
HISTORY OF THE CHILD SUPPORT PROGRAM

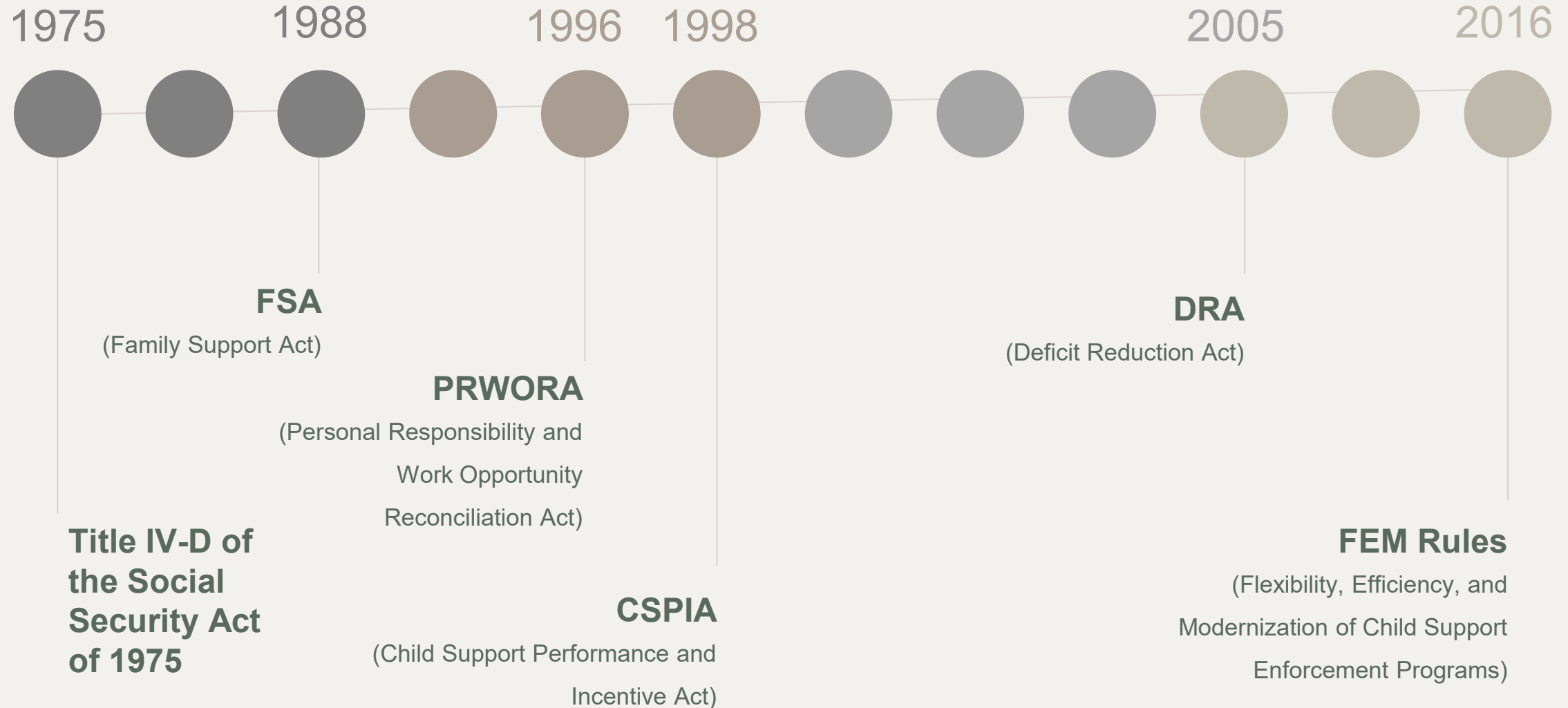
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IV-D Timeline



The Pendulum Swings



I cannot say whether things will get better if we change; what I can say is they must change if they are to get better. – Georg C. Lichtenburg

Welfare & Poverty: Historical Context

- Welfare cost recovery has its roots in 19th century poor laws.
- 1950: Congress required state AFDC agencies to refer custodial families receiving AFDC to law enforcement to pursue child support.
- 1965 & 1967: Laws expanded access to employment and tax information and interstate reciprocity agreements.
- 1975: Congress enacts Title IV-D.

