

# Child Support Task Force: Decisions Recap, Adjustments for Nonjoint Children, and Non-Nuclear Families

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# Task Force Decisions Recap

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- Guidelines Model
  - **Income Shares**, decided April 2017, confirmed September 2017
- Highly Variable Expenses
  - **Excluded from table**, decided April 2017
- Adjustments for Parenting Time
  - **Will use new PEA**, decided May 2017
- Adjustments for State Cost of Living
  - **Not necessary for MN**, decided June 2017

# Task Force Decisions Recap

- Price Levels
  - 2017 CPI levels, decided September 2017
- Economic Model
  - USDA “subject to adjustments”, decided October 2017
- Families that Spend More/Less of Their Income
  - Not an issue with USDA measurements, decided October 2017
- Adjustments for More than 3 Children
  - Dr. Venohr’s lesser multipliers/Amy Anderson’s adjustments, decided December 2017 and December 2018

# Task Force Decisions Recap

- Low Income Adjustment and Minimum Order
  - Adopt Amy Anderson's low income adjustment within the table and minimum order amounts, decided November and December 2018
- Self-Support Reserve
  - Apply to both parents, decided August 2018 and December 2018
  - SSR will be 120% FPG, decided November 2018
- Tax Assumptions and Adjustments
  - None needed since USDA measurements are based on gross income
  - Group agreed to look into *standardized* tax adjustment options in October 2017.

# Task Force Decisions Recap

- Tax Assumptions and Adjustments cont.
  - **No tax adjustment in the table**, decided December 2017, confirmed November 2018
- Adjustments at High Incomes
  - **Will extend the table to combined monthly income of \$30,000**, decided December 2018
- Adjustments for Nonjoint Children
  - **SSR will be deducted from PICS, not gross income**, decided February 2019
  - **Will not limit deduction for nonjoint children in the home at two**, decided February 2019

# Today's Decisions: Adjustments for Nonjoint Children

- If there is the deduction for all nonjoint children will be the same, shall it be calculated:
  - Using the OR & TX method?
  - Using MN's method at 50% of the guideline amount for the parent with nonjoint child(ren)?
  - Using MN's method at 75% of the guideline amount for the parent with nonjoint child(ren)?
- Should the cap for the deduction be 6 children (as this how far basic support table goes)?

# Today's Decisions: Non-Nuclear Families

- Should the guidelines continue to look only at the parents' incomes in calculating support?
  - Yes or No
- Should a deviation factor be created for out-of-home placement cases where family reunification is the goal?
  - Yes or No



