



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 262 of the 131st G.A.

Date: April 20, 2016

Status: As Introduced

Sponsor: Sen. Jones

Local Impact Statement Procedure Required: No

Contents: To make changes to the laws governing child support

State Fiscal Highlights

- The bill repeals the existing statutory child support schedule and requires the Ohio Department of Job and Family Services (ODJFS) to establish a new child support schedule in rule. The bill also repeals the existing statutory worksheet forms and requires the ODJFS Director to adopt rules governing the creation of child support guidelines worksheets and worksheet instructions. According to ODJFS, there will be an increase in administrative costs. However, these costs will be absorbed with existing resources and performed by current staff.
- The bill changes the cycle of the Child Support Guidelines Advisory Council review to on or before March 1 of every fourth year after 2015 from every fourth year after 1993. As a result, costs of the Council's review and creation of the report will be delayed by two years.

Local Fiscal Highlights

- The bill repeals the existing statutory child support schedule and requires ODJFS to establish a new child support schedule in rule. The bill also repeals the existing statutory worksheet forms and requires the ODJFS Director to adopt rules governing the creation of child support guidelines worksheets and worksheet instructions. There would be costs to child support enforcement agencies (CSEAs) and local courts to conduct trainings on the new child support schedules and worksheets.
- The bill makes several changes to determinations of child support and medical support. As a result, there could be additional requests for modifications of existing child support orders, which would result in an increase in administrative costs to CSEAs and local courts. The total increase would depend on the number of modification requests received. However, these entities receive a 2% processing charge on support orders issued or modified. Thus, these charges could partially offset the associated administrative costs.

Detailed Fiscal Analysis

The bill makes various changes to (1) the basic child support schedule and worksheets, (2) the Child Support Guideline Advisory Council review, (3) how child support is calculated, (4) minimum child support order requirements, (5) how health care for the children covered by a child support order is handled, (6) the review and modification of child support orders, and (7) the collection of arrearages under terminated orders. Some of these changes are discussed below.

Child support schedule and worksheets

The bill repeals the existing statutory child support schedule and requires the Ohio Department of Job and Family Services (ODJFS) to establish a new child support schedule in rule. In addition, the bill outlines the information the child support schedule in rule must include, such as a self-sufficiency reserve in order to create an adjusted schedule for parents whose gross annual income is at or below 116% of poverty income guidelines. Finally, the bill requires ODJFS to update the schedule and self-sufficiency reserve every four years to reflect changes in the Consumer Price Index for All Urban Consumers and the changes in the poverty income guidelines as reported by the United States Department of Health and Human Services.

The bill also repeals the existing statutory worksheet forms required to be used by courts and child support enforcement agencies (CSEAs) when calculating child support under sole custody, shared parenting, and split custody situations. In their place, the bill requires the ODJFS Director to adopt rules governing the creation of child support guidelines worksheets and instructions that incorporate the requirements of the child support law for the calculation of child support and medical support obligations. Additionally, the ODJFS Director must adopt standard worksheet forms for use by all courts and CSEAs and a standard instruction manual to provide guidance and assistance to those calculating support obligations. The worksheets and the manual must be revised at least once every five years consistent with any determinations made under the Child Support Guideline Advisory Council review.

According to ODJFS, there would be an increase in administrative costs for the adoption of the new schedule and worksheets and the required updates. However, these costs will be absorbed within existing resources and performed by current staff. There would be costs to CSEAs and local courts to conduct trainings on the new child support schedules and worksheets.

Child support and medical support calculations changes

The bill makes several changes to determinations of child support and medical support. These changes include: increasing the minimum support obligation from \$50 to \$80, permitting deduction from a parent's gross income of the annual amount of any court-ordered spousal support that is actually paid, excluding any ordered payments

on arrears, establishing a credit for the cost of providing health insurance coverage against a parent's gross income when calculating child support, and establishing a rebuttable presumption that the child support obligee is the appropriate parent to provide health insurance coverage.

ODJFS is responsible for the collection and disbursement of most child support payments. The Child Support Payment Center¹ collects child support payments and distributes the funds within 48 hours. As a result of the bill, there could be an impact in the overall amount of child support collected and disbursed.

There could also be additional requests for modifications of existing child support orders, which would result in an increase in administrative costs to CSEAs and local courts. The total increase would depend on the number of eligible modification requests received. However, under current law a court or CSEA that issues or modifies a support order collects a processing charge of 2% of the support payment. These processing charges could partially offset associated administrative costs. Lastly, there could be minimal administrative costs for local CSEAs and courts to conduct trainings on the changes to the determinations.

Child Support Guidelines Advisory Council review

The bill changes the cycle of the Child Support Guidelines Advisory Council review. Under the bill, ODJFS must make a report of the review on or before March 1 of every fourth year after 2015. Under current law, it is every fourth year after 1993. The last report was in 2013. As a result, costs of the Council's review and creation of the report will be delayed by two years.

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¹ The Center was developed by ODJFS in response to federal legislation that required a state disbursement unit to collect and disburse child support payments. Many of the functions of the Center are performed by a contracted entity.