DISCLAIMER: This document is an example from a past legislative campaign that has ended and therefore may not reflect current conditions.

Oregon Department of Justice

Oregon Child Support Program

Supporting Parents to Support Children

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Child Support Information Related to Oregon Youth Authority (OYA)

Title IV-D of the Social Security Act requires each state to have a child support program and take certain actions to assist custodial parents and state agencies in establishing parentage and establishing and enforcing child support obligations. Child support is not a "fee" *per se*—it is a parent's legal obligation to support their child. When a child is not part of an intact family, the person or agency with custody can request child support services. The services include establishing parentage, establishing a child or medical support obligation, and enforcing an order for child or medical support.

Child support cases that states are required to work under federal laws and regulations are called "IV-D cases" (for Title IV-D of the Social Security Act, which is the child support program). Costs of establishing and enforcing IV-D cases receive federal matching funds. States may choose to also work non–IV-D child support cases, which are funded entirely by state dollars (sometimes called "state-only cases").

The Oregon Department of Justice Division of Child Support (DCS) administers the state federally required Title IV-D child support program, known as the Oregon Child Support Program. The Oregon Child Support Program consists of DCS and some county district attorney offices that have contracted with DCS to provide child support services for some of their county residents. **All Oregon Youth Authority cases are handled by DCS.**

OYA FEE DATA

FEE ASSESSMENT

What were the total OYA fees assessed, collected, and outstanding in FY 16/17 and FY 18/19 (monthly amounts by fee category, race/ethnicity, gender, socioeconomic status, and county)?

While DCS does not assess "fees" for the Oregon Youth Authority (OYA), it does establish and enforce the parent's or parents' legal obligation to support their child. In Oregon, OYA cases are categorized as either IV-D (state and federally funded) or non–IV-D (funded only by state dollars). Due to federal laws and regulations, the enforcement tools and requirements are not the same on IV-D and non–IV-D cases.

During the state fiscal year (July 1–June 30), DCS collected these child support amounts on OYA cases:

OYA Collections	Total*
SFY 2016	\$1,053,379
SFY 2017	\$892,237
SFY 2018	\$872,349
SFY 2019	\$864,370
Total	\$3,682,336

^{*} Collections are not available by OYA type (IV-D and non–IV-D state-only) Additional data pending.

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What are DCS's policies and procedures for determining ability to pay fees, including, but not limited to, any notice to families, decision-making criteria, due process, and appeal rights?

DCS provides notice, decision-making information, and due process rights prior to entering a support obligation. DCS uses the best income information it has available to calculate reasonable and fair child support obligations, based on federal and state law and outlined in administrative rule. Oregon's child support guidelines are based on an income-share formula in which the incomes of both parents are considered.

The income used is based on the actual or potential gross income of a parent. The guidelines also take other expenses into account, such as the amount of time the child or children spend with each parent, childcare, medical insurance, and other children the parents are supporting. See OAR 137-050-0700-137-050-0765. This information is used to generate a *proposed* order for child support. When a child is in OYA care, each parent has a separate obligation to provide for that child. When determining the support obligation for each parent, only that parent's information is considered.

When DCS issues a proposed child support order, the parties receive copies and are entitled to due process. Parents can review the proposed order and contact DCS if any of the information used is incorrect. After the parties (parents) are served, the proposed order can be finalized 34 days after service if there is no objection. If any of the information in the proposed order must be revised, DCS will issue an *amended* proposed order, and the parties will have an additional 30 days to act. If a parent does not agree with the proposed order or amended proposed order, they may request an administrative hearing prior to finalization of the order. The hearing is held by the Office of Administrative Hearings.

Once the final order is filed in court—either an order from DCS or an order from the administrative law judge—parties have 60 days to appeal the order to the circuit court. The party appeals the administrative order by filing a request for de novo review in circuit court. See ORS 25.513.

A parent also has a right to request a review of the child support obligation every three years or upon a showing of a substantial change of circumstances. See ORS 25.527.

OYA FEE COLLECTION

What is the DCS collection process (including, but not limited to, collections actions taken, thresholds and rates for garnishing wages and tax returns, and fees for interest)?