# Adjustments for Nonjoint Children

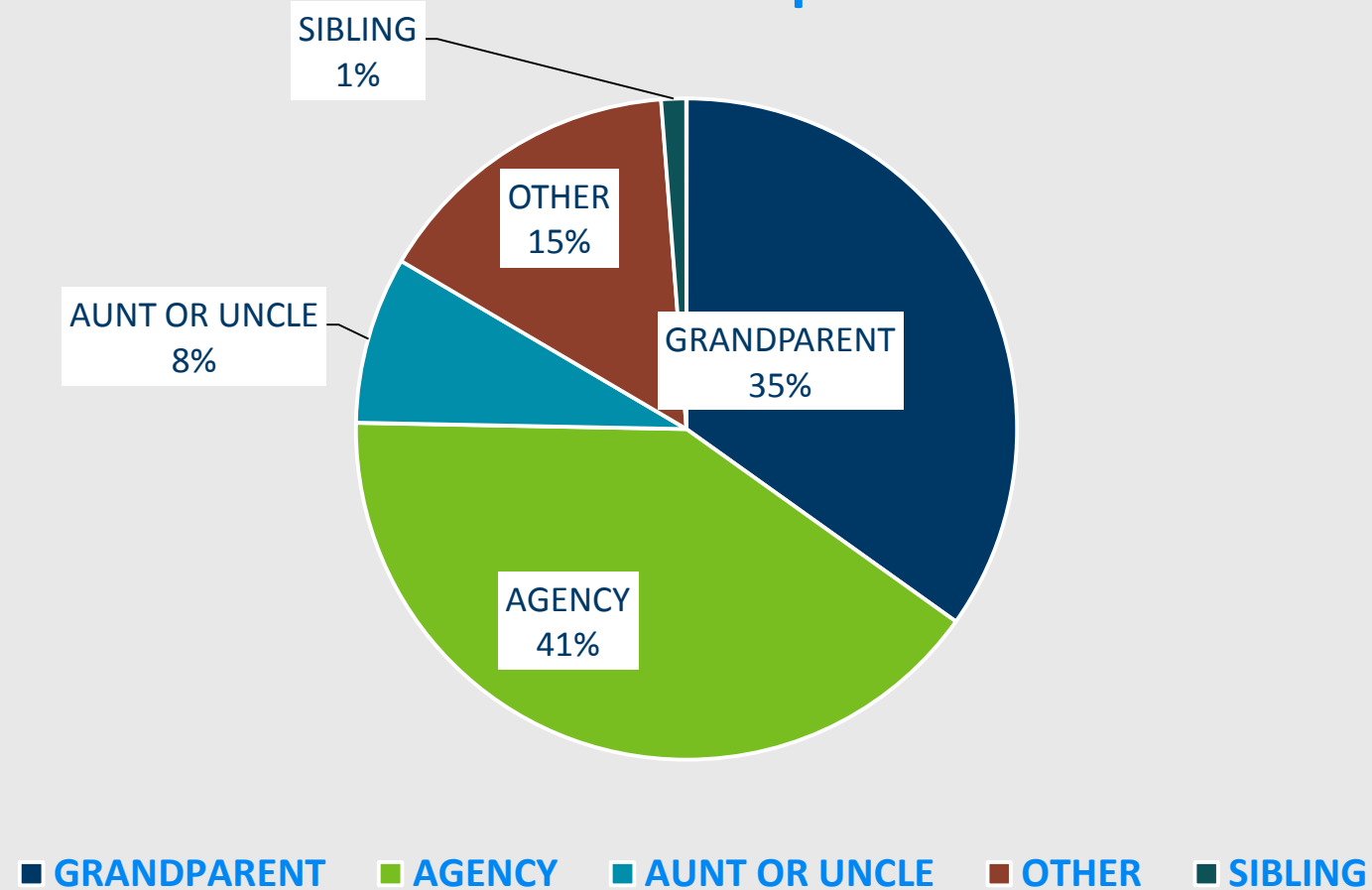
# Non-Nuclear Families

# Introduction to Non-Nuclear Families

- Minn. Stat. 518A.79 defines non-nuclear families as grandparents, relatives and foster parents who are caretakers of children
- Children living in non-nuclear families may be eligible for child support from their legal parents
- 2016 US Census data indicates that 6.9% of Minnesota children live with caretakers other than their parents, (compared to 12.2% nationwide)
- In April 2019, 12% of open cases are ones in which the children's caretaker is someone other than a parent

# Non-Nuclear Families: MN IV-D Case Data

## Caretaker to Child Relationship Other than a Parent



# Non-Nuclear Families: Calculation of Support

- Minn. Stat. 518A.35 subd. (c) governs the calculation of support when child is not in the custody of either parent
- Combined parental PICS not used to calculate basic support obligation
- Parent's individual PICS used along with the number of children on basic support table
- Caretaker's income is not considered in the calculation as caretaker does not have a legal obligation to support child
- Income Shares model based on premise that child should receive same proportion of parental income that would have been received if the family were intact
- In these cases, it is unlikely that the paying parent and the custodian of the child would have ever been an intact family

# Non-Nuclear Families: Calculation of Support Example

- Terry is an elementary school teacher and has a gross monthly income of \$4,608 per month or \$55,296 per year
- Terry has a joint child with Lee, child support was never established
- Lee dies and the child now lives with Lee's parent, Lou
- Lou is retired and living on a fixed income of \$2,000 per month
- Lou applies for child support services to establish a support obligation from Terry

