

**TESTIMONY BEFORE THE
SENATE FINANCE WORKFORCE SUBCOMMITTEE**

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BY

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Chairman Beagle, Ranking Member Williams and Members of the Subcommittee, I am Kim Newsom Bridges and I have been a child support professional in Ohio for over 25 years. I am the Executive Director for the Ohio CSEA Directors' Association, and our mission is to strengthen Ohio's child support program. We have nearly one million child support cases in Ohio, and our program provides services to 1 in 3 children in the state. That makes our program the second largest public provider of services for children. We provide ongoing management of these cases and families at least until the children reach the age of majority, so we are well positioned to play a role in the ongoing stability of these families.

On March 3, ODJFS Director Cynthia Dungey shared many positive thoughts and achievements of our program. We are very proud and have worked hard to achieve these results. We believe we have made great use of the tools provided by prior policymaking bodies. We continue to strive to improve our performance and outcomes for families. A deeper analysis into the data of our program reveals that a different approach is required to improve outcomes for families that are on the border of economic stability. With that said, we have a vision for a new targeted case management approach aimed at addressing the scarcity of resources for low income families. This vision requires new strategies and an influx of resources to our county programs and technology.

We see an ever broadening gap between the services needed and direct attention that we are able to provide our lower income families. I would like to share some data and additional insight into the current status of our program, what we believe we can do to make a bigger difference and what we need from you to make that happen. While there continues to be a focus on improving the economic well-being of the primary custodial parent, we believe that continuing to ignore the economic well-being of the non-custodial parent is a detriment to the overall success of that family unit.

In FFY 2014, our work returned \$33 million dollars to the Ohio General Revenue Fund--retained child support collections totaled \$22.3 million dollars and the dollars returned as reimbursements to Medicaid expenditures totaled \$10.8 million. What is interesting to note is that the retained collections amount has been consistently declining, from over \$30 million several years ago to \$26 million in 2011/12, to \$23.6 million in 2013 and finally to \$22.2 million last year. Currently, these dollars are allocated towards the cash assistance awards in the TANF spending plan, line item 500658, so the dollars collected are relevant and expected in another key program for families in our state. The decline in collections for these cases is indicative of the need for a new approach with these families. As you consider our request for additional resources, please remember the role that the child support program plays in not only reimbursing, but also avoiding costs of public benefits.

Couple this decline in retained collections with the fact that we had over 130,000 obligor parents that did not make any payment at all for the support of their children in FFY2014. This means that they do not have income through a normal employment source. Of these, approximately 34% were incarcerated, receiving means tested assistance or in a situation where the child was residing with a non-legal custodian. That leaves 66% or nearly 86,000 parents that did not pay one penny of support for their children in FFY2014 with no known reason as to why that is the case. This is an important population for us to target.

One might assume that the child support orders might be too large for the obligor parent to pay. This is not necessarily so. In fact, obligor parents with a monthly order of \$75 or less paid at the rate of 30.2% and obligor parents with a monthly order between \$75 and \$225 (minimum wage full time) were paying their orders at a rate of 45%. Those with orders over \$225 per month pay at a rate of nearly 75%, as most are paying through wage withholding with their employers.

Additionally, please keep in mind that the percentage of children born to unmarried parents exceeds 40% of all births in Ohio. This equates to over 55,000 children every year being born to parents that are not married to each other. We have a different challenge in meeting the needs of these families. Their relationship may stem from a brief, one-night encounter to a long term, cohabiting relationship, and everything in between. In the past, our role has been to solely establish who the legal father is and to establish a child support order. Historically, we have not played a role in establishing any parenting time order that would assist the father in developing a relationship with the child(ren). For parents that are married, current law requires that parenting time be addressed as a part of the divorce or dissolution action. For those that are unmarried, the father must file a motion in court to establish

parenting time, which costs money and time, both of which can be scarce for these families. Twelve counties are in the third year of a federal grant which offers unmarried parents an opportunity to establish a parenting time order at the same time that we are establishing an order for support. We know that children are more likely to succeed if they have two parents participating in their lives. We also know that a parent is much more likely to pay support if they see the benefits of their contribution.

With some current emphasis from the Administration on the 16-24 year old population, the State Office provided some additional statistics for us to review. There are currently almost 525,000 cases with a current support order. 20,000 of these cases are for obligor parents in this age bracket. 57% of their cases/children are currently receiving OWF or have received it in the past. Twenty-five percent of them did not make any payments in FFY2014. Of those making no payments, 72% of their cases/children were either currently receiving OWF or have received it in the past. This data indicates that we could certainly join the Governor's effort to get these families started on a positive path towards not only economic self-sufficiency, but also economic success.

