

State Child Support Guidelines

Presentation to the U.S. Department of Human Services
Assistant Secretary of Planning Evaluation

Roundtable: Building the Next Generation of Child Support Policy Research

(Oct. 17, 2017)

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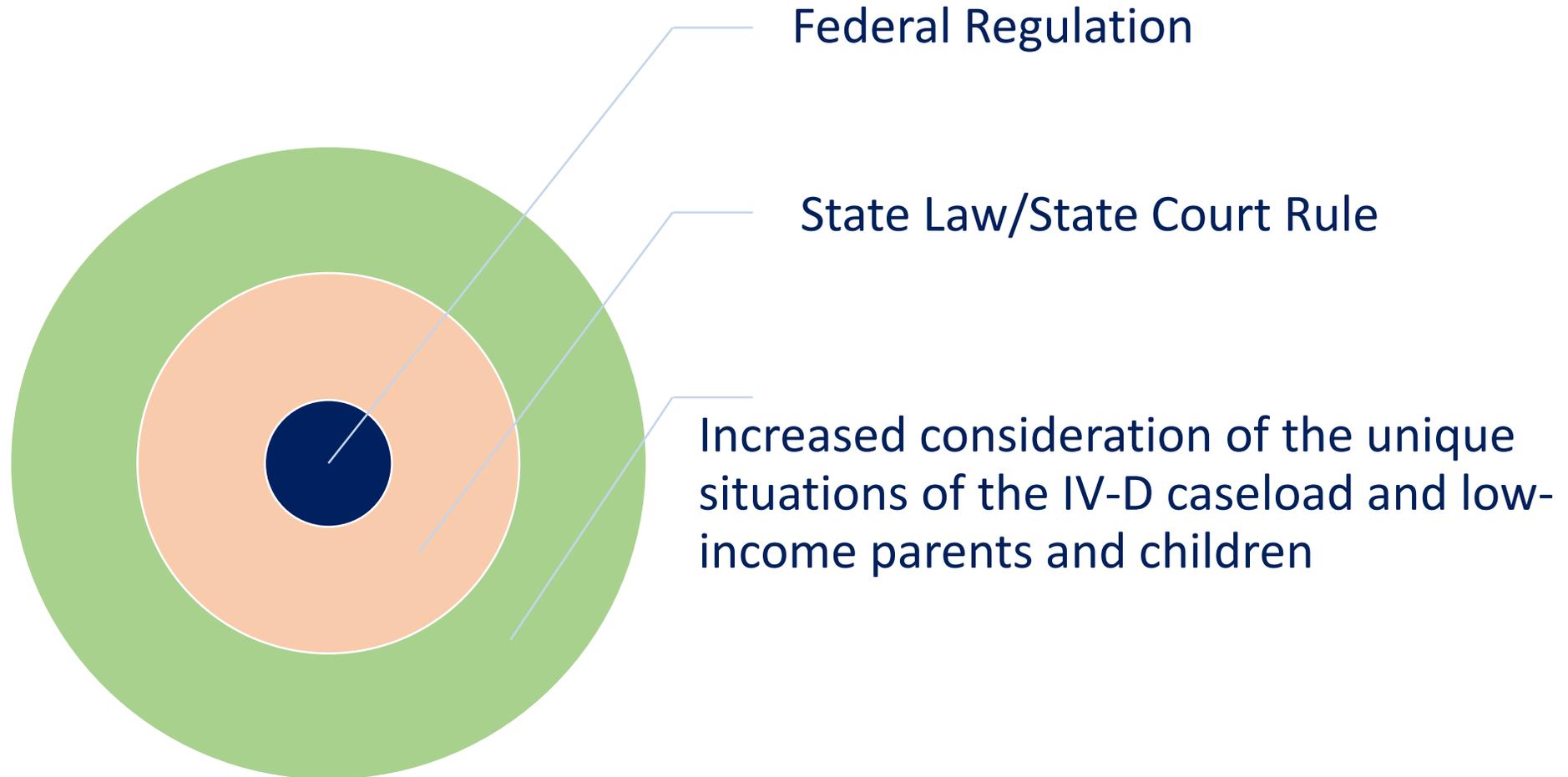
Operational Issues with Child Support Guidelines

1. What are the key considerations taken into account when setting guidelines?
2. To what extent has there been research on the relationship between guidelines & payment outcomes?
3. To what extent has there been research on flexibility in guidelines, particularly in the context of ability to pay?

