

Review of the Connecticut Child Support Guidelines

Presentation to Commission for Child Support Guidelines

(Feb 2, 2023)

Jane Venohr, Ph.D. Economist/Research Associate

jvenohr@centerforpolicyresearch.org

303-837-1555



Historical Overview

- Federal requirements of state child support guidelines
 - 1987: States required to have advisory guidelines
 - 1989 (Family Support Act of 1988):
 - States required to have rebuttable presumptive guidelines
 - Review at least every four years
 - Consider economic data on the cost of raising children
 - Analyze guidelines deviations to keep deviations to a minimum
 - 2016: Major expansion of federal requirements
 - Added requirements of state guidelines to better address low-income families
 - Added requirements of state guidelines reviews
 - Deadline tied to state's review cycle– as late as 2025 for some states
- Connecticut's last review with technical assistance: 2012 assistance → 2015 changes

Outline

- Federal requirements
 - Documented in state IV-D plan and approved by federal Office of Child Support Enforcement
 - CPR's role— show how other state's meet them
- Economic data
 - Summarize basis of existing schedule and what could be updated (Slide 24)
 - Review economic data on the cost of raising children (federal requirement)
 - Update core schedule: a couple options for adjusting national data for CT incomes/costs
 - Slide 35 summarizes dollar/percentages changes
 - Layer low-income adjustment on top of schedule later
- Discussion of Next Steps
 - Other issues (e.g., subtraction for insurance premium, childcare expenses)
 - Findings from case file data
 - Analysis of labor market data
 - Update of low-income adjustment



Federal Requirements of State Guidelines

CT's Compliance with Federal Requirements of Guidelines (red font: added in 2016)

Requirements	CT Complies
Provide one guideline, used statewide	☑
Consider all earnings and income	☑
Be specific and numeric	☑
Provide deviation criteria & finding on record	☑
Consider specific circumstances when imputing income (e.g., literacy, age, criminal record)	☑ tweak
Consider other evidence of ability to pay (e.g., verbal testimony, dept. of labor data)	☑ tweak?
Consider parent's basic subsistence need	☑ update?
Do not treat incarceration as voluntary unemployment	☑ tweak?
Provide for child's healthcare needs	☑ Opportunity to review?

Connecticut Child Support Guidelines

C.G.S.A. § 46b-215a-e

Sec. 46b-215. (Formerly Sec. 17-320). Relatives obliged to furnish support. Attorney General and attorney for town as parties. Orders.

Sec. 46b-215a. Commission for Child Support Guidelines. Duties. Members. Validity of actions taken during vacancy.

Sec. 46b-215b. Guidelines to be used in determination of amount of support and payment on arrearages and past-due support.

Sec. 46b-215c. Guidelines to be approved by legislative regulation review committee.

Sec. 46b-215d. Certain earnings not considered income for purposes of guidelines.

Sec. 46b-215e. Initial or modified support order when child support obligor is institutionalized or incarcerated. Procedure in IV-D support cases when child support obligor is incarcerated for more than ninety days.

State of Connecticut Commission for Child Support Guidelines. (eff. July 1, 2015.) *Child Support and Arrearage Guidelines*. Retrieved from <https://www.jud.ct.gov/publications/childsupport/csguidelines.pdf>

Federal Requirement: Consider All Income and Evidence of Ability to Pay

Federal Requirement

45 CFR §302.56(c)

The child support guidelines established under paragraph (a) of this section must at a minimum:

- (1) Provide that the child support order is based on the noncustodial parent's earnings, income, and **other evidence of ability to pay** that:
 - (i) Takes into consideration **all** earnings and income of the noncustodial parent (and at the State's discretion, the custodial parent);

OCSE's explanation of the rule change cites PIQ-00-03.

Retrieved from:

<https://www.acf.hhs.gov/css/resource/state-iv-d-program-flexibility-low-income-obligors>

States may want to take steps to limit the imputation of income, for example, to cases in which the non-custodial parent has apparent assets and/or ability to pay, but is uncooperative. And, most importantly, States should make the maximum use of improved methods of determining income and resources of non-custodial parents, including the State and National Directories of New Hires as well as the Financial Institution Data Match (FIDM) and Multistate Financial Institution Data Match (MSFIDM).

CT Provisions

§46b-302 Definitions

(9) "Income" includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the law of this state.

§46b-215 (7)(B) In the determination of support due based on neglect or refusal to furnish support prior to the action, the support due for periods of time prior to the action shall be based upon the **obligor's ability to pay** during such prior periods, as determined in accordance with the child support guidelines established pursuant to section 46b- 215a. The state shall disclose to the court any information in its possession **concerning current and past ability to pay**. If no information is available to the court concerning past ability to pay, the court may determine the support due for periods of time prior to the action as if past ability to pay is equal to current ability to pay, if current ability is known. If current ability to pay is not known, the court shall determine the past ability to pay based on the obligor's work history, if known, or if not known, on the state minimum wage that was in effect during such periods, provided **only actual earnings shall be used** to determine ability to pay for past periods during which the **obligor was a full-time high school student or was incarcerated, institutionalized or incapacitated**.

Examples from Other States: All, Actual Income & Other Evidence of Ability to Pay

<p><i>DC</i></p>	<p>§303.4 Establishment of support obligations. (b) Use appropriate State statutes, procedures, and legal processes in establishing and modifying support obligations in accordance with §302.56 of this chapter, which must include, at a minimum: (1) Taking reasonable steps to develop a sufficient factual basis for the support obligation, through such means as investigations, case conferencing, interviews with both parties, appear and disclose procedures, parent questionnaires, testimony, and electronic data sources; (2) Gathering information regarding the earnings and income of the noncustodial parent and, when earnings and income information is unavailable or insufficient in a case gathering available information about the specific circumstances of the noncustodial parent, including such factors as those listed under §302.56(c)(1)(iii) of this chapter; (3) Basing the support obligation or recommended support obligation amount on the earnings and income of the noncustodial parent whenever available. If evidence of earnings and income is unavailable or insufficient to use as the measure of the noncustodial parent’s ability to pay, then the support obligation or recommended support obligation amount should be based on available information about the specific circumstances of the noncustodial parent, including such factors as those listed in §302.56(c)(1)(iii) of this chapter. (4) Documenting the factual basis for the support obligation or the recommended support obligation in the case record</p>
<p><i>ME</i></p>	<p>MAINE Title 19-A, Chapter 63: §2004. Income information and child support worksheets 1. Court actions. A. In a court action to determine or modify support of a minor child, the plaintiff and defendant shall exchange, prior to mediation, affidavits regarding income and assets. These affidavits must conform with the forms provided by the court and must be accompanied by supporting documentation of current income, such as pay stubs, tax returns, employer statements or, if the plaintiff or defendant is self-employed, receipts and expenses. D. If a party fails to comply with this subsection, the court may, in its discretion: (2) Presume for the purpose of determining a current support obligation that the party has an earning capacity equal to the average weekly wage of a worker in this State as determined by the most recent Department of Labor statistics. A different annual income may be used if there is sufficient reliable evidence to conclude reasonably that the noncomplying party earns a greater or lesser actual income. E. The court may admit Department of Labor statistics into evidence for purposes of computing a parental support obligation.</p>
<p><i>MA</i></p>	<p>Source of Income For purposes of these guidelines, income is defined as gross income from whatever source, regardless of whether that income is recognized by the Internal Revenue Code or reported to the Internal Revenue Service or state Department of Revenue or other taxing authority. However, income derived from a public assistance program or benefit that is based on the person’s financial circumstances (for example: TAFDC, SNAP, certain veterans’ benefits and supplemental security income (SSI) benefits) shall not be counted as income for either parent. D. Imputation of income When the Court finds that a parent has, in whole or in part, undocumented or unreported income, the Court may reasonably impute income to the parent based on all the evidence submitted, including, but not limited to, evidence of the parent’s ownership and maintenance of assets, and the parent’s lifestyle, expenses and spending patterns.</p>
<p><i>UT</i></p>	<p>(b) Each parent shall provide verification of current income. Each parent shall provide year-to-date pay stubs or employer statements and complete copies of tax returns from at least the most recent year unless the court finds the verification is not reasonably available. Verification of income from records maintained by the Department of Workforce Services may be substituted for pay stubs, employer statements, and income tax returns.</p>

Federal Requirement: Income Imputation

Federal Requirement	CT
<p>45 C.F.R. §302.56(c)(1)(iii) If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.</p>	<p>§46b-215 (7)(B) If current ability to pay is not known, the court shall determine the past ability to pay based on the obligor's work history, if known, or if not known, on the state minimum wage that was in effect during such periods, provided only actual earnings shall be used to determine ability to pay for past periods during which the obligor was a full-time high school student or was incarcerated, institutionalized or incapacitated.</p> <p>§46b-215(e) In IV-D support cases, as defined in section 46b-23 I, when the child support obligor is institutionalized or incarcerated for more than ninety days, any existing support order, as defined in section 46b-23 I, shall be modified to zero dollars effective upon the date that a support enforcement officer files an affidavit in the Family Support Magistrate Division. The affidavit shall include: (1) The beginning and expected end dates of such obligor's institutionalization or incarceration; and (2) a statement by such officer that (A) a diligent search failed to identify any income or assets that could be used to satisfy the child support order while the obligor is incarcerated or institutionalized, (B) the offense for which the obligor is institutionalized or incarcerated was not an offense against the custodial party or the child subject to such support order, and (C) a notice in accordance with subsection (c) of this section was provided to the custodial party and an objection form was not received from such party.</p>

Examples from Other States: Income Imputation

<p>MA</p>	<p>D. Imputation of income When the Court finds that a parent has, in whole or in part, undocumented or unreported income, the Court may reasonably impute income to the parent based on all the evidence submitted, including, but not limited to, evidence of the parent’s ownership and maintenance of assets, and the parent’s lifestyle, expenses and spending patterns. Expense reimbursements, in-kind payments or benefits received by a parent, personal use of business property, and payment of personal expenses by a business in the course of employment, self-employment, or operation of a business may be included as income if such payments are significant and reduce personal living expenses. In circumstances where the Court finds that a parent has unreported income, the Court may adjust the amount of income upward by a reasonable percentage to take into account the absence of income taxes that normally would be due and payable on the unreported income.</p> <p>E. Attribution of income Income may be attributed where a finding has been made that either parent is capable of working and is unemployed or underemployed. If the Court makes a determination that either parent is earning less than he or she could earn through reasonable effort, the Court should consider potential earning capacity rather than actual earnings in making its child support order. The Court shall consider the age, number, needs and care of the children covered by the child support order. The Court shall also consider the specific circumstances of the parent, to the extent known and presented to the Court, including, but not limited to, the assets, residence, education, training, job skills, literacy, criminal record and other employment barriers, age, health, past employment and earnings history, as well as the parent’s record of seeking work, and the availability of employment at the attributed income level, the availability of employers willing to hire the parent, and the relevant prevailing earnings level in the local community.</p>
<p>PA</p>	<p>A) Earning Capacity Limitation. The trier-of-fact: (I) shall not impute to the party an earning capacity that exceeds the amount the party could earn from one full-time position; and (II) shall determine a reasonable work regimen based upon the party’s relevant circumstances, including the jobs available within a particular occupation, working hours and conditions, and whether a party has exerted substantial good faith efforts to find employment. (B) The trier-of-fact shall base the party’s earning capacity on the subdivision (d)(4)(ii) factors. (C) After assessing a party’s earning capacity, the trier-of-fact shall state the reasons for the assessment in writing or on the record. (D) When the trier-of-fact imputes an earning capacity to a party who would incur childcare expenses if the party were employed, the trier-of-fact shall consider reasonable childcare responsibilities and expenses. (ii) Factors. In determining a party’s earning capacity, the trier-of-fact shall consider the party’s: (A) child care responsibilities and expenses; (B) assets; (C) residence; (D) employment and earnings history; (E) job skills; (F) educational attainment; (G) literacy; (H) age; (I) health; (J) criminal record and other employment barriers; (K) record of seeking work; (L) local job market, including the availability of employers who are willing to hire the party; (M) local community prevailing earnings level; and (N) other relevant factors.</p>

Federal Requirement: Address Subsistence Needs

Federal Requirement	CT Provisions from Booklet
<p>45 CFR §302.56(c)(1)(ii) Takes into consideration the basic subsistence needs of the noncustodial parent (and at the State’s discretion, the custodial parent and children) who has a limited ability to pay by incorporating a low-income adjustment, such as a self- support reserve or some other method determined by the State</p>	<p>(4) Low-income adjustments</p> <p>(A) An historical perspective One of the continuing themes that surfaced throughout the commission's review process was the challenge of striking an appropriate balance between the interests of parents and children in the setting of a child support award when one or both parents are of extremely limited means. On the one hand is the child's interest in sharing equitably in the parents' income, consistent with the income shares model. On the other hand is the low-income parent's need to retain sufficient income to provide for his or her own subsistence, in order to permit such parent to play a positive role in the child's life. The present commission determined that continuing the imposition of a minimal order of support even at poverty levels, as established in the 1999 guidelines and maintained in the 2005 guidelines, was consistent with the underlying public policy making parents primarily responsible for the support of their children. The imposition of an order of a specific amount of child support, no matter how minimal, in almost every case is intended to convey the important message to both parents that an obligation to support exists even where the ability to pay is limited. (See the preamble to the 2005 guidelines for a fuller historical perspective).</p> <p>(B) Low-income adjustments in the new schedule The present commission recognizes that in low-income families where the parents reside in two separate households, there will inevitably be immense financial pressures on both parents to maintain themselves and their children adequately. Nonetheless, the commission returned repeatedly in its deliberations to a concern for the best interests of the child. It therefore continues to prescribe minimal support payments for even very low-income noncustodial parents, but has tempered this determination with several further adjustments in the low-income area of the schedule, in an effort to build upon and refine the commendable work of previous commissions.</p> <p>(i) No obligation for parents with less than \$50 net income The present commission retains the elimination of a child support obligation for noncustodial parents earning less than \$50 per week net income instituted by the 2005 commission. Parents with such extremely low income are in truly desperate circumstances, and their first concern, even before the payment of a child support obligation, understandably is their own economic survival.</p> <p>(ii) Increased range of low-income area The 2005 guidelines phased out the low-income, darker shaded area of the schedule at the point where the obligor retained about \$250 per week net income. The present commission has extended the reach of the protections associated with this area of the schedule by increasing to approximately \$290 per week the level of net income at which the low-income designation ceases to apply. The effect of this change is not only to deflate the required support contribution for borderline low-income obligors, but also to extend to such obligors the additional protections accorded such obligors under other provisions of the guidelines, which are addressed elsewhere in this preamble.</p> <p>(iii) Lower percentages in the darker shaded area The commission also slightly reduced some of the percentages in the low-income area of the schedule in light of the commission extending the darker shaded area of the schedule. In the commission's view, these reductions will ultimately work to the benefit of children, while serving the immediate self-support needs of low-income obligors, since they will assist such obligors in establishing a pattern of payment based on realistic expectations of their ability to pay.</p>