DCS has several payment and enforcement tools available to collect child support obligations. In Oregon, most parents pay child support by payroll deduction, also known as income withholding. DCS sends an income withholding order to the parent's employer. The employer withholds the appropriate support amount from the parent's paycheck and forwards it to DCS for processing. DCS credits the parent's case and forwards the payment to the person or state agency owed the support. Employers may charge a fee of up to \$5 a month per case to the employee for this service.

Federal law requires states to have prescribed procedures to improve the effectiveness of child support enforcement. Many of those requirements are set forth in <u>42 U.S.C. 654</u> and <u>666</u>. Examples of those procedures include income withholding of support from a paying parent's wages, liens by operation of law for overdue amounts, credit reporting, and financial institution data-matching. See <u>45 CFR 303</u>, which sets forth required enforcement actions. Those actions include initiating income withholding and certifying

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past-due support for offset from state and federal tax refunds. DCS also requests restriction of passport use. Outside of the mandatory enforcement actions, staff can make case-by-case assessments to negotiate with parents and create incentives to pay.

To collect delinquent support obligations, DCS intercepts both federal tax refunds (tax offset) and other payments from the federal government payable to an obligated parent (administrative offset). See 45 CFR 303.72 and OAR 137-055-4340. The program refers qualifying debts to the Office of Child Support Enforcement (OCSE) under their Federal Offset Program. These include federal tax refund intercept, federal employee retirement benefits, travel reimbursement, contract payments, passport denial, multistate financial institution match for garnishments, and insurance match programs.

There are no federal requirements regarding garnishment thresholds. See <u>ORS 18.600 to 18.850</u> and <u>OAR 137-055-4520</u>. Currently, DCS can garnish bank accounts, lottery funds, insurance claims, sheriff sales, third-party garnishments, trusts, and estates. Each potential garnishment is evaluated using criteria to determine the appropriate use of this tool. In light of the Covid-19 pandemic, the Oregon Child Support Program increased the threshold for initiating financial institution (FIDM) garnishments. This measure was taken to mitigate the financial impact of the pandemic on paying parents and to avoid most challenges to garnishments, thus diminishing pressure on the courts.

Although Oregon law permits interest on child support arrears and Oregon child support orders include a provision for 9% simple interest per annum, DCS *does not* establish interest or accrue interest on past-due support. Interest may be added to a case balance only if a specific amount has been established separately in a judgment or order entered by a court, or when provided by another jurisdiction for their order. See OAR 137-055-5080. Most child support orders in Oregon's program, therefore, are not accruing interest.

What are the total costs to OYA and DCS of assessing and collecting OYA fees in FY 16/17 and FY 18/19, including, but not limited to, the number and cost of employees, benefits, overhead, supplies, and all other personnel and non-personnel expenses?

This table shows the cost of collecting the child support obligations for OYA.

OYA costs per year**	IV-D Eligible for IV-D federal match (costs paid with 66% fed/34% state funds)***	Non-IV-D (state-only) Ineligible for IV-D federal match (costs paid with state funds only)	Total
SFY 2016	\$475,058	\$242,418	\$717,476
SFY 2017	\$527,021	\$252,626	\$779,647
SFY 2018	\$514,935	\$252,243	\$767,178
SFY 2019	\$541,941	\$324,327	\$866,268
Total	\$2,058,955	\$1,071,614	\$3,130,569

^{**}OYA case costs based on estimated cost per case for all Oregon IV-D child support cases.

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^{***}Exact caseload information is unavailable for prior years. The OYA caseload is relatively stable, caseload is relatively stable, so the case counts from SFY 2020 were used to determine costs for all years.

FAMILIES

How many families are currently impacted by OYA fees, including those currently being assessed fees and those with outstanding fees (current snapshot by fee category, race/ethnicity, gender, socioeconomic status, and county)?

Data pending.

How many families are in collection proceedings for outstanding OYA fees, including, but not limited to, wage and tax garnishing or suspension, bank levies, or property liens (current snapshot by fee category, race/ethnicity, gender, socioeconomic status, and county)?

Data pending.

Oregon Child Support Laws

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