1975: Title IV-D Enacted

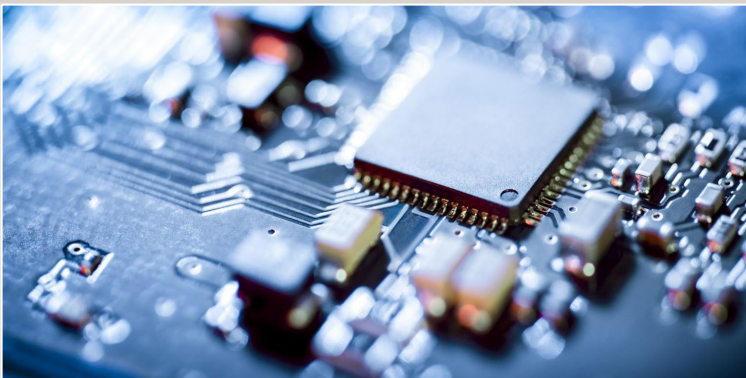


- Congress enacts Title IV-D of the Social Security Act in response to profound social and labor market changes:
 - Rising divorce rates
 - Entry of middle-class women into the low-wage labor market
 - Expanding AFDC caseloads
- IV-D Program enacted with two purposes:
 - Reimburse cash assistance costs
 - Promote self-sufficiency to avoid need for cash assistance
- Initially, only AFDC families were eligible for services.
 - States required to serve non-AFDC families in 1984

1975 to 1999

Collection rates doubled
between 1998 and 2000

Paternity establishment
rates tripled between
1995 and 2000



For 25 years, Congress enacted child support laws nearly every year between 1975 and 1999.

- Income-Based Guidelines
- Enforcement Improvements:
 - Automatic income withholding
 - IRS tax offsets
 - Interstate wage enforcement
- Paternity Establishment Changes:
 - In-hospital voluntary acknowledgement
 - Genetic presumptions
 - Streamlined legal process
- Technological Advances:
 - Statewide systems
 - Federal and state data exchange
 - Administrative processes
 - Centralized payment processing
 - Genetic testing
 - Performance measurement

1996: Welfare Reform

- 1996: Welfare reform law had an enforcement and technology focus
 - Also adopted family-first distribution, required child health care coverage, and required states to offer employment services for noncustodial parents of TANF children behind on payments
- 1998: Congress enacted a system of state performance measures, incentive payments, and penalties
- 2006: Congress limited assignment and adopted state options to increase family pass-through and distribution
 - Nationally, TANF cost-recovery dollars are half of what they were in 2008



2016: The Federal FEM Rule



Flexibility, Efficiency, and Modernization

- Incorporated evidence-based practices and innovated approaches to:
 - Strengthen procedural fairness;
 - Streamline program operations; and,
 - Update technology requirements.