Area of Child Support Schedule Adjusted for Low Income

The blue-shaded area of the existing schedule to shows where the schedule amounts have been lowered from the measurements of child-rearing expenditures to include a low-income adjustment

- CT eliminated “shaded-area” adjustment last review
- Low-income no longer applied for incomes of \$490 net per week
- 2023 Federal Poverty Guidelines (FPG) for One Person = \$280 per week
- 2023 State minimum wage = \$14/hr
 - 40-hour workweek = \$560 gross per week,
 - About \$450 net per week
 - Average hours for CT private industry (Dec. 2022): 35.2 hours per week
 - Average hours for CT leisure and hospitality: (22.5 hrs)

Combined Net Weekly Income	One Child		Two Children		Three Children		Four Children		Five Children		Six Children	
50	10.00%	5	10.40%	5	10.80%	5	11.20%	6	11.60%	6	12.00%	6
60	10.00%	6	10.54%	6	11.08%	7	11.62%	7	12.16%	7	12.70%	8
70	10.00%	7	10.68%	7	11.36%	8	12.04%	8	12.72%	9	13.40%	9
80	10.00%	8	10.82%	9	11.64%	9	12.46%	10	13.28%	11	14.10%	11
90	10.00%	9	10.96%	10	11.92%	11	12.88%	12	13.84%	12	14.80%	13
100	10.00%	10	11.10%	11	12.20%	12	13.30%	13	14.40%	14	15.60%	16
110	10.00%	11	11.24%	12	12.48%	14	13.72%	15	14.96%	16	16.20%	18
120	10.00%	12	11.38%	14	12.76%	15	14.14%	17	15.52%	19	16.90%	20
130	10.00%	13	11.52%	15	13.04%	17	14.56%	19	16.08%	21	17.60%	23
140	10.00%	14	11.66%	16	13.32%	19	14.98%	21	16.64%	23	18.30%	26
150	10.00%	15	11.80%	18	13.60%	20	15.40%	23	17.20%	26	19.00%	29
160	10.00%	16	14.62%	23	16.78%	27	18.70%	30	20.57%	33	22.46%	36
170	12.29%	21	17.10%	29	19.59%	33	21.62%	37	23.55%	40	25.50%	43
180	14.32%	26	19.31%	35	22.08%	40	24.21%	44	26.19%	47	28.21%	51
190	16.14%	31	21.29%	40	24.32%	46	26.53%	50	28.56%	54	30.64%	58
200	17.78%	36	23.07%	46	26.33%	53	28.62%	57	30.69%	61	32.82%	66
210	19.26%	40	24.68%	52	28.14%	59	30.50%	64	32.62%	68	34.80%	73
220	20.61%	45	26.14%	58	29.80%	66	32.22%	71	34.37%	76	36.59%	81
230	21.84%	50	27.48%	63	31.30%	72	33.79%	78	35.97%	83	38.23%	88
240	22.96%	55	28.70%	69	32.69%	78	35.22%	85	37.43%	90	39.73%	95
250	23.46%	59	29.83%	75	33.96%	85	36.54%	91	38.78%	97	41.11%	103
260	23.97%	62	30.87%	80	35.13%	91	37.76%	98	40.03%	104	42.39%	110
270	24.47%	66	31.83%	86	36.22%	98	38.89%	105	41.18%	111	43.57%	118
280	24.97%	70	32.73%	92	37.23%	104	39.94%	112	42.25%	118	44.67%	125
290	25.47%	74	33.56%	97	38.17%	111	40.92%	119	43.25%	125	45.69%	133
300	25.48%	76	35.00%	105	39.05%	117	41.83%	125	44.18%	133	46.64%	140
310	25.46%	79	35.24%	109	39.87%	124	42.68%	132	45.05%	140	47.53%	147
320	25.44%	81	35.48%	114	40.64%	130	43.48%	139	45.86%	147	48.37%	155
330	25.43%	84	35.71%	118	41.36%	137	44.23%	146	46.63%	154	49.16%	162
340	25.41%	86	35.95%	122	41.39%	141	44.94%	153	47.35%	161	49.89%	170
350	25.40%	89	35.91%	126	41.42%	145	45.61%	160	48.03%	168	50.59%	177
360	25.38%	91	35.88%	129	41.45%	149	45.68%	164	48.67%	175	51.25%	185
370	25.37%	94	35.84%	133	41.48%	153	45.76%	169	49.28%	182	51.87%	192
380	25.30%	96	35.81%	136	41.51%	158	45.84%	174	49.86%	189	52.46%	199
390	25.34%	99	35.78%	140	41.48%	162	45.92%	179	50.40%	197	53.02%	207
400	25.33%	101	35.75%	143	41.46%	166	46.00%	184	50.42%	202	53.55%	214
410	25.32%	104	35.72%	146	41.43%	170	46.08%	189	50.45%	207	54.06%	222
420	25.31%	106	35.70%	150	41.40%	174	46.16%	194	50.47%	212	54.11%	227
430	25.30%	109	35.67%	153	41.38%	178	46.13%	198	50.49%	217	54.17%	233
440	25.27%	111	35.62%	157	41.29%	182	46.04%	203	50.51%	222	54.22%	239
450	25.25%	114	35.55%	160	41.20%	185	45.93%	207	50.53%	227	54.28%	244
460	25.22%	116	35.48%	163	41.10%	189	45.83%	211	50.41%	232	54.33%	250
470	25.20%	118	35.42%	166	41.01%	193	45.73%	215	50.30%	236	54.39%	256
480	25.18%	121	35.36%	170	40.92%	196	45.63%	219	50.19%	241	54.44%	261
490	25.16%	123	35.30%	173	40.84%	200	45.54%	223	50.09%	245	54.50%	267

North Carolina's Shaded Area and Explicit Statement of SSR

Self-Support Reserve: Supporting Parents with Low Incomes

The guidelines include a self-support reserve that ensures that obligated parents have sufficient income to maintain a minimum standard of living based on the 2014 federal poverty level for one person (\$973 per month) for obligated parents with an adjustment gross income of less than \$1,097 the Guidelines require, absent a deviation, the establishment of a minimum support order (\$50). For obligated parents with adjusted gross incomes above \$1,097, the Schedule of Basic Support Obligations incorporates a further adjustment to maintain the self-support reserve for the obligated parent.

If the obligated parent's adjusted gross income falls within the shaded area of the Schedule and Worksheet A is used, the basic child support obligation and the obligated parent's total child support obligation are computed using only the obligated parent's income. In these cases, childcare and health insurance premiums should not be used to calculate the child support obligation. However, payment of these costs or other extraordinary expenses by either parent may be a basis for deviation. This approach prevents disproportionate increases in the child support obligation with moderate increases in income and protects the integrity of the self-support reserve. In all other cases, the basic child support obligation is computed using the combined adjusted gross incomes of both parents.

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0 - 1150	50	50	50	50	50	50
1200	66	67	68	68	69	70
1250	81	82	83	84	85	86
1300	96	97	98	99	100	101
1350	111	112	113	114	115	116
1400	126	127	128	129	130	131
1450	141	142	143	144	145	146
1500	156	157	158	159	160	161
1550	171	172	173	174	175	176
1600	186	187	188	189	190	191
1650	201	202	203	204	205	206
1700	216	217	218	219	220	221
1750	231	232	233	234	235	236
1800	246	247	248	249	250	251
1850	261	262	263	264	265	266
1900	276	277	278	279	280	281
1950	291	292	293	294	295	296
2000	306	307	308	309	310	311
2050	321	322	323	324	325	326
2100	336	337	338	339	340	341
2150	351	352	353	354	355	356
2200	366	367	368	369	370	371
2250	381	382	383	384	385	386
2300	396	397	398	399	400	401
2350	411	412	413	414	415	416
2400	426	427	428	429	430	431
2450	441	442	443	444	445	446
2500	456	457	458	459	460	461
2550	471	472	473	474	475	476
2600	486	487	488	489	490	491
2650	501	502	503	504	505	506
2700	516	517	518	519	520	521
2750	531	532	533	534	535	536
2800	546	547	548	549	550	551
2850	561	562	563	564	565	566
2900	576	577	578	579	580	581
2950	591	592	593	594	595	596
3000	606	607	608	609	610	611
3050	621	622	623	624	625	626
3100	636	637	638	639	640	641
3150	651	652	653	654	655	656
3200	666	667	668	669	670	671

Arizona's Self-Support Reserve (SSR) in the Worksheet

	Paying Parent (Petitioner)	Custodian (Respondent)	Combined
Line 1: Monthly gross income	\$2,400	\$1,600	\$4,000
Line 2: Monthly adjusted gross income	\$2,400	\$1,600	\$4,000
Line 4: Basic child support obligation for 3_child(ren)			\$1,306
Line 5: Percentage share of income (each parent's income on Line 2 divided by Combined Income)	60%	40%	100%
Line 6: Preliminary child support obligation (Multiple Line 4 by Line 5)	\$784	\$522	
Self-Support Reserve Test			
Line 7: Self-support reserve for <u>petitioner</u>	\$1,921		
Line 8: Adjusted gross income less self-support reserve	\$ 479		
Line 9: Child support order to be paid by <u>petitioner</u> (lower of Line 6 and Line 8)	\$ 479		

AZ sets SSR at 80% of F-T minimum wage earnings

KY's Explicit Statement of Self-Support Reserve

(d) "Self-support reserve" means a low-income adjustment amount to the obligated parent of nine hundred fifteen dollars (\$915) per month that considers the subsistence needs of the parent with a limited ability to pay in accordance with 45 C.F.R. sec. 302.56(c)(1)(ii), and as applied under subsection (3) of this section

KY write's out the SSR-income thresholds instead of shades them

(3)

- (a) Except as provided in paragraph (b) of this subsection, the child support obligation set forth in the child support guidelines table shall be divided between the parents in proportion to their combined monthly adjusted parental gross income.
- (b) If the monthly adjusted gross income of the obligated parent and the number of children for whom support is being determined fall within the following defined areas, which represent the self-support reserve, the basic child support obligation shall be calculated by using the monthly adjusted gross income of the obligated parent only to provide the obligated parent with the self-support reserve:
 - 1. Equal to or less than one thousand one hundred dollars (\$1,100) with one (1) or more children;
 - 2. Equal to or less than one thousand three hundred dollars (\$1,300) with two (2) or more children;
 - 3. Equal to or less than one thousand four hundred dollars (\$1,400) with three (3) or more children;
 - 4. Equal to or less than one thousand five hundred dollars (\$1,500) with four (4) or more children; or
 - 5. Equal to or less than one thousand six hundred dollars (\$1,600) with six (6) or more children

Federal Requirement: Incarcerated Parents

Federal Requirement	CT Provisions
<p>45 CFR §302.56(c) (3) Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders;</p>	<p>Sec. 46b-215e. Initial or modified support order when child support obligor is institutionalized or incarcerated. Procedure in IV-D support cases when child support obligor is incarcerated for more than ninety days. (a) Notwithstanding any provision of the general statutes, whenever a child support obligor is institutionalized or incarcerated, the Superior Court or a family support magistrate shall establish an initial order for current support, or modify an existing order for current support, upon proper motion, based upon the obligor's present income and substantial assets, if any, in accordance with the child support guidelines established pursuant to section 46b-215a. Downward modification of an existing support order based solely on a loss of income due to incarceration or institutionalization shall not be granted in the case of a child support obligor who is incarcerated or institutionalized for an offense against the custodial party or the child subject to such support order.</p> <p>(b) In IV-D support cases, as defined in section 46b-23 I, when the child support obligor is institutionalized or incarcerated for more than ninety days, any existing support order, as defined in section 46b-23 I, shall be modified to zero dollars effective upon the date that a support enforcement officer files an affidavit in the Family Support Magistrate Division. The affidavit shall include: (1) The beginning and expected end dates of such obligor's institutionalization or incarceration; and (2) a statement by such officer that (A) a diligent search failed to identify any income or assets that could be used to satisfy the child support order while the obligor is incarcerated or institutionalized, (B) the offense for which the obligor is institutionalized or incarcerated was not an offense against the custodial party or the child subject to such support order, and (C) a notice in accordance with subsection (c) of this section was provided to the custodial party and an objection form was not received from such party.</p>

Federal Requirement: Incarcerated Parents

Provision complements 45 C.F.R. §303.8 Review and adjustment of child support orders

(2) The State may elect in its State plan to initiate review of an order, after learning that a noncustodial parent will be incarcerated for more than 180 calendar days, without the need for a specific request and, upon notice to both parents, review, and if appropriate, adjust the order, in accordance with paragraph (b)(1)(i) of this section. * * * * *

Federal View on Exceptions

- There was a proposed federal rule change that would give states the option to make exceptions based on crimes involving domestic abuse and nonpayment of child support. That proposed rule change was rescinded Nov. 2021.
<https://www.federalregister.gov/documents/2021/11/10/2021-24606/optional-exceptions-to-the-prohibition-against-treating-incarceration-as-voluntary-unemployment>
- In a letter to Mississippi, OCSE essentially states such exceptions do not meet the requirement to base guidelines amounts on “ability to pay.”

Recent Excerpt from Delaware Guidelines Review about Exception

<https://courts.delaware.gov/forms/download.aspx?id=172308>

Incarcerated Parents After 180 days of continuous confinement, obligations established after February 1, 2019, are reduced to one-half of a minimum order, currently \$60 for one child and \$90 for two or more. However, persons incarcerated for a crime against the support recipient, or the children of the order cannot benefit from the reduction.

At the urging of the Federal Office of Child Support Enforcement (OCSE), that exception has been eliminated.

