

**TESTIMONY**  
**SENATE BILL 2288 – DEPARTMENT OF HUMAN SERVICES**  
**HOUSE HUMAN SERVICES COMMITTEE**  
**CLARA SUE PRICE, CHAIRMAN**  
**MARCH 16, 2005**

Chairman Price, members of the House Human Services Committee, I am James Fleming, Deputy Director and General Counsel of the State Child Support Enforcement Division of the Department of Human Services. I am here to ask for your favorable consideration of Senate Bill 2288.

As the committee knows, income withholding is our most effective tool for collecting child support. However, many obligors would like to pay child support on their own rather than have their wages withheld by their employer. Federal and state law limit what we can do to accommodate these obligors. Currently, the only way an obligor can avoid income withholding, even when there is no arrearage, is to obtain a court order finding that “good cause” exists not to require immediate income withholding.

Since the last legislative session, the federal Office of Child Support Enforcement has interpreted federal law to allow a “good cause” finding to be made by a child support enforcement agency as well as a court. This interpretation opens the door for our program to enter into agreements allowing obligors to pay child support on their own instead of through income withholding. This new payment option will also alleviate some of the burden to employers of complying with income withholding orders. An employer would not even need to know about the obligor’s child support obligation. The families who receive child support are protected under the bill because if the obligor misses a payment, immediate income withholding is automatically re-activated.

We have worked for years to remove the stigma that income withholding is only used for obligors who refuse to pay child support on their own, and there is a risk that good-paying obligors will take advantage of this new payment option and

income withholding will be used only for those with less-than-perfect payment histories. However, at this time, we believe the potential convenience to obligors and employers outweighs the risk.

The bill as written has minimal fiscal impact on our program. We hope to update our computer system in the course of normal operations to accept electronic payments from obligors. To avoid income withholding under federal law, the child support enforcement program needs to find that the alternate payment arrangement, rather than income withholding, serves the best interests of the child. To support this finding, we intend, as a general rule, to use this new payment option only when an obligor authorizes an electronic withdrawal of funds from a bank account or credit card. The additional speed and reliability of these electronic transactions will serve the best interests of the child and meet the federal requirement.

The second section of the bill also takes advantage of the speed and reliability of electronic payments by authorizing a court to order an obligor to identify an existing bank account, or establish a new account, from which child support can be automatically withdrawn. This option would be used when an obligor is not willing to enter into an alternate payment arrangement and sufficient amounts of child support are not being collected through income withholding.

The bill includes an emergency clause so obligors and employers can benefit from the convenience of this payment process as soon as we are able to start negotiating withdrawal agreements and electronically withdraw funds from obligors' bank accounts or credit cards.

In conclusion, this bill is a win-win for obligors and employers with no adverse affect on families and we ask for a "do pass" recommendation.

I would be happy to answer any questions the committee may have.