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Senate Judiciary Committee

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Proponent Testimony of Beth Anne Schorr

Warren County Child Support Enforcement Agency

HB366

Chairman Bacon, Vice Chair Dolan, Ranking Member Thomas and the members of Senate Judiciary Committee, my name is Beth Anne Schorr, and I am an assistant prosecuting attorney and Director of the Warren County Child Support Enforcement Agency. I have worked in the child support program for 23 years. Thank you for the opportunity to come before you today to submit written proponent testimony on House Bill 366.

Warren County CSEA fully supports HB366 in its entirety as it presents a solution representing years of compromise between interested parties. Ohio law requires the Ohio Department of Jobs and Family Services to convene groups of interested parties to meet every four years to recommend updates. Hence, even before the legislative activity of the past two General Assemblies, this bill is the result of well over two decades of Interested Parties meetings and years of refinement and compromise by every participant.

Perhaps more importantly, this solution proposes a child support guidelines methodology update supported by 25 years of data collected by the child support program. I would like to take this opportunity to specifically address the self-support reserve (SSR) as proposed.

Individual case comparisons; incomplete stories of a tiny segment of the universe of child support cases

You have heard testimony over the past few months focusing on comparisons between orders issued under the current methodology and this legislation. Examples given show only the difference between a handful of orders at the time of issuance. The stories that have been provided in opposition to the bill paint a bleak hypothetical picture of the support to be exchanged between parents. However, these examples are mere snapshot comparisons of the dollar value of orders established by advocates charged with zealous support of a single parent's interests. They do not demonstrate the reality of long term partial compliance or noncompliance with those orders.

One in 3 children participate in Ohio's Child Support Program

Only the child support program has data for well over a million of Ohio's children spanning the past quarter of a century and can tell you the story of what happens after an order is issued. Child support agencies do not represent either party and are charged with acting in the best interests of children. All child support orders in the state of Ohio are required to be paid through the child support program. A child support agency establishes paternity and support if needed, and then enforces an order until every penny due under the order is paid in full. The agency also takes over from the disposition of a divorce or dissolution or other court establishment and enforces orders. This means that an agency works with every child support order established in its jurisdiction and works with families for often 10 to 20 years longer than the time it takes for the establishment of an order. The real measure of child support story for families is not establishment for a few cases. It is collections for all of them.

The flaw in orders comparisons is ignoring the collections story

The opposition examples begin with two presumptions: 1. that the current methodology was created based on correct income information and 2. that higher orders are always in the best interest of the child. These presumptions ignore the economic reality that the child support schedules currently used for the calculation of support are based on parents at low income levels spending money well beyond their actual ability to earn. In other words, economists have learned that child support orders and expectations for low income families are set at levels higher than obligors can afford. This leads to obligors being unable to comply with the orders from the outset, and thus only partially paying the ordered support, or most often not paying at all.

The child support story for Warren County Ohio's children by the numbers

Warren County is categorized as a large sized child support program. We currently manage a caseload of 12,500 cases involving over 16,000 children. The bulk of an agency's work involves enforcement and administration of orders. In Warren County, approximately 6,600 of those orders are "in default" or a month or more behind. But many of those cases are paying regularly and we find it necessary to put the most effort toward the most difficult 20% of our caseload, or 2,500 cases. We have spent substantial effort on developing support services contacts and creative programming for these cases in the past 5-10 years. Yet over the past two decades, the numbers of cases in default and the number of cases that are the most difficult to administer have remained consistent. We collect over 75% of the current support due in Warren County, which is a high collection percentage in child support. However, this particular population of our caseload is consistently behind.

Lessons from enforcement

We see and talk to the people on these cases over 2,000 times per year in court and respond to over 30,000 phone calls per year. We have access to order and payment data that validates my assertions. Most of the cases with inconsistent payments are cases with orders set at \$350 or less. This is a typical order for an obligor who earns approximately \$10 per hour, or \$20,800 per year. Frequently, obligors in these cases may be trying unsuccessfully to maintain self-employment in a manual trade and exist in a tenuous and constant cycle of “robbing Peter to pay Paul.” Seasonal work, injuries, car trouble and incidents at work trigger periods of non-payment. Many will appear repeatedly on enforcement dockets and will become familiar names to enforcement workers and assistant prosecutors. Obligees in these cases typically will earn about the same and will share similar financial frustrations. In this scenario, based upon collections figures that I have already referred to, obligee may only receive support about 50-60% of the time, if at all. Many of these obligees will admit that obligor has never worked other types of jobs and has never earned any more than the \$10 per hour. Those same obligees will simultaneously express frustration with obligor’s spotty payments, because they expect that obligors should be able to pay simply because they have been ordered to pay. The current schedules create unattainable expectations and thereby engender frustration within the family that cannot possibly be in the best interest of the child.