Contextual Notes:

- Federal regulation requires a state to have one child support guideline that is presumptive and rebuttal
- A state's guideline must be used by all those within the state with authority to order support

What Are the Key Considerations Taken into Account when Setting Guidelines?



Federal Regulations Are a Key Consideration for State Guidelines Reviews

C.F.R. §302.56

Until Dec. 2016, federal requirements of state guidelines reviews:

- Review at least once every 4 years
- Consider economic data on the cost of raising children
- Analyze case data on deviations to ensure that they are limited

Expansion due to New Rule (eff. \approx 1 year after next review):

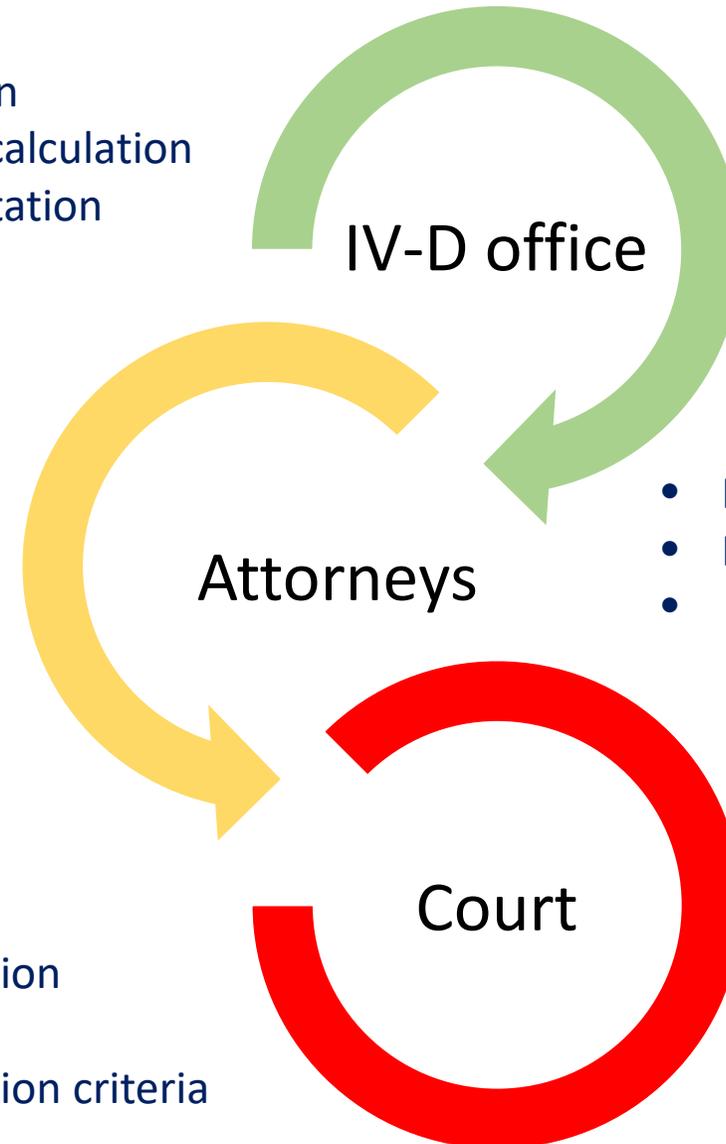
- Analyze data on default & imputation rates or use of low-income adjustment
- Analyze data on payments by case characteristics
- Ensure guidelines are appropriate based
- Offer opportunity for input from public, IV-D agency & representatives of low-income parents

Overview of Current State Guidelines Provisions for Low-Income Parents

- Most states have some sort of low-income adjustment
 - 37 states provide some sort of self-support reserve (SSR)
 - Most SSRs are presumptive
 - Some low-income adjustments are deviation criteria or discretionary
- Many states provide a minimum order
 - \$50/mo is common
 - A few states have no minimum order but provide a SSR
- Many states & jurisdictions will impute at min. wage when...
 - income information is not provided by parent or identified by agency; or
 - available information indicates < min. wage

Simplification of Typical Operational Process

- Obtains income information
- Prepares initial guidelines calculation
- Provides income documentation



- May not be part of the IV-D office
- May expect more/less from IV-D office
- Interpretation of the law

- Sets precedent
- May expect more/less income documentation
- Interpretation of the law
- Interpretation of appropriateness of deviation criteria

To What Extent Has There Been Research on the Relationship between Guidelines & Payment Outcomes?

