

2011 Child Support Schedule Workgroup
Economic Table Subcommittee
Notes from March 22, 2011 Conference Call

Subcommittee Members Participating: Jim Cox, Kathleen Schmidt, Janet Skreen, Kathy Lynn, and Tim Eastman; DCS Staff Nancy Koptur

Members of the Public: Greg Howe and Paul Spencer

Established Criteria for Evaluating Economic Table Basis Participating members reached consensus on the following, suggested by Jim, as the criteria for evaluating the basis of the economic table:

1. Apparent Fairness
2. Reasonableness in Accounting and Computation
3. Completeness
4. Best Interest of the Children

Discussion points on the criteria included:

Kathleen: State statute and federal guidelines include consistent outcomes for similar situations. She posited whether “fair” means making the best out of a bad situation and trying to land somewhere in the middle of good and bad, depending on the view of the party.

Kathy: Suggested that fairness is predictability and consistency.

Janet: Suggested that reasonableness include ease of calculation of the support obligations.

Jim: Agreed that fairness encompasses predictability and consistency, and that reasonableness does include reasonable easiness – that it shouldn’t be harder than filling out a tax return.

Selection of Income Shares as Basis for Economic Table Participating members discussed the relative merits of the four possible bases for the economic table – income shares, percentage of obligor’s income, the Melson method, and cost shares. Unanimous agreement was reached that none of the bases appears to be superior to the income shares method and that Washington should retain the income shares method as the basis for the economic table.

Discussion points on the choice of income shares (IS) included:

Jim: IS includes both parties’ income, which is fair. If you can do taxes, you can do IS, which meets the reasonableness criterion. Cost shares includes rebuttable presumptions that could be used for just about anything and would put cost burden on

parties, create extra work by courts, and would result in inconsistencies. Wisconsin went with simplicity; he isn't sure it's worth the lack of transparency.

Kathleen: Our state decided to use IS based on net income. The state has identified what is included and excluded from gross income. The 2007 workgroup's recommendation resulted in legislation on overtime/second job income earned for the purpose of paying off debt, including past due child support. There was also commentary about wanting to see what paid child support buys for the child. She has requested an accounting only once, and she needed to show some good cause for the request. In that case, child support was used by the mother to buy drugs.

Kathy: The IS model allows considerations for the other subcommittees' issues: credit for residential time and for children of other relationships.

Mr. Spencer: The statute doesn't mention that calculations are based on 100% of the time with only one parent, or every other weekend, or any other arrangement. IS uses unfortunate math that raises child support when only the CP's income increases.

Nancy: Asked whether the Chair would like to reserve public comment for the end of the hour.

Jim: Public comment is welcome at the end of the Subcommittee's discussion.

Kathleen: Noted that the custodial parent's increased income alone is not grounds for a modification upward of child support. In some cases it wouldn't increase the support amount. It would also decrease the pro rata share of the NCP in other expenses.

Tim: Agreed there is nothing better than IS. He noted if the NCP has very low income, the NCP might be better off with percentage of income. He doesn't see a problem with IS except for the different age groups.

Data Source Discussion No consensus was yet reached as to which data source to use to populate the economic table, as the cost of raising a child.

Discussion points included:

Jim: He noted there are other approaches than linkages by proxy. He noted that trends like the fast-food industry makes using food consumed at home inaccurate and is an example how proxy measures can change over time.

Kathleen: Reminded to look at the federal directive, which is that there must be a way to tie the table to the current cost of child rearing, and that there must be some economic information to come up with the table. Many states use the Rothbarth-Engel or a hybrid. She noted that in the NH information, page 7 talks about three methods used by the USDA which aren't that wide in range. The USDA is lower than Engel; higher than Rothbarth. Betson used the Rothbarth-Engel methods to put together a

new schedule and updated it for the WSBA Family Law Section. She will send it to the Subcommittee. She will also look for the McCaleb data in the materials she has from the previous workgroup.

Tim: Wants to see the same information for the McCaleb data. Even though Florida didn't accept it, we could examine it for relevancy. Another issue to look at is the use of costs in an intact family. 7% less is spent on children in single-parent households. Health care and other expenses should be divided after the child support is paid and received so the pro rata share takes the payment into consideration. He noted that Laura Morgan is a well-respected author and we should look at her writings, which have been virtually stolen by other web sites.

Kathleen: IS uses the fiction that families are intact with regard to child-rearing costs. Extrapolating for single-parent costs can be tricky.

Jim: McCaleb, Morgan, and intact family/single parent child rearing costs will be on the next agenda.

Presentation to Workgroup Friday Consensus was reached for Jim to present a brief summary of our discussions to date. He will write up something and get it to us before then. We'll try to find time to meet as a Subcommittee Friday.

Public Comment Greg Howe thanked Nancy for sending the agenda and requested that it be sent earlier than later to allow time to prepare remarks. He noted that several members have requested the court for an accounting to no avail. The judge will not authorize accountability in his case, where the mother hasn't worked for 12 years and has admitted to living off of child support. He has no problem using IS; one problem is that the low end needs to be raised and there must be a cap on the high-end payments. He also noted there is no requirement to include in the support order what the CP contributes toward support of the child. With regard to Rothbarth, the economic table is supposed to be tied to child-rearing costs, but adult clothing isn't the way to do it. He is glad to hear that the Subcommittee is considering other methods. He noted that Spring has 18 or more references that refute Betson's methods. Page 48 of the Spring report, line item 5, discusses McCaleb's information.

No other public comments were made.