MARYLANDERS AGAINST POVERTY

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Marylanders Against Poverty

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TESTIMONY IN SUPPORT OF HB 946

Child Support - Guidelines

House Judiciary Committee
February 20, 2020

Submitted by Stacey Jefferson and Margo Quinlan, Co-Chairs

Marylanders Against Poverty (MAP) supports HB 946, which updates the child support guidelines and sets standards to ensure that child support orders are right-sized to parents' circumstances. It accomplishes this goal by updating the underlying economic data, including a self-support reserve (SSR), and providing more guidance for determining voluntary impoverishment and imputing potential income.

Child Support Guidelines in Maryland have not been updated since 2010 and because of this, the guidelines are based on outdated economic data. Additionally, the current guidelines do not provide guidance at the lowest income levels resulting in a range of order amounts – many of which were set at the lowest listed guideline amount. HB 946 provides guidance at the low end to encourage right-sized orders.

It is vital to create support order that strike a balance between a custodial parent's need for support and a non-custodial parent's ability to pay it. When this balance exists, both children and parents positively benefit. The SSR proposed in HB 946 is intended to provide obligors with a minimum income after payment of child support and federal & state income taxes. Allowing low-income obligors to maintain a portion of their income to meet their own basic needs creates the stability they need in order to fulfill their child support orders, which ultimately builds economic security for their children.

Imputed income is often unrealistically set for parents of low-income levels. Imputed incomes are often higher than actual earnings; therefore, parents are commonly unable to pay the child support order and less of the money is collected. Research shows that 33% of the support order is collected when income is imputed versus 62% when the order is based on actual income.[1] When less money is collected, children do not receive as much support. Non-custodial parents with imputed income are 17% less likely to comply with their support order obligation compared to those who have orders based on actual income.[2] There are many factors that influence what a parent's potential income might be, and it is important for support orders to not follow a one size fits all approach. HB 946 provides guidance to base income on parents' specific circumstances.

MAP appreciates your consideration, and strongly urges a favorable report on HB 946.

Marylanders Against Poverty (MAP) is a coalition of service providers, faith communities, and advocacy organizations advancing statewide public policies and programs necessary to alleviate the burdens faced by Marylanders living in or near poverty, and to address the underlying systemic causes of poverty.

[1] Child Support – Potential Income, Voluntary Impoverishment and No Support Order Fact Sheet. Created by the Family Welfare Research & Training Group for the Child Support Advisory Group.

[2] Reasonable child support orders: The Relationship Between Income and Collections. December 2014. Family Welfare Research & Training Group. Accessed at: https://familywelfare.umaryland.edu/reports1/reasonablesupportorders.pdf.