

RESIDENTIAL CREDIT SUBCOMMITTEE MINUTES FOR MEETING ON 5/23/11

Present: Andrew McDirmid, Kristie Dimak, Gary Bashor, Timothy Eastman, Kevin Callaghan

DCS: George Smylie

Public: Greg Howe

ITEMS DISCUSSED:

- Subcommittee discussed the feedback received from the full Workgroup to the idea that the residential credit from the 1988 schedule be further studied. There was a consensus among the subcommittee members that the full Workgroup was not enthusiastic about this approach. A specific criticism was that this old credit significantly reduced the transfer payment when the proportional income share between the parents was either 60/40 or 50/50. While few Workgroup members expressed a preference for a specific threshold, those members who did wanted it set at a minimum of 25%.
- Subcommittee discussed the revised charts prepared by Tim with a comparison between the standard calculation with no residential credit, the per diem credit and the cross-credit with a 1.25 multiplier at different combined income levels, different % income shares between the parents and different thresholds of residential time with the lower time parent. We specifically looked at the \$3000.00 combined income and the \$9000.00 combined income. There was a significant difference between the cross-credit amount and the per diem amount with the per diem amount being less. We also discussed the difficulty of applying a credit to the lower income/minimum wage parent. On the one hand this parent may need a credit more than a middle to high income parent. However, the low income parent will benefit from the self-support reserve limitation which is 125% of the federal poverty level (\$1134/month). Currently if the child is receiving TANF, the court cannot award a credit.
- The subcommittee decided to compare the cross credit and the per diem approach with the 1988 credit at certain combined income levels (\$2600.00, \$4000.00 and \$7000.00) and to discuss the 3 approaches further. Tim will prepare graphs using these approaches. While the subcommittee is still considering all 3 approaches, a consensus may be building for the cross-credit with a 1.25 multiplier.
- The subcommittee discussed the difficulty with past workgroups of getting a consensus on any one formula since no single formula satisfies all interested parties. If we can't get a consensus on a specific formula then we would like to at least define the term "significant amount of time" which is used in the existing statute before the court considers whether a residential credit

should be applied. Should the statute describe a specific threshold where the court would be directed (not mandated) to consider applying a credit? The 25% threshold (which is 91 overnights per year) was discussed but no consensus was reached.

- The subcommittee also discussed whether the court should be directed to increase the amount of support ordered if the lower time parent was with the child less than 20% of the time.
- The subcommittee discussed the ability of the higher time parent to go back to court to adjust the support or remove the credit if the lower time parent did not spend the agreed upon or ordered time with the children that resulted in the reduced transfer payment. Members also discussed the ability of the lower time parent to request a review of both the residential schedule and the child support after 6 months if that parent was spending more time with the children than was previously agreed upon or ordered by the court.
A CONSENSUS WAS REACHED THAT NEITHER PARENT SHOULD BE ALLOWED TO GO BACK TO COURT FOR A REVIEW UNTIL 6 MONTHS HAD PASSED.
- There was a discussion by some subcommittee members whether our recommendation on a formula should encourage more shared parenting.

Public Comment: Concern that the threshold of 25% (91 overnights) is too high and would leave out a significant number of lower time parents who fall below the magic threshold. If subcommittee recommends a threshold it should encompass a majority of lower time parents who are participating as much as the court will allow in the lives of their children.

NEXT SUBCOMMITTEE CONFERENCE CALL WILL BE HELD ON JUNE 13 AT 12:05 pm.