



April 2017

Ohio CSEA Directors' Association

SB125 Child Support Guidelines Revision

This bill addresses the **numbers, methodology, and manner** by which we set child support orders in Ohio. Our child support tables and calculation worksheets are in the Revised Code, and therefore need legislative action to update them. Our tables are a **quarter of a century old** now, and are based on economic data from the 1980s. Additional adjustments need made with regard to **cash medical support, health insurance responsibility, daycare credit, and multiple family issues**.

This bill is a **critical and necessary modernization** of our guidelines and it allows policy to be more responsive to changing family economics. This bill will move the guideline tables and worksheets to the Ohio Administrative Code, so that they can be subject to five-year rule review, and we can make adjustments in a timely manner.

Specifically, this bill provides the following major changes:

1 An Update To The Economic Tables

Updated tables require an update to old data. This critical update is needed to ensure that the economic tables used to establish and modify child support obligations are **timely and reflect the modern economy**. Ohio has not updated its economic tables since 1992, which used data from the early to mid-1980's.

Updated tables also require an **update to our thinking**—which results in guideline support orders that are **based on actual earnings**. The new tables will allow us to issue **realistic orders** across the board based on an **ability to pay**. Economic review of our **current methodology** shows that assumptions underlying child support orders required low income obligors to live beyond their means to meet expenses. **Three decades of evidence** under our existing support tables has clearly proven that obligors in low income ranges simply cannot afford to pay the amounts that are ordered.

The update to the tables includes a **self-sufficiency reserve**, which will also bring Ohio in compliance with the latest **federal rules** governing the child support program. The self-sufficiency reserve is a **graduated adjustment** to the table amounts for low-income obligors, which is intended to allow a child support obligor to maintain a level of self-sufficiency in his/her own home. The adjustment to the tables **phases out** as income increases.

Updated tables require enacting **responsiveness to timely table revisions**. A key component of this bill will move the support tables from the Revised Code statutes to the Administrative Code rules. The **tables can then be regularly updated** to include changes in the cost of living, consistent with the Consumer Price Index.

The overarching goal of these updates is to **encourage consistent, reliable payments** of child support to families.

2 Parenting Time Adjustment

There is a pervasive myth that Ohio's current economic tables take into consideration a parenting time adjustment. **This is not the case**. Ohio's current economic tables take all of the costs of raising a child and transfer them into the custodial household. SB125 provides for a **parenting time adjustment**. For non-custodial parents with a standard parenting time order, his/her individual support obligation will be **reduced by ten percent**, to allow the parent the ability to keep some funds in his/her home for expenses while the child is with them.

SB125 Child Support Guidelines Revision

For non-custodial parents with extended parenting time, SB125 includes a provision regarding the court's **requirement to consider a deviation**. If court-ordered parenting time exceeds 40%, the court shall consider a deviation, and must issue findings and recommendations if it chooses to not allow the deviation. This new provision **does not mandate a deviation** - it merely requires that the court give due consideration to extended parenting time when determining the child support order.

3 Cash Medical And Health Care Coverage Modernization

Cash medical will also be modernized, by defining its purpose, ordering it paid in all cases, splitting the amount by income shares, and assigning it when Medicaid is involved. Cash medical will represent **ordinary medical expenses** that occur in **both households**. The administration of medical support will then be **more efficient** at the CSEA and **easier** for parents to understand.

Under current IRS regulations, the responsibility for ensuring that children have health care coverage is **tied to the tax dependency exemption**. Those regulations assume the custodial parent is the default recipient of the tax dependency exemption.

To bring parents' responsibilities closer in line with their responsibilities under current law, SB125 proposes to create a **rebuttable presumption** that the **custodial parent** will provide health insurance or public health care coverage. The presumption in favor of custodial parent coverage may be rebutted, for example, if the non-custodial parent is already providing private insurance coverage or can obtain insurance coverage that is reasonable in cost.

To recognize that the money being paid to provide insurance is not available for child support, SB125 also allows the parent providing coverage to receive **a deduction from his/her income** for the **total out of pocket cost to provide insurance**.

4 Multiple Family Orders

Many of our parents have more than one family to support. Under the current statutes, the first child to file for child support typically receives the highest order. All subsequent filings result in lower child support obligations for the additional children. SB125 proposes to **treat all children the same** by providing a **standard income deduction** for each parent for children not subject to the current order.

Each parent's deduction will be computed using the **economic table** and **his/her individual income amount** for the total number of his/her children. The proposed method also **treats all children the same**, and will minimize the first-to-file effect.

5 Childcare Credit Changes

Recognizing that childcare costs can exponentially increase a parent's child support obligation, SB125 proposes to create a **cap on the allowable credit** given for childcare expenses. By using the **Office of Children and Family's Market Study**, a cap will be instituted **based on the child's age**. A cap will also be created for low-income obligors, to limit the share of childcare cost at 50%. This cap on expenses **only applies** to the support calculation and **does not limit** a parent's discretion to make the best childcare choice for their children. Parents are still free to select the best childcare they can afford and if the expenses exceed the cap, parents can still seek an upward deviation in support.

We ask for your support of SB125, which is a comprehensive package needed to modernize Ohio's guidelines and processes.

Please contact the Ohio CSEA Directors' Association at 614-846-6652 with any questions or concerns.