



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 125 of the 132nd G.A.

**Status:** As Reported by Senate Judiciary

**Sponsor:** Sen. Beagle

**Local Impact Statement Procedure Required:** No

**Subject:** Changes to child support laws

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### State Fiscal Highlights

- The bill requires the Ohio Department of Job and Family Services (ODJFS) to establish a new child support schedule and guidelines for creating a new support worksheet in rules, which would result in administrative costs.
- The bill requires ODJFS to complete the Child Support Guidelines Review in 2019 in accordance with a new schedule, two years earlier than required by continuing law.

### Local Fiscal Highlights

- Child support enforcement agencies (CSEAs) and local courts could experience administrative costs to conduct trainings on the new child support schedules and worksheets.
- Changes to the determination of child and medical support may result in additional requests for modifications of existing child support orders, which would result in administrative costs to CSEAs and local courts. However, these costs could be partially offset by the 2% processing charge on support order modifications.

### Detailed Fiscal Analysis

The bill makes numerous changes to child support laws, including the basic child support schedule and worksheets, the Child Support Guideline Advisory Council review timing, how child support is calculated, minimum child support order requirements, how health care for the children covered by a child support order is handled, the review and modification of child support orders, and the collection of arrearages under terminated orders.

#### Child support schedule and worksheets

The bill repeals the existing statutory child support schedule and requires ODJFS to establish a new child support schedule in rules. Additionally, 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 U.S. Department of Health and Human Services.

The bill also repeals the existing statutory worksheet forms required to be used by courts and 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. The ODJFS Director will be required to 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.

These changes will increase administrative costs for ODJFS to adopt the new schedule and worksheets, as well as to complete the required updates. There could also be administrative 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, which include: increasing the minimum support obligation from \$50 to \$80, permitting deduction from a parent's annual 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. CSEAs and local courts could experience administrative costs to train staff on the changes to the determinations. These changes could result in additional requests for modifications of existing child support orders, which would increase 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.<sup>1</sup> These processing charges could partially offset associated administrative costs.

ODJFS is responsible for the collection and disbursement of most child support payments. The Child Support Payment Center collects child support payments and distributes the funds within 48 hours.<sup>2</sup> As a result of the bill, there could be an impact in the overall amount of child support collected and disbursed.

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<sup>1</sup> R.C. 3119.27(A).

<sup>2</sup> 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.

## **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 2017 report has already been published.<sup>3</sup> As a result, the Council will be required to prepare this report again in 2019, two years earlier than current law requires.

## **Delayed implementation**

The bill specifies that the bill's provisions take effect six months after the effective date of the bill. During this period, ODJFS is to perform any automated system changes that are needed and may organize and oversee the training across the state of CSEAs, lawyers who practice in child support, and judges who preside over child support cases.

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<sup>3</sup> Ohio Department of Job and Family Services, *2017 Child Support Guidelines Review*, <http://jfs.ohio.gov/Ocs/pdf/2017CSGuidelinesRev.stm>.