Federal Medical Support Change

45 C.F.R. 302.56 (c) (2) Address how the parents will provide for the child's health care needs through private or public health care coverage and/or through cash medical support;

45 C.F.R. §303.31 Securing and enforcing medical support obligations.

(a) * * * (2) Health insurance care coverage includes fee for service, health maintenance organization, preferred provider organization, and other types of private health insurance and public health care coverage ~~which is available to either parent,~~ under which medical services could be provided to the dependent child(ren).

(3) Cash medical support or the cost of health insurance is considered reasonable in cost if **the cost to the parent responsible for providing medical support does not** exceed five percent of his or her gross income or, at State option, a reasonable alternative income-based numeric standard defined in State law, regulations, or court rule having the force of law or State child support guidelines adopted in accordance with § 302.56(c) of this chapter.

CONNECTICUT

Sec. 46b-215.(2) Any such support order in a IV-D support case shall include a provision for the health care coverage of the child. Such provision may include an order for either parent or both parents to provide such coverage under any or all of subparagraphs (A), (B) or (C) of this subdivision.

(A) The provision for health care coverage may include an order for either parent to name any child as a beneficiary of any medical or dental insurance or benefit plan carried by such parent or available to such parent at a reasonable cost, as defined in subparagraph (D) of this subdivision. If such order requires the parent to maintain insurance available through an employer, the order shall be enforced using a National Medical Support Notice as provided in section 46b-88.

(B) The provision for health care coverage may include an order for either parent to: (i) Apply for and maintain coverage on behalf of the child under the HUSKY Plan, Part B; or (ii) provide cash medical support, as described in subparagraphs (E) and (F) of this subdivision. An order under this subparagraph shall be made only if the cost to the parent obligated to maintain coverage under the HUSKY Plan, Part B, or provide cash medical support is reasonable, as defined in subparagraph (D) of this subdivision. An order under clause (i) of this subparagraph shall be made only if insurance coverage as described in subparagraph (A) of this subdivision is unavailable at reasonable cost to either parent, or inaccessible to the child.

(C) An order for payment of the child's medical and dental expenses, other than those described in clause (ii) of subparagraph (E) of this subdivision, that are not covered by insurance or reimbursed in any other manner shall be entered in accordance with the child support guidelines established pursuant to section 46b-215a.

(D) Health care coverage shall be deemed reasonable in cost if: (i) The parent obligated to maintain such coverage would qualify as a low-income obligor under the child support guidelines established pursuant to section 46b-215a, based solely on such parent's income, and the cost does not exceed five per cent of such parent's net income; or (ii) the parent obligated to maintain such coverage would not qualify as a low-income obligor under such guidelines and the cost does not exceed seven and one-half per cent of such parent's net income. In either case, net income shall be determined in accordance with the child support guidelines established pursuant to section 46b-215a. If a parent obligated to maintain insurance must obtain coverage for himself or herself to comply with the order to provide coverage for the child, reasonable cost shall be determined based on the combined cost of coverage for such parent and such child.

(E) Cash medical support means (i) an amount ordered to be paid toward the cost of premiums for health insurance coverage provided by a public entity, including the HUSKY Plan, Part A or Part B, except as provided in subparagraph (F) of this subdivision, or by another parent through employment or otherwise, or (ii) an amount ordered to be paid, either directly to a medical provider or to the person obligated to pay such provider, toward any ongoing extraordinary medical and dental expenses of the child that are not covered by insurance or reimbursed in any other manner, provided such expenses are documented and identified specifically on the record. Cash medical support, as described in clauses (i) and (ii) of this subparagraph, may be ordered in lieu of an order under subparagraph (A) of this subdivision



Federal Requirements of State Guidelines Reviews

45 C.F.R 302.56 (e) and (h)

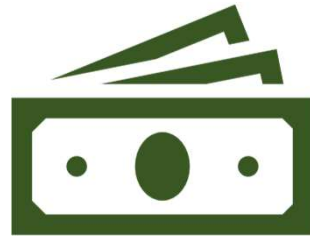
(e) The State must review, and revise, if appropriate, the child support guidelines established under paragraph (a) of this section **at least once every four years to ensure that their application results in the determination of appropriate child support order amounts**. The State shall publish on the internet and make accessible to the public all reports of the guidelines reviewing body, the membership of the reviewing body, the effective date of the guidelines, and the date of the next quadrennial review.

(h) As part of the review of a State's child support guidelines required under paragraph (e) of this section, a State must:

- (1) **Consider economic data on the cost of raising children**, labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders;
- (2) Analyze case data, gathered through sampling or other methods, on the application of and deviations from the child support guidelines, as well as the rates of default and imputed child support orders and orders determined using the low-income adjustment required under paragraph (c)(1)(ii) of this section. The analysis must also include a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment required under paragraph (c)(1)(ii). The analysis of the data must be used in the State's review of the child support guidelines to ensure that deviations from the guidelines are limited and guideline amounts are appropriate based on criteria established by the State under paragraph (g); and
- (3) Provide a meaningful opportunity for public input, including input from low-income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV-D of the Act.

Plan to Fulfill Federal Requirements of Reviews

Continued Requirement		New Requirement	
Consider economic data on the cost of raising children	CPR preparing & on agenda today	Consider labor market data	CPR
		Impact of guidelines policies on parents with low income	CPR case file scenarios
Consider case file data on application of and deviation from the guidelines	CPR is working with child support agency	Factors that influence employment rates and compliance	CPR from case file data
		Rates of default, imputation, and application of low-income adjustment	
Review, and revise, if appropriate, the child support guidelines	Commission and Legislative Regulation Review Committee	Comparison of payments by case characteristics including default, imputation, and application of the low-income adjustment	Representation on Commission and Regulation Process
		Provide meaningful opportunity for public input, including input from low-income parties	
		Obtain the views and advice of the IV-D agency	
		Publish report on internet, membership of reviewing body, and effective date of the guidelines and next review	Updated Child Support and Arrearage Guidelines if Changes



Analysis of Economic Data on the Cost of Raising Children

Child Support Schedule: Part Economic Data and Part Policy

Example with no income deductions or adjustments

1 Child
 Parent A: \$1,000
 Parent B: \$ 500
 Combined = \$1,500

Basic obligation from schedule = \$278

Parent A Income/Combined Income = 67%

Order = \$278 X 67% = \$186 per week

Combined Net Weekly Income	One Child		Two Children		Three Children	
	Percentage	Amount	Percentage	Amount	Percentage	Amount
1500	18.51%	278	27.61%	414	32.62%	489
1510	18.50%	279	27.59%	417	32.58%	492
1520	18.48%	281	27.56%	419	32.54%	495
1530	18.47%	283	27.54%	421	32.51%	497
1540	18.45%	284	27.51%	424	32.47%	500
1550	18.44%	286	27.49%	426	32.44%	503
1560	18.43%	287	27.46%	428	32.40%	506
1570	18.41%	289	27.44%	431	32.37%	508

Assumptions and Data Underlying Existing Schedule & What Could Be Updated

	Basis of Existing Schedule	Update Alternatives
1. Guidelines model	Income Shares (used by 41 states)	Other models
2. Price levels	March 2012 price levels	Dec. 2022 (29.4% increase)
3. Measurement of child-rearing expenditures	4 th Betson-Rothbarth study (BR4) from expenditure data collected in 2004-09	BR5 (2013-2019 expenditure data), USDA, and other studies
4. Adjustments for CT higher income/cost of living	<ul style="list-style-type: none"> Income realignment (CT 3rd highest state in 2010) 	<ul style="list-style-type: none"> Income realignment (CT is 6th highest state in 2021) Price parity (102.6) CT ranks 13th in 2021 median gross rent
5. Adjusted so no decrease	Higher of existing (2005 schedule) and BR4 income aligned: 2005 schedule applies to net weekly incomes below \$1,250 for 1child; \$920 for 2 children; and about \$600 for 3 or more children	Policy decision
6. Lowest and highest income to be considered	Combined net incomes of \$50 - \$4,000 per week	Depends on economic basis and adjustment for CT incomes (e.g., BR study allows for up to about \$5,000 per week)
7. Spending more/less of after-tax income	Use actual ratios with cap	District of Columbia approach (after-tax income = expenditures, which would increase schedule amounts)
8. Highly variable child-rearing expenses excluded from schedule	Childcare & healthcare expenses excluded from schedule	Various options
9. Low-income adjustment & minimum order	2012 federal poverty guidelines for 1 person = \$215 per week and 10-12% minimum order at net income of \$50 per month	2023 FPG: \$280 per week

Studies of Child-Rearing Expenditures: 10 Different Studies underlying State Guidelines

Study Name and CES Years	Study Year	Full Reference
Van der Gaag	1981	Jacques van der Gaag, <i>On Measuring the Cost of Children</i> , Discussion Paper No. 663-81 (Univ. of Wisconsin Inst. for Research on Poverty, 1981)
Espenshade	1984	Thomas J. Espenshade, <i>Investing in Children: New Estimates of Parental Expenditures</i> (Urban Inst. Press, 1984).
Lewin Report (compared methods)	1990	Lewin/ICF. (1990). <i>Estimates of Expenditures on Children and Child Support Guidelines</i> . Report to U.S. Department of Health and Human Services, Office of the Assist. Secretary for Planning and Evaluation. Virginia
Betson-Rothbarth 1 (BR1) CE: 1980-86	1990	David M. Betson (1990). <i>Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey</i>, Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, University of Wisconsin Institute for Research on Poverty, Madison, WI.
BR2 and BR3 (1994-98 and 1998-2004)	1996 2006	See Betson (2021) for summaries
Betson-Rothbarth 4 (BR4) CE: 2004-09	2010	Betson, David M. (2010). "Appendix A: Parental Expenditures on Children." in Judicial Council of California, <i>Review of Statewide Uniform Child Support Guideline</i>. San Fran-cisco, California. Retreved from: http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf
Rodgers-Rothbarth/NJ CE: 2000-11	2012	New Jersey Child Support Institute (March 2013). <i>Quadrennial Review: Final Report</i>, Institute for Families, Rutgers, the State University of New Jersey, New Brunswick, NJ. Retrieved from: http://www.judiciary.state.nj.us/reports2013/F0_NJ+QuadrennialReview-Final_3.22.13_complete.pdf
Comanor (CE: 2004-09)	2015	Comanor, William, Sarro, Mark, and Rogers, Mark. (2015). "The Monetary Cost of Raising Children." In (ed.) <i>Economic and Legal Issues in Competition, Intellectual Property, Bankruptcy, and the Cost of Raising Children</i> (Research in Law and Economics), Vol. 27). Emerald Group Publishing Limited, pp. 209–51
USDA (CE: 2011-2015)	2017	Lino, Mark (2017). <i>Expenditures on Children by Families: 2015 Annual Report</i>. U.S. Department of Agriculture, Center for Nutrion and Policy Promotion. Miscellaneous Publication No. 1528-2015, Washington, D.C. http://www.cnpp.usda.gov/publications/crc/crc2017.pdf
Florida State/Rothbarth and Engel (CE: 2013-19)	2021	Norribin, Stefan C., et al. (Nov. 2021). <i>Review and Update of Florida's Child Support Guidelines</i> . Retrieved from http://edr.state.fl.us/Content/special-research-projects/child-support/ChildSupportGuidelinesFinalReport2021.pdf .
Betson-Rothbarth (BR5) CE: 2013-19	2020	Betson, David M. (Mar 2021). "Appendix A Parental Expenditures on Children." in Venohr, J. and Matyasic, S., <i>Review of Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule</i>. Report to the Arizona Supreme Court Administrative Office of the Courts https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187

Bold font indicates study in use. Besides the 8 studies in bold above, there is an old KS study and Betson-Engel study

Consumer Expenditure Survey

- <https://www.bls.gov/cex/>
- Conducted by the U.S. Bureau of Labor Statistics
- Primary purpose: shape market basket used to track inflation
- Ongoing survey
- About 6,000 households each quarter
- Hundreds of items
- Each household stays in for 4 quarters (earlier years: 5 quarters)
- Designed to be nationally representative
 - Also 4 regions: NE, South, Midwest and West
 - Recently added state-specific for largest states

Comparison of Average Child-Rearing Expenditures as Percentage of Total Expenditures

Economists generally don't agree which methodology best measures actual child-rearing expenditures.

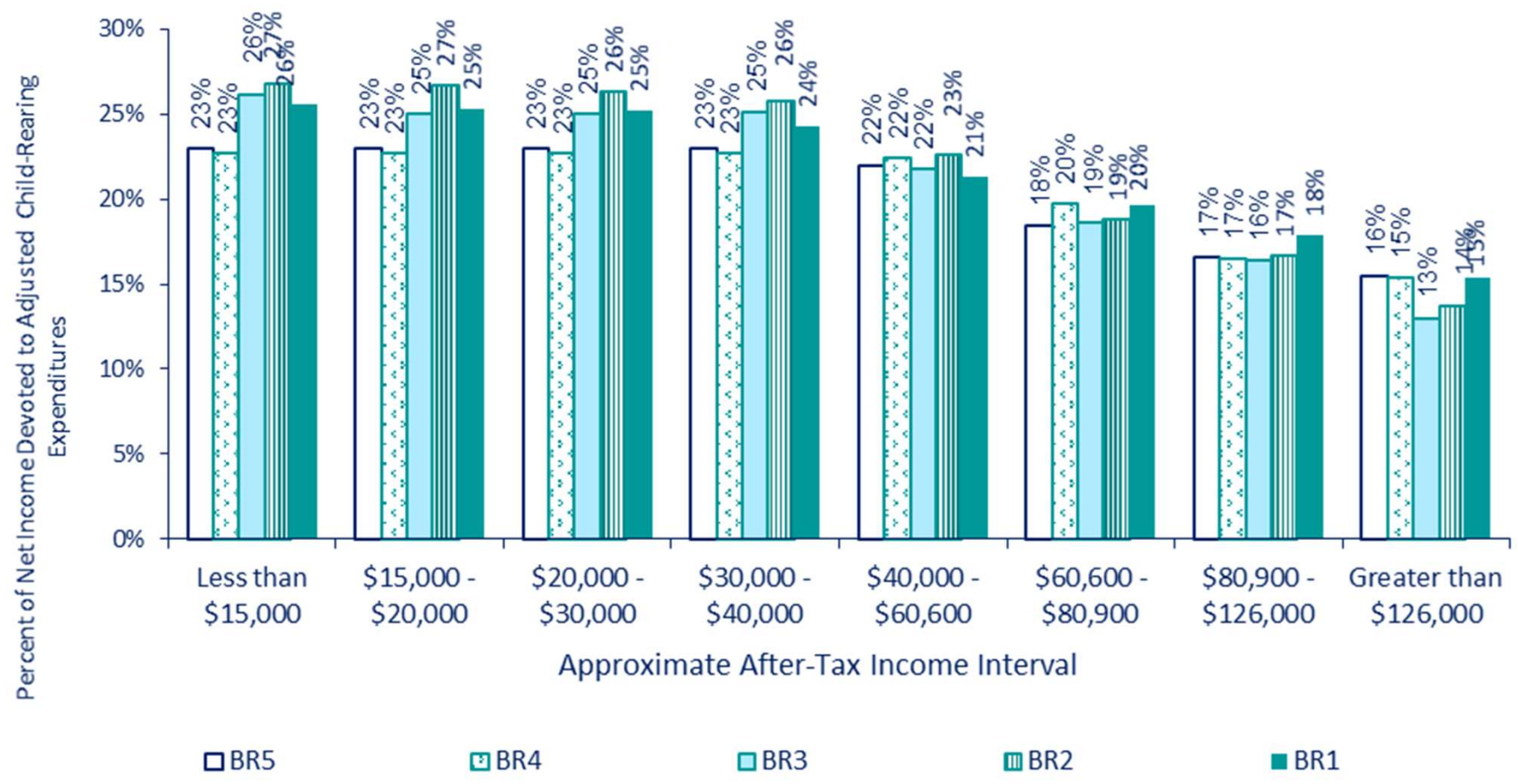
However, most economists and policymakers agree that a guidelines amount between the lowest and highest of credible measurements is within an appropriate range

