

SENATE BILL REPORT

2SHB 1009

As Reported By Senate Committee On:
Human Services & Corrections, March 27, 2007
Ways & Means, April 2, 2007

Title: An act relating to establishing work groups to periodically review and update the child support schedule.

Brief Description: Establishing work groups to periodically review and update the child support schedule.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Moeller, Wallace, Linville, Wood and Dickerson).

Brief History: Passed House: 3/12/07, 98-0.

Committee Activity: Human Services & Corrections: 3/27/07 [DP-WM]
Ways & Means: 4/02/07 [DP].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

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

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Brandland, Carrell, Marr and McAuliffe.

Staff: Shani Bauer (786-7468)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Paula Moore (786-7449)

Background: The Division of Child Support (DCS), within the Department of Social and Health Services, is responsible for administering Washington's child support enforcement program. DCS provides support enforcement services to parents receiving public assistance and to those non-assistance parents who request support enforcement services.

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.

Federal law requires child support obligations to be calculated pursuant to a set of child support guidelines or formula established by the State. The formula must result in the calculation of an appropriate amount of support in the majority of cases and must be reviewed at least once every four years to ensure that its application results in the determination of appropriate child support amounts.

The formula for computing child support and the related economic table of child support amounts is found in Washington law and must be updated by the Legislature. Current state law requires that the Legislature review the child support guidelines every four years. While the Legislature has considered modifications to the child support guidelines over the years, the last major, substantive change made to the existing child support schedule and related guidelines occurred in 1991.

In 2005, the state of Washington received a letter from the Federal Office of Child Support Enforcement (OCSE) expressing concern that the state's child support guidelines had not been adequately reviewed as required by federal law. Failure to adequately review the child support guidelines could result in disapproval of Washington's child support state plan. Disapproval of the state plan would result in immediate suspension of all federal matching funds paid for DCS's program, as well as jeopardize a portion of the federal block grant for the Temporary Assistance for Needy Families program.

In response to the OCSE letter, in March of 2005, the Governor charged DCS with putting together a Child Support Guidelines Work Group (CSGWG) to examine a number of issues related to child support, including the adequacy of Washington's child support guidelines.

The CSGWG met monthly from April 2005 until December of 2005 and submitted a report to the Legislature in January of 2006. The CSGWG reached consensus on five of 12 prioritized issues for review before it. The consensus recommendations to the Legislature were as follows:

- revise the Order Summary Report to include the necessary data elements for future review of the support schedule;
- revise the mechanism for reviewing the support schedule under current law by requiring DCS to convene a work group every four years with a prescribed list of member representation;
- treat children not before the court using the Whole Family Formula;
- update the Economic Table using the mid-point between the Rothbarth-Betson and the Engle estimator; and
- raise the presumptive level for combined net income to be used when calculating the child support obligation.

The Order Summary Report is a form created in 1990 by the Administrative Office of the Court to collect data necessary for reviews of the child support schedule. Any party that seeks to establish or modify a child support order is required by law to file the Order Summary Report with the court clerk.

Summary of Second Substitute Bill: When a child support order summary report is filed with the court clerk, the court clerk must forward the form on a monthly basis to DCS. The order summary report must include data determined necessary by DCS to conduct a

quadrennial review of the child support guidelines. DCS must store and maintain all of the order summary report information and prepare a report at least every four years.

By August 1, 2007, DCS must convene a work group to examine current laws, administrative rules, and practices regarding child support to continue the work of the 2005 child support guidelines work group. Work group membership is prescribed. Issues for consideration by the workgroup are specified, including the following:

- the appropriate statistical formula that should be used as the basis for the child support guidelines;
- the appropriate upper and lower income limits for the economic table;
- whether guidelines amounts should be different for teenage children than children under the age of thirteen;
- how the federal poverty level should be incorporated into the guidelines including the amount of a self-support reserve for the paying parent;
- whether a parent should be imputed to earn minimum wage if the parent has no earnings or income information is not available;
- the minimum presumed amount of child support that should be awarded; and
- whether a parent's residential schedule with the child should affect the amount of the child support obligation.

By July 1, 2010, the Joint Legislative Audit and Review Committee must review and analyze data collected from the order summary report, the recommendations of the child support work group convened in August 1, 2007, the current child support guidelines, and other relevant research and data regarding the cost of child rearing.

Beginning in 2011, and every four years thereafter, DCS must convene a work group to review the child support guidelines and determine if the application of the guidelines result in appropriate support orders. Membership of the work group is prescribed to include legislative representation. The work group must report its findings by October 1, 2011, and every four years thereafter.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

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

Staff Summary of Public Testimony (Human Services & Corrections): PRO: A number of participants of the Governor's Task Force on this topic, convened in 2005, continue to be interested in addressing the issues that the group didn't reach consensus on. While the participants may not be the same, there is also enough interest to go forward with a regularly scheduled workgroup in the future to meet the federal requirements.

Persons Testifying (Human Services & Corrections): PRO: Representative Moeller, prime sponsor.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.