Proposals Not in Final Rule

- Parenting Time
- Job Services

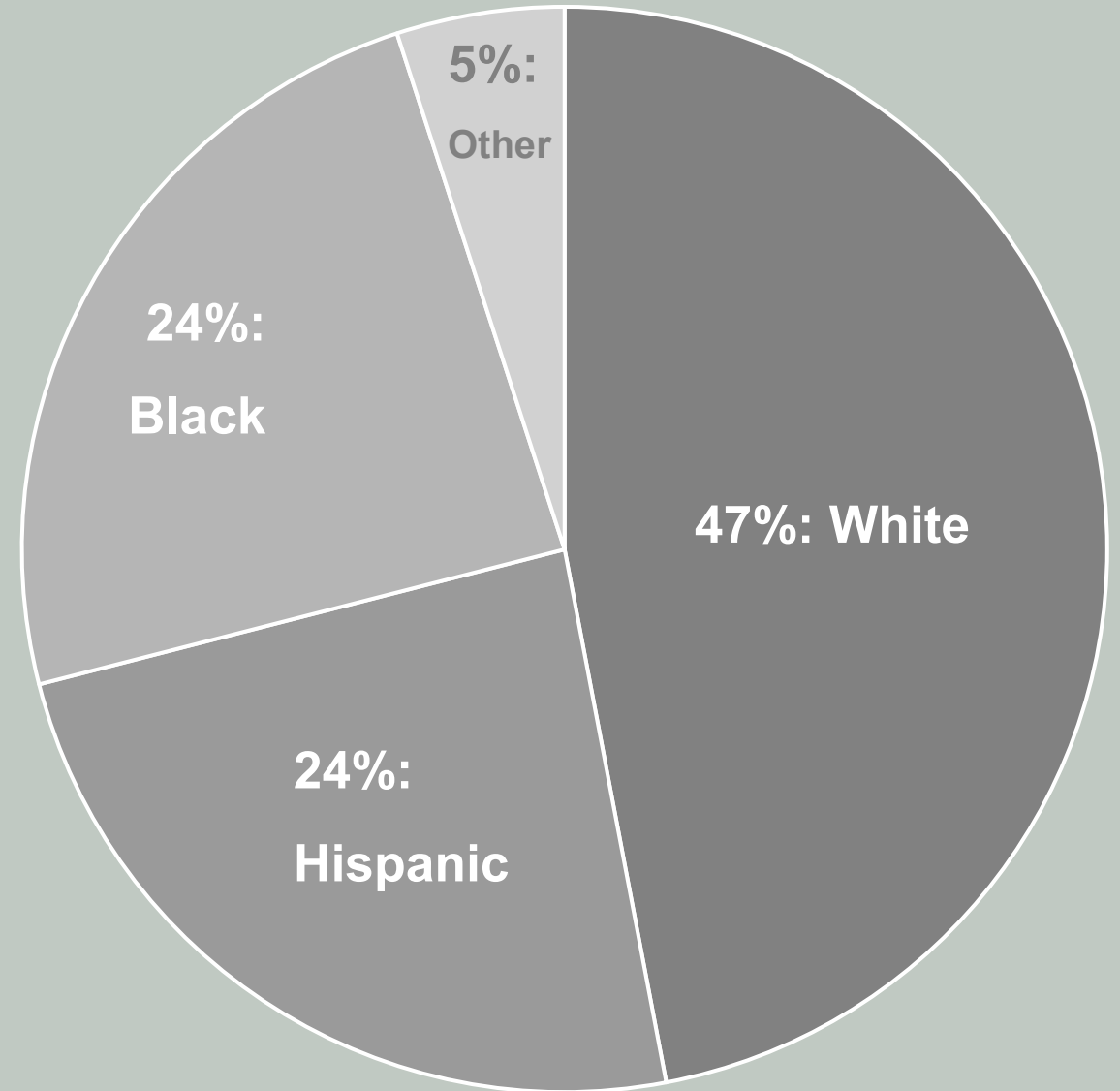
Enhances State Child Support Guidelines

- Increase fairness for establishing and modifying support orders.
- All orders are based on “income, earnings and other evidence of ability to pay.”

Child Support Today

- 62% of all custodial parents participate in the child support program nationally.
- 80% of poor custodial parents participate in the child support program.

