

HOUSE BILL REPORT

HB 1037

As Reported by House Committee On:

Judiciary
Appropriations

Title: An act relating to implementing changes to child support based on the child support schedule work group report.

Brief Description: Implementing changes to child support based on the child support schedule work group report.

Sponsors: Representatives Moeller, Ormsby and Kilduff.

Brief History:

Committee Activity:

Judiciary: 1/13/15, 1/22/15 [DPS];
Appropriations: 2/11/15, 2/25/15 [DPS(JUDI)].

Brief Summary of Substitute Bill

- Adopts a new child support economic table that does not differentiate amounts based on the children's ages.
- Establishes an adjustment of the standard child support calculation based on children not before the court.
- Amends the postsecondary educational support statute regarding standards for establishing and suspending the support amount and terms of the support payment.
- Clarifies the self-support reserve limitation on the amount of child support ordered.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Goodman, Haler, Hansen, Kirby, Muri, Orwall, Stokesbary and Walkinshaw.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Without recommendation. Signed by 1 member: Representative Klippert.

Staff: Edie Adams (786-7180).

Background:

Child Support Workgroup.

Every four years, the Division of Child Support (DCS) must convene a workgroup to review the state's child support laws. This process was established by the Legislature to comply with federal requirements that states conduct quadrennial reviews of their child support laws.

The final report of the 2011 Child Support Workgroup (Workgroup) contains recommendations regarding: (1) adopting a new economic table based on more current data developed by an economist at the request of the Workgroup; (2) adjusting child support if the parents have children not before the court; (3) adjusting child support for parents with a shared residential schedule; (4) providing more guidance on postsecondary educational support; and (5) clarifying the statute on self-support reserve.

Establishing Child Support and the Economic Table.

Child support obligations are established through the court or an administrative process with the DCS. The amount of child support is determined using the statutory child support schedule, which includes the economic table and the child support worksheets developed by the Administrative Office of the Courts. First, the judge determines the combined monthly net income (CMNI) of the parents. Second, the judge uses the economic table to determine the basic support obligation (BSO) based on the CMNI, the number of children before the court, and the ages of the children. The table has different amounts, in each income bracket, for children up to age 11 and children ages 12 to 18. Each parent's share of the BSO is determined by the parent's proportionate share of the CMNI. Next, the judge considers any adjustments to the BSO, such as medical support, day care, and other special expenses, which results in a presumptive amount of child support called the "standard calculation." The judge then has discretion to consider reasons to deviate from the standard calculation.

Deviations for Children From Other Relationships.

The judge may deviate from the standard calculation when either or both parents have children from other relationships to whom the parent owes support. Deviations for children from other relationships must be based on consideration of the total circumstances of both households. All support obligations paid, received, and owed for all children shall be disclosed and considered. Judges have used what is called the "whole family formula" to determine the amount of deviation, but the statute does not require a particular formula.

Postsecondary Educational Support.

The child support statutes are advisory for postsecondary educational (PSE) support. The judge has discretion regarding whether and for how long to award PSE support based on statutory factors. The child must enroll in an accredited school, be actively pursuing a course of study, and be in good academic standing. The PSE support must be automatically suspended during periods the child is not in compliance with those conditions. The judge may not order PSE support beyond the child's twenty-third birthday, unless there are

exceptional circumstances. The judge must direct PSE support payments to be made to the school if feasible, then to the child (if not residing with either parent), then to the child or parent (if the child is residing with a parent).

Low Income Limitations.

The child support schedule includes low income limitations that apply when a parent's net income is below, or would fall below, 125 percent of the federal poverty guideline. The references to 125 percent of the federal poverty guideline do not specify whether they are for a one-person family or more.

Summary of Substitute Bill:

Economic Table.

The economic table developed for the Workgroup is adopted. The table does not differentiate amounts based on the children's ages.

Children Not Before the Court.

