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TESTIMONY IN SUPPORT OF SENATE BILL 847:

Child Support - Guidelines

TO: Hon. William C. Smith, Chair, and Members of the Senate Judicial Proceedings Committee

FROM: Christopher Dews, Policy Advocate

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The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. JOTF supports Senate Bill 847 as a means to eliminate the criminalization of poverty on low wage workers by reducing the impact of child support related fines and fees.

Low-or-no-wage workers are paying 35% or more of their income to comply with child support orders, compared to only 12% for higher-income obligors. In 2015, NPR reported that 62% of Marylanders who owe child support make less than minimum wage, but owe at least \$10,000 in unpaid arrearages. They will never be able to pay off this debt. Studies show that non-custodial parents that accumulate arrearages have an estimated annual income of \$7,000. A University of Maryland School of Social Work study showed that custodial parents with the lowest income were 10 times more likely to have a payment retained by the State due to unpaid arrearages. Child support debt also triggers a suspended driver's license, arrest, or incarceration, which further complicates the ability for low-wage workers to secure and maintain employment.

The proposed legislation would reform the child support payment structure in a plethora of ways. First, it would take into account an obligor's overall potential employment profile: age, literacy rate, physical and behavioral condition, residence, employment availability, previous attempts to obtain employment, barriers to employment and much more. It even does a deep dive into the current job market for the obligor based on experience and skillset to realistically depict possible deficits to earnings. An analysis of this kind would allow for a more realistic child support obligation from the initial court hearing.

Second, it allows for a self-support reserve clause which is vital to the survival of the obligor. "Self-Support Reserve" means that the child support obligor maintains a minimum amount of monthly income, after payment of child support, federal and state taxes, and FICA taxes of at least 110% of the 2019 federal poverty level or \$13,739. This will ensure that those who owe child support do not fall into the pit of poverty themselves for the sake of paying the state-mandated child support premium.

Lastly, Senate Bill 847 would allow a court to deny a child support claim based on a potential obligor's living condition. If an obligor is unemployed, has no financial resources, is incarcerated, disabled,

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institutionalized in a psychiatric ward, or is wholly unable to obtain employment, a court has the right not to engage in the creation of a child support order altogether. This will lighten both a tremendous administrative burden on the courts and a fiscal burden on the child support obligor.

Senate Bill 847 seeks to address the contentious issue of child support debt in a rational and equitable way, taking into account the child's needs and economic means of all parties involved. JOTF sees this as a leap in the right direction in eliminating barriers to low wage obligors to meet their financial obligations while supporting their extended families and themselves. The courts must take the obligor's actual living and working conditions into account when setting child support orders. For these reasons, we request a favorable report.