STATE USAGE

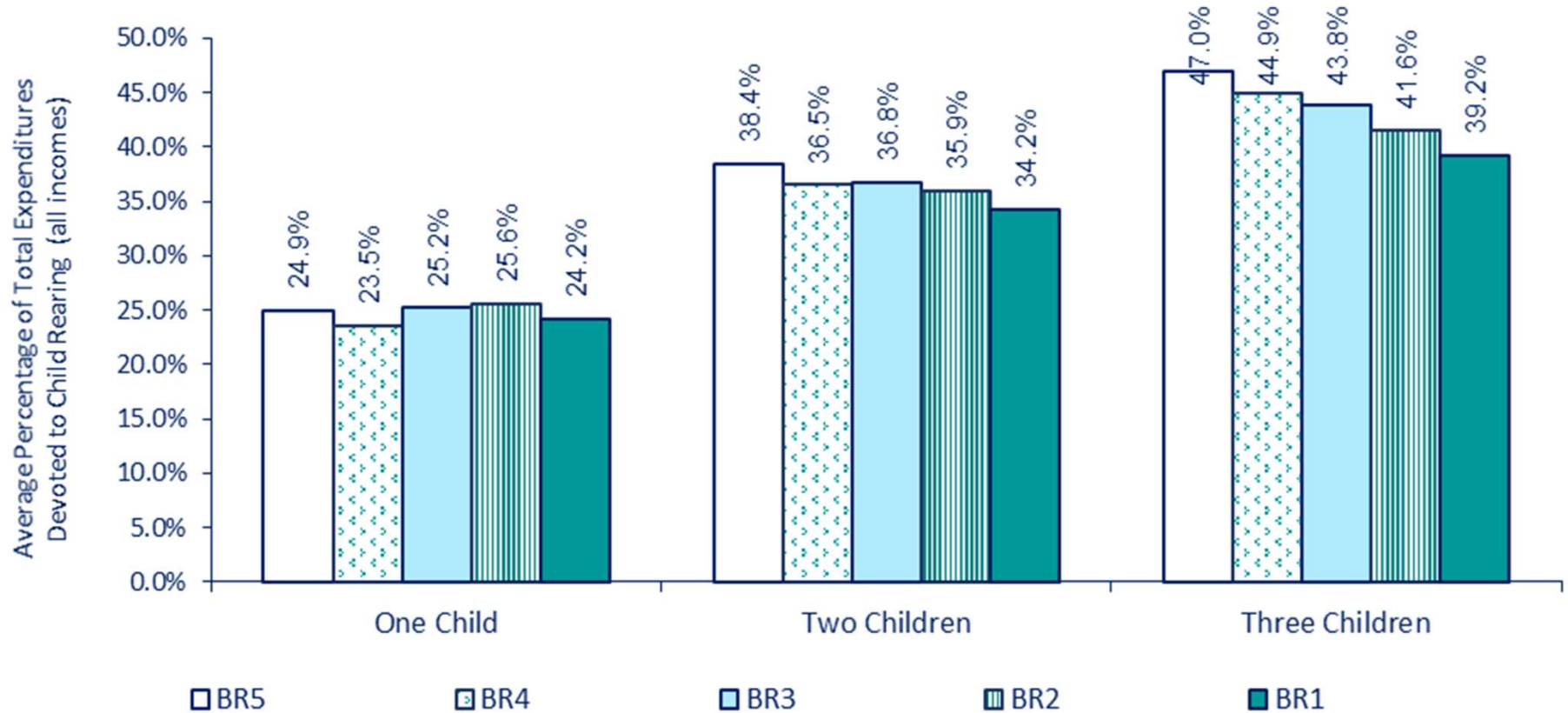
- 31 states use a BR study (CO, CT, RI, OR, NH, VT, PA)
- No state uses Comanor (2015)
- MN and MD high incomes use USDA
- Several states based on older studies (CA, NY)
- NJ uses own Rothbarth study
- MA not based on study

Economic Methodology	Economist and Data Years	Average Childrearing Expenditures as a Percentage of Total Expenditures		
		1 Child	2 Children	3 Children
Point estimate from literature review	van der Gaag (no year specified)	25.0%	37.5%	50.0%
Rothbarth	Betson 2013–2019	24.9%	38.4%	47.0%
	2004–2009	23.5%	36.5%	44.9%
	1998–2004	25.2%	36.8%	43.8%
	1996–1998	25.6%	35.9%	41.6%
	1980–1986	24.2%	34.2%	39.2%
	Rodgers/Replication of Betson 2004–2009	22.2%	34.8%	43.2%
	Rodgers 2000–2015	19.2%	24.1%	30.8%
	2004–2009	21.5%	24.4%	33.4%
	2000–2011	21.0%	25.0%	31.0%
	Florida State University 2013–2019	21.3%	33.4%	41.4%
2009–2015	24.9%	38.3%	46.9%	
Engel	Florida State University 2013–2019	21.5%	33.6%	41.6%
	2009–2015	20.3%	32.6%	41.4%
	Betson 1996–1998	32.0%	39.0%	49.0%
	1980–1986	33.0%	46.0%	58.0%
	Espenshade 1972–73	24.0%	41.0%	51.0%
	USDA 2011–2015	26.0%	39.0%	49.0%

BR Studies over Time by Income Range



Factor 5 (slide 24) BR Average Estimates over Time



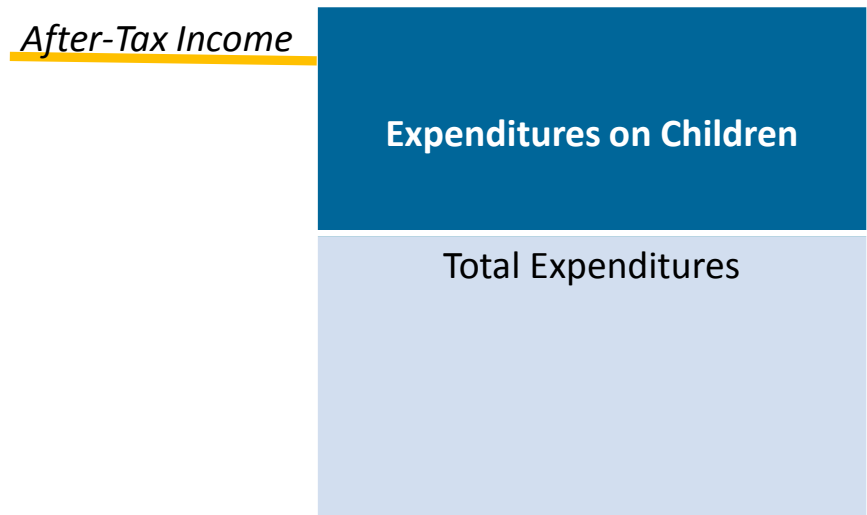
Alternative Updates

	Basis of Existing Schedule	Updated USDA	Updated BR (income realignment)	Updated BR (price parity)	Updated Comanor, Sarro and Rogers (CSR)
Guidelines model	Income Shares	Income Shares			
Price levels	March 2012	Dec 2022			
Measurement of child-rearing expenditures	BR4	USDA	BR5		CSR
Adjustments for CT higher income	Income realignment	None	Income realignment	Price parity	None
Highest net weekly income	\$4,000	\$3,400	\$4,900	\$5,750	\$3,000
Spending more/less of after-tax income	Use actual ratios with cap	No Cap	Use actual	Use actual	N.A.
Highly variable child-rearing expenses excluded from schedule	Excluded	Excluded			

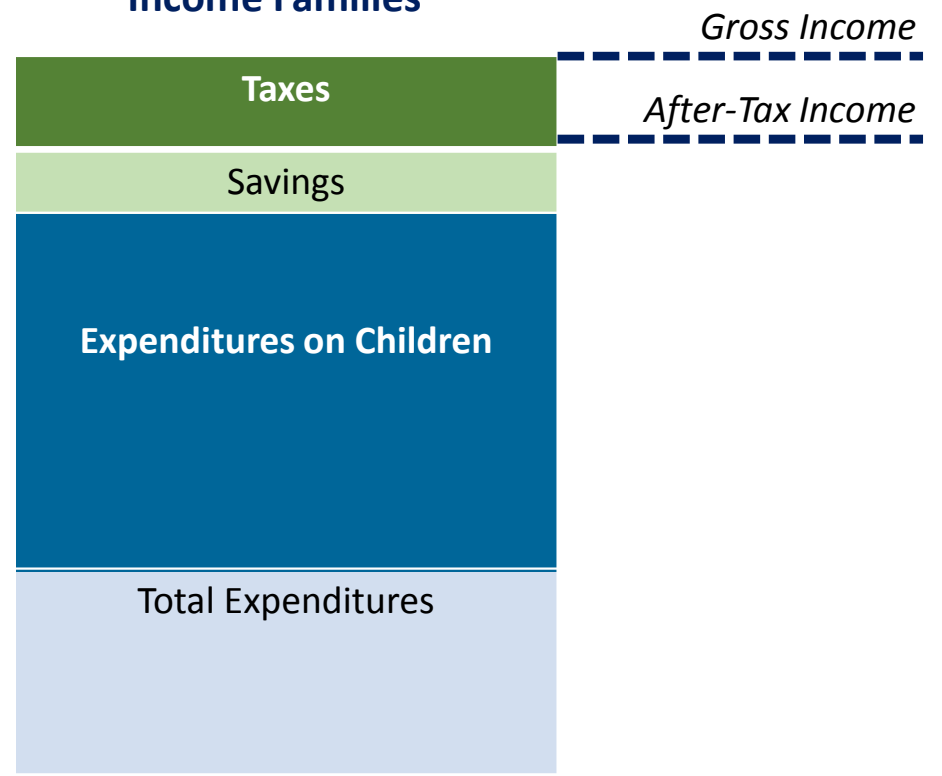
Factor #7 from Slide 24: Convert BR measurements from Expenditures to Net Income

- Use average expenditures to net income ratios from same CE sample, Cap expenditures so it doesn't exceed after-tax income for low incomes
- *Alternative:* Assume all net income is spent. DC uses this approach. Raises schedule amounts