The SSR impacts over half of Warren County’s caseload and data supports the SSR as proposed

Over 50% of Warren County’s caseload is impacted by the proposed application of the SSR. Data and experiences substantiate the need for guidelines orders that are modified to allow achievable consistent payments for children. The SSR does not relieve responsibility for payment or leave obligor with disproportionately high income. It merely provides an opportunity to contribute to the support of children without forcing them into debt. The 2017 Child Support Guidelines Review illustrates the impact of the implementation of the proposed SSR in table 1 on page 12. <http://jfs.ohio.gov/Ocs/pdf/2017CSGuidelinesRev.stm> (see attached). The table clearly shows that without an SSR, the revised economic tables still require low income obligors to expend as much as 12% more money than they earn on just child support, housing and taxes. This does not even include amounts needed to pay for food, utilities and transportation.

In sum, is our position, that it is in the best interests of Ohio’s families to update the Ohio Child Support Guidelines as proposed in HB366 and we specifically support the implementation of the proposed SSR because it affords parents the ability to consistently provide support to their children.

Thank you for your consideration.

Beth Anne Schorr

Attachment

2017 Child Support Guidelines Review, Table 1, p.12

Table 1

Scenarios				Taxes and Housing		Guideline Schedule Comparison							
						Betson Rothbarth 4				Betson Rothbarth 4 - SSR			
				Obligor Annual Income Remaining		Annual Order as a % of Remaining Income		Obligor Annual Income Remaining After Taxes, and Child Support		Annual Order as a % of Remaining Income		Obligor Annual Income Remaining After Taxes, and Child Support	
# of Kids	Obligor Annual Gross Income	Obligee Annual Gross Income	Obligor Annual Tax and Housing Cost	Obligor Annual Income After Taxes and Housing	BR4 Monthly Order	BR4 Annual Order	BR4 Annual Remaining Income	BR4 Annual Remaining Income After Taxes, and Child Support	BR4-SSR Monthly Order	BR4-SSR Annual Order	BR4-SSR Annual Remaining Income	BR4-SSR Annual Remaining Income After Taxes, and Child Support	
Ex. 1	1	\$16,848	\$16,848	\$12,961	\$3,887	\$240	\$2,877	74.01%	\$1,010	\$115	\$1,380	35.50%	\$2,507
Ex. 2	2	\$16,848	\$16,848	\$12,961	\$3,887	\$364	\$4,368	112.36%	-\$481	\$150	\$1,800	46.30%	\$2,087
Ex. 12	4	\$16,848	\$13,478	\$12,961	\$3,887	\$489	\$5,871	151.01%	-\$1,983	\$171	\$2,052	52.78%	\$1,835
Ex. 10	4	\$16,870	\$14,000	\$12,967	\$3,903	\$493	\$5,920	151.67%	-\$2,017	\$171	\$2,052	52.57%	\$1,851
Ex. 5	3	\$18,000	\$0	\$13,288	\$4,712	\$497	\$5,966	126.60%	-\$1,254	\$176	\$2,112	44.82%	\$2,600
Ex. 13	4	\$18,000	\$0	\$13,288	\$4,712	\$555	\$6,664	141.42%	-\$1,952	\$184	\$2,208	46.86%	\$2,504
Ex. 11	3	\$24,000	\$29,640	\$14,992	\$9,008	\$579	\$6,951	77.16%	\$2,057	\$259	\$3,104	34.46%	\$5,904
Ex. 7	3	\$24,192	\$9,374	\$15,046	\$9,146	\$620	\$7,441	81.36%	\$1,704	\$259	\$3,108	33.98%	\$6,038
Ex. 8	6	\$24,192	\$9,374	\$15,046	\$9,146	\$828	\$9,939	108.68%	-\$793	\$275	\$3,300	36.08%	\$5,846
Ex. 4	2	\$28,000	\$10,500	\$16,128	\$11,872	\$594	\$7,131	60.07%	\$4,741	\$364	\$4,364	36.76%	\$7,508
Ex. 9	4	\$30,000	\$16,536	\$16,696	\$13,304	\$830	\$9,965	74.91%	\$3,338	\$408	\$4,896	36.80%	\$8,408
Ex. 3	4	\$30,000	\$0	\$16,696	\$13,304	\$881	\$10,568	79.44%	\$2,736	\$409	\$4,904	36.86%	\$8,400
Ex. 6	3	\$36,000	\$0	\$18,400	\$17,600	\$934	\$11,209	63.69%	\$6,391	\$559	\$6,704	38.09%	\$10,896