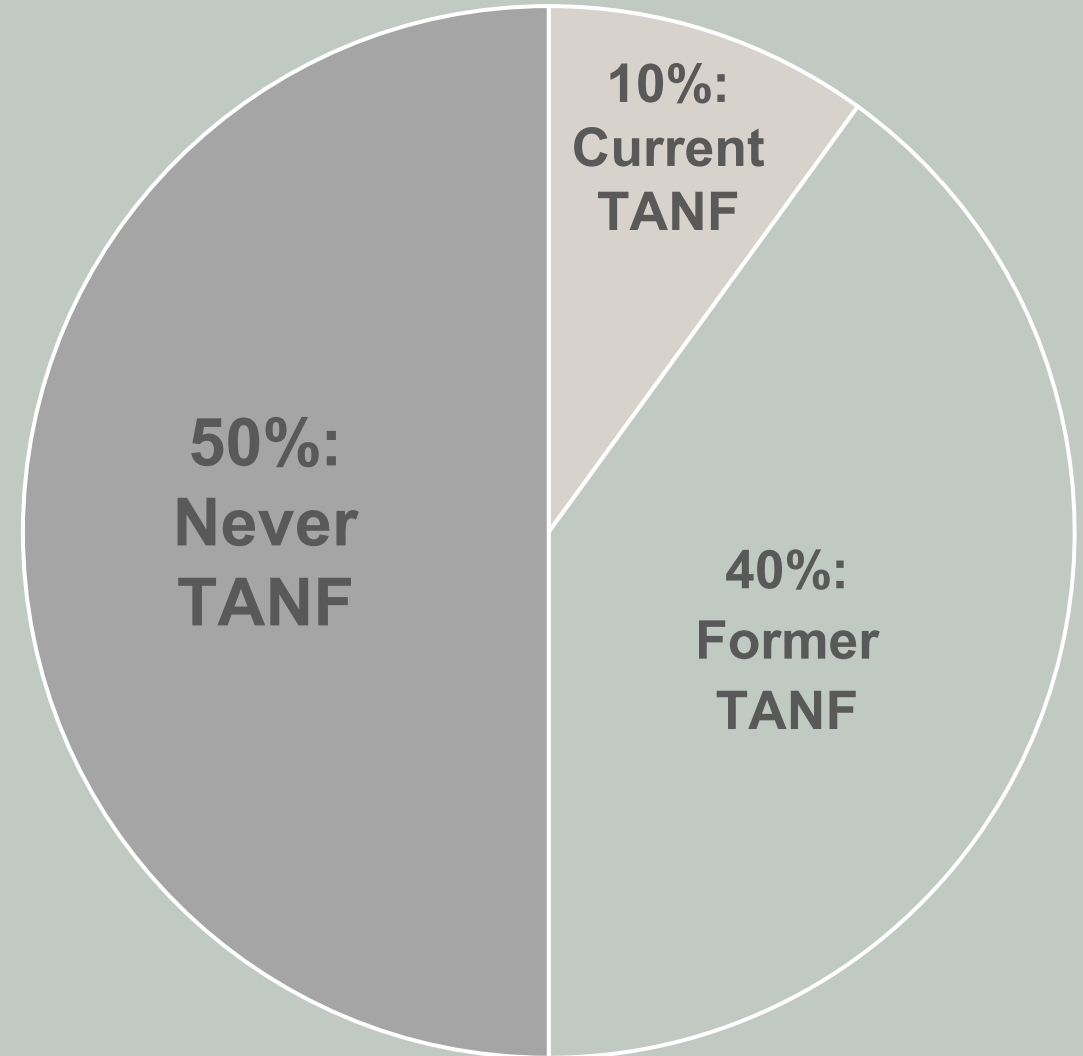
Racial Breakdown of
IV-D Program Participants



Child Support Today

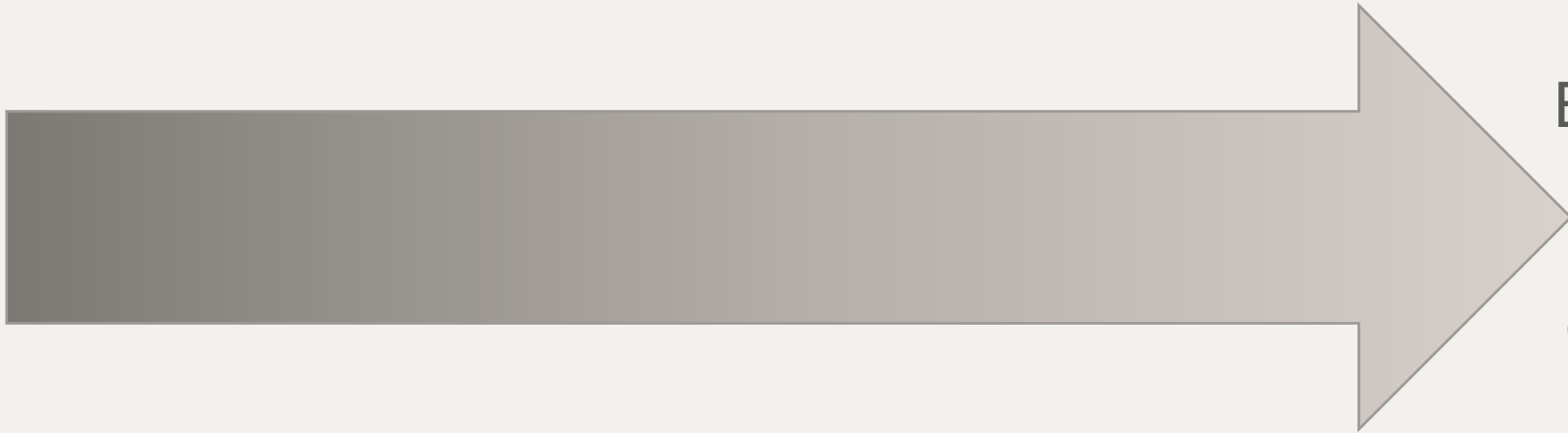
- In Maryland, only 10% of Title IV, Part D, of the Social Security Act of 1975 cases involve families who receive TANF.
- IV-D caseload has declined about 20% over past decade.

