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To: Senate Committee on Human Service From: Sybil Hebb, Oregon Law Center Date: March 8<sup>th</sup>, 2023 Re: Senate Bill 186, Child Support Pass-Through

Dear Chair Gelser, Vice-Chair Robinson, and Members of the Committee:

On behalf of the Oregon Law Center, thank you for the opportunity to submit testimony in support of SB 186, which would strengthen family relationships and provide more resources for low-income children. Thank you to the Department of Justice Division of Child Support for bringing this important policy advancement proposal.

The Oregon Law Center (OLC) is a non-profit law firm whose mission is to achieve justice for lowincome communities of Oregon by providing a full range of the highest quality civil legal services. Our clients are low-income individuals who fall within 125% of the federal poverty level. Many of OLC's clients are parents who seek our assistance in matters relating to the establishment, modification, and enforcement of child support orders. The need for assistance is greater than our ability to provide individual services. We therefore balance our representation of individuals with policy-based advocacy regarding the system as a whole.

In analyzing and assessing child support policy issues, OLC has a long-standing set of priorities:

- 1. Ensure procedural fairness for all parties in the support case;
- 2. Maximize the income in the household of the child (i.e., low-income obligees) except to the extent the ability of low-income obligors to provide themselves with the basic necessities of life and to sustain employment is impaired;
- 3. Preserve the ability of low-income obligors to provide themselves with the basic necessities of life and to sustain employment before incurring or paying legally enforceable obligations for the support of dependents; and
- 4. Maximize the income available to low-income families when the sole creditor is the State.

Senate Bill 186 addresses priority #4. Under current law, a family receiving TANF benefits must automatically turn over to the state the right to receive current support. Out of the child support that the state collects, it can keep an amount equal to the amount of TANF that it pays the family, except that the parent will receive a \$50 "pass-through" of the amount paid in a current month for each child, up to a maximum of \$200 per month. On arrearages (back child support), DCS can keep an amount equal to the total amount of assistance that has been paid to the family of the person to whom the child support must be paid. The end result under current law is that a parent may be paying support, but very little or none of that money may be reaching the children.



The current system negatively impacts families in two ways:

- Results in less money reaching low-income children and families; and
- Disrupts supportive parental contribution to the needs of their children, damaging family relationships.

We deeply appreciate the leadership of the Department of Justice Division of Child Support in bringing SB 186 forward. It builds upon their prior work to establish the current \$50 "pass through" and takes Oregon to the next step in helping to ensure our systems strengthen families while increasing the economic stability of low-income children.

The bill will ensure that payments made will "pass through" to the family receiving support, and will be disregarded from TANF eligibility criteria. The result will be that parents paying support will be directly contributing to the needs of their children, and parents and children receiving support will have the benefit not only of the extra resources but also of the feeling of support from the other parent.

In this time of great economic stress for our state, many Oregonians have approached or entered poverty for the first time in their lives. As the federal SNAP benefits cliff is taking effect, this bill could not have come at a better time. For the above reasons, we respectfully urge your support. Thank you for the opportunity to submit testimony.