

JOTF_FAV_SB1006

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Advocating better skills, jobs, and incomes

TESTIMONY IN SUPPORT OF SB1006:

**Child Support - Suspension of Payments and Arrears for Incarcerated Obligor -
Modifications**

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

FROM: Christopher Dews, Policy Advocate

DATE: March 12, 2020

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 1006 as a means of eliminating the accrual of child support debt for individuals who are simply unable to pay.

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.

Child support plays an invaluable role in the quality of a child's life and their trajectory toward a healthy and positive future. However, thousands of low-income, non-custodial parents have accumulated unpayable child support arrearages as a result of a change in their economic statuses, such as joblessness or incarceration. Paying child support while incarcerated is nearly impossible yet current law allows for arrearages to accrue for at least 18 months into the incarceration. Many formerly incarcerated citizens, an increasing number of whom are women, have accumulated unpayable arrears during their incarceration. Thus, upon release, obligors are facing crippling debt and have become disincentivized to make payments.

Senate Bill 1006 seeks to address this by dropping the arrears window down from 18 to six months, tremendously reducing the amount of unpayable arrears owed to the state by the obligor. This is a move in the right direction. JOTF acknowledges that the total negation of arrearage accrual at the time of sentencing should be the standard. This legislation would work wonders in incentivizing compliance as it is more realistic for the obligor. For these reasons, JOTF requests a favorable report on Senate Bill 1006.

DHS Attorney General Office_FAV_SB1006

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Testimony of Karen Rohrbaugh, Assistant Attorney General In Support of Senate Bill 1006

Good afternoon Chairman Smith, Vice Chair Waldstreicher, and members of the Committee. My name is Karen Rohrbaugh, and I am an Assistant Attorney General and the Deputy Counsel for Litigation for the Department of Human Services, as well as the former supervising attorney for child support. Thank you for the opportunity to testify in support of Senate Bill 1006 today and to voice the Office of the Attorney General's support for this bill.

Current Maryland law (§ 12-104.1 of the Family Law Article) allows the Child Support Administration to administratively suspend an individual's child support obligation when that individual is incarcerated for 18 months or more, is not on work release, and has insufficient resources to make payments while incarcerated. The General Assembly enacted that legislation in 2012, recognizing that the incarcerated individual would otherwise face a significant past-due financial obligation upon release that would subject him or her to various child support enforcement remedies, including driver's license suspension, professional license suspension, credit bureau reporting, passport denial, and possibly even incarceration, all of which could be an impediment to the individual's ability to obtain employment and a means of lawfully supporting his or her child.

The federal government recently reached the same conclusion, amending 45 C.F.R. § 303.8 to require states to have procedures in place to help an incarcerated individual obtain an adjustment of his or her child support obligation when that individual is incarcerated for more than 180 days. This bill simply replaces the 18-month timeframe in existing law with the new federal timeframe, ensuring that Maryland remains eligible for its substantial federal funding for the child support program and preventing additional burdens on Maryland's courts while complying with the new federal requirement.

For these reasons, the Office of the Attorney General requests that the Committee favorably report Senate Bill 1006. Thank you for your consideration, and I am happy to answer any questions you may have.

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Jill Carter_FAV_SB1006

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony of Senator Jill P. Carter
In Favor of SB1006 - Child Support – Suspension of Payments and
Arrears for Incarcerated Obligor
– Modifications
Before the Judicial Proceedings Committee
on March 12, 2020**

Mr. Chairman, Mr. Vice Chair, and Members of the Committee:

This bill, SB 1006, aims to bring Maryland in line with recent federal regulations which require states to review or adjust child support orders if the obligor will be incarcerated for more than 180 days. Federal regs require it and this is simply good policy.

As the law stands, an obligor has to have been sentenced to 18 months or more before payments are suspended and arrearages stop accruing. As you can imagine, after even a year of non-payment due to incarceration, the arrearages can appear insurmountable. Experience shows that the greater the debt burden on the obligor, the greater the likelihood that they will simply stop paying. This, in turn, increases enforcement action which is a further burden on an already overloaded child support system. To be clear, this does not forgive any of the obligation, it simply stops it from getting worse while the non-custodial parent is incapable of paying.

Further, as the fiscal note points out, if Maryland does not modify its rules, it risks losing federal child support funding. This bill is otherwise revenue neutral.

For these reasons, I respectfully urge a favorable report on SB1006.

Very Truly Yours,

A handwritten signature in blue ink that reads "Jill P. Carter". The signature is written in a cursive style with a large, looping initial "J".

Jill P. Carter