
Judiciary Committee

HB 1694

Title: An act relating to establishing a residential schedule adjustment for determinations of child support obligations.

Brief Description: Establishing a residential schedule adjustment for determinations of child support obligations.

Sponsors: Representatives Kirby and Goodman.

Brief Summary of Bill

- Requires the court to make an adjustment to the child support standard calculation based on a shared residential schedule under certain circumstances.
- Establishes in statute a table and formula for calculating the residential schedule adjustment.
- Allows for modification of child support in certain cases where a residential schedule adjustment becomes inaccurate due to a change in the obligor's actual residential time with the child.

Hearing Date: 1/23/14

Staff: Edie Adams (786-7180).

Background:

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 child support obligation (BCSO) based on the CMNI, the number of children before the court, and the ages of the children. Each parent's share of the BCSO is determined by the parent's

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proportionate share of the CMNI. Next, the judge considers any adjustments to the BCSO, 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 Shared Residential Time.

The judge may deviate from the standard calculation if the child spends a significant amount of time with the parent obligated to pay support. The court must consider the increased expenses to the parent making support payments as a result of the child spending significant time with that parent and the decreased expenses, if any, to the parent receiving child support payments.

The court may not deviate from the standard calculation based on shared residential time if the deviation would result in insufficient funds to the receiving parent to meet the basic needs of the child or if the child is receiving Temporary Assistance for Needy Families (TANF).

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 included a recommendation that the child support laws be amended to require an adjustment to child support, rather than a deviation, for parents with a shared residential schedule. The Workgroup recommended that this residential schedule credit should be based on the number of overnights the child spends with each parent. In addition, the Workgroup recommended that there should be a mechanism to adjust the credit when necessary and that the credit should not be granted if it would result in insufficient funds in the custodial parent's household.

Summary of Bill:

The court must make an adjustment (rather than a deviation) to the child support standard calculation for a shared residential schedule. The adjustment is required only if there is a court order or findings from an administrative law judge regarding the number of overnights the child spends with the obligor parent, and the number of overnights is equivalent to at least 14 percent of annual overnights. The adjustment must be based on a new table and formula set out in statute that consider the number of overnights the child has with the parent who is obligated to pay support and the transferred and duplicated expenses resulting from the shared residential schedule.

The court may not make an adjustment to the standard calculation based on the child's residential schedule if:

- the adjustment would result in insufficient funds to the receiving household to meet the basic needs of the child;
- the obligee's net income before receiving support is at or below 125 percent of the federal poverty guidelines for one person; or
- the child is receiving TANF.

A child support order may be modified when a residential schedule adjustment becomes inaccurate because, for at least 6 months, the residential time with the parents varies from that set out in the child support order in an amount sufficient to change the transfer payment by at least \$50 per month.

The Administrative Office of the Courts must develop a worksheet for calculating the residential schedule adjustment. To assist parties in estimating the residential credit, the DCS must, if feasible and within available resources, create a residential credit calculator available online.

Appropriation: None.

Fiscal Note: Requested on January 18, 2014.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.