

Testimony in favor of HB20-1350 *The Child Support Commission's Recommendations*

Chair Singer, Vice Chair Michaelson Jenet, and the other members of the House Public Health and Human Services Committee:

On behalf of the Colorado Child Support Commission, I am writing to you to request your favorable consideration of the Commission's recommendations, incorporated in HB20-1350.

It is well-documented that COVID-19 has disproportionately affected low-income communities, who contract the virus at a higher rate than the general population and suffer the economic consequences of the stay-at-home and safer-at-home responses most severely. HB-1350 was tailored to address the economic pressures faced by low-income payors and receivers of child support.

For the receiver of child support, the bill adds some remedies such as life insurance intercept to ensure that the beneficiary of a policy must pay his or her child support from the payout. Additionally, the bill requires gig, contracted, and self-employed workers to become a reporting part of the new hire reporting system, which currently applies only to traditional employees. The addition of non-employee workers captures a large share of workers who until now evaded the requirement that their information be reported so that an income withholding order could be expeditiously placed against their income paid by their contractors. These provisions should result in more child support to those who desperately need it during the COVID-19 crisis.

For the payor of child support, the bill clarifies that if the payor earns between \$651 and \$1500 per month in Adjusted Gross Income (AGI), no more than 20% of his or her AGI can be reflected in a child support order as the monthly child support obligation. Another key provision lowers the interest rate of past-due child support from 12% compounded monthly to 10%. Colorado has the highest interest rate in the country on past-due child support (along with three other states), and it is prudent and fair, particularly in the present climate, to lower the interest on past-due child support. Studies have shown that low-income payors bear a disproportionate amount of interest owed.

Additionally, there are some clarifying technical amendments to last year's bill that would aid future judicial construction and protects payors from unintended interpretations that may end up as costly misunderstandings. These are key changes that are needed to perfect last year's legislation.

Finally, this bill does not have a fiscal note, which we know is of paramount concern in these times. Our sponsors are Representative Froelich and Senator Crowder, both of whom helped craft the bill as members of the Commission, and to whom we are indebted for their support.

Respectfully,

Jeff Ball /s/

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