

Department of Legislative Services  
Maryland General Assembly  
2001 Session

FISCAL NOTE

Senate Bill 380 (Senator Baker)  
Judicial Proceedings

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Family Law - Child Support Guidelines

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This bill revises the schedule of basic child support obligations used to calculate the amount of a child support award under the child support guidelines, provides for a downward adjustment to “adjusted actual income” if a parent has additional dependents unless the adjustment would reduce an existing child support award, and reduces the time that each parent must keep a child overnight from 35% to 25% of the year to qualify as having “shared physical custody.”

The bill also adds third party payments to or for a child as a result of the obligor’s disability, retirement, or other claim to the list of what “actual income” includes, and requires those payments be set off against the child support obligation. If the amount of those payments paid to or on behalf of the child exceeds the current support obligation using the guidelines, the excess payments are credited to any existing child support arrearage that accrued after the effective date that the benefits were awarded. The excess payment cannot be credited to any future child support obligation.

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Fiscal Summary

**State Effect:** The changes could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** “Actual income” means income from any source.

“Adjusted actual income” means actual income minus: (1) preexisting child support obligations actually paid; (2) alimony or maintenance obligations actually paid; and (3) the actual cost of providing health insurance coverage for a child for whom the parents are jointly and severally responsible.

“Shared physical custody” means that each parent keeps the child or children overnight for more than 35% of the year and that both parents contribute to the expenses of the child or children in addition to the payment of child support.

**Background:** Federal and Maryland law require a review of the State’s child support guidelines to ensure that the application of the guidelines results in the determination of appropriate child support award amounts. According to the Child Support Enforcement Administration (CSEA), the initial child support guidelines were passed by the Maryland General Assembly in 1989, and have not been updated since that time. In 1999 CSEA formed a workgroup to study the guidelines, and this proposal is a result of the findings of that workgroup. CSEA advises that this bill reduces the child support guideline payment amounts at the lower income levels, and increases the payment amounts at the higher income levels.

**State Fiscal Effect:** CSEA has the original guideline table in its child support enforcement system, and estimates that minimal costs would be associated with changing to the new schedule.

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### Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources (Child Support Enforcement Administration), Judiciary (Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader – February 18, 2001  
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