

2011 Guidelines Review
Child Support Guidelines Advisory Committee
Thursday, June 30, 2011, 9 AM to Noon, Siuslaw Conference Room
Capitol City Business Center, 4600 25th Ave. Ste 180, Salem, OR 97301

MINUTES

FACILITATOR: Kate Cooper Richardson

MINUTES: Susan Baker

Members in attendance: Claire Anderson, Donna Brann, Lisa Buss, Vonda Daniels, Chris Eggert, Jean Fogarty, Kelly Evans, Laurie Hart, Martin Herbest, Shelly Matthys, Carol Anne McFarland, Mike Ritchey, Linda Scher, Robin Selig, Carl Stecker, and Brenda Wilson.
Support Staff: Barb Bellek, Jeremy Gibons, Tom Hedberg, Vince Hill, Lorrin King, Julie McNeal, Melissa Park, and Concetta Schwesinger

Minutes Review and Approval

Kate Cooper Richardson

The minutes of the May 26, 2011, meeting were reviewed and adopted with minor changes.

Child Attending School Workgroup Update
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Tom Hedberg for Jack Lundeen

The potential approach mentioned last month did not play out as hoped, and the group continues to deal with the issues and spend time on separating CAS from the calculations for minors. The work group is now working with Lorrin King on creating a new model calculation. The work group had been scheduled for this afternoon. The meeting has been canceled and the workgroup will reconvene later in July.

