



Child Support Guidelines: What's Going On?

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Brief History of State Child Support Guidelines



Before
1987

Few states had
state
guidelines.

Those that
existed, often
limited to
“AFDC” cases



1987

Child Support
Amendments of
1984 required
statewide
advisory
guidelines



1989

Family Support
Act of 1988
required
rebuttable
presumptive
guidelines



Year after
Next Review

2016 Rules
expand
requirements



Federal Requirements prior to 2016 Changes

- **Statewide child support guidelines**
 - Must have one set of guidelines to be used by all decision makers
 - Take into consideration all earnings and income of the noncustodial parent
 - Must be based on specific descriptive and numeric criteria
 - Provide for the child's health care needs
- **States must review guidelines every 4 years**
 - Analyze case data on application of & deviations from guidelines collected by a case file review
 - Consider economic data on the cost of child rearing



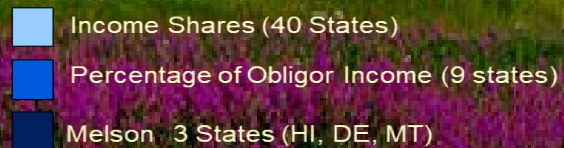
State Guidelines Models

State Guidelines Models

Legend:

- Income Shares (40 States)
- Percentage of Obligor Income (9 states)
- Melson (3 States (HI, DE, MT))

2017
WICSEC
Western Interstate Child Support Enforcement Council

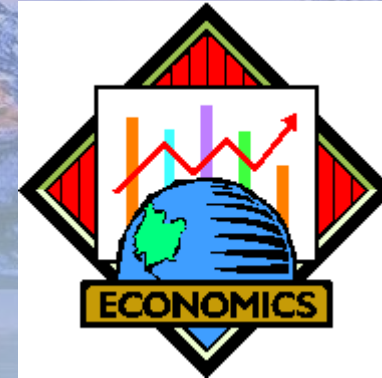


Issues with Guidelines Models

- Legal Perspective



- Economist Perspective



Economic Data underlying Guidelines

Minimum Needs

- e.g., Federal Poverty Level (FPL for 1 person = \$1,005/mo)
- Basic support amount for child in Melson formula
- Often used as a “self-support reserve for obligated parent” in income shares guidelines

“Continuity of Expenditures Studies”

- Studies of expenditures on children in intact families
- Child should share in the standard of living afforded by obligated parent
- 9 studies underlying state guidelines: vary in data years & methodology to separate child’s expenditures from total household expenditures



Self-Support Reserves (SSR)

Mechanics & Application

- SSR applies when guidelines amt > obligated parent's income – SSR
- Most SSRs based on fed. poverty level
- 37 states provide a SRR
- Several different ways to apply
 - Some states with income shares schedules don't know the schedule incorporates a SSR
 - Incorporating it in worksheet is most transparent

New Rule (Eff. 1 yr after next review)

Provide that the child support order is based ... evidence of ability to pay that:

(ii) Takes into consideration the basic subsistence needs of the noncustodial parent

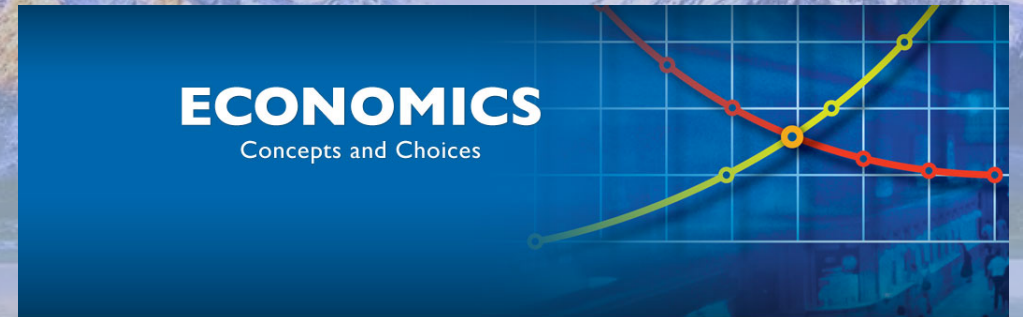


Issues with Self-Support Reserve

- Legal Perspective



- Economist Perspective



Minimum Order

- Minimum orders and SSR are often used together
 - Minimum order applies when obligated parent's income < SSR
 - \$50/month is a common minimum order
 - It is a rebuttal amount
 - Some states specify when order can be \$0
 - AZ and PA have a SSR, but no minimum order
 - AR and MS have no SSR and no minimum order
- Issues?



Parenting-Time Adjustments

According to a Pew Study, in 2010,
27% of children lived apart from their fathers
Among those living apart
51% had contact weekly or at least once a month
22% had contact a few times a year
27% had no contact

37 states provide a formula to adjust for parenting time
Common criteria
Court-ordered timesharing
Timesharing must exceed state-specific threshold
(e.g., 4 overnights per year in AZ or nearly equal
timesharing)

Issues?



Adjustments for Additional Dependents

- Data from various states finds that over 30% of obligated parents have more than one child support order
- 40 states provide an income deduction for court-ordered support orders
 - Many required the amount be “actually paid”
 - Few limit it to previous born children
- 37 states provide an income deduction for additional children with no court order
- 7 states provide formulas that are not income deductions
- Issues?



New Federal Rule

45 CFR 302.56(h) As part of the review of a State's guidelines required under paragraph (e) of this section, a State must:

(1) Consider economic data on the cost of raising children, labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders; and

New Federal Rule

(2) Analyze case data, gathered through sampling or other methods, on the application of and deviations from, the child support guidelines, as well as the rates of default and imputed child support orders and orders determined using the low-income adjustment required under paragraph (c)(1)(ii) of this section. The analysis must also include a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment required under paragraph (c)(1)(ii). The analysis of the data must be used in the State's review of the child support guidelines to ensure that deviations from the guidelines are limited and guideline amounts are appropriate based on criteria established by the State under paragraph (g); and

New Federal Rule

(3) Provide a meaningful opportunity for public input, including input from low-income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV-D of the Act.

Compliance Date

For (e), 1 year after completion of the first quadrennial review of the state's guidelines that commences after December 20, 2017. For (h), compliance date is the first quadrennial review of the guidelines commencing after the state's guidelines have initially been revised after the final review.

- Any economic or legal concerns with the new federal guideline requirements?



THANK YOU FOR YOUR TIME!

QUESTIONS?