Pre-Proposed Rulemaking

- % paid & dollar paid are lower when orders set too high relative to income
- Payments are lower when income is imputed

Post-Rulemaking

- More states considering quarterly wage data & payment data
- Mixed results on whether 20% of gross income threshold results in nonpayment

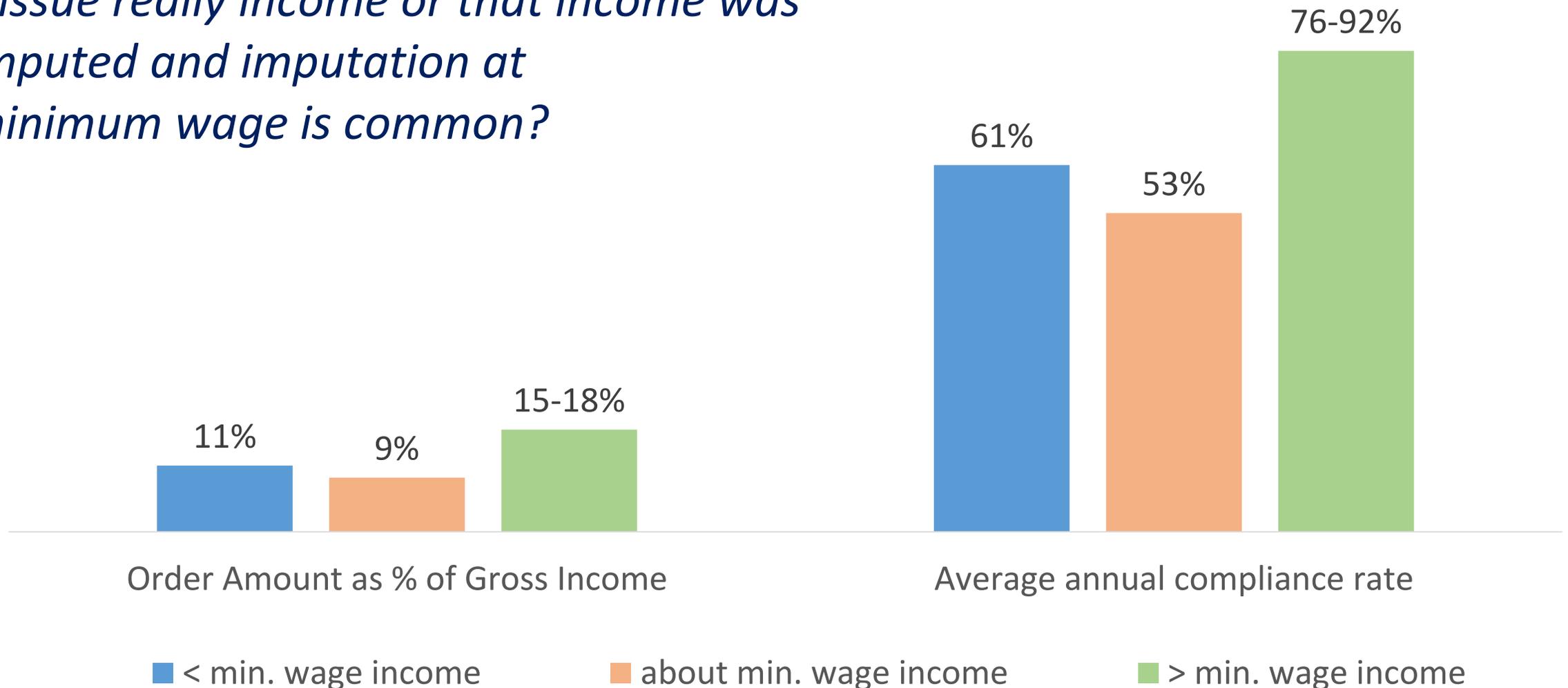
Is the issue really income imputation/non-involvement?