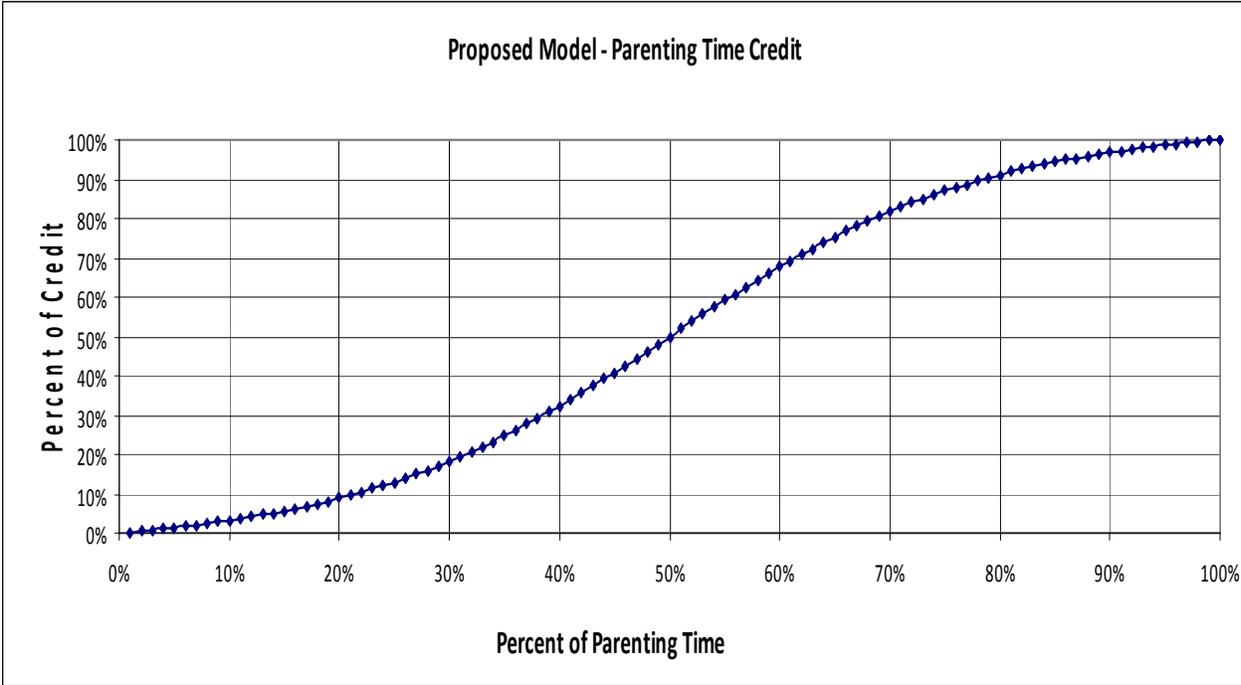
Parenting Time Credit Workgroup Report

Kelly Evans

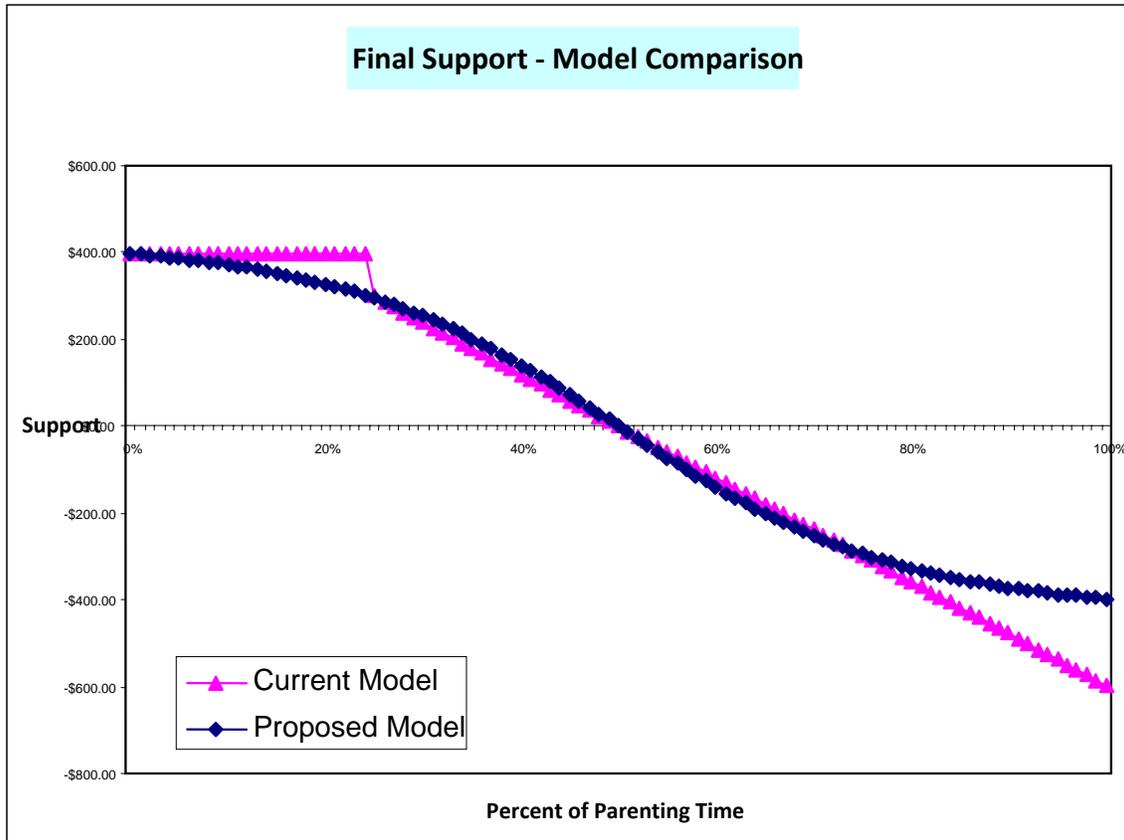
The parenting time credit workgroup had five goals, based upon the full committee's discussion:

1. Eliminate the 25% parenting time credit threshold
2. Minimize changes to mitigate impact on practitioners
3. Ensure the credit reflects actual cost sharing
4. Reduce or eliminate the "flip" (custodial parent becomes the obligor)
5. Simplify the process

Based on the full committee's initial discussion of the parenting time credit on April 28, the workgroup investigated the possibility of using a graduated curve model in place of the linear credit and threshold. Encouraged by initial modeling by DOJ fiscal analyst Joshua Sweet, the workgroup referred this issue to Professor Emeritus Bruce Gates of Willamette University, who provided the workgroup with the function that forms the basis of the curve. Professor Gates' model, built around a logistic (sigmoid) function, acknowledges two widely-accepted understandings about small amounts of shared parenting time (e.g., visitation). Visitation is often honored in the breach, and even when exercised, does not necessarily result in substantial additional costs for the visiting parent or cost mitigation for the primary custodial parent.



The proposed model begins the credit with a single overnight of parenting time, but the amount of the credit is small. At 25% parenting time (the current credit threshold), the credit amount is 13%. Above 30% parenting time, the credit rises more steeply, so that the parents are credited equal halves of the basic support obligation at 50/50 parenting time. This method eliminates the substantial bump in the support amount at 25% parenting time while otherwise adhering closely to the current credit amounts, and offers the additional benefit of replacing the current basic support multiplier, eliminating the separate multiplier step.



Description of how the workgroup addressed the four principles:

- Guidelines produce fair awards.
 - We believe the proposed formula produces fairer, more reasonable outcomes.
- The rules are understandable to families and practitioners.
 - Rule drafting is pending.
- The calculations are not complex.
 - While the formula is sophisticated, the user need not understand it once we automate it.
 - The graph will clearly convey the function.
- The outcomes are enforceable
 - Yes, and perhaps more so with fewer flip-flop obligations.

