

2011 Child Support Schedule Workgroup  
Economic Table Subcommittee  
Teleconference Notes  
March 8, 2011

The teleconference began at 3:30PM. Participants were: Jim Cox, Subcommittee Chair; Kathleen Schmidt; Janet Skreen; Tim Eastman; Kathy Lynn; Ed Pesik; and two members of the public.

Jim asked that the first order of business was to move the meeting times of future teleconferences to 4:30-6:00PM. All Subcommittee members agreed.

Kathleen noted that the prior Economic Table Subcommittee from the 2007 Workgroup tried to do all the legwork in collecting information. They talked through issues until consensus was reached, if possible. Sometimes the 2007 Subcommittee made a presentation to the full Workgroup if consensus within the Subcommittee could not be reached.

Jim noted that a lot of information was presented in the March 4, 2011, full Workgroup teleconference. It was suggested it might be better to have only one or two outside reports to review, such as the concise New Hampshire study. A request was made to have sufficient time to go through all of the information provided.

Ed suggested that rather than inventing the wheel, the Subcommittee could determine how far the 2007 Subcommittee got regarding the Economic Table, and go from there. A starting point would be to combine Columns A&B, and lower the overall rate by 5%, by a mechanism of average and weighting, since the legislature failed to do that.

Kathleen voiced concern with that approach, noting that the Subcommittee should not shy away from the entire task of reviewing and revising if necessary the Economic Table. The 2007 Subcommittee spent time in evaluating the cost of child rearing, which is part of the federal mandate to review child support in relation to the cost of child rearing. It would be a mistake to not address all of the issues involved. Members can look at changing the model, but shared income has been in place a long time. The 5% was for extraordinary medical expenses. Consensus was to stop defining them as extraordinary; the 5% reduction was not discussed within the Subcommittee. There was difficulty in defining ordinary and extraordinary expenses. It might be better to go back to the full Workgroup with the pros and cons of each of the three approaches. Last time there was agreement that it *should* be changed, but not *how* to change it. It was also noted that the Spring and Krabill recommendations were not adopted last time, and it is important to remember it is those authors' opinions, only.

Jim noted that last time, 10 approaches were whittled down to 3, and none was adopted.

Kathy said her understanding was that we are to try to come up with recommendations to present to the Workgroup, including previous options, whittle down the choices, with supporting reasons. She asked if we are to come up with only new ideas.

Jim noted we are to become quasi-experts and present our ideas to the Workgroup. Whether we are going to revisit the basis of the table is tied to the three major approaches – two of them use proxy and correlation as opposed to the remaining direct approach.

Kathleen asked if we are thinking now we want to change from the income shares approach.

Jim asked in return what other choices there are.

Kathleen said either a percentage of income; a few states use the Melson approach; or some variation of the shared income approach. If there is an unresolved issue we need to inform the Workgroup as a whole. She asked if we are prepared to do the legwork necessary to change the basic model in use now. There are three basic questions: Will child support increase? Will child support decrease? Will child support remain at the same level?

Jim asked if we can prepare on the three basic models.

Kathleen replied that the New Hampshire report has a good description of the three models. She opined it seems fairer to use income shares with different incomes. She suggested running all three methods with low, moderate and high incomes to see what the results are.

Jim responded it seems like a reasonable starting point.

Kathleen agreed to send out links to some report that referred to the New Hampshire study, as some may have had updates since the 2007 Workgroup.

Jim said the first order of business after running the numbers should be to see if we can decide on whether to continue to use shared income, percentage, or the Melson approach.

Kathleen said she would send the legislative bill with Betson's numbers. New Hampshire decided to go with Rothbarth/Betson. At this time states have relied on studies already done and then decided where philosophically they wanted to be.

Kathy said the New Hampshire report said that the standard of living is reduced after divorce but that kids should have the same standard as when the parents were together.

A member of the public noted that the current scheme of obligor/obligee doesn't take into consideration if the noncustodial parent is the lower-income earning parent. In California, if the noncustodial parent is the poorer parent, the custodial parent makes payment to him/her. He also noted that Betson has been discredited.

Kathleen asked which state has discredited Betson's work.

Another member of the public offered to get that information. He noted that Spring and Krabill also said that Betson has been discredited. Betson uses adult clothing and food as earmarks of the cost of raising children. He noted that of the 150,000 samples he gathered, he got rid of 140,000 of them because they didn't fit his model. He noted there is a lot of information about this on the Web.

Kathleen noted that if Spring and Krabill disagree with Betson, it is their personal disagreement. It is overstating to say that Betson was discredited. She asked that members keep in mind the source of disagreement and the number of states that have relied on his data, and that she would like the specific state that disagreed.

Kathy said she was looking for more than one person's opinion and couldn't find it.

A member of the public said the verification is in Spring's materials and that he will look for it.

Kathy noted that the issue of how the noncustodial parent gets paid by the custodial parent is addressed by shared parenting and residential credits.

Jim noted that the larger question regarding Betson is that a proxy is used and that he isn't sure we'll find a study that discredits it. He asked that we delay that issue and start with determining which approach of the three to use.

Kathleen asked for specific tasks to be assigned.

Jim said we need copies of the references in the New Hampshire report and other pertinent, interesting studies.

Tim asked if we can look at calculations of true child rearing costs – studies look at it costs to raise the child when mom and dad are together; we should look at only what it costs when they are apart. Using the parents together standard punishes parents by using the standard of a 2-parent household.

Kathy said that would be a policy change in Washington, because the policy is maintaining the standard of living in one household. If we want to go in the other direction, we need to change the policy in Washington behind the table.

Tim asked how we could accomplish that. He said we punish parents now for getting a divorce, and he wants to change that.

Kathy asked whether we should first decide this issue.

Jim noted there is lots of data on intact families and asked if there is any on separated families. Maybe we should research whether other states have a different policy regarding the same standard of living or a different standard apart.

Kathleen suggested we get to that in conjunction with the decision to use shared income, percentage or Melson.

A member of the public pointed out that the RCW says it is to provide for basic needs.

Kathleen noted that case law looks at the entire section of the RCW and at policy.

Jim asked whether this is an issue with only upper income families.

Kathleen said yes, especially when the Economic Table stopped at \$5,000. Now that the table has been extended, fewer cases are focusing on it. The extrapolated method does not mean that more income dictates that more is spent on kids.

A member of the public noted that the standard of living is raised with alimony, and questioned whether the noncustodial parent is getting hit twice, with child support and alimony.

Jim said part of the problem is that there is no accounting for how child support is spent. The legislative language regarding commensurate standard of living is vague.

Kathy noted if we suggest a table that has a ceiling on the amount of support at \$750 (like the one from the materials provided for the last conference call), this will come into play at lower income levels.

Jim concluded that these issues pop up at the high end, and lots of cases exist at the other end. We need to examine the idea of what to base the tables on. He will put together a reading list for the next meeting and will assign specific readings for each Subcommittee member.