

Child Support Task Force Minutes

May 29, 2019

9:00 a.m. to 1:00 p.m.

180 State Office Building

100 Rev. Dr. Martin Luther King Jr. Blvd., Saint Paul, MN 55155

Members Present: The following task force members were present on Wednesday, May 29, 2019:

<input checked="" type="checkbox"/> Beth Assell	<input type="checkbox"/> Shaneen Moore	<input checked="" type="checkbox"/> Rep. Peggy Scott
<input checked="" type="checkbox"/> Rahya Iliff, Chair	<input checked="" type="checkbox"/> Rep. Laurie Pryor	<input checked="" type="checkbox"/> Jason Smith
<input type="checkbox"/> Sen. Mary Kiffmeyer	<input checked="" type="checkbox"/> Melissa Rossow	<input checked="" type="checkbox"/> Victoria Taylor
<input checked="" type="checkbox"/> Lisa Kontz	<input checked="" type="checkbox"/> Joseph Russell	<input checked="" type="checkbox"/> Sen. Melissa Wiklund
<input type="checkbox"/> Jodie Metcalf	<input checked="" type="checkbox"/> Rachel Sablan, by phone	<input type="checkbox"/> Mia Wilson

DHS Staff:

<input checked="" type="checkbox"/> Tara Borton
<input checked="" type="checkbox"/> Julie Erickson

Other Meeting Participants:

<input checked="" type="checkbox"/> Jessica Raymond	<input checked="" type="checkbox"/> Stacy Sjogren, facilitator
	<input checked="" type="checkbox"/> Dr. Jane Venohr, economist, by phone

Welcome, Announcements and Meeting Objectives

Agenda review and introductions of the group.

Review and approval of April Meeting Minutes

Minutes approved: One member, noting a comment from the public in the minutes, stated that the time for public comment should be increased. The chair confirmed that public comment will be increased from three to five minutes for this meeting as well as the next meeting. The April meeting minutes were approved and will be posted on the Child Support Task Force website.

Reminder of Task Force Purpose and Decisions to Date

Jessica went over a recap of the task force's decisions surrounding the update of the basic support table and issues relating to multiple families and non-nuclear families.

Update from 5/17/19 Presentation to CECLC

Jessica gave update from the presentation she gave to the Cultural and Ethnic Communities Leadership Council, at its May 17th meeting. The presentation provided a brief introduction to the task force and its recommendations on updating the child support guidelines. CECLC expressed interest in reading the task force's 2019 report, Jessica will share it with the council as soon as it is finalized.

Presentation on Low-Income Adjustment Issue, Discussion with Dr. Venohr and Decisions

Dr. Venohr appeared via phone to discuss the issue that she identified in the new basic support table at incomes of \$6,000 and below. While developing the calculator tool for the new table, Dr. Venohr noted that when the obligor's income is \$6,000 or less, there are instances when the support obligation increases when the obligee's income increases. The task force discussed this phenomenon as well as Dr. Venohr's proposed solution of adopting a "shaded area approach", wherein when the obligor's income falls within the shaded area of the table (\$6,000 or less), two child support calculations are done, (one using both parent's incomes and one using only the obligor's income), and the lesser amount would be the presumptive support obligation. Dr. Venohr clarified

that the issue is due to a mathematic mechanism within the low-income adjustment, not due to the use of the income-shares model. Dr. Venohr also stated that this would be easy to program the child support calculator to run both calculations.

Task force members asked how the parenting expense adjustment would work with the shaded area approach. Dr. Venohr stated that it would be less complex to apply only one of the adjustments for cases in which both the low-income adjustment and the parenting expense adjustment apply. However, Dr. Venohr also stated that given the time and effort spent in developing the new parenting expense adjustment, the task force should look at some examples and then evaluate if they are comfortable with the results. Jessica will run some scenarios for the task force's review at the next meeting.

The task force also discussed concerns about the shaded area approach, particularly how it would interact with cases where the receiving parent's income is imputed. The task force invited Amy Anderson to discuss the low-income adjustment she developed. Amy Anderson confirmed that the low-income adjustment was designed with both parents' incomes in mind, and also that the amounts were developed to take in account instances when the receiving parent is on public assistance and presumed to have \$0 income in the calculation. Amy confirmed that at certain points in the table, support goes up when the receiving parent is not on public assistance, but this is by design since it is assumed that they are not receiving public assistance in their household and are in need of more support. Amy Anderson also pointed out that overall the low-income adjustment results in lower, more manageable support amounts than the current table for low-income obligors.

Amy Anderson suggested that the shaded area approach could be used, not in calculating the basic support obligation calculation as proposed, but in calculating medical and child care support obligations for low-income obligors. Amy will look into this further and will present at the next meeting.

