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Sponsor Testimony for House Bill 526

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House Government Oversight Committee

Chairman Peterson, Vice-Chair Thomas, Ranking Member Humphrey, and members of the House Government Oversight Committee, thank you for allowing Rep McClain and I to come and speak about HB 526. HB 526 would help ensure that money provided by parents for the care of our neediest children stays with these children. I ask for your support in protecting Ohio families by supporting this bill.

HB 526 revises the law governing child and spousal support payments collected on behalf of a needy family receiving temporary cash assistance through Ohio Works First (OWF). These are families making less than 50% of the federal poverty level. For a single parent with one child means they have an income of less than \$10,220 a year. For a family of four the income eligibility is less than \$15,600. This temporary cash assistance is one of the state's Temporary Assistance for Needy Families (TANF) programs. Under federal law, families receiving public assistance under this program must cooperate with child support establishment and enforcement efforts. In addition, OWF recipients must assign their rights to child support payments to the state. **Let me repeat that to make sure it is clear –our poorest children must assign their child support payments to the state.** The state then sends 2/3 of this money back to the federal government. This was part of the 1996 'Welfare Reforms'.

States, however, have the option of allowing the child support payment to be passed through to the custodial parent and child so that this money is not taken, and the amounts can be disregarded when determining TANF assistance, meaning the amount would not be considered income for purposes of determining TANF eligibility. A growing number of states have recognized that federal law is counter-productive and now roughly half of the states have instead chosen various ways of passing through child support without reducing the family's TANF assistance. The federal government allows for \$100 per child, up to \$200 per family, to pass through this system, staying with the child, without any financial implications to the state.

HB 526 does this for Ohio, creating a pass through and disregard for \$100 per child, up to \$200 per family. Rough estimates from ODJFS indicate this would impact 12,000 families in our state who would retain ~ \$12 million of their hard earned and much needed money. While the state would not be collecting \$12 million, \$8 million of that would have been sent to the federal government. HB 526 has an 18-month implementation lag so that any budgeting adjustments related to the remaining lost collections could be accounted for in the next budget cycle.

I want to pause and make sure this sinks in. Under current law in Ohio in order to receive needed cash assistance, a single mother with two children living in poverty must forfeit to the government the money that the father is paying to help care for their children.

This is harmful to our kids, and it is harmful to mothers and fathers. Ohio does quite well nationally on child support enforcement and collections, with custodial parents (most frequently mothers) receiving a little over 70% of the money that is owed. However for any one family this may vary month to month. Many mothers simply cannot consistently rely on these funds for the daily expense of feeding and caring for their children. Those who qualify for temporary cash assistance still need the support fathers can provide, but also need this additional regular income to put food on the table each day. The average monthly benefit we are talking about is just over \$200.

For fathers or non-custodial mothers, this policy is harmful as well. There are plenty of data that demonstrate child support helps to promote engagement in child rearing and strengthens fatherhood. However, if a father knows that money he is paying to help provide for his children is instead diverted to the government there is much less incentive to make these payments. This is itself counter to one of the four statutory purposes of TANF - 'encourage the formation and maintenance of two parent families.' Other states enacting pass through legislation have seen increased payments, fatherhood engagement, and decreased reliance on government programs such as SNAP.

Ohio should join the half of the states that understand child support is money that parents pay for their children. We should allow families to keep this money, especially in times of extreme hardship. I ask for your support and would be happy to answer any questions you have. Thank you.