

**Department of Legislative Services**  
 Maryland General Assembly  
 2024 Session

**FISCAL AND POLICY NOTE**  
**First Reader - Revised**

Senate Bill 1011 (Senator Charles)  
 Judicial Proceedings

**Family Law – Child Support – Multifamily Adjustment**

This bill alters the definition of “adjusted actual income” under the child support guidelines by providing for the deduction, from actual income, of an allowance for support for each child living in the parent’s home to whom the parent owes a legal duty of support if the child is considered to be living in the parent’s home for more than 92 days of the year but who is not subject to the support order. The bill also alters the factors that the court may consider in determining whether the application of the child support guidelines would be unjust or inappropriate when applied in a particular case.

**Fiscal Summary**

**State Effect:** General/federal fund expenditures for the Department of Human Services (DHS) increase by *as much as* \$297,600 in FY 2025 only for initial programming costs (\$99,200 general funds/\$198,400 federal funds); federal fund revenues correspond to federal fund expenditures. Future year expenditures and corresponding federal fund revenues reflect ongoing maintenance costs. Otherwise, the bill is not expected to materially affect State finances or operations.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
FF Revenue	\$198,400	\$38,100	\$38,500	\$38,800	\$39,200
GF Expenditure	\$99,200	\$19,000	\$19,200	\$19,400	\$19,600
FF Expenditure	\$198,400	\$38,100	\$38,500	\$38,800	\$39,200
Net Effect	(\$99,200)	(\$19,000)	(\$19,200)	(\$19,400)	(\$19,600)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** The bill does not materially affect local government operations or finances.

**Small Business Effect:** None.

## Analysis

**Bill Summary:** The bill establishes the following formula for calculating the deduction:

- the basic support obligation for each additional child in the parent's home must be determined according to the guidelines, using only the actual income of the parent entitled to the deduction; and
- this amount is to be multiplied by 75%.

This amount is to be subtracted from the parent's actual income before the child support obligation is computed. The court must decline awarding an allowance under these provisions if the court finds, after considering the evidence and the best interest of the child for whom support is being determined, that the application of an allowance would be unjust or inappropriate.

The bill makes additional changes by repealing provisions that (1) allow the court to consider the presence of other children in the household of either parent and the expenses for those children, as specified and (2) prohibit the rebutting of the presumption of the propriety of the guidelines solely because of the presence of other children in the household of either parent. The bill also specifies that the court may consider any financial considerations that the court deems relevant to the best interests of the child who is the subject of the child support order.

**Current Law:** In a proceeding to establish or modify child support, whether *pendente lite* or permanent, the court is required to use the child support guidelines. The basic child support obligation is established in accordance with a schedule provided in statute. The current schedule uses the combined monthly adjusted actual income of both parents and the number of children for whom support is required to determine the basic child support obligation. Adjusted actual income, which is the basis for determining the basic child support obligation, is calculated from actual income minus preexisting reasonable child support obligations actually paid and, except as specified, alimony or maintenance obligations actually paid.

The child support statute establishes a rebuttable presumption that the amount of child support that would result from the application of the child support guidelines is the correct amount of child support that the court is to award. The presumption may be rebutted, however, by evidence that the application of the guidelines would be unjust or inappropriate in a particular case. In determining whether the application of the guidelines is unjust or inappropriate, the court may consider, among other factors, the presence in the household of either parent of other children to whom that parent owes a duty of support and the expenses for whom that parent is directly contributing. The presence of other

children in the household of either parent may not be the sole basis, however, for rebutting the presumption that the child support guidelines establish the correct amount of support.

If the court determines that application of the guidelines would be unjust or inappropriate in a particular case, the court must make a written finding or specific finding on the record that states the reasons for departure from the guidelines, as required by statute.

**State Fiscal Effect:** DHS estimates expenditures of up to \$297,600 in fiscal 2025 for initial programming costs to implement the bill with annual maintenance costs of approximately \$57,500 annually thereafter. According to DHS, these expenditures are supported by 34% general funds and 66% federal funds; therefore, federal fund revenues correspondingly increase with federal fund expenditures, reflecting the receipt and spending of matching federal funding.

Although the expenditures above are assumed for purposes of this analysis, DHS reports that an alternative method could be used for the bill's implementation, with total costs of approximately \$222,800 in fiscal 2025 and ongoing maintenance costs of approximately \$39,000 annually thereafter (also supported by 34% general funds/66% federal funds). However, DHS also advises that this implementation method would potentially minimally increase error rates.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 1045 (Delegate Crutchfield) - Judiciary.

**Information Source(s):** Department of Human Services; Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - February 25, 2024  
rh/jkb Revised - Updated Information - March 18, 2024

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