- Finding of inconsistent payments month-to-month

Are patterns linked to monthly inconsistencies in wage & earnings?

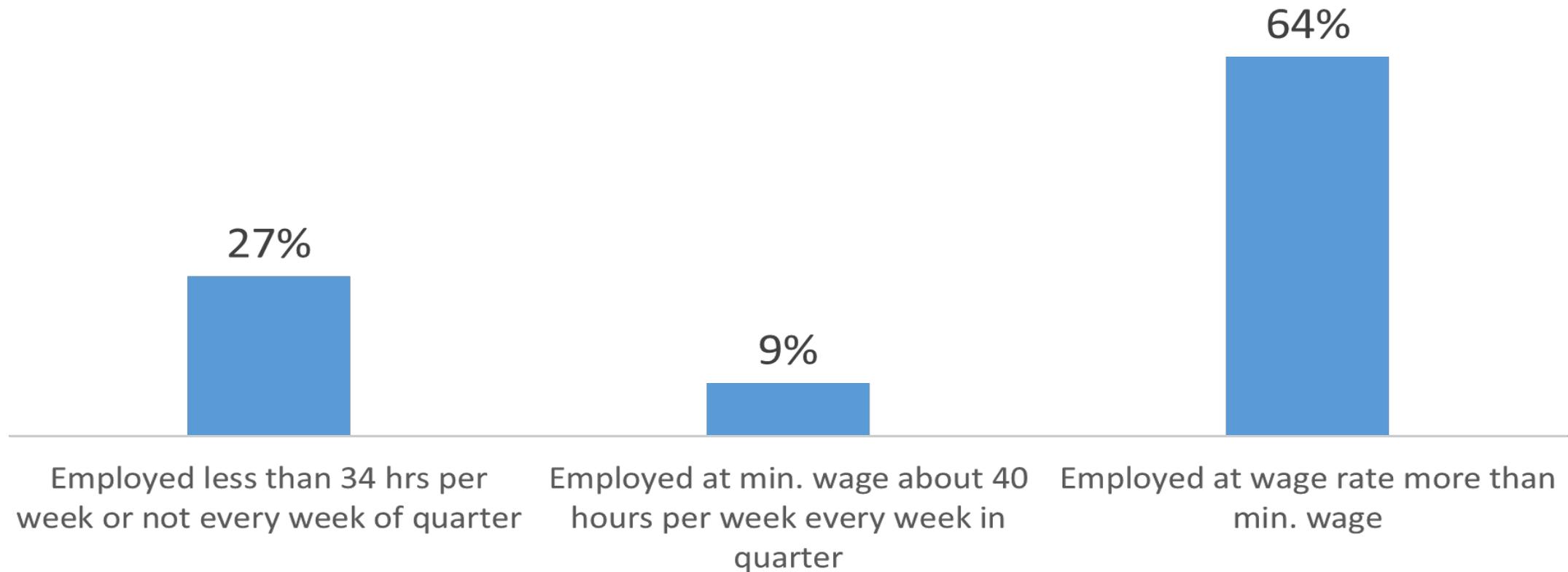
Example of Finding from PA (2016) Case File Data

Is issue really income or that income was imputed and imputation at minimum wage is common?



Preliminary Finding from New IV-D Orders from Another State

What Quarterly Wage Data Suggests about Earnings and Hours Worked among those with Quarterly Wage Data (State X)

