



**Ohio House of Representatives
Community and Family Advancement Committee
Ohio Department of Job and Family Services
Proponent Testimony
House Bill 366**

Testimony of David Fleischman

Chairman Ginter, Ranking Member Boyd, and members of the Community and Family Advancement Committee, thank you for the opportunity to give proponent testimony on HB 366. We would like to thank Representative Gavarone for her work on this important issue. HB 366 proposes a significant update to the Ohio child support guidelines for the first time since 1993.

My name is **David Fleischman** and I am the Bureau Chief for Program Services in the Office of Child Support, Department of Job and Family Services.

The Ohio child support guidelines are used every day in the courts and Child Support Enforcement Agencies of this State to establish child support obligations. The guidelines have two primary components: a *schedule of obligations* to establish child support amounts for parents at various income levels; and a *worksheet form* used to gather each parents' income data and to perform the actual guideline calculation. The schedule provides the parent's combined child support obligation amount. The worksheet implements child support credits and deductions authorized by law and then allocates a portion of the combined obligation to each parent by the share of their total combined income.

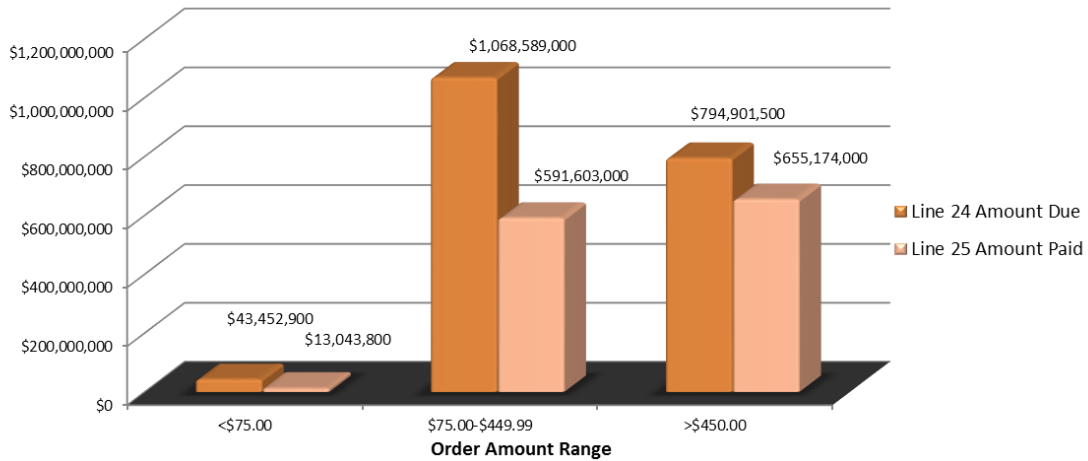
Both the schedule of obligations and the worksheet are currently set out in the Ohio Revised Code, but Ohio has not updated the schedule of obligations in nearly 25 years. There are only 4 other states that use the income shares model that have not updated their schedule in the past 20 years; Indiana, California, Idaho, and Washington. During that time Ohio's worksheet has only had minor updates.

Here is why an update to the child support guidelines is needed. I draw your attention to the graph¹ below, and to the middle range of the three bar charts there which represent obligations owed and paid for individuals who make between \$10,000 and \$40,000 per year. What it shows is a 55% collection rate for these parents. What it means is that child support obligations for the working poor in many cases exceed what can be taken from their paycheck by garnishment. In some cases, it means that we only collect part of what the parent owes; in other cases, it can lead the parent to move into the underground economy where wage garnishment can't reach. Therefore, these obligated parents are stacking up

¹ This graph was part of the 2013 Child Support Guidelines Review that was submitted to the Ohio General Assembly in March of 2013.

large child support debt obligations. Unfortunately, it also means that the parent who has the child in their home is receiving inconsistent, irregular, unreliable monthly support for the child.

Graph 1
Child Support Amount Due Compared to Child Support Amount Paid FFY 2012



Parents in Ohio owe more than \$4.5 billion in unpaid support. This amount represents what has accrued since the beginning of the program in 1976; and this amount increases, net, year over year, by \$100 million.

One of the primary functions and objectives of a state child support program is to develop and implement a child support guidelines system that creates support obligations for parents that balances the cost of raising a child with the ability of the parents to pay those costs. We believe House Bill 366 meets this objective in the following ways.

- It **adopts updated economic data** using the most recent version of the Betson-Rothbarth estimator of child-rearing costs using price data from the Consumer Expenditure Survey;
- It **incorporates a Self-Sufficiency Reserve (SSR)** that will work to increase compliance with payment of orders by low-income individuals that gradually phases out as incomes rise;
- It **requires child support schedule and worksheet updates** to occur at least once every five years by moving these guideline components from the Ohio Revised Code to the Ohio Administrative Code with a grant of rule-making authority to the Department;
- It **updates critical adjustment components** that are used in the child support calculation to distribute costs between the parents for health insurance and health care costs, day care, multiple family situations, parenting time and other factors. This package of adjustments was developed to work together as an interdependent whole.

For a more in-depth discussion of each of these items I draw the attention of the Committee to the 2017 Child Support Guidelines Review Report (Report) that was submitted to the Ohio

General Assembly in March 2017, and has been provided as an attachment to this testimony. It will provide Members with more detail about the main components of House Bill 366, which is substantially similar to the bill discussed in the Report². In addition to a discussion of these components, the Report also contains the Economic Study prepared by economist Dr. Jane Venohr, and detailed information on the topic of the updated economic data, the proposed child support schedule, and the self-sufficiency reserve.

The Report also contains a draft schedule of obligations derived from the language proposed in HB 366. I want to point out here that the Department worked closely with the Bill sponsor in the Senate and the Legislative Service Commission to develop language that provides detailed instructions to the Department for creation of the schedule of obligations, and for an update to the schedule every fourth year after the effective date of the bill, using the Consumer Price Index as developed by the U.S. Department of Labor.

In addition to the schedule of obligations, the Report also provides a draft worksheet form developed by the Department to implement the Ohio Revised Code as revised by HB 366; and a draft Ohio Child Support Guidelines Manual developed by the Department that is mandated by the Bill for the guidance of parents, pro se litigants, attorneys, courts and child support enforcement agencies. Under HB 366 the Department will have rule-making responsibility for the maintenance of each of these components of the Bill.

Thank you for your time, and I would be happy now to answer your questions.

² Senate Bill 262, 131st General Assembly