Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Civil Rights & Judiciary Committee

HB 2254

Brief Description: Implementing recommendations of the 2023 child support schedule work group.

Sponsors: Representatives Walen, Reeves, Reed and Springer.

Brief Summary of Bill

- Updates the child support economic table to extend the table to income levels of \$50,000 and to raise the floor of the table to income levels of \$1,600.
- Allows parents to deduct mandatory state insurance premiums actually paid from gross monthly income, and provides that educational expenses are not included in the economic table.
- Raises the self-support reserve to 180 percent of the federal poverty guideline for a one person household, and provides that neither parent's basic support obligation owed for all of their children may reduce the parent's income below the self-support reserve.
- Establishes new provisions allowing for temporary abatement of child support when the parent required to pay support in a court-ordered mental health or substance abuse treatment program.

Hearing Date: 1/17/24

Staff: Edie Adams (786-7180).

Background:

Child support obligations are established in the context of dissolution of marriage or parentage

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proceedings through the court or an administrative process with the Department of Social and Health Services Division of Child Support (Department). The Department administers the state's child support enforcement program and provides support enforcement services to parents receiving public assistance and to non-assistance parents who request support enforcement services.

Every four years, the Department must convene a work group to review the state's child support laws, in compliance with federal requirements that states conduct quadrennial reviews of their child support laws. The final report of the 2023 Child Support Schedule Workgroup (2023 Workgroup) made the following recommendations:

- Temporarily abate and set child support at \$50 per child per month, for a maximum of 6 months, when a parent is in a court-ordered mental health or substance abuse treatment program that substantially limits the parent's ability to pay the child support obligation.
- Increase the self-support reserve from 125 percent to 180 percent of the federal poverty level in recognition of increased living costs.
- Allow a deduction from the parties' gross income for mandatory state insurance premiums actually paid, such as premiums for Paid Family Medical Leave and the Washington Cares long-term care insurance;
- Clarify the definition of "basic support obligation" to exclude educational expenses.
- Extend the economic table from the current income limit of \$12,000 per month to \$50,000 per month, and increase the floor of the economic table from income levels of \$1,000 per month to \$1,600 per month.
- Add clarifying language on the worksheet for how parties should round up income amounts.
- Clarify that neither parent's basic support obligation owed for all of their children may reduce the parent's income below the self-support reserve.

Economic Table.

The amount of child support is determined using the statutory child support schedule, which includes an economic table and the child support worksheets developed by the Administrative Office of the Courts (AOC).

The economic table is used to establish the basic support obligation for each parent, which can then be modified based on statutorily established adjustments and deviations. The basic support obligation is based on the combined monthly net income (CMNI) of the parents and the number of children before the court. Each parent's share of the basic support obligation is determined by the parent's proportionate share of the CMNI. The economic table provides basic support obligation amounts for CMNI amounts of \$1,000 up to \$12,000. For a CMNI of less than \$1,000, the support obligation is based on the resources and living expenses of each household, but the minimum support may not be less than \$50 per child per month except where imposing the \$50 minimum would be unjust considering the best interests of the child and circumstances of the parents. When the CMNI exceeds \$12,000, the court may exceed the presumptive amount of support for the CMNIs of \$12,000 upon written findings of fact.

After determining the basic support obligation based on the economic table, the judge considers adjustments to the basic support obligation for expenses that are not included in the economic table, 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.

Deductions From Gross Income.

All income and resources of each parent's household must be disclosed and considered by the court when determining the child support obligation of each parent. Certain income or resources must be disclosed but not included in a parent's gross monthly income, such as income of a new spouse, child support received from other relationships, and public assistance. A parent may deduct certain expenses from gross monthly income including: income taxes, federal insurance contributions deductions, mandatory pension plan payments, mandatory union or professional dues, and state industrial insurance premiums.

Expenses Not Included in the Economic Table.

Some child support expenses incurred by parents are specifically excluded from the economic table. These expenses must be shared by the parents in the same proportion as the basic support obligation. These include health care costs and daycare and special child rearing expenses, such as tuition and long-distance transportation costs.

Self-Support Reserve.