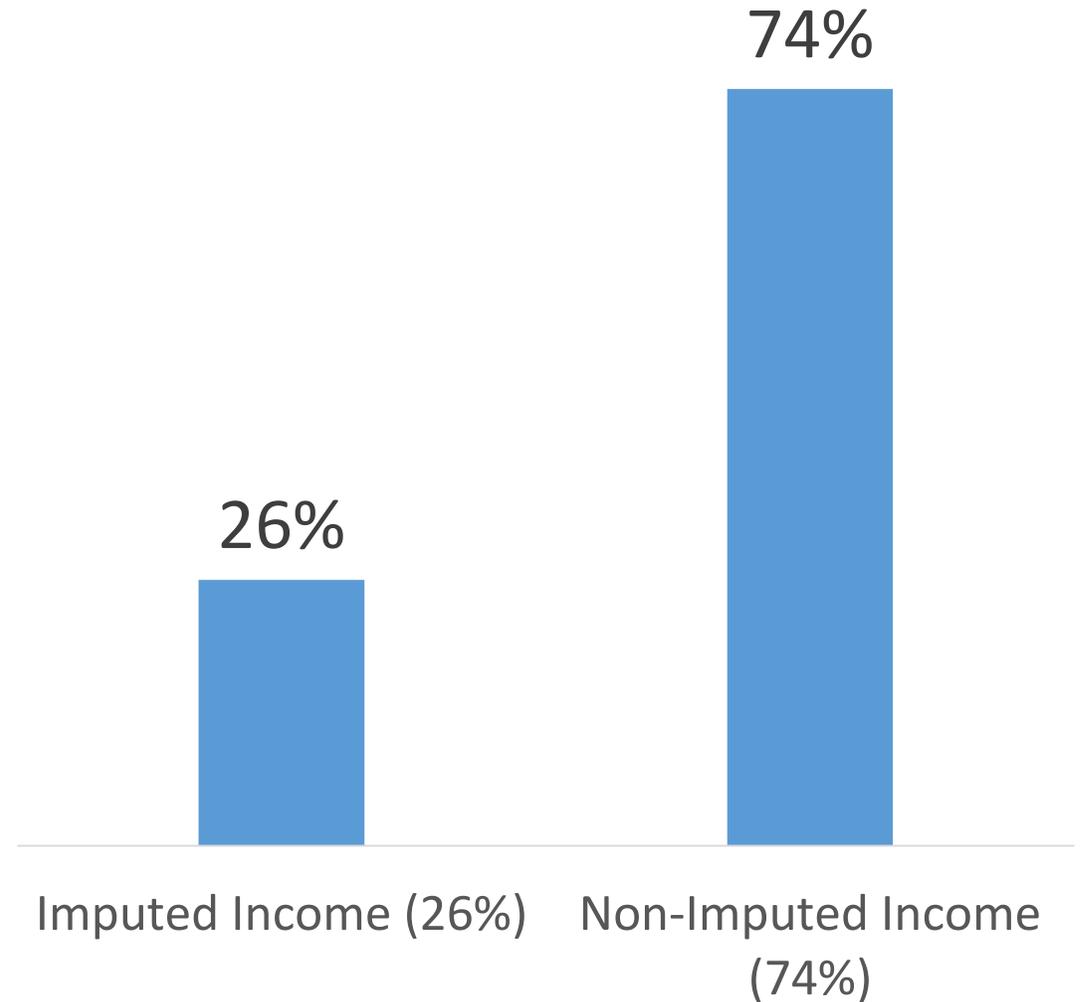


Example of Finding from MO 2016 Case File Data

Number of Months with Payments



Percent of Current Support Paid



To What Extent Has There Been Research on Flexibility of Guidelines, Particularly in Consideration of Ability to Pay?

Answer: Little with the exception of special populations (*e.g.*, incarcerated, Foster Care cases)

Why?

- Need to understand the process before descriptive research can be conducted
- Variation in the flexibility offered by the guidelines (*i.e.*, presumptive verses discretionary adjustments)
- Variation in the interpretation of the guidelines (*e.g.*, Maryland's provision referring to "voluntarily impoverished")
- Variation at different stages and people involved (*e.g.*, IV-D staff, attorneys, and judges)
- Variation within a state

Recent State-by-State Survey on Process

Jim Fleming. (2016). "Imputed Income and Default Practices: The State Directors' Survey of State Practices Prior to the 2016 Final Rule" *National Child Support Enforcement Association (NCSEA) Communique*

- Includes state practices on income imputation, default, and establishment/modification procedure (*e.g.*, start with request for appointment or legal notice)

Conclusion:

Thank you.

I look forward to our group discussion.