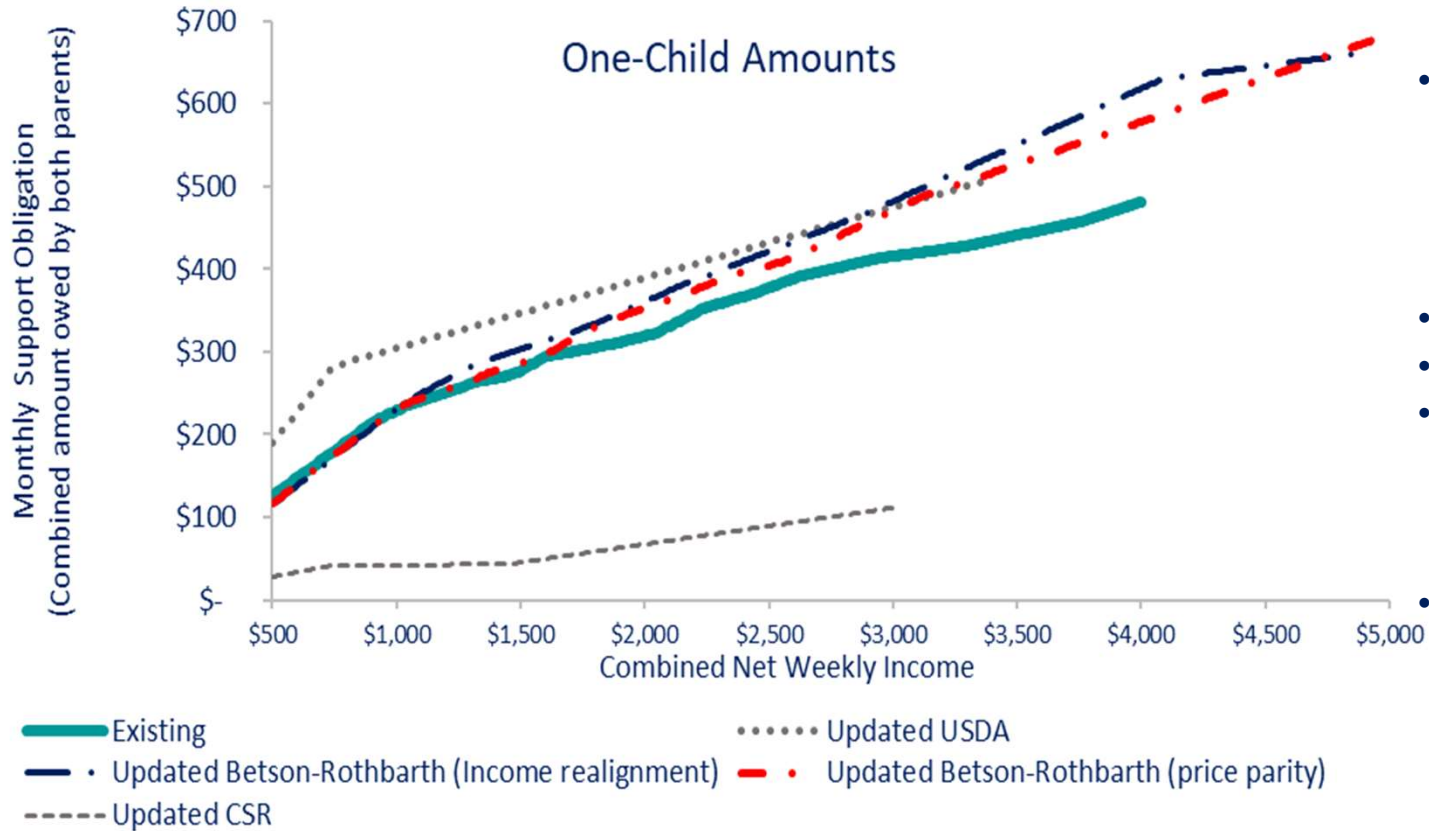
Lower to Middle Income Families



Upper-Middle to Upper Income Families

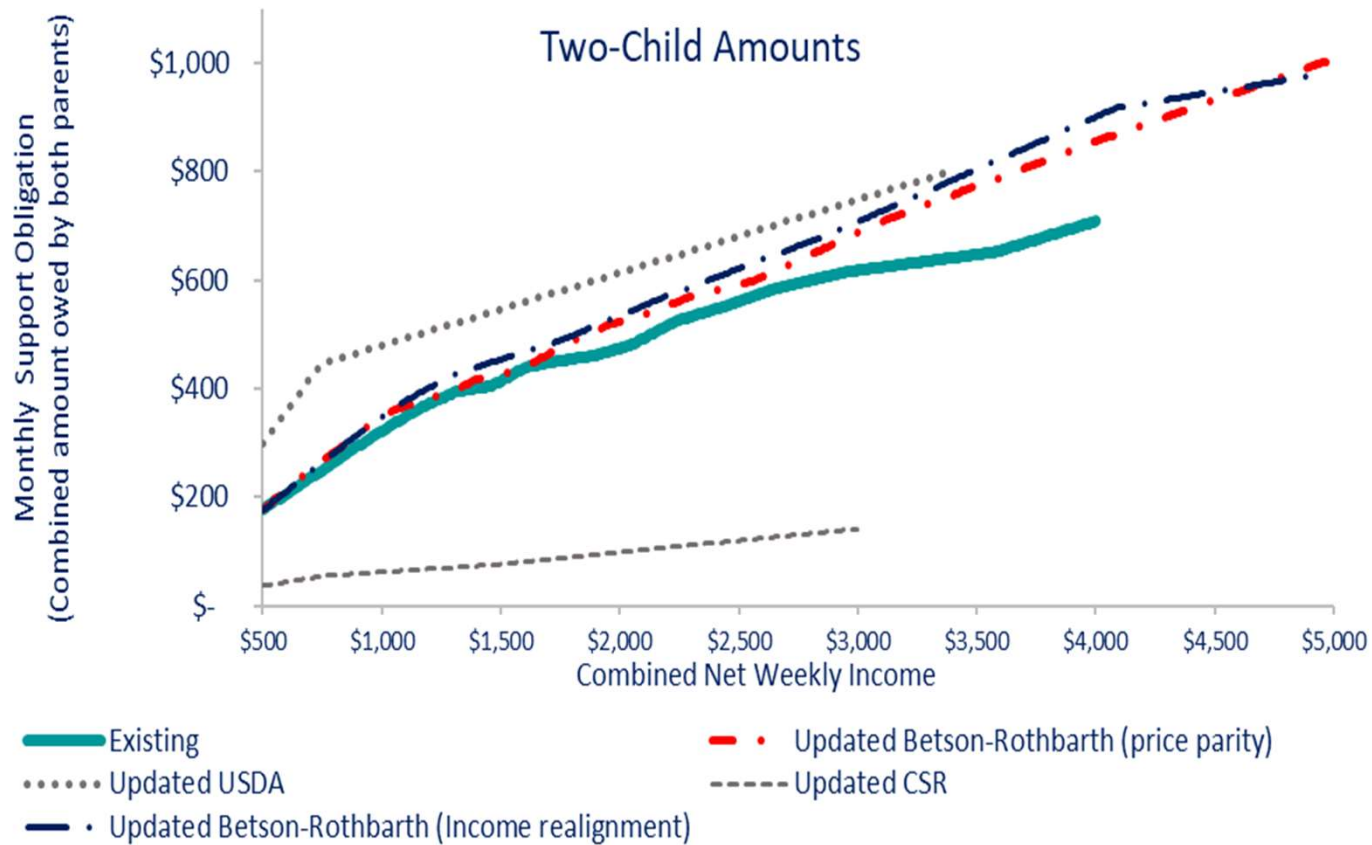


Comparisons: 1 Child



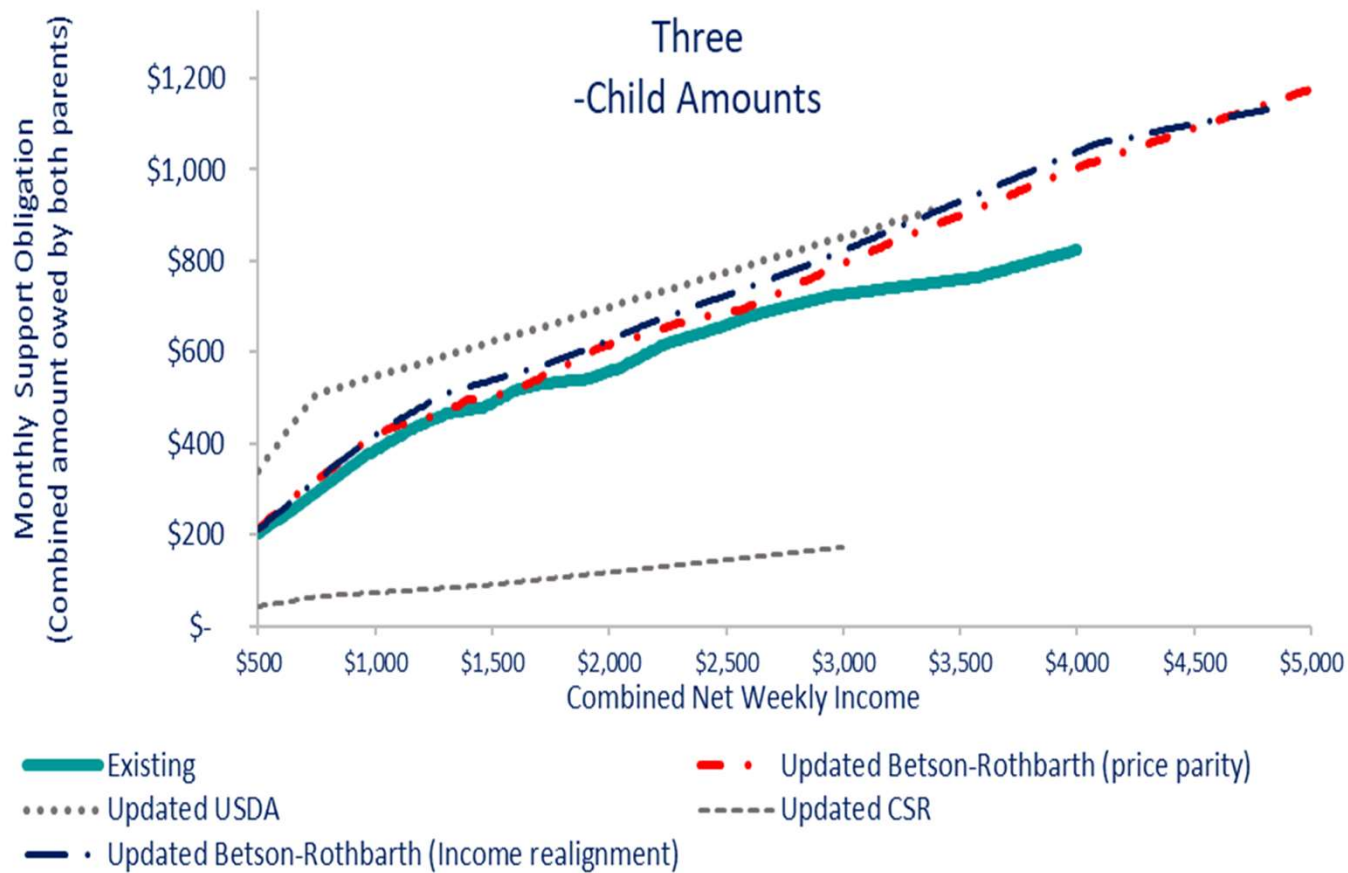
- Comparisons start at combined net incomes of \$500 per week to save discussion about updating low-income adjustment later.
- USDA is generally highest
- CSR is lowest
- BR (price parity and income realignment) generally track closely except at higher incomes
- Gap between existing and BR widens with more income

Comparisons: 2 Children



- Comparisons start at combined net incomes of \$500 per week to save discussion about updating low-income adjustment later.
- USDA is generally highest
- CSR is lowest
- BR (price parity and income realignment) generally track closely except at higher incomes
- Gap between existing and BR widens with more income

Comparisons: 3 Children



- Comparisons start at combined net incomes of \$500 per week to save discussion about updating low-income adjustment later.
- USDA is generally highest
- CSR is lowest
- BR (price parity and income realignment) generally track closely except at higher incomes
- Gap between existing and BR widens with more income

Findings about BR5 Updates from Comparisons

Mostly Increases

	1 Child		2 Children		3 Children	
	Realign.	Price Parity	Realign.	Price Parity	Realign.	Price Parity
Average Increase	\$59 (15%)	\$43 (11%)	\$74 (13%)	\$54 (9%)	\$84 (13%)	\$60 (9%)
Median Increase	\$44 (12%)	\$31 (9%)	\$59 (11%)	\$37 (7%)	\$65(10%)	\$39 (8%)
Maximum	\$137 (28%)	\$96 (21%)	\$192 (27%)	\$147 (21%)	\$215 (26%)	\$180 (22%)
Weekly Combined Incomes with Increases More than 15%	> \$2,930	> \$3,050	> \$3,000	> \$3,170	> \$3,070	> \$3,270

SOME DECREASES for BOTH BR UPDATES

- 1 child: decrease of \$1 to \$10 per week for combined net incomes up to \$980 per week)
 - Decreases are closest to \$10 at lower incomes (i.e., about \$500 per week)
 - All decreases less than 15%
- No decreases for 2+ children

CT 2021 Median Earnings for Workers Age 25 and Older

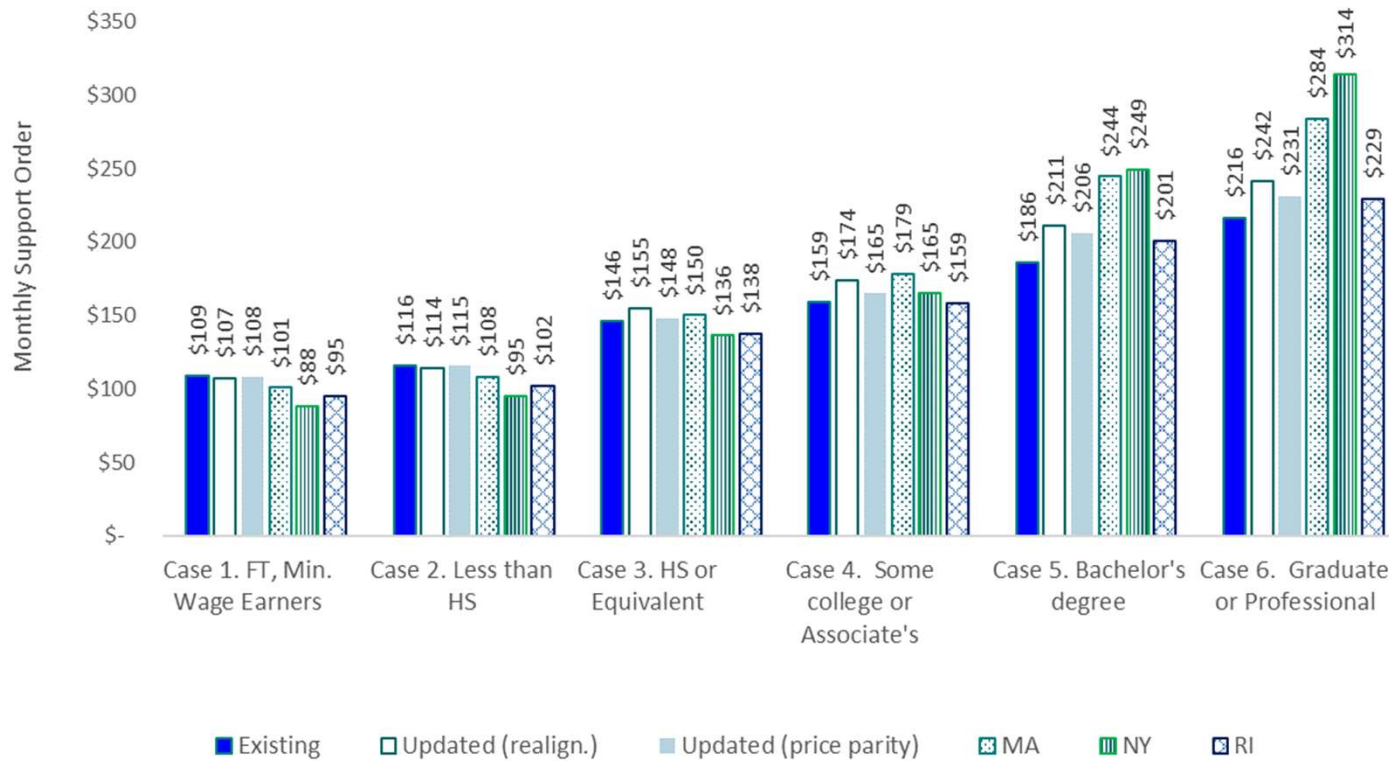
Highest Educational Attainment	Gross Weekly Income	
	Males	Females
1. Minimum wage earners (\$14.00/hr)	\$ 560	\$ 560
2. Less than High School Degree	\$ 605	\$ 529
3. High School Degree or GED	\$ 868	\$ 607
4. Some College or Associate's Degree	\$ 1,052	\$ 715
5. Bachelor's Degree	\$ 1,589	\$ 1,115
6. Graduate or Professional Degree	\$ 2,003	\$ 1,496

Case scenarios: Male is parent owing support, female is parent receiving support, no other adjustment, incomes are approximate after-tax incomes

Tax rates are approximated.