# Non-Nuclear Families: Calculation of Support Example

To calculate basic support using the current table:

- Go to the table for Terry's income (\$4,608) for one child
- Guidelines support amount is \$808
- If Terry had court-ordered parenting time, the amount would be adjusted using the Parenting Expense Adjustment

# Non-Nuclear Families: Calculation of Support Example

To calculate basic support using the new table:

- Go to the table for Terry's income (\$4,608) for one child
- Guidelines support amount is \$743
- If Terry had court-ordered parenting time, the amount would be adjusted using the Parenting Expense Adjustment



# Non-Nuclear Families: Should the Caretaker's Income be Considered?

- In our example (and pursuant to current MN law), Lou's income of \$2,000 per month was not considered in calculating the support obligation
- Rationale is likely because the underlying premise of income shares (simulating the amount of income that the child would have if the parents were still together) is not applicable
- Are there circumstances that warrant the consideration of the caretaker's income?
- If so, how would this operate—deviation factor, new method of calculating support in these cases?

# Non-Nuclear Families: Should the Caretaker's Income be Considered?

## Advantage:

- More accurate depiction of income available for care of children
- May reduce the obligation(s) owed by parent(s)

## Disadvantage:

- Not supported by the underlying premise of income shares
- Caretaker does not have legal duty to support children
- May reduce support for care of the children

# Non-Nuclear Families: Redirection of Support

- Earlier slides focused on establishing support when child is with caretaker who is not a parent
- Minnesota law also allows the administrative redirection of an existing support order to a caretaker or entity when:
  - There is a voluntary placement of the child in foster care;
  - There is a court-ordered placement of the child in foster care; or
  - The caretaker is receiving public assistance.

# Non-Nuclear Families: Redirection of Support Example

- Terry owes a court-ordered support obligation to Alex for their joint child in the amount of \$593 per month
- The joint child is placed via court order in foster care
- Terry's obligation of \$593 per month could be administratively redirected from Alex to the foster care agency

# Non-Nuclear Families: More on Foster Care/Out of Home Placement

- Minn. Stat. 260B.331 governs the provision pertaining to financial support of foster children
- Court shall order that the parents or custodian of a child use the total income and resources attributable to the child (including child support) to reimburse the county for cost of care
- Recent study examined cost-effectiveness of child support in MN out of home cases and found that the cost of enforcing these case was almost twice the amount actually collected
- Study also focused on how collecting child support or redirecting it from these family exacerbates underlying issues and challenges relating to family reunification

# Non-Nuclear Families: Other States' Approaches to Foster Care/Out of Home Placement

- Six states provide for guidelines deviations for foster care cases
  - Minnesota prohibits downward deviation when the support is assigned to the public authority, unless the court finds that the failure to do so would impose an extreme hardship on the obligor
  - Nebraska and New Jersey have deviation reasons that allow for a deviation when a child is in foster care
  - Georgia, Oklahoma and Tennessee have similar deviation language that specifically addresses deviations when parents are trying to comply with permanency plans and the goal of reunification

# Non-Nuclear Families: GA, OK and TN Deviation Language

- “The court may consider a deviation from the presumptive child support order if the deviation will assist in accomplishing a permanency plan or foster care plan for the child that has a goal of returning the child to the parent, and the parent’s need to establish an adequate household or to otherwise adequately prepare herself or himself for the return of the child clearly justifies a deviation for this purpose.”

# Non-Nuclear Families: Deviation Factor in Cases Where Goal is Reunification?

Dr. Venohr's brief on non-nuclear and multiple families states that the task force should consider recommending that there be a deviation factor in foster care cases where family reunification is the goal.

## Advantage:

- Provide relief for families involved in out-of-home placement cases

## Disadvantage:

- Reduces reimbursement for cost of care for the children



# Questions?

# Thank You!

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