IV-D Caseload Composition



Evolution of Child Support Program Since 1996

Get tough on
deadbeats
(peaked in
mid-2000s)



Evidence-based,
family-centered
approach
(modern approach)



Goals of Family-Centered Child Support

- Increase consistent monthly support for children.
- Improve capacity to earn and support children.
- Increase family income and reduce cost recovery.
- Support parental involvement.
- Reduce family conflict.
- Improve fairness and equity.



Maryland Child Support Today

2017

- Child Support Enforcement Administration Renamed As Child Support Administration

2020

- New Child Support Legislation Passed Incorporating FEM Rule Requirements

2022

- New Child Support Guidelines Took Effect

2023

- Child Support Administration Completes Rollout of New Child Support Management System that Adheres to Deficit Reduction Act of 2005 Family First Distribution Rules

Child Support Guidelines



1984

Federal government requires each state to establish guidelines for calculating child support awards; however, use of the guidelines was not required



1988

Federal Family Support Act requires states to pass legislation mandating use of the guidelines and creating a “rebuttable presumption” that the amount calculated under the guidelines is correct



1989

The Maryland General Assembly enacts “advisory” child support guidelines

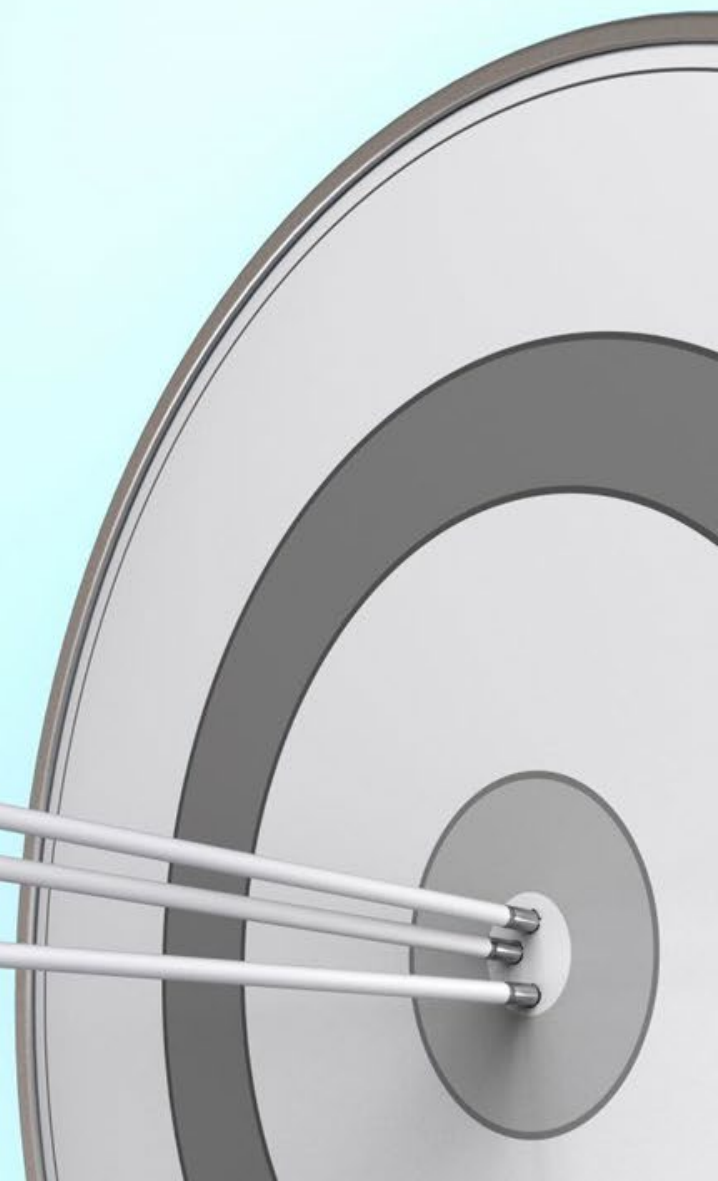


1990

The Maryland General Assembly enacts legislation making the use of the guidelines mandatory and creating a rebuttable presumption that the guidelines amount is correct

