

SENATE BILL 292: CHILD SUPPORT REFORM

	Provision	Who Benefits				What it Does	Rationale	Change from Current Law
		Children	Non-custodial Parent	Low Income Parents	Custodial Parent			
	Update Child Support Schedule	x			x	Uses USDA Consumer Price Index to calculate modern child support rates	USDA accurately reflects the actual costs of raising a child and is updated annually. The real prices of goods and services have variously increased since the Schedule was last updated.	Schedule has not been updated in 18 years. Current rates based on costs in 1980s and updated in 1992
New	Parenting Time Adjustment		x	x	x	Reduces parents' financial obligation based on time spent with child. ¹	Attempts to quantify financial impact of time spent with child and the costs the non-custodial parent incurs from this.	Current law assumes custodial parent bears all the costs of raising a child
New	Self-Support Reserve		x	x		Creates test to determine if non-custodial parent able to support himself while paying child support. ²	Ensures that parent able to provide for himself and that payment of child support does not push parent below federal poverty line	Prevents further decline into poverty
	Minimum Child Support Order	x		x	x	Increases statutory minimum order from \$50 to \$80 a month. ³	Increases rate to reflect cost-of-living increases	Allows CSEAs to issue minimum order, not just the court
	Cash Medical Support	x	x	x	x	Medical support will be based on actual health insurance costs	Satisfies federal requirement and clarifies how changes in child's health insurance coverage affects child support order	Current worksheet unclear
	Local Tax & Work-related Deductions		x	x	x	Replaces these deductions with a single "extraordinary work-related expense"	Deductions seldom taken because too difficult to calculate under current law	Simplifies worksheet
	Income Credits		x	x	x	Each parent receives one-half of federal income tax exemption for each child. Credit for support based on amount of order rather than amount paid.	Incentivizes obligors to pay amount ordered and makes income credit for other children in parent's household more equitable	Clarifies tax deductions
New	Multiple Order for Same Family	x	x	x	x	If parents have multiple children together, sum of individual support orders cannot be greater than if all children under one support order.	Ensures that parent not required to pay more just because multiple orders exist	Ensures equity
	Revising Deviations	x	x	x	x	CSEAs must maintain court-ordered deviations	Clarifies, refines and expands criteria for a deviation	Gives CSEAs authority to maintain a court ordered deviation
	Imputing Income		x	x	x	Clarifies under what circumstances court and CSEA may not impute income to a parent	Adds "decreased earning capacity because of a prior felony conviction" to factors that a court should consider when imputing income	Prevents accumulation of unpayable arrearages by refining what courts may consider to be realistic & unrealistic assumptions

1 If parent spends less than 40% of time with child, 8.75% standard reduction applied.
If parent spends 40% or more of time with child, 1.65 multiplier and percentage of time applied.

2 If the parent obligor's earnings are at or below the established federal poverty level for one person (presently \$10,830) or if the obligor's income would be pushed to such a level because of support obligations.

3 After Child Support Guidelines applied, actual order can be less than \$50, even \$0.



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