

2011 Guidelines Review
Child Support Guidelines Advisory Committee

Thursday, November 17, 2011, 9 AM to Noon, Siuslaw Conference Room
Capitol City Business Center, 4600 25th Ave. Ste. 180, Salem, OR 97301

SUMMARY

FACILITATOR: Kate Cooper Richardson

MINUTES: Susan Baker

Members in attendance: Claire Anderson, Donna Brann, Lisa Buss, Chris Eggert, Kelly Evans, Jean Fogarty, Lori Hart, Martin Herbest, Lorrin King, Shelly Matthys, Carol Anne McFarland, Jonathan Ramberg, Mike Ritchey, Linda Scher, Concetta Schwesinger, Robin Selig, Judge Susan Tripp, and Brenda Wilson,

Support Staff: Barb Bellek, Jeremy Gibons, Tom Hedberg, Vince Hill, and Melissa Park.

Absent: Vonda Daniels, Professor Kathy Graham, Jack Lundeen, and Julie McNeal.

Guest: David Johnson, Office of Child Support Enforcement (OCSE) Region Ten.

Minutes Review and Approval	Kate Cooper Richardson
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The committee reviewed and approved the minutes of the October 27, 2011, meeting with corrections.

Kate Cooper Richardson introduced David Johnson of the federal Office of Child Support Enforcement (OCSE). David Johnson thanked the members for their hard work.

Design Workgroup Update	Mike Ritchey
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Mike Ritchey gave a brief update on the workgroup's progress. In order to proceed to testing scenarios, the workgroup must complete a preliminary worksheet design.

If we identify everything upfront that we want in the worksheet, we will know all of the items needed and can make menu-style choices for consideration at various price points.

Discuss Initial Worksheet Drafts and Issue Interactions	Jeremy Gibons
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Section 1 – Income

Added the language “by anyone” to spousal support entries for clarification.

Section 2 – Basic Support; Child Care Costs

After separating the children by age, the worksheet pulls the basic support amount from the scale and breaks it down into a pro-rated figure per child.

In previous years, the child care tax credits were deducted from the cost adjustment. The Design Workgroup recalled the earlier discussion resulting in the continued exclusion of a speculative

Earned Income Tax credit adjustment to the support obligation and recommends removing the child care tax credit. The child care tax credit, due to its primary benefit (or at least availability) to low-income parents and its nonrefundability, is even more speculative than the Earned Income Tax Credit. The workgroup decided to leave the credits out of the draft worksheets and share the proposal with the Advisory Committee. Another benefit of this approach is that it allows a substantial reduction of the complexity of the child care computation.

The Miscellaneous Issues Workgroup has recommended no longer including the state-subsidized portion of the child care benefit. Budget cuts have slashed the availability of the subsidy for most families not receiving TANF benefits, so far fewer families will be receiving these benefits. This decrease in the child care expenses charged to low-income child support obligors should result in more realistic orders and higher rates of payment.

Section 2 closes with basic support for minor children and basic support for the child attending school.

Section 3 – Medical Support

Keeping the medical support and available income (self-support reserve) lines separate on the worksheet will make both the medical support and self-support reserve section more transparent.

The draft worksheet determines the 4% reasonable cost cap for each parent and allows us to combine both parents' ability to pay in assessing whether health insurance is reasonable in cost.

Where there are compelling factors to exceed 4% of combined income for health insurance, the worksheet does not change the cash medical amount, eliminating what is now a common cause for rebuttal.

Oregon's 2011 legislature passed Senate Bill 45, which among other things allows parents at minimum wage to be ordered to provide health insurance when it is available at no cost. Assigning a zero ability to pay to low-income parents allows the worksheet to divide premiums and recurring expenses where one parent is minimum wage or less and has zero ability to pay. The consequence is that the higher income parent must bear the full burden (so long as it does not exceed that parent's reasonable-cost cap).

The Committee tentatively approved removing recurring medical expenses.

Section 4 – Apply self-support reserve

This section is new for this version. The self-support reserve calculations are consolidated in one section, clearly showing the prioritization scheme and providing a running total of available income.

The first priority is to provide support to minor children. Health insurance gets second priority, cash medical support third, and support for Children Attending School per ORS 107.108 comes last.

Section 5 – Credits

Section 5c is the parenting time computation. Section 5d captures Social Security or veterans benefits. Section 5e is the credit for health insurance premiums. Section 5g is the total of all credits.

Section 6 – Which parent owes?

While the entire draft worksheet is a work in progress, only sections 1–5 contain results that are probably accurate today; the remainder is not yet sufficiently developed.

Several issues need recommendations or other follow-up from the workgroups:

1. Should an 18-year-old child in high school be treated like a “child attending school” or like a minor child for purposes of:
 - a. Parenting time
 - b. Non-joint child deduction
2. What is the Advisory Committee’s recommendation on child care tax credits? In the meeting, it appeared there was substantial agreement that they should be removed.
3. The worksheet includes a \$141 cost cap for cash medical in lieu of health insurance that was not included in the Medical Support Workgroup’s recommendation, representing the most common cost for the state to provide medical coverage for a child on the Oregon Health Plan.
 - a. Does the committee agree with capping the cash medical amount at \$141?
 - b. If so, should the \$141 be assessed solely to the obligor or be divided pro rata between the parents?

Workgroup check ins	Tom Hedberg
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Handout: Administrative Rules – 2012 Guidelines Recommended Changes.
Handout: Guideline issues in need of further conversation, research, or modeling.

Tom Hedberg will add the issues raised in today’s meeting to this outstanding issues list.

Final Report Preparation	Kate Cooper Richardson
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Kate Cooper Richardson asked Lorrin King for an update on the status of the modeling.

A Request for Proposals was issued and several contractors submitted bids, including a vendor that has previously worked with the Department of Justice. The bids are currently in review and the Department is looking to award the contract in early December. There are a couple matters to consider: Will there be enough decisions made to start the modeling process? How many variations should the vendor model before the contract runs out?

Ms. Richardson recommended cancelling the January 5, 2012, meeting and using the time between now and the January 26, 2012, meeting for decision-making and modeling. The

workgroups could hammer out the questions and perform some modeling. If the Committee agrees to this recommendation, it will need to move the final Committee meeting to February 23, 2012.

Director Jean Fogarty relayed her expectations for the final report:

- Identify the major changes that are being recommended, and the ones the members would prioritize as having the biggest bang for the buck.
- Identify the contrary policies that may have been considered and rejected.
- Include changes considered and rejected.
- Include minority reports, if any.
- Identify dependencies for the recommendations.
- If there is a rule revision or new rule, include the proposed language.
- Include proposed commentary language.

Identifying the “must haves” will be essential. Program staff has anticipated that the full report would be from the full committee and include decisions from the workgroups. It would make the most sense to have a drafting team with representation from each workgroup.

Round Table	All
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Kate Cooper Richardson recently sent Guidelines meeting summaries to an interested parties email distribution list.

The Committee’s decision is to cancel the full meeting on January 5, 2012, and meet on January 26, 2012. The final full committee meeting will be scheduled for February 23, 2012.