislation entirely or re-design its basic structure at the 11th hour. We are, however, seeking to mitigate its negative effects on low-income families where possible.

At the heart of this bill is an attempt to better serve the children of Ohio in an impossible economic environment where policymakers must reconcile the needs of two separate populations of children in need, both of whom who deserve our support.

The situation is this: the cost of raising a child has grown steadily over the past twenty-five years while wages and jobs have not. This reality led to growing amounts of unpaid child support as "obligors," who have been unable to earn enough to meet the needs of their children. Despite this trend, there are still plenty of low-income families that are receiving child support payments and rely heavily on that support to raise their children. Many of these families come to legal aid agencies for help.

Any reform of our child support system must strike a balance between issuing child support orders that are so high that they are unpayable and the actual amount that is required to raise a child. Set the order too high and you risk depriving children of support altogether by driving obligors into unemployment, or in rare instances, the underground economy from which wages cannot be

garnished. Set the amount too low and while hypothetically you might see a rise in “consistent, regular payments to families,” those payments will fall short of the actual cost of raising a child and likely push more families onto the rolls of social welfare programs and other dependency programs.

We believe that this legislation goes too far in the direction of cutting child support orders at the expense of low income families that are currently receiving support. Our position is based on the decades of experience of legal aid attorneys from eight agencies across Ohio who represent both child support payors and recipients daily. We are skeptical of the claim that reducing child support orders will lead to increases in employment and payment. There are much larger societal factors that force individuals into the underground economy or into long-term unemployment than the amount of child support they owe. Some individuals cannot find employment with legitimate employers because they have a criminal record. Others lack the education, skills, or access to other resources that make work possible like reliable transportation or stable housing. These issues will continue to exist regardless of how much child support they owe. For these reasons, we worry that there will only be a modest increase in child support payment rates by cutting the amounts owed, while at the same time families that are currently relying on child support will be destabilized.

I included in my testimony ten amendments to the bill that we believe do not disturb the essential structure of the reform, but instead attempt to recalibrate its gears to less dramatically impact low income families.

Our first amendment should be the easiest to implement as it in no way affects the proposed changes to the child support guidelines. Rather, it addresses when the Department of Jobs and Family Services must review the impact the new guidelines. Under current law, a Child Support Advisory Council must meet at least every four years to evaluate the current schedule and assess whether it adequately provides for the needs of children and report back to the General Assembly. The last review occurred this year. We are proposing that there also be an initial review two years after the guidelines go into effect before returning to the four-year schedule. It is unpredictable what effect these changes to the guidelines will have since they have not been updated in 25 years. Therefore, we believe it would be prudent to look and see sooner rather than later given the high stakes for low income families. This is especially important given that many members of the General Assembly who voted for this bill may not still be in office when the first review of its effects occurs. A representative of the legal aid community has traditionally participated in these Child Support Advisory Councils. We respectfully ask that the bill require the participation of at least one legal aid attorney to ensure their continued participation as staff turns over at both the state and legal aid programs over time.

Another set of amendments address a main driver of decreased child support orders in the legislation, which are adjustments to the “Self-Sufficiency Reserve.” The Reserve is an amount of the obligor’s income that is set aside from the child support calculation to ensure that the obligor can support themselves while also supporting their children. We agree that the methodology for calculating the Reserve needs to be updated. However, we merely offer some changes to how it is calculated to better balance the needs of low-income children and their non-custodial parent. Under our amendments, the amount of child support owed by a low-income obligor will still be less than it is now. For example, consider the following hypothetical involving a single mother raising three

children while earning \$16,800 a year. Under current law, if the children's father were also earning \$16,800, he would be ordered to pay a little less than \$5,000 in child support. Under HB 366, he would be ordered to pay a little less than \$2,000. With our amendments, that order would be lowered only to \$3,200.

I will leave it to my colleague, Natasha Plumly of Southeast Ohio Legal Services, to discuss our amendments in greater detail in her testimony and questions. As I close, I would like to leave you with one statement from Dr. Jane Venohr at the Center for Policy Research, who helped develop the proposed changes, that was cited in the Ohio 2017 Child Support Guidelines Review Report to the General Assembly. "[a self-sufficiency reserve] is not a function of strictly economic science, but is finally a state policy decision."

That state policy decision is the difficult choice I described earlier between setting support orders somewhere between what it costs to raise a child and the amount that incentivizes more consistent payments. Before casting a vote in favor of this bill, we urge the members of this committee to consider our amendments and whether this bill, or this committee, can do more to ensure that both parents are supported so they can support their children in return.

Thank you for the opportunity to testify. I am available to answer any questions.

Sincerely,

Graham Bowman
Attorney
Ohio Poverty Law Center
1108 City Park Avenue
Columbus, Ohio 43206