

DATE: February 20 , 2020

BILL NUMBER: HB 946 **COMMITTEE:** Judiciary

BILL TITLE: Child Support – Guidelines

DHS POSITION: Support with Amendments

PRESENTED BY: Kevin P. Guistwite, Executive Director, Child Support Administration
Department of Human Services

Thank you Chairman Clippinger, Vice Chair Atterbeary and Members of the Committee. I am Kevin Guistwite, Executive Director for the Child Support Administration (CSA) within the Maryland Department of Human Services (DHS). Thank you for the opportunity to testify in support of House Bill (HB) 946 with amendments.

HB 946 is the result of extensive research and input from the Maryland Child Support Guidelines Advisory Committee, coordinated and chaired by DHS. The bill is a crucial piece of legislation to update Maryland’s current child support guidelines, which went into effect in 2010 and are based on economic data from 2008. It also brings Maryland into compliance with current federal regulations such as the Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs Rule (FEM) 81 Fed. Reg. 93492 (Dec. 20, 2016), which requires states to adopt policies that result in child support orders based on a noncustodial parent’s actual earnings and income and take into account the basic subsistence needs of low-income noncustodial parents.

Failure to meet these federal requirements will result in noncompliance with the Title IV-D Child Support State Plan and jeopardize the State’s \$95 million grant and \$11 million child support incentives for funding the child support program. Further, failure to pass these provisions would further render Maryland’s Title IV-A State Plan out of compliance with Title 42 U.S.C. § 602 (a)(2) jeopardizing the State’s \$229 million Temporary Assistance to Needy Families (TANF) program block grant.

HB 946 accomplishes the following:

- Promotes accuracy and fairness by creating a new payment schedule with specific monthly support obligations for low-income obligors when the combined parental income is below \$1,250.00 a month. Currently, when a family falls below this threshold, the court has the discretion to set a monthly child support obligation of any amount from \$20.00 to \$150.00 per month. This is an inexact method that has led to the creation of support orders that are well above what some low-income obligors can reasonably pay. The new proposed schedule better reflects an obligors’ actual ability to pay, thereby increasing the likelihood of full compliance with the order;

- Fights poverty and improves the collection of child support by amending Family Law Article § 12-201 to add a definition for a “Self-Support Reserve” (SSR), which is an adjustment to a low-income obligor’s monthly support obligation ensuring that, after the payment of taxes and child support, he or she has enough money for food, housing and transportation. This SSR will be set at 110% of the 2019 federal poverty level for an individual. Although the SSR was previously incorporated into the existing guidelines schedule based on 2008 economic data, this bill complies with recent federal requirements to make it transparent by highlighting it on the schedule, as well as updating to use current economic data. An attached amendment corrects a bill drafting error that did not include reference to 110% of the 2019 federal poverty level on page 6, lines 18-20;
- Creates a more accurate statutory definition for the term “voluntarily impoverished” in Family Law §12-201 clarifying that a parent can only be categorized as such if he or she has made a “free and conscious choice” – not compelled by economic factors beyond his or her control – to render him or herself without adequate resources;
- Complies with the federal FEM rule by amending the definition of “potential income” found in Family Law §12-201 and setting out factors a court must consider when calculating potential income for a noncustodial parent;
- Expands the child support guidelines to provide presumptively-correct child support amounts in cases with combined monthly incomes up to \$30,000. The current guidelines only extend to combined monthly incomes of \$15,000; and,
- Identifies specific circumstances where a court may decline to require a noncustodial parent (NCP) to pay child support; and provide for a modification of child support if those circumstances change. These factors are drawn from Title 45 of the Code of Federal Regulations (CFR) § 303.11, which sets out the circumstances in which the Child Support Administration is allowed to close a support case.

Passage of HB 946 will lead to more fair and equitable child support orders based on current economic data, provide clarity for courts in setting child support orders for individuals across the economic spectrum, incorporate a fully updated self-support reserve for thousands of low-income noncustodial parents, and prevent reduction in federal funding by complying with federal regulations. By updating the child support guidelines and making them more responsive to changing economic realities, this bill is certain to strengthen the economic and social cohesion of thousands of Maryland families.

For these reasons, I strongly urge a favorable report by the Committee for HB 946. Thank you for the opportunity to testify in support of this bill and I am happy to answer any questions you may have.