The task force was not ready to vote on whether the shaded area approach will be adopted. The conversation will continue at the next meeting on June 12th.

Presentation on Non-Nuclear Families, Discussion and Decisions

Jessica gave presentation on non-nuclear families. The first issued focused on three ways in which Minnesota could calculate support when the child is residing with a non-parent caretaker. The three methods compared and contrasted were:

- Minnesota's current method of 100% of the guideline amount for each parent's individual PICS; Tennessee's method, which uses the parents' combined PICS
- Minnesota's current method, but decreased to 75% of the guideline amount for each parent's individual PICS

After running a variety of scenarios for families at differing income levels and number of children, some trends emerged. Compared with MN's current method, TN's method, (using the parents' combined income), resulted in higher support obligations for families at low-incomes and then tapered downward as income increase. The method using 75% of the guideline amount resulted in a similar slope to the current method, but support amounts were decreased across the board for all cases. The task force was not ready to select a particular method to calculate support when children are with a non-parent caretaker, but they did discuss their concerns about possibly changing the current method of calculation at length. Some members expressed concern about the impact upon the receipt of child support upon foster care payments and public assistance grants for relative caretakers. It was confirmed that the child support would not affect foster care payments, but it would potentially decrease the grant for relative caretakers who are not licensed foster care parents.

Jessica continued presentation on non-nuclear families and discussed the administrative redirection of support as well as the collection of child support in out-of-home placement cases. Jessica highlighted that Dr. Venohr

suggested that the task force consider recommending the creation of a deviation factor for out-of-home placement cases where family reunification is the goal. The task force discussed the fact that such a deviation would potentially lessen the burden for families involved in out-of-home placement cases. The task force also was informed that a recent study showed that the cost of enforcing child support orders in out-of-home placements is more than the amount collected. The task force ultimately voted in favor of the creation of a deviation factor for these cases.

Decision: A deviation factor should be created for out-of-home placement cases where family reunification is the goal.

The task force also discussed the possibility of creating an additional deviation factor for cases where the child is residing with a nonparent caretaker, who is not a licensed foster care parent, as this would allow the court to take into account the needs unique to these families, (allowing either a downward or upward deviation as needed on a case-by-case basis). This will be discussed more at the next meeting when the task force continues to examine how support should be calculated for non-parent caretaker cases.

Review of First Draft of Task Force Report

Jessica gave a brief overview of the DHS report process and stated that after the task force approves the final version of the report, it will be edited internally and then sent to the both Assistant Commissioner of Child and Families Services and the Commissioner of DHS for approval. Once approved, the report will be sent to the MN Legislative Reference Library and posted on the website.

The task force shared feedback with Jessica about the first draft of the report, particularly the last recommendation about creating an advisory body to continue the work of the task force. One member suggested that the guidelines commissions of other states be reviewed to further develop the recommendation. Jessica will research this, especially the Georgia Child Support Commission, and share the information with the group at the next meeting. Finally, one of the members stated that she will likely be drafting a minority report.

Tara presented the task force with a number of legislative proposals that may be included in any future guidelines reform sponsored by DHS along with the recommendations of the task force. Proposals include:

- No imputation of income for recipients of GA and SSI
- Minimum order not to apply to obligors on MFIP
- Ability to pay factors and deviation
- Clarification of modification criteria
- RSDI derivative benefit lump sums
- Exclusion of arrears payments from income

Wrap Up and Look Ahead

Jessica will provide the second draft of the task force report prior to the June 12th meeting. The task force confirmed that the last meeting on June 26th will be from 11:00am to 1:00pm.

Public Comment

1. Diane

- Obligor's income of \$6,000 and lower will result in higher obligations as obligee's income increases
- Current table at low incomes was adjusted and not based on USDA
- No USDA data on incomes of \$30,000 per month
- Report has incomplete sentences and improperly used words
- Would like the public to be able to comment on report before it is finalized

2. Michael

- USDA model is based on self-reporting, is not data
- Would like data on how child support payments are applied to the welfare expenditures
- Advisory board should be composed of citizens and not administered by DHS
- Would study of need and effectiveness of child support program, including a forensic audit
- Minority report should be published with task force report
- Concern that administrative redirection of support violates original court order
- Child support program is not cost-effective

New Action Items

1. DHS staff along with Dr. Venohr will run more numbers on the interaction of the low-income adjustment and the parenting expense adjustment for the next meeting.
2. Amy Anderson will look into the option of using the shaded area approach in the calculation of medical and child care support, and present at the next meeting.
3. Jessica will research other states' Guidelines Commissions for the next meeting. She will also send out a second draft of the report.

Meeting Adjourned at 1:00 p.m.

Next Meeting

Wednesday, June 12, 2019

9:00 a.m. - 1:00 p.m.

Room 500S of the State Office Building, St. Paul, MN