Low-income adjustment doesn't apply to Case 1 or Case 2. This could change after low-income adjustment is updated.

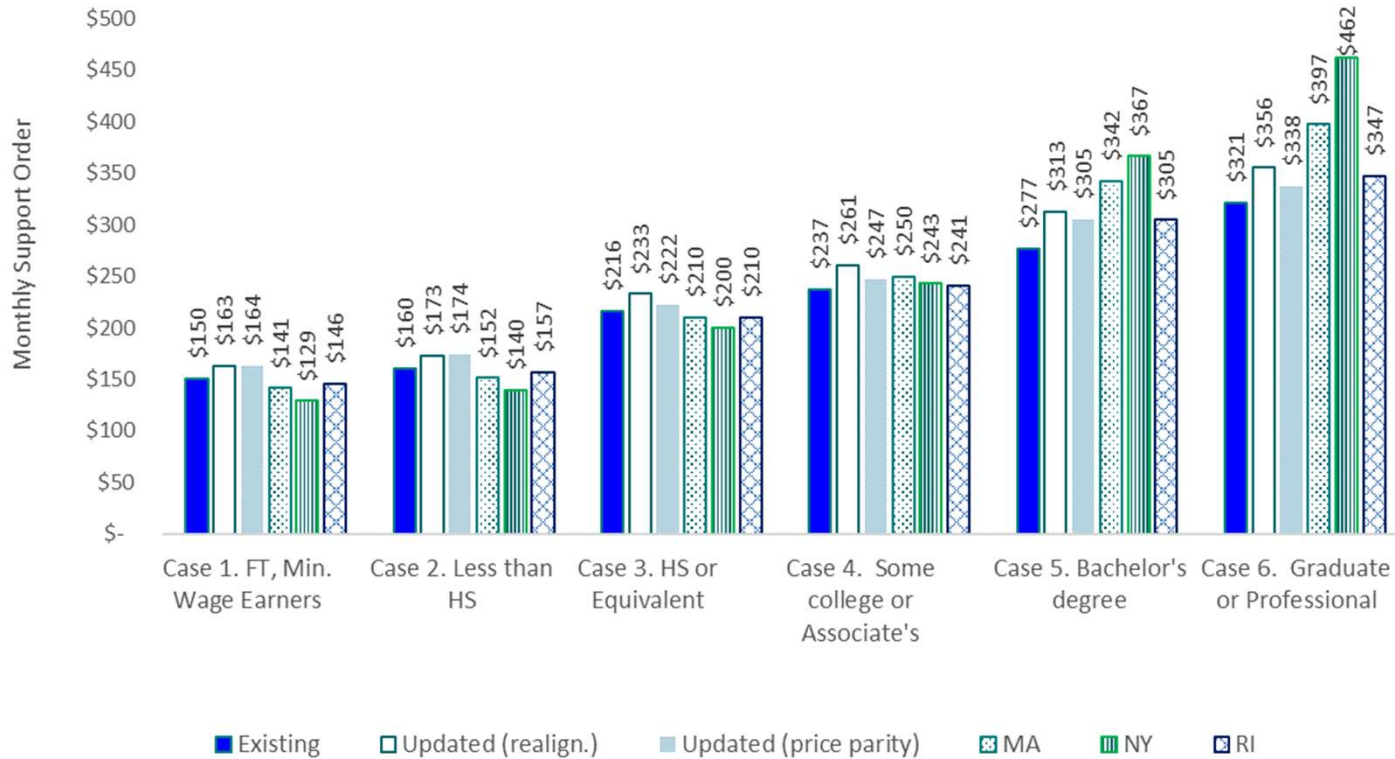
Case Scenarios: One Child



Findings

- Nominal decrease for Cases 1 and 2
- Small increases that become larger with more income for Cases 3-6
- CT slightly larger than other states for Case 1 and 2 (but this is before update of low-income adjustment)
- NY and MA are larger than others at high income

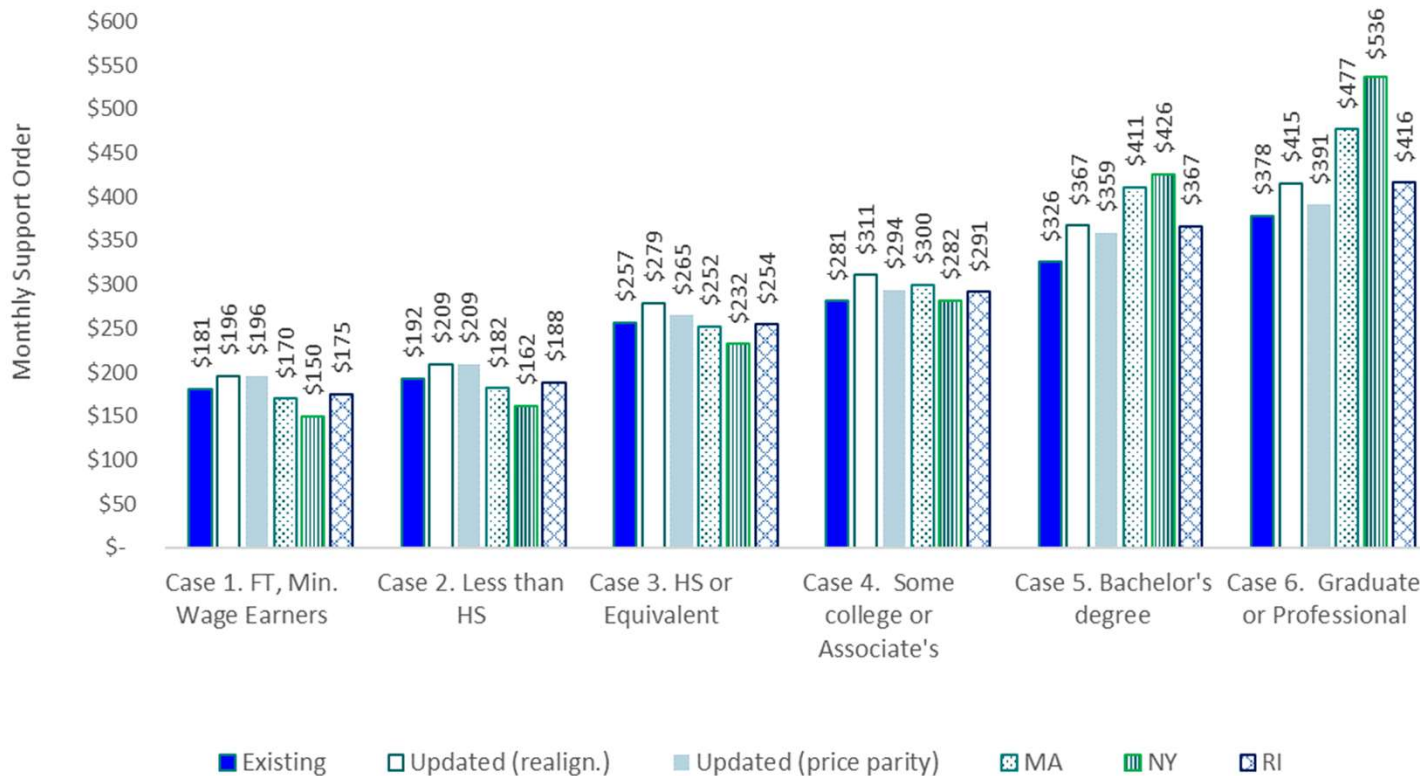
Case Scenarios: Two Children



Findings

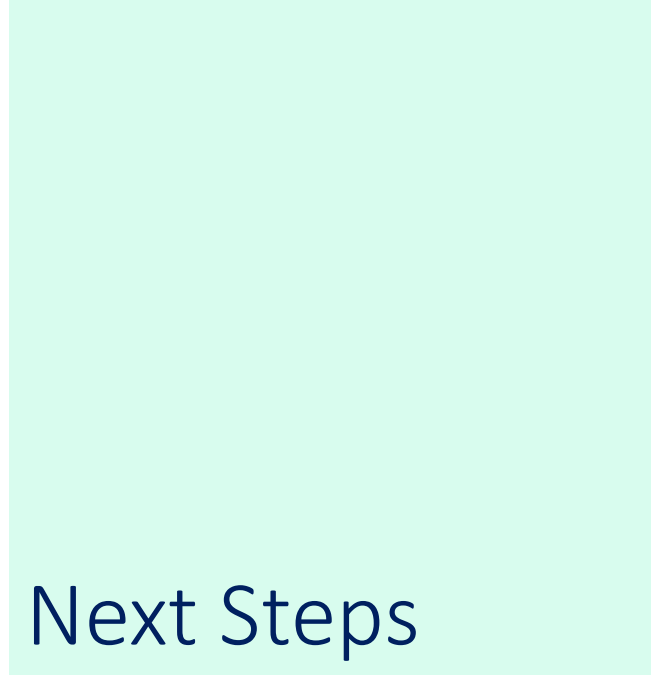
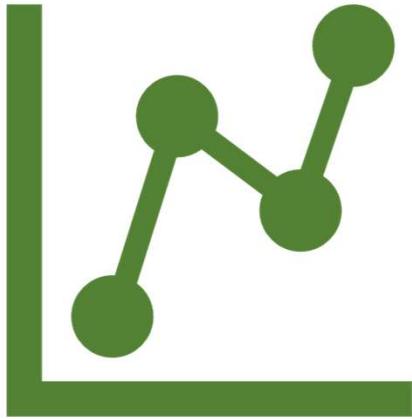
- Small increases that become larger with more income
- CT larger than other states for Case 1-3 (but this is before update of low-income adjustment)
- NY and MA are larger than others at high income

Case Scenarios: Three Children



Findings

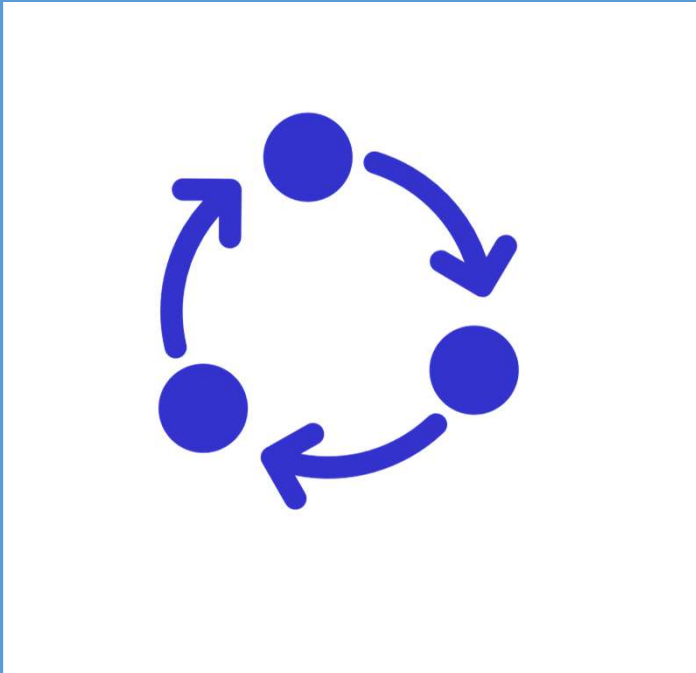
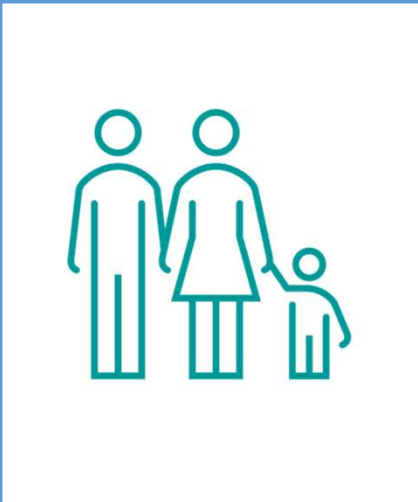
- Small increases that become larger with more income
- CT larger than other states for Case 1-3 (but this is before update of low-income adjustment)
- NY and MA are larger than others at high income



Next Steps

Questions and Next Steps

- Commission
 - Questions?
 - Reactions to updated schedule and options for adjusting for CT incomes/costs
 - Thoughts about low-income adjustment
 - Questions/comments concerning non-schedule issues
- Next Steps for CPR
 - Analysis of case file data and labor market data
 - Update low-income adjustment
 - Other issues (e.g., income deduction for insurance premium)
- Timelines



Attachments

45 C.F.R. 302.56 (1 of 2)

Guidelines for setting child support orders

- (a) Within 1 year after completion of the State's next quadrennial review of its child support guidelines, that commences more than 1 year after publication of the final rule, in accordance with § 302.56(e), as a condition of approval of its State plan, the State must establish one set of child support guidelines by law or by judicial or administrative action for setting and modifying child support order amounts within the State that meet the requirements in this section.
- (b) The State must have procedures for making the guidelines available to all persons in the State.
- (c) The child support guidelines established under paragraph (a) of this section must at a minimum:
 - (1) Provide that the child support order is based on the noncustodial parent's earnings, income, and other evidence of ability to pay that:
 - (i) Takes into consideration all earnings and income of the noncustodial parent (and at the State's discretion, the custodial parent);
 - (ii) Takes into consideration the basic subsistence needs of the noncustodial parent (and at the State's discretion, the custodial parent and children) who has a limited ability to pay by incorporating a low-income adjustment, such as a self-support reserve or some other method determined by the State; and
 - (iii) If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.
 - (2) Address how the parents will provide for the child's health care needs through private or public health care coverage and/or through cash medical support;
 - (3) Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders; and
 - (4) Be based on specific descriptive and numeric criteria and result in a computation of the child support obligation.
- (d) The State must include a copy of the child support guidelines in its State plan.

45 C.F.R. 302.56 (2 of 2)

Guidelines for setting child support orders

(d) The State must include a copy of the child support guidelines in its State plan.