Goals of the Child Support Guidelines

- Increase consistency, predictability, and perceived fairness of child support awards
- Ensure adequacy of support amount



“Living” Guidelines

As a condition of federal funding, each state must review its child support guidelines “at least once every 4 years to ensure that their application results in the determination of appropriate child support award amounts.”



The background of the slide features a complex financial data visualization. It includes a candlestick chart with green and red bars, overlaid with several colored lines (blue, green, yellow) representing different data series. The chart is set against a grid of numerical values, some of which are highlighted in red or green. The overall aesthetic is that of a professional financial or data analysis presentation.

Guidelines Review

States must:

- Consider economic data on the labor market and the cost of raising children
- Consider rates of compliance with child support orders and income imputation
- Consider the impact of child support awards on low-income families
- Analyze case data for the application of, and deviations from, the child support guidelines
- Provide a meaningful opportunity for input from low-income custodial and noncustodial parents and their representatives

Maryland Child Support Guidelines Advisory Committee

Mission: To review the guidelines in light of the best interests of Maryland's children and families.

Goal 1: Ensure that Maryland's child support guidelines are economically accurate and reflect the most recently available economic data

Goal 2: Ensure that the application of the guidelines results in the optimal outcome for Maryland's children and families



Previous Quadrennial Reviews

- Prior to 2022 revision, child support guidelines were last updated by the legislature in 2010 using 2008 economic data.
- Review completed in November 2016, looking at 2011-2014 data
 - Advisory Committee recommended giving courts more guidance on setting support order amounts for parents whose combined monthly incomes fell below \$1,250.
 - No legislation was enacted.
- Most recent Quadrennial Review
 - Started Summer 2017
 - 2019: Legislative proposals not enacted
 - 2022: Two successful Legislative Proposals
 - HB269/SB579 (2020 Md. Laws Ch. 142 and 143) – effective October 1, 2020
 - Designed to address the “cliff effect” and its effect on litigation
 - Changed how shared physical custody is defined and how child support is calculated in that situation
 - HB946/SB847 (2020 Md. Laws Ch. 383 and 384) – effective July 1, 2022
 - Accomplished four main objectives (Next Slides)

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Objectives of 2022 Guidelines Changes

1. Updated and expanded the guidelines schedule
2. Defined and visually demonstrated the effect of the self-support reserve
3. Codified the definition of “voluntarily impoverished” and the factors to be considered when imputing potential income
4. Identified when a court can enter a \$0 support order



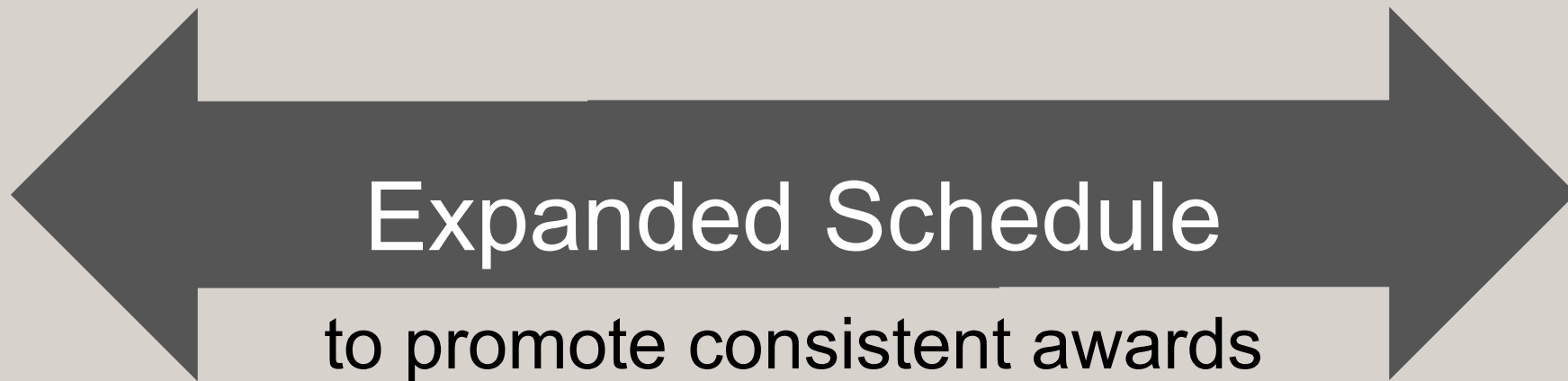
Let's examine each goal further!