While our continuum of enforcement tools works with most cases, we have come to understand that it does not always work in situations where the parent(s) are low income or have no above-ground income. Our goal is to improve on these statistics and to positively affect the outcomes for families and children in *our* State. In order to do this we need to be able to accomplish three things: (1) We need to convince obligor parents that work improves their economic outlook and is not to just pay their child support; (2) We must identify and remove barriers that the obligor parent has regarding the ability to work, including barriers put in place by the child support program itself; and (3) We must have the resources to do individualized case management, targeted at improving personal and family outcomes. We believe that the impact will be more obligor parents employed in above-ground jobs and moving up the employment ladder. We believe that more money will be collected for families and for the state of Ohio. We believe that it will make a difference in the lives of all the family members. We believe that our efforts will get more families off on a successful path, which is crucial, since we have both parents and their child(ren) in our system for eighteen plus years in many cases. We propose the following methods for addressing and achieving our goals:

First, we must convince obligor parents, still primarily fathers, that work is a positive thing. We must also convince employers that it is not a hindrance to hire a person that has a child support obligation. We have begun working on a variety of concepts and interventions that we believe would offer opportunities for success for these families. These ideas will assist with positive promotion of

employment and also the removal of barriers to such employment. Some of the ideas that are currently in limited use and/or are currently being developed are:

- Early Intervention
 - Identifying employment barriers for obligor parents when they arrive for the genetic testing
 - Linking them with resources that will assist in removing those barriers
 - Working with both parents to identify an acceptable payment amount and move the obligor to full payment of their obligation
 - Connecting the father with fatherhood and parenting resources so that he can become an active parent that provides both emotional and financial support
 - Promoting financial literacy training
- Establish Expectations
 - Have more personal contact with the parents
 - Lessen the amount of letters and notices that are sent in place of personal contact
 - Modify the current content of our written communications with our parents
- Re-Engage those parents that have not been paying their support
- Pass legislation that will update our current child support calculations laws that have not been modified since 1992

We need an additional investment from this General Assembly to make a difference in the lives of these families.

In 2010, the impact of the 2005 Deficit Reduction Act was felt by the nation's child support program. Ohio competes with all other states for a finite amount of incentives from the federal program. While many states filled the funding gap created by the change in policy at the Federal level, Ohio filled only about one-third of the funding lost. While we are appreciative that we received those dollar amounts, in the years that followed, local child support offices lost 25% of their staff. A comparison of other large states shows that other than Michigan, all are spending more on their child support program than Ohio. In fact, Ohio has gone from spending over \$355 million dollars in 2009 to spending \$234 million in 2013. We have lost nearly \$100 million in federal dollars drawn to the state of Ohio because we do not have the local funds available to draw down the federal dollars. For every **ONE** dollar in local funds, we receive **TWO** federal dollars.

To compare, here are the total expenditures for the child support programs in 2013 for the other large states:

California \$907 million

New York \$370 million

Texas \$317 million

New Jersey \$279 million

Florida \$255 million

Pennsylvania \$247 million

Ohio \$234 million

Michigan \$222 million

As such, we are requesting an additional investment to line 600502 of \$6.2 million to get us to a total allocation of \$30 million annually. This would permit the county agencies to expend an additional \$18 million a year. Our target for these dollars is to increase child support dollars collected and improve outcomes for families. We would utilize the strategies identified earlier to achieve success.

We would also like to request consideration that additional dollars start being appropriated for the replacement or upgrade to our antiquated statewide Support Enforcement Tracking System (SETS). This system is based upon a mainframe technology with a programming base of COBOL. When determining whether to make this investment, please consider the fact that it is NOT a good system for managing the ongoing casework necessary to truly work a case, but MOST importantly our system manages nearly TWO BILLION dollars annually, most of which goes to the families in this state. If our decaying system were to fail, this would be catastrophic for the families that depend on child support. We need to begin drawing our roadmap for system replacement now, knowing that it will take three to five years to complete the process.

When you make the decision to invest in our program, you WILL see a return on your investment!

We look forward to continuing to work with you as we enter the next phase of Ohio's Child Support Program.

Respectfully submitted,

Kimberly C. Newsom Bridges, Esquire

Ohio CSEA Directors' Association