

SENATE BILL REPORT

ESHB 1916

As Passed Senate, April 13, 2019

Title: An act relating to improving the delivery of child support services to families by increasing flexibility and efficiency.

Brief Description: Improving the delivery of child support services to families by increasing flexibility and efficiency.

Sponsors: House Committee on Civil Rights & Judiciary (originally sponsored by Representatives Kilduff, Leavitt, Ortiz-Self and Ormsby; by request of Department of Social and Health Services).

Brief History: Passed House: 3/01/19, 93-1.

Committee Activity: Law & Justice: 3/25/19, 3/28/19 [DP-WM].

Ways & Means: 4/03/19, 4/05/19 [DP].

Floor Activity:

Passed Senate: 4/13/19, 45-0.

Brief Summary of Bill

- Requires the Quadrennial Child Support Work Group to consider economic and case data and perform analysis required by federal rules.
- Changes the authority of the Division of Child Support to file an action to modify or adjust a child support order.
- Increases the annual fee for support enforcement services in non-assistance cases.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Pedersen, Chair; Dhingra, Vice Chair; Padden, Ranking Member; Holy, Kuderer and Salomon.

Staff: Tim Ford (786-7423)

SENATE COMMITTEE ON WAYS & MEANS

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.

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen, Schoesler, Van De Wege, Wagoner and Warnick.

Staff: Maria Hovde (786-7474)

Background: Child Support Workgroup. Federal law requires states to have an approved child support program as a condition of receiving federal funds for various programs, including child support enforcement and Temporary Assistance for Needy Families (TANF) programs. Every four years the Division of Child Support must convene a work group 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.

2018 Legislation. In 2018 the Legislature passed SSB 6334, enacting some of the recommendations of the 2011 and 2015 child support work groups with the following changes:

- revising provisions governing a parent's obligation to provide medical support for a child under a child support order, including allowing a parent to meet the obligation by enrolling the child in public health care coverage;
- requiring an employer or other business that has received an income withholding order from the Department of Social and Health Services, for payment to the Washington State Support Registry, to remit payments through electronic funds transfer when certain conditions apply;
- authorizing the Division of Child Support (DCS) to issue a notice of noncompliance to a business, employer, or payroll processor if DCS believes the parent is not complying with support payment conditions;
- adopting a new economic table for child support obligations that no longer differentiates amounts based on the children's' ages; and
- clarifying the self-support reserve limitation on the amount of child support ordered.

New Federal Rules. Federal rules that went into effect on January 19, 2017, require as part of each state's first quadrennial review of child support guidelines following revision of its guidelines a state must:

1. Consider economic data on the cost of raising children, labor market data by occupation and skill-level for the state and local job markets, the impact of guideline 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.
2. Analyze case data on the application of and deviations from the child support guidelines, as well as the rates of default, imputed child support orders, and orders determined using the low-income adjustment. 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. 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 certain criteria.

These same federal rules address modification of support obligations of incarcerated parents. The federal rules permit states to establish an automatic review and adjustment procedure after learning a parent will be incarcerated for more than 180 calendar days. If a state does not elect an automatic review procedure, the state must provide notice within 15 business days of learning that a parent will be incarcerated for more than 180 calendar days to both parents informing them of the right to request the state to review and, if appropriate, adjust the order. The notice must specify, at a minimum, the place and manner in which the request should be made. Neither the notice nor a review is required if the state has a comparable law or rule that modifies a child support obligation upon incarceration by operation of state law.

Summary of Bill: The quadrennial child support work groups must consider the economic and case data and perform the analyses expressly required by the federal rules in conducting the review of the child support guidelines.

In cases where TANF assistance is being paid on behalf of the child, DCS may file an action to modify or adjust a child support order if the order is at least 15 percent above or below the standard calculation. It is no longer a prerequisite to such filing that the reasons for deviation are not set forth in findings.

In non-assistance cases, DCS may file an action to modify or adjust an order if the case meets DCS's review criteria, the order is at least 15 percent above or below the standard calculation, and a party to the order or another jurisdiction has requested review. The determination of whether the child support order is at least 15 percent above or below the appropriate child support amount must be based on the current income of the parties.

If incarceration of the parent obligated to pay support is the basis for the difference between the existing child support order amount and the proposed amount of support determined as a result of a review, DCS may file an action to modify or adjust a child support order even if there is no other change of circumstances and the change in support does not meet the 15 percent threshold. An administrative order of child support may be modified at any time without a showing of substantially changed circumstances if incarceration is the basis for the inconsistency between the existing child support order amount and the amount of support determined as a result of a review.

Effective October 1, 2019, the annual fee for individuals receiving child support who have never received TANF assistance is increased from \$25 to \$35, and the amount of child support that must be collected for a case to be subject to the fee is increased from \$500 to \$550.

In accordance with 2018 changes to the economic table, language governing modification based on the age of the children is stricken.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Law & Justice): PRO: This bill is about strengthening our child support system. It is a system that protect thousands of children to make sure their basic needs are met. The changes in the bill stem from federal law changes. The bill will make sure our system is fiscally sound to ensure federal funding, and to get better information to the work group. Federal law has indicated that the quadrennial review must look at economic trends and case data review. The threshold allowing the Division of Child Support to file for a modification of child support is lowered. The annual fee will be raised from \$25 to \$35 dollars.

This committee should consider an earlier bill SB 5144 addressing child support pass through. Adding SB 5144 to this bill would strengthen this bill and improve the delivery of child support services by reinstating the pass through policy that was in practice from 2008 to 2011. It has a fiscal cost but is a sound practice.

Persons Testifying (Law & Justice): PRO: Representative Christine Kilduff, Prime Sponsor; Alex Hur, Statewide Poverty Action Network; Sharon Redmond, Director, Division of Child Support.

Persons Signed In To Testify But Not Testifying (Law & Justice): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: This bill ensures we are meeting mandatory federal requirements. Per federal requirements, modifications to child support orders for incarcerated individuals are modified to allow for the change in circumstances for these individuals. The bill also reduces the threshold for department referrals for child support modifications from 25 percent to 15 percent.

Persons Testifying (Ways & Means): PRO: Sharon Redmond, Division of Child Support.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.