(e) The State must review, and revise, if appropriate, the child support guidelines established under paragraph (a) of this section at least once every four years to ensure that their application results in the determination of appropriate child support order amounts. The State shall publish on the internet and make accessible to the public all reports of the guidelines reviewing body, the membership of the reviewing body, the effective date of the guidelines, and the date of the next quadrennial review.

(f) The State must provide that there will be a rebuttable presumption, in any judicial or administrative proceeding for the establishment and modification of a child support order, that the amount of the order which would result from the application of the child support guidelines established under paragraph (a) of this section is the correct amount of child support to be ordered.

(g) A written finding or specific finding on the record of a judicial or administrative proceeding for the establishment or modification of a child support order that the application of the child support guidelines established under paragraph (a) of this section would be unjust or inappropriate in a particular case will be sufficient to rebut the presumption in that case, as determined under criteria established by the State. Such criteria must take into consideration the best interests of the child. Findings that rebut the child support guidelines shall state the amount of support that would have been required under the guidelines and include a justification of why the order varies from the guidelines.

(h) As part of the review of a State's child support guidelines required under paragraph (e) of this section, a State must:

- (1) Consider economic data on the cost of raising children, labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders;
- (2) Analyze case data, gathered through sampling or other methods, on the application of and deviations from the child support guidelines, as well as the rates of default and imputed child support orders and orders determined using the low-income adjustment required under paragraph (c)(1)(ii) of this section. The analysis must also include a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment required under paragraph (c)(1)(ii). The analysis of the data must be used in the State's review of the child support guidelines to ensure that deviations from the guidelines are limited and guideline amounts are appropriate based on criteria established by the State under paragraph (g); and
- (3) Provide a meaningful opportunity for public input, including input from low-income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV–D of the Act.

Review of the Connecticut Child Support Guidelines

Presentation to Commission for Child Support Guidelines

(Sept. 7, 2023)

Jane Venohr, Ph.D. Economist/Research Associate

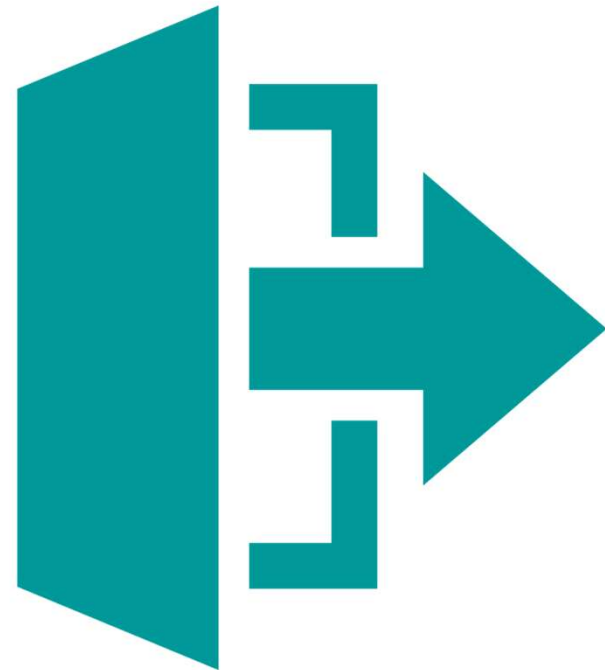
jvenohr@centerforpolicyresearch.org

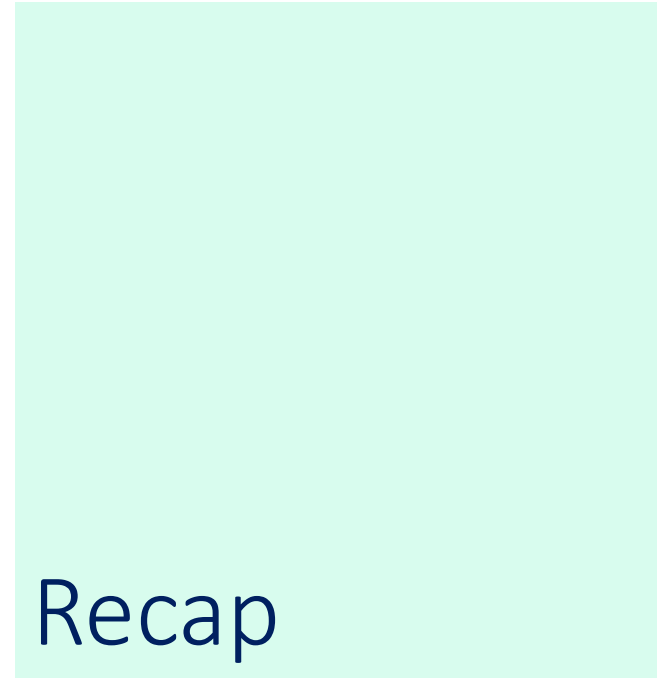
303-837-1555



Outline

- Recap of February meeting
 - Federal requirements
 - Update of economic schedule
 - Updated to July 2023 price levels
- Findings from the analyses of case file data and labor market data
 - Income imputation at f-t, minimum wage
 - Low-income adjustment
- Next steps

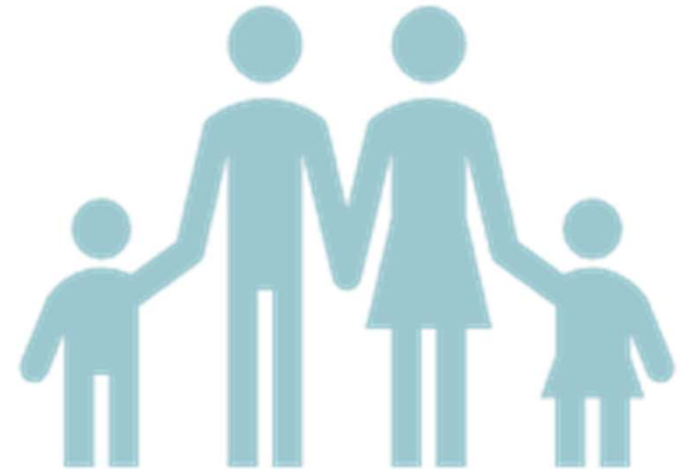




Recap

Recap of Feb. Meeting

- Federal requirements of state child support guidelines
 - 2016-added requirements of state guidelines
 - Requirements of the review process
- Economic data on the cost of children and child support schedule
 - Existing schedule is based on economic data from 2012



CT's Compliance with Federal Requirements of Guidelines (red font: added in 2016) *This slide appeared in the Feb. Materials*

Requirements	CT Complies
Provide one guideline, used statewide	<input checked="" type="checkbox"/>
Consider all earnings and income	<input checked="" type="checkbox"/>
Be specific and numeric	<input checked="" type="checkbox"/>
Provide deviation criteria & finding on record	<input checked="" type="checkbox"/>
<i>Consider specific circumstances when imputing income (e.g., literacy, age, criminal record)</i>	<input checked="" type="checkbox"/> tweak
<i>Consider other evidence of ability to pay (e.g., verbal testimony, dept. of labor data)</i>	<input checked="" type="checkbox"/> tweak?
<i>Consider parent's basic subsistence need</i>	<input checked="" type="checkbox"/> update?
<i>Do not treat incarceration as voluntary unemployment</i>	<input checked="" type="checkbox"/> tweak?
<i>Provide for child's healthcare needs</i>	<input checked="" type="checkbox"/> Opportunity to review?

Fulfilling Federal Requirements of Reviews *This slide appeared in the Feb. Materials*

Continued Requirement		New Requirement	
Consider economic data on the cost of raising children	CPR prepared in Feb and updated to July 2023 price levels	Consider labor market data	CPR
		Impact of guidelines policies on parents with low income	CPR in progress
		Factors that influence employment rates and compliance	CPR from case file data
Consider case file data on application of and deviation from the guidelines	CPR: This presentation	Rates of default, imputation, and application of low-income adjustment	
Review, and revise, if appropriate, the child support guidelines	Commission and Legislative Regulation Review Committee	Comparison of payments by case characteristics including default, imputation, and application of the low-income adjustment	Representation on Commission and Regulation Process
		Provide meaningful opportunity for public input, including input from low-income parties	
		Obtain the views and advice of the IV-D agency	Representatives on Commission
		Publish report on internet, membership of reviewing body, and effective date of the guidelines and next review	Updated Child Support and Arrearage Guidelines if Changes

Child Support Schedule: Part Economic Data and Part Policy

This slide appeared in the Feb. Materials

Example with no income deductions or adjustments

1 Child
 Parent A: \$1,000
 Parent B: \$ 500
 Combined = \$1,500

Basic obligation from schedule = \$278

Parent A Income/Combined Income = 67%

Order = \$278 X 67% = \$186 per week

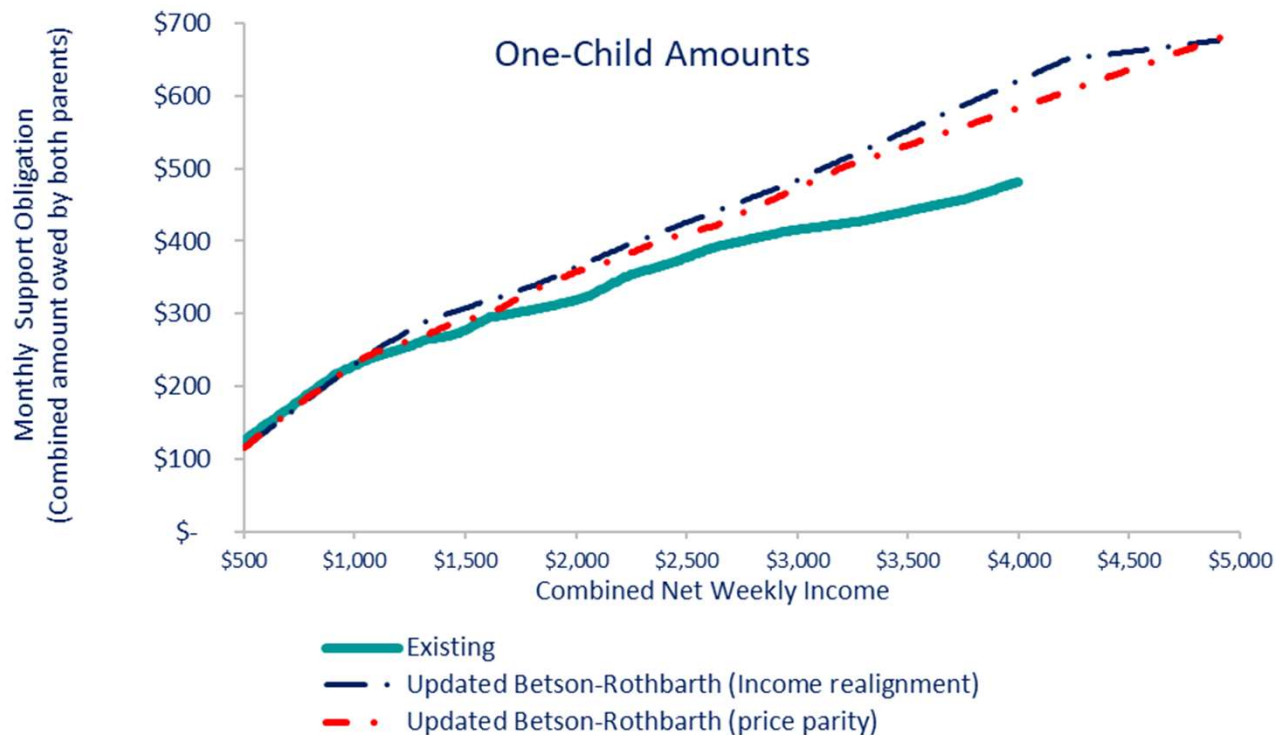
Combined Net Weekly Income	One Child		Two Children		Three Children	
	Percentage	Amount	Percentage	Amount	Percentage	Amount
1500	18.51%	278	27.61%	414	32.62%	489
1510	18.50%	279	27.59%	417	32.58%	492
1520	18.48%	281	27.56%	419	32.54%	495
1530	18.47%	283	27.54%	421	32.51%	497
1540	18.45%	284	27.51%	424	32.47%	500
1550	18.44%	286	27.49%	426	32.44%	503
1560	18.43%	287	27.46%	428	32.40%	506
1570	18.41%	289	27.44%	431	32.37%	508

Assumptions and Data Underlying Existing Schedule & What Could Be Updated (*updated from Feb presentation*)

	Basis of Existing Schedule	Update Alternatives
1. Guidelines model	Income Shares (used by 41 states)	Other models
2. Price levels	March 2012 price levels	Dec. 2022 (29.4% increase) July 2023 (33.3% increase)
3. Measurement of child-rearing expenditures	4 th Betson-Rothbarth study (BR4) from expenditure data collected in 2004-09	BR5 (2013-2019 expenditure data), USDA, and other studies
4. Adjustments for CT higher income/cost of living	<ul style="list-style-type: none"> Income realignment (CT 3rd highest state in 2010) 	<ul style="list-style-type: none"> Income realignment (CT is 6th highest state in 2021) Price parity (102.6) CT ranks 13th in 2021 median gross rent
5. Adjusted so no decrease	Higher of existing (2005 schedule) and BR4 income aligned: 2005 schedule applies to net weekly incomes below \$1,250 for 1child; \$920 for 2 children; and about \$600 for 3 or more children	Policy decision
6. Lowest and highest income to be considered	Combined net incomes of \$50 - \$4,000 per week	Depends on economic basis and adjustment for CT incomes (e.g., BR study allows for up to about \$5,000 per week)
7. Spending more/less of after-tax income	Use actual ratios with cap	District of Columbia approach (after-tax income = expenditures, which would increase schedule amounts)
8. Highly variable child-rearing expenses excluded from schedule	Childcare & healthcare expenses excluded from schedule	Various options
9. Low-income adjustment & minimum order	2012 federal poverty guidelines for 1 person = \$215 per week and 10-12% minimum order at net income of \$50 per month	2023 FPG: \$280 per week

