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THE SENATE OF MARYLAND ANNAPOLIS, MARYLAND 21401

Senator Charles E. Sydnor III Testimony Regarding SB 847 – Child Support – Guidelines Before the Senate Judicial Proceedings Committee March 4, 2020

Good afternoon Mr. Chairman, members of the Judicial Proceedings Committee.

SB 847 offers guidance to courts in reaching fair child support obligation decisions. This bill establishes that calculations of the basic child support obligation must be made by considering the "self-support reserve." This bill defines "self-support reserve" as "the adjustment to a basic child support obligation ensuring that an . . . obligor maintains a minimum amount of monthly income, after payment of child support, federal and state income taxes, and Federal Insurance Contribution Act taxes, of at least 110% of the federal poverty level for an individual." SB 847 also authorizes the court to consider, when evaluating a just or appropriate outcome for a case, "whether an obligor's monthly child support obligation would leave the obligor with a monthly actual income below the 2019 federal poverty level for an individual." The bill also revises the schedule of basic child support obligations used to calculate child support amounts.

Additionally, SB 847 adjusts the monthly income schedule. The schedule currently includes monthly incomes up to \$15,000. SB 847 expands the schedule to include monthly incomes up to \$30,000.

By making adjustments for the lowest income obligors, this proposal seeks to ensure those obligors retain resources necessary to subsist. By expanding the support schedule to include higher income levels, the measure accounts for current economic realities. Both of these changes help the court achieve child support obligation outcomes that are just and appropriate.

Senate Bill 847 advances its goal of promoting fairness, transparency, and confidence by also addressing potential income, voluntary impoverishment, and no support orders. For clarification purposes and to reflect current economic realities, SB 847 alters the definition of "potential income." The new definition aims for a comprehensive analysis of what a parent can be expected to contribute by considering employment and earning potential as well as assets and income from sources other than employment.

For circumstances where a parent improperly diminishes his or her financial resources in order to decrease or evade a child support obligation, the bill defines "voluntarily impoverished" and directs the court to make a finding as to whether the parent has voluntarily impoverished himself or herself. The bill establishes the potential income factors that must be attributed to the parent if the court, upon examining the circumstances in their totality, finds that the parent has committed voluntary impoverishment.

Finally, the bill stipulates criteria the court may consider in declining to issue a support obligation, or "no support order." The criteria include whether the parent lives with and contributes to the support of the child; or is unemployed or otherwise lacks financial resources, is incarcerated or is institutionalized during the time period that the child would be legally entitled to support is totally and permanently disabled, or cannot be gainfully employed because of criminal detainment, hospitalization, or participation in a rehabilitation treatment plan.

This bill helps to ensure Maryland has fair and just child support guidelines. I ask the committee to vote in favor of SB 847.