

Child Support Task Force Work Group # 1 Minutes

March 19, 2018

5:30 p.m. to 7:30 p.m.

Rondo Community Library, Teen Programming Room

461 N. Dale St., Saint Paul, MN 55104

Members Present: The following task force work group members were present on Wednesday, March 19, 2018:

<input type="checkbox"/> Melinda Hugdahl	<input checked="" type="checkbox"/> Jimmy Loyd
<input type="checkbox"/> Rahya Iliff	<input type="checkbox"/> Melissa Rossow
<input checked="" type="checkbox"/> Senator Mary Kiffmeyer	<input checked="" type="checkbox"/> Pamela Waggoner and her alternate Victoria Taylor

DHS Staff:

<input checked="" type="checkbox"/> Tara Borton	<input type="checkbox"/> Brynn Rhodes
<input type="checkbox"/> Julie Erickson	<input checked="" type="checkbox"/> Jennifer Sommerfeld
<input checked="" type="checkbox"/> Jessica Raymond	

Welcome:

Introductions of the group.

Reminders, logistics, and announcements:

- a. Task force scope and purpose: Small groups will continue work on updating the basic support table during the 2018 legislative session. In order to complete the table, there are 7 remaining issues that must be addressed: Self-support reserve, minimum orders, adjustments at high incomes, tax adjustments, and adjustment for nonjoint children.

The groups will examine these issues in depth, but will not make any formal decisions. The small groups will report back to the large group when we reconvene on May 30, 2018, and present any recommendations they have at that time.

The focus of the meeting will be on the group's assigned issues. The agendas for the meetings will not have a public comment segment. If the public would like to comment on the issues being discussed, interested individuals should present their testimony to the entire task force on May 30, 2018 to ensure that everyone has the opportunity to hear the feedback.

- b. Topics: Work Group # 1 will work on Self-Support Reserve, Minimum Orders and Adjustments at High Incomes

Self-Support Reserve Presentation and Discussion

Tara Borton gave presentation on the Self-Support Reserve (SSR), providing an overview of how it works under current law along with a number of examples. Group worked through the examples and tried out additional hypothetical scenarios.

The following Issues with the current application of the SSR were identified:

- Application of SSR occurs before nonjoint child(ren) deduction, but after deductions for support orders
- SSR is currently applied to obligor's income that includes RSDI and VA benefits paid to obligee, but court-ordered obligations owed to obligor's spouse or non-joint child are excluded from income when applying SSR
- SSR under current law only is applied for obligor, not obligee
- Many parents with a reduction based on SSR will not see a change with the PEA
- There is a range of cases where increased income results in a \$1 for \$1 increase in the support obligation for a time between the minimum order and when SSR no longer applies

The group discussed possible alternatives to the current way the SSR operates. These included:

- Increasing the SSR
- Applying the SSR at the front end of the calculation
- Applying the SSR to both obligor and obligee's incomes
- Use a percentage of obligor's income as a cap

The group expressed interest in learning more about how other states address the SSR, specifically what percentage of the Federal Poverty Guidelines they use. The group also wanted more information on how the Federal Poverty Guidelines are calculated. DHS staff will research this issue and provide information to the group at the next meeting.

Adjustment at High Incomes Presentation and Discussion

Group did not get to this agenda item, it will be carried over to a later meeting.

New Action Items

1. Dr. Venohr to provide briefing on Self-Support Reserve for next meeting.
2. DHS staff to do additional research on what other states use for their self-support adjustments.
3. DHS staff to do research on how Federal Poverty Guidelines are calculated.

Meeting Adjourned at 7:30 p.m.

Next Meeting:

Monday, April 2, 2018 from 5:30 p.m. - 7:30 p.m.

Teen Programming Room

Rondo Community Library

St. Paul, MN