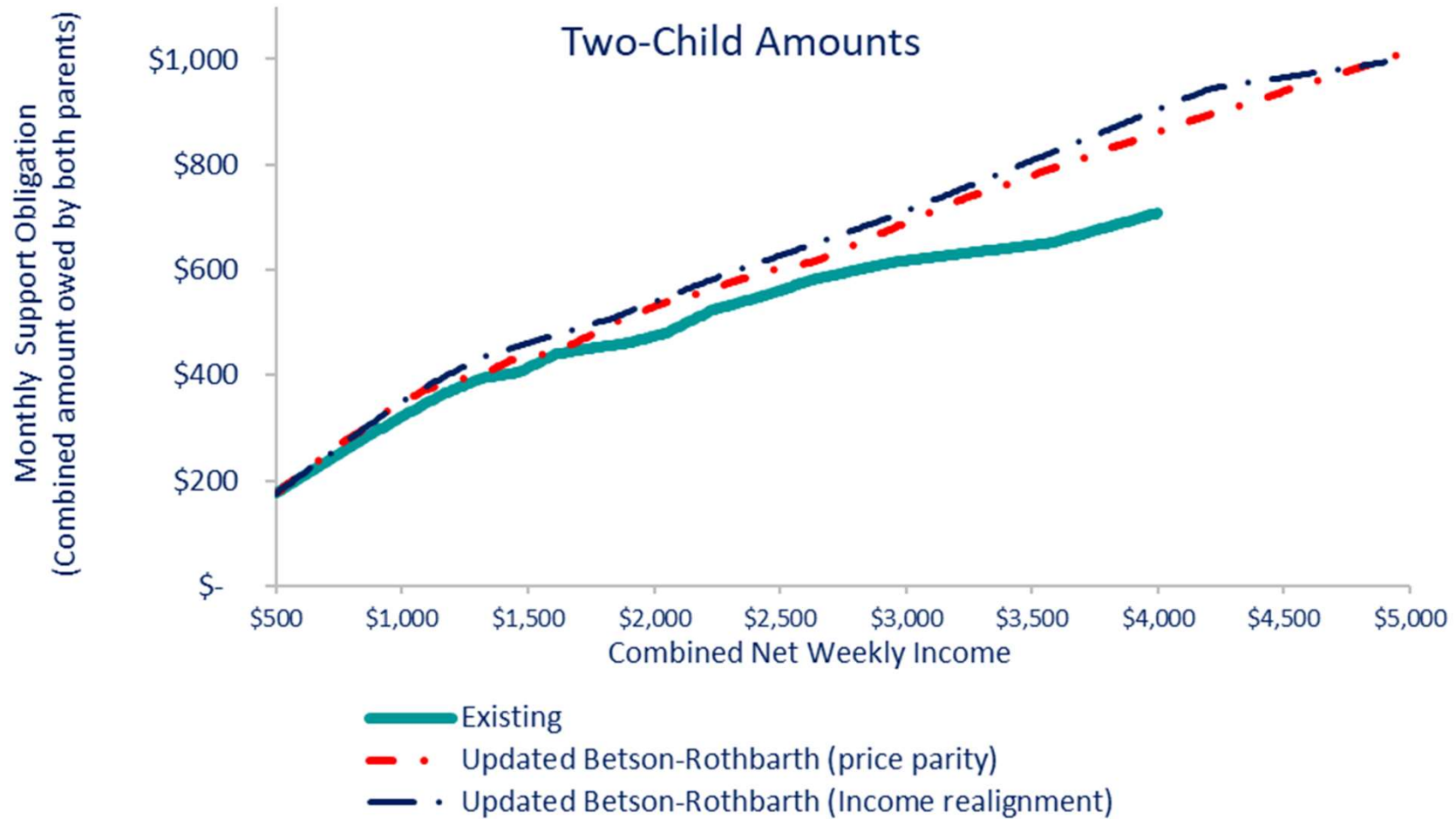
U.S. Bureau of Economic Analysis. (2022). *2021 Regional Price Parities by State (US = 100)*. Retrieved from <https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area>

Comparisons: 1 Child (*updated to July 2022 price levels*)

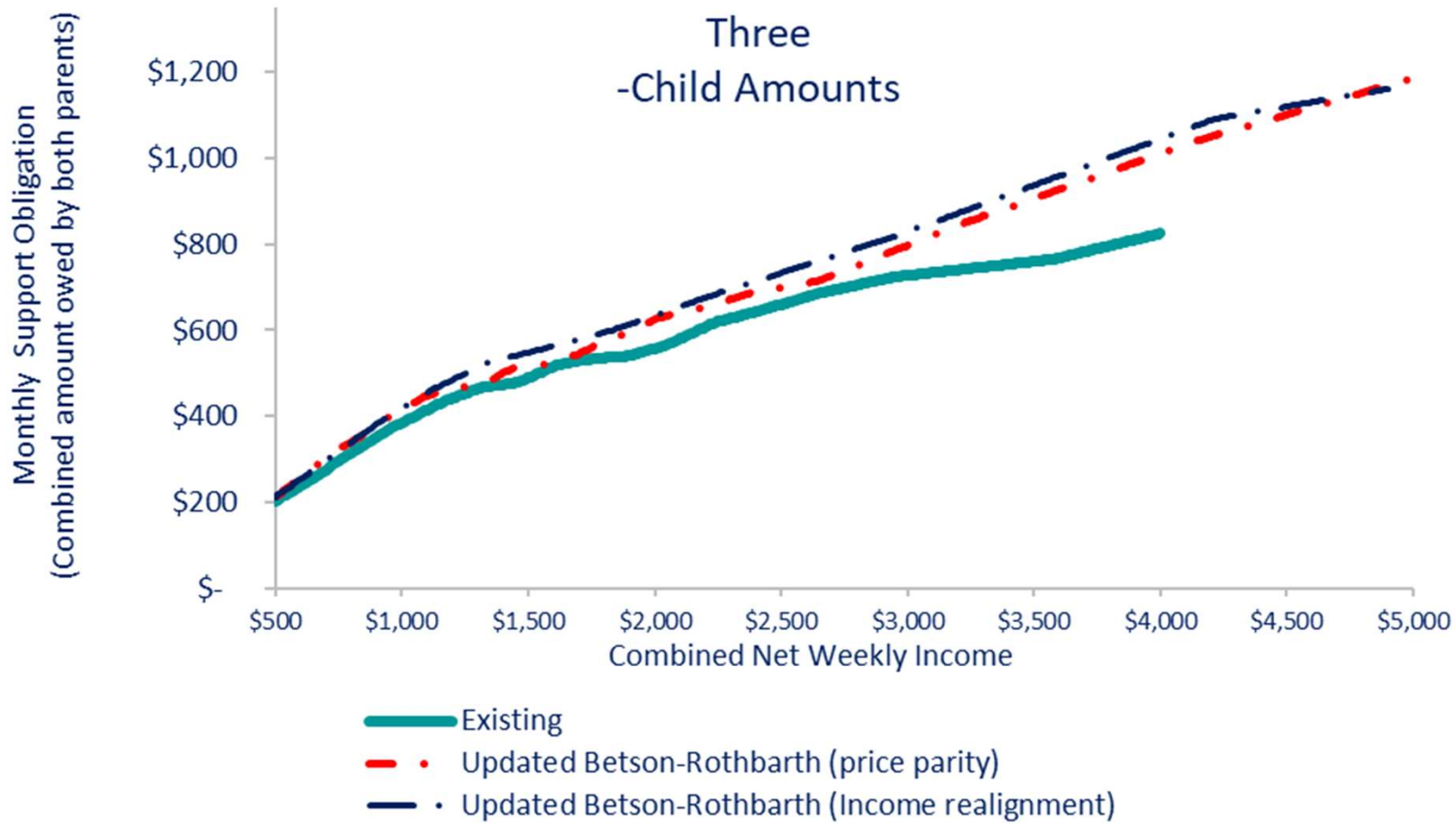


- Comparisons start at combined net incomes of \$500 per week (lower incomes may be eligible for low-income adjustment).
- Updated BR (price parity and income realignment) generally track closely except at higher incomes
- Updated BR (income realignment) slightly more than BR (price parity)
- Updated BR (income realignments bows from lowest and highest of incomes.
- Gap between existing and BR widens with more income

Comparisons: 2 Children (*updated to July 2022 price levels*)



Comparisons: 3 Children (*updated to July 2022 price levels*)



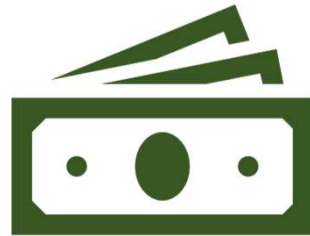
Findings about BR5 Updates (*updated to July 2023 price levels from Dec. 2022 price levels in Feb. presentation*)

Mostly Increases for combined net incomes of \$500 - \$4,000 per week

	1 Child		2 Children		3 Children	
	Realign.	Price Parity	Realign.	Price Parity	Realign.	Price Parity
Average Increase	\$59 (15%) <u>\$62 (16%)</u>	\$43 (11%) <u>\$45 (12%)</u>	\$74 (13%) <u>\$78 (14%)</u>	\$54 (9%) <u>\$58 (10%)</u>	\$84 (13%) <u>\$89 (14%)</u>	\$60 (9%) <u>\$65 (10%)</u>
Median Increase	\$44 (12%) <u>\$48 (13%)</u>	\$31 (9%) <u>\$35 (10%)</u>	\$59 (11%) <u>\$64 (12%)</u>	\$37 (7%) <u>\$43 (8%)</u>	\$65 (10%) <u>\$73 (12%)</u>	\$39 (8%) <u>\$45 (8%)</u>
Maximum	\$137 (28%) <u>\$139 (29%)</u>	\$96 (21%) <u>\$101 (22%)</u>	\$192 (27%) <u>\$196 (28%)</u>	\$147 (21%) <u>\$153 (22%)</u>	\$215 (26%) <u>\$220 (27%)</u>	\$180 (22%) <u>\$185 (22%)</u>
Weekly Combined Incomes with Increases More than 15%	➔ \$2,930 ➤ <u>\$2,900</u>	➔ \$3,050 ➤ <u>\$3,060</u>	➔ \$3,000 ➤ <u>\$3,000</u>	➔ \$3,170 ➤ <u>\$3,160</u>	➔ \$3,070 ➤ <u>\$3,060</u>	➔ \$3,270 ➤ <u>\$3,260</u>

SOME DECREASES for BOTH BR UPDATES

- 1 child: decrease of \$1 to \$10 per week for combined net incomes up to ~~\$980~~ 950 per week)
 - Decreases are closest to \$10 at lower incomes (i.e., about \$500 per week) and become smaller with more income
 - All decreases less than 8%
- No decreases for 2+ children



Findings from the Analysis of Case File Data and Labor Market Data

Federal Requirements for Analysis of Case File Data

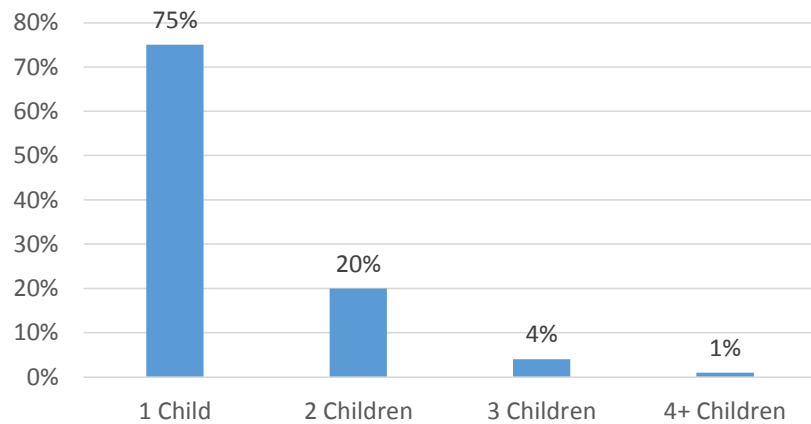
Federal Requirements for Analysis of Case File Data

- Application of the guidelines and deviations from the guidelines
- Rates of:
 - Income imputation
 - Application of the low-income adjustment
 - Defaults
- Analysis of payments

1,859 Orders Extracted for Analysis

- Case file data from the automated system supporting Connecticut Department of Social Services (DSS) Office of Child Support Services (OCSS)
 - Does not include non-OCSS cases
- Cases with current support orders established during Federal Fiscal Year 2021-2022 (Oct. 1, 2021 – Sept. 30, 2022)
 - Payment data from the following 5 months (Oct. 2022 – Feb. 2023)

Overview of Case File Data

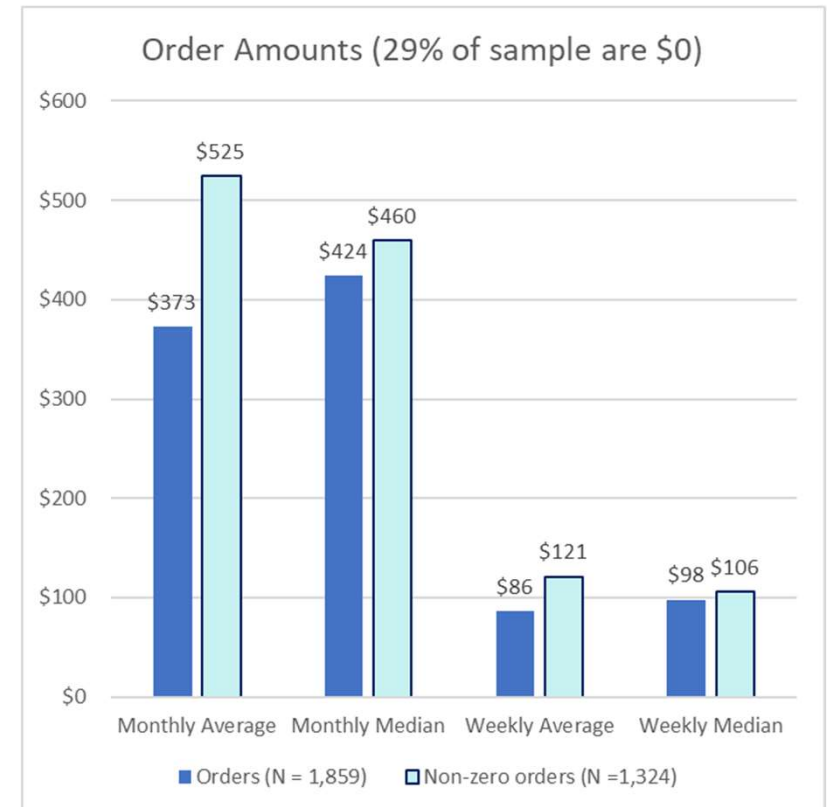


Each of these DSS offices had at least 10% of orders

- Bridgeport (12%)
- Danbury 10%)
- Hartford (22%)
- Middletown (14%)