The term "children from other relationships" is changed to "children not before the court." Instead of a deviation, children not before the court (CNBC) is a basis for an adjustment of the standard calculation. The court may adjust the standard calculation when the obligor has CNBC. The court must use the "whole family formula" set forth in statute to make an adjustment. Stepchildren are not considered CNBC but may be a reason for a deviation.

Adjustments for CNBC must be made based on considerations of the total circumstances of both households, including the children of the parents who do not live in the household of the parents. The court may not apply an adjustment based on CNBC if: (1) the adjustment would result in insufficient funds to meet the basic needs of the children in the receiving household and, considering the totality of the circumstances, applying the adjustment would be unjust; (2) the obligee's net income before receiving support is at or below 125 percent of the federal poverty level guidelines for the obligee's household size, including children before the court and CNBC; or (3) the obligor parent has not actually paid the support owed for the CNBC unless there is reasonable justification for the nonpayment.

Postsecondary Educational Support.

Before determining the parents' obligations for PSE support, the judge must consider all grants and scholarships awarded to the child, including work-study if an actual work-study position is available, and subtract those amounts from the total cost of PSE support to determine the unmet need for PSE support. If a parent saved separately for PSE support and paid those amounts directly to the school or the child, those amounts should be considered part of the parent's share of PSE support.

Unless the support order provides otherwise, a parent may suspend PSE support if the child fails to comply with the conditions of PSE support, and the suspension remains in effect until the child is in compliance. Either parent may file a motion in court if there is a dispute regarding compliance, unless the support order provides otherwise. When the child is living with a parent, a change in the child's living situation is a basis to change the terms of the PSE

support payment to the other parent. If the child is no longer living with either parent, both parents must make payments to the school, if feasible, or the child.

Low Income Limitations.

References to 125 percent of the federal poverty guideline in the statute establishing low income limitations are clarified to refer to 125 percent of the federal poverty guideline for a one-person family.

Substitute Bill Compared to Original Bill:

The substitute bill provides that the court may, rather than must, make an adjustment to the standard calculation when the obligor parent has CNBC. The substitute bill specifies that the whole family formula results in an adjusted basic support obligation, rather than an adjusted transfer payment.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on October 1, 2015.

Staff Summary of Public Testimony:

(In Support) The 2011 Child Support Workgroup was able to reach consensus on a number of important updates to the state child support schedule. The legislation adopts a new economic table that is much simpler. The current table goes back 30 years and no one knows the original source of the data on which it is based. We need to update the table based on more current economic data. The bill also establishes an adjustment based on CNBC and provides more guidance on postsecondary education support.

States must have a uniform set of child support guidelines and the Legislature requires a work group to be convened every four years to evaluate the guidelines. The 2011 Workgroup's goal was to streamline and simplify the process and allow for awards that are commensurate with the circumstances of the family. Even though the 2015 workgroup is convening this year, it will still be helpful to enact the consensus recommendations of the 2011 Workgroup.

There should be discretion for judges on whether to make an adjustment based on CNBC and whether to use the whole family formula. Application of the whole family formula could be unjust in some circumstances.

(Opposed) None.

Persons Testifying: Representative Moeller, prime sponsor; David Stillman and Wally McClure, Department of Health and Human Services; David Ward, Legal Voice; and Jeff Ramsdell, Superior Court Judges Association.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Judiciary be substituted therefor and the substitute bill do pass. Signed by 33 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Condotta, Dent, Dunshee, Fagan, Haler, Hansen, Hudgins, G. Hunt, S. Hunt, Jenkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Taylor, Tharinger, Van Werven and Walkinshaw.

Staff: Melissa Palmer (786-7388).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Judiciary:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on October 1, 2015.

Staff Summary of Public Testimony:

(In support) The 2011 Child Support Guidelines Workgroup, which is established in statute, developed these recommendations. These changes will simplify, streamline, and standardize the calculation of child support. Further, the changes will still allow for judicial discretion, which is critically important.

(Opposed) None.

Persons Testifying: David Stillman, Economic Services, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.