

Child Support Task Force Minutes

November 29, 2017

12:00 p.m. to 6:00 p.m.

Council Chambers

11155 Robinson Drive NW Coon Rapids, MN 55433

Members Present: The following task force members were present on Wednesday, November 29, 2017:

<input checked="" type="checkbox"/> Jimmy Loyd, Chair	<input checked="" type="checkbox"/> Senator Mary Kiffmeyer	<input checked="" type="checkbox"/> Representative Laurie Pryor
<input checked="" type="checkbox"/> Melinda Hugdahl	<input checked="" type="checkbox"/> Representative Peggy Scott	<input checked="" type="checkbox"/> Lisa Kontz
<input checked="" type="checkbox"/> Jodie Metcalf	<input checked="" type="checkbox"/> Jeffrey Jorgenson	<input checked="" type="checkbox"/> Rachel Sablan
<input type="checkbox"/> Jason Smith	<input checked="" type="checkbox"/> Melissa Rossow	<input checked="" type="checkbox"/> Rahya Iliff
<input type="checkbox"/> Senator Melissa Wiklund	<input checked="" type="checkbox"/> Pamela Waggoner	<input checked="" type="checkbox"/> Mia Wilson

DHS Staff:

<input checked="" type="checkbox"/> Sonya Smith
<input checked="" type="checkbox"/> Tara Borton
<input checked="" type="checkbox"/> Julie Erickson, alternate
<input checked="" type="checkbox"/> Brynn Rhodes

Other Meeting Participants:

<input checked="" type="checkbox"/> Jessica Raymond	<input checked="" type="checkbox"/> Charlie Petersen, facilitator
<input checked="" type="checkbox"/> Jennifer Sommerfeld	<input checked="" type="checkbox"/> Jane Venohr, economist
<input checked="" type="checkbox"/> Shaneen Moore	<input checked="" type="checkbox"/> Stacy Sjogren, facilitator
<input type="checkbox"/>	<input type="checkbox"/>

Welcome:

Agenda review and introductions of the group.

Updates:

1. Takeaways from the three previous public comment meetings- The members discussed overlapping themes and effectiveness in challenging the prevailing guidelines.
2. Selection of task force chair- Jimmy Loyd, reelected and Rahya Iliff, elected.
Decision made to have co-chairs.
3. 518A.39 Modification of Orders or Decrees- Clarifying the provisions (in the statute) to be aligned with case law.
4. Legislative report-Department of Human Services (DHS) staff provided the members with a status update on the draft report and deadlines.

Review of October meeting minutes:

Minutes approved: The October meeting minutes were approved and will be posted on the Child Support Task Force website. **Completed 10/26/17**

Dr. Venohr-Versions of basic support obligations:

Dr. Venohr addressed the following:

1. Updating the child support table based on the most recent USDA study (2015 to current) cost on rearing children.
2. Three updated tables were compared
 - a. USDA measurements
 - b. Betson-Rothbarth measurements (used by most states)
 - c. Comanor study
3. Task Force moved forward with examining the USDA measurements more closely and interested in exploring ways the USDA measurements are being properly adjusted for Minnesota, and also considering a second household expense.
4. Three additional adjustments were considered to the USDA table (July briefing)
 - a. Exclude all unreimbursed out of pocket medical expenses for the child including the 1st \$250 per child per year.
 - b. Recognizing that the Minnesota child support table is based on gross income (using expenditures on intact families) there's a tax differential for the obligated parent (filing as a single tax payer) would likely have a different tax consequence than a married couple who claims the children as dependent. Tax differential –to realign the measurements too account for the fact that the obligated parent is going to have a higher tax rate once the adjustment is made.
 - c. Equivalence scale- 40% more to raise two children then it is to raise one child and less than that to raise three children. Use 1.27 for one child, 1.778 for two children and 2.027 for three.

Tax Assumptions (Gross vs Net Income)

Members of the group discussed the following options and a question was raised “was a decision made at the May meeting regarding tax assumptions gross vs. net income?” Net with tax adjustments was decided. The discussion still remains, what adjustments are applied and whether their taken up front (obvious adjustments) or on the back end (within the chart)?

1. Gross income
2. Adjusted gross income modified (gross income and what is S1 taxes to allow for a tax deduction)
3. Net with tax adjustments (current obligations that are coming out of the table and allowing an adjustment for S1 taxes)
4. Tax adjustments within the chart
5. Net paycheck

Dr. Venohr will prepare scenario calculations using the same parental income for both parties

Parenting Expense Adjustment (PEA)

Department of Human Service (DHS) staff was directed by the task force members to create language to clarify that parties who will experience a change of 20% and \$75, because of the upcoming change to the parenting expense adjustment are eligible for the statutory presumption and will have a case for modification. Members discussed this in the context of the court case Rose vs. Rose and discussed the possibility of eliminating paragraph (j) in 518A.39 subdivision

Members agreed a change was appropriate, but did not recommend final language

Upcoming Decisions

1. Modification standards due to change in law including the parenting expense adjustment (PEA)
2. Self-Support Reserve
3. Adjustments- 2nd Household, non-joint children, and adjustments for more than three children.
4. Explanation of any tax assumptions within USDA

Public Comment

Nine audience members provided public comments.

1. Tim McCusker, non-custodial parent, representing himself
2. Barbara Kaiser, grandmother, representing non-custodial parent
3. Kris Hanson, grandmother, representing non-custodial parent
4. Amy Anderson, attorney, representing herself
5. Shaun Gibson, non-custodial parent, representing himself
6. Corey Rodriguez, non-custodial parent, representing himself
7. Keena Ghazi, custodial parent, representing herself
8. Molly Olson, representing the Center for Parental Responsibility
9. Barb Shaw, custodial parent, representing herself

New Action Items

1. Dr. Venohr will prepare scenario calculations using the same parental income for both parties

Meeting Adjourned at 6:00 p.m.

Next Meeting:

Wednesday, December 20, 2017 from 9:00 a.m. -1:00 p.m. State Office Building, St. Paul, MN.