Description of how the workgroup resolved each of the parenting time issues from the guidelines issues list.

1. Custodial parent as obligor: A parent with a greater percentage share of income than percentage share of parenting time will always be the obligor where all other factors are held constant, even if that parent has the most parenting time.
 - Addressed. The flip-flop is less frequent and less severe under the proposed method.
2. Parenting time credit should only be granted if the parent receiving the credit can establish that they are actually paying expenses for the child.
 - Did not pursue. Difficult to prove and difficult to administer. Largely addressed by graduated curve; credits are less at lower levels of parenting time.

3. The parenting time credit splits the tax deduction assumptions between the parents even though only one parent can claim the deduction each year. As parenting time for the non-custodial parent increases, it benefits the custodial parent and harms the non-custodial parent.
 - Not addressed this time. Would require revising child support scale.
4. Application of parenting time to CAS is inappropriate and produces inequitable results, including no support obligation for the obligee (also addressed under child attending school issues).
 - We agree and will address this in cooperation with the child attending school workgroup.
5. In families with minimal obligor parenting time (about 25%) and significantly higher obligor income, application of the inflated basic support amount and the parenting time credit can result in a slight increase in the obligation, rather than a decrease.
 - Resolved. The proposed formula never increases the support obligation for parenting time.
6. When different children have different parenting time, the net effect can be to eliminate the parenting time credit even when there is significant parenting time for one or more children. Arguably this is an inequitable result.
 - Resolved. The proposed formula acknowledges all parenting time. There is no threshold.
7. In some scenarios, with a higher-income obligor, moving different numbers of children from obligee to obligor makes an inconsistent change in the support amount, depending on the number of children.
 - Testing continues on this issue.
8. Practitioners typically compute support based on parenting time not yet in place but anticipated as part of the current action. This is not obvious to pro se litigants. Perhaps the rule and calculator could be updated to clarify this is an appropriate practice.
 - We agree. This should be addressed in rule drafting.

Issue #4 Income	Julie McNeal / Jeremy Gibons
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The prior guidelines had seven rules dealing with income. In the current guidelines, these were combined into two. Many of the issues identified on the list point to a need to fine-tune the new rules through drafting, technical, and minor policy choices.

Issue 2 – One practitioner proposed that Social Security benefits paid for the child’s disability be included as income. The previous guidelines commentary noted that this benefit is for special needs of the child and not income, and this language was not incorporated into the 2010 guideline rules.

Issue 4 – Should the Earned Income Tax credit be treated as income?

Issue 3 and 10

A parent who must cover the children can deduct their own premium from their income. There are instances where the child’s premium is no longer reasonable. This policy was difficult to implement. Both calculators have to perform the calculation twice. It is a challenge both to use and to implement.

Issue 12 – Technical.

Issues 16 and 1 are asking if the self-support reserve is consistent with the additional child deduction? If we can find one system to reach an equitable result, it could reduce complexities.

Issues 5, 13, and 15 are the result from combining seven income rules into two. Some further refinement is probably necessary to ensure the rules satisfactorily address a full range of income scenarios.

Issue 13 – What if a skilled worker takes a job at less than what they could be earning?

Issue 15 – Unemployment benefits.

Additional issues: According to unpublished research performed by Pirog and Xu (see handout), Oregon guidelines produce the highest result nationwide for a very low-income (total \$1200) family. This results in part from minimum wage imputation. Oregon has one of the highest minimum wages in the United States. Are the other factors going on here as well? Washington has a higher minimum wage, and other states use actual minimum order amount (\$50).

Round Table

Rebuttal Analysis Update

As part of the guidelines review, we need to analyze rebuttals. The Program is gathering this information.

Work Product

As we gain access to modeling resources, we will have a better idea of the level of specificity required in the committee recommendations. Translating policy questions into worksheets and calculators will inevitably result in the need for further policy recommendations and point out areas where the different subjects intertwine.

There is no full committee meeting in July. The next meeting is August 25. Workgroups should continue to meet through July and August so we can maintain momentum.

Workgroups

The Child Attending School workgroup will not meet today.

The Miscellaneous Issues workgroup will begin meeting in July or early August.

The Income and Miscellaneous issues workgroups will meet briefly after this meeting to plan.

Child Support Program Website

We hope to add a Guidelines Advisory Committee page to oregonchildsupport.gov. It will include basic materials on the project, a membership roster, and meeting summaries.