Updated & Expanded the Child Support Guidelines Schedule

Updated schedule with 2018 economic data on the costs of raising children

Combined Monthly Incomes	Former Basic Child Support Amount for 1 Child	New Basic Child Support Amount for 1 Child
\$2,000	\$395	\$403
\$4,000	\$716	\$763
\$7,000	\$1,060	\$1,116
\$10,000	\$1,271	\$1,345
\$12,500	\$1,618	\$1,752
\$15,000	\$1,942	\$2,160

Expanded the Child Support Guidelines Schedule



Expanded Schedule

to promote consistent awards



Low Incomes

- Identified specific amounts to be awarded for combined monthly incomes of up to \$1,200:
 - Previous guidelines did not provide a presumptively-correct child support amount.
 - Instead, they provided for an award of \$20-\$150 based on the obligor's resources and living expenses and the number of children in the case.
 - UMD Social Work analysis determined the most common award amount for combined incomes of up to \$1,200 was \$162 (the first specific amount shown on the schedule).
 - Guidelines now require a minimum order of \$50-\$60 depending on the number of children.

Low Incomes

Combined Monthly Income	1 child	2 children	3 children	4 children	5 children	6+ children
\$0-\$1,200	\$50	\$55	\$57	\$58	\$59	\$60

~~A range of \$20-\$150~~



Combined Monthly Incomes	Previous Basic Child Support for 1 Child	New Basic Child Support for 1 Child
\$13,000	\$1,683	\$1,834
\$14,000	\$1,813	\$1,997
\$15,000	\$1,942	\$2,160
\$20,000	Discretionary	\$2,494
\$25,000	Discretionary	\$2,829
\$30,000	Discretionary	\$3,163

High Incomes

Includes specific basic child support amounts for combined monthly incomes up to \$30,000/month (\$360,000/year)

Courts use discretion above that amount

Defined and Visually Demonstrated the Effect of the Self-Support Reserve

- Added a definition of “self-support reserve” (“SSR”)
 - SSR is “the adjustment to a basic child support obligation ensuring that a child support 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 2019 federal poverty level for an individual [\$1,145]”
- Also created a statutory basis to consider a downward deviation if an obligor is left with less than \$1,145/month after payment of taxes and child support
- There was an “invisible” SSR of \$867 in the previous guidelines
- New schedule identifies with an asterisk when the guidelines amount has been adjusted because of the SSR

Codified the Definition of “Voluntarily Impoverished” and the Factors to Be Considered When Imputing Potential Income

- Codification makes it easier for unrepresented parties to see what factors the court will consider when making its determination.
 - “Voluntarily impoverished”: a parent has made the free and conscious choice – not compelled by factors beyond the parent’s control – to render the parent without adequate resources
- Expanded the common law potential-income factors to comply with the 2016 FEM Rule:
 - Literacy
 - Criminal record and other employment barriers
 - Availability of employers willing to hire the parent

Identified Situations When a Court Can Set a \$0 Support Order

- Obligor lives with and contributes to the financial support of the child
- Obligor lacks the financial resources to pay child support because he/she is:
 - Institutionalized
 - Incarcerated
 - Permanently and totally disabled with no income other than Social Security benefits
 - Hospitalized or obtaining drug treatment
- If obligor's situation changes, this would constitute a material change in circumstances by statute and would allow the court to modify the child support order



Conclusion

Welfare
Recovery

Family First
Self-Sufficiency

Family-
Centered
Holistic

Today's Child
Support
Program

Future State of
Child Support



The Future Is Filled With Infinite Possibilities



Questions?