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 for a one-person family. This is referred to as the self-support reserve. The basic support obligation, excluding health care, daycare, and special child-rearing expenses, may not reduce the parent's net income below the self-support reserve, except for the presumptive minimum \$50 support obligation or when it would be unjust to apply the self-support reserve limitation considering the best interests of the child and circumstances of each parent.

Summary of Bill:

Economic Table.

The child support economic table is expanded to provide the basic support obligation for combined monthly net incomes up to \$50,000. In addition, the economic table is revised to start at combined monthly net income of \$1,600. For income less than \$1,600, the support obligation is based on the resources and living expenses of each household, but the minimum support may not be less than \$50 per child per month except in limited circumstances. The AOC is directed to revise the child support worksheets and instructions to clarify language regarding how parties should round up income amounts consistent with the recommendations of the 2023 Workgroup.

Deductions From Gross Income.

A parent may deduct from gross monthly income any mandatory state insurance premiums actually paid when determining the parent's net income.

Expenses Not Included in the Economic Table.

Mandatory and optional education expenses are not included in the economic table and must be shared by the parents in the same proportion as the basic support obligation. Mandatory educational expenses include, but are not limited to, tuition, books and materials, required electronic devices, and required school payments or fees. Optional educational expenses are expenses that a student incurs to fully participate in school activities including, but not limited to, sports fees, sports uniforms, band fees, band uniforms, yearbooks, driving classes, and other expenses for participation in school programs or activities.

Self-Support Reserve.

The self-support reserve is increased to 180 percent of the federal poverty level for a one-person family. When a parent's income is greater than the self-support reserve of 180 percent of the federal poverty level for a one-person household, neither parent's basic child support obligation owed for all of his or her biological or legal children may reduce that parent's income below the self-support reserve except for the presumptive minimum of \$50 per child per month. Each child is entitled to a pro rata share of the income available for support but the court only applies the pro rata share to the children in the case before the court. Before determining whether to apply this limitation, the court should consider whether it would be unjust to apply the limitation after considering the best interests of the child and the circumstances of each parent. Such circumstances may include leaving insufficient funds in the custodial parent's household to meet the basic needs of the child, comparative hardship to the affected households, assets or liabilities, and earning capacity.

Abatement of Child Support Based on Incapacitation.

Procedures are established authorizing abatement of a child support obligation based on incapacitation of the parent who is required to pay support. "Incapacitation" means the inability to pay child support due to participation in court-ordered treatment for a behavioral health disorder.

There is a presumption that an incapacitated person is unable to pay the child support obligation. A party may rebut the presumption by demonstrating that the person required to pay support has possession of, or access to, income or assets available to provide child support while incapacitated. If the court or administrative forum determines that abatement is appropriate, the child support obligation is abated to \$50 per month, regardless of the number of children covered by the order. Abatement continues until the earlier of: the last day of the month in which the person is discharged from court-ordered behavioral health treatment, or the last day of the sixth month after the effective date of the abatement order. The effective date of an abatement of child support based on incapacitation is the date on which the abatement order is entered.

After abatement of support is terminated, the support obligation of the person required to pay support is automatically reinstated at 100 percent of the support amount provided in the underlying order. Abatement of a child support obligation based on incapacitation of the person required to pay support may only be approved one time in a person's lifetime, regardless of whether the abatement lasted the full six months.

A child support order may include language providing for abatement of the child support obligation based on incapacitation of the person required to pay support. If a child support order does not include language providing for automatic abatement based on incarceration, the Department, the person required to pay support, or the payee or person entitled to receive support may commence an action to modify the order to include automatic abatement language and to abate the person's child support obligation due to incapacitation for a maximum of six months.

When a child support order contains language regarding abatement to \$50 per month per order based on incapacitation of the person required to pay support and the Department receives notice from the person required to pay support or someone acting on his or her behalf that the person may qualify for abatement, the Department must determine whether or not abatement of the person's support obligation is appropriate and must notify the parties of its determination. The notice must include specified information, including the right to object to the determination and the procedures for an administrative hearing on the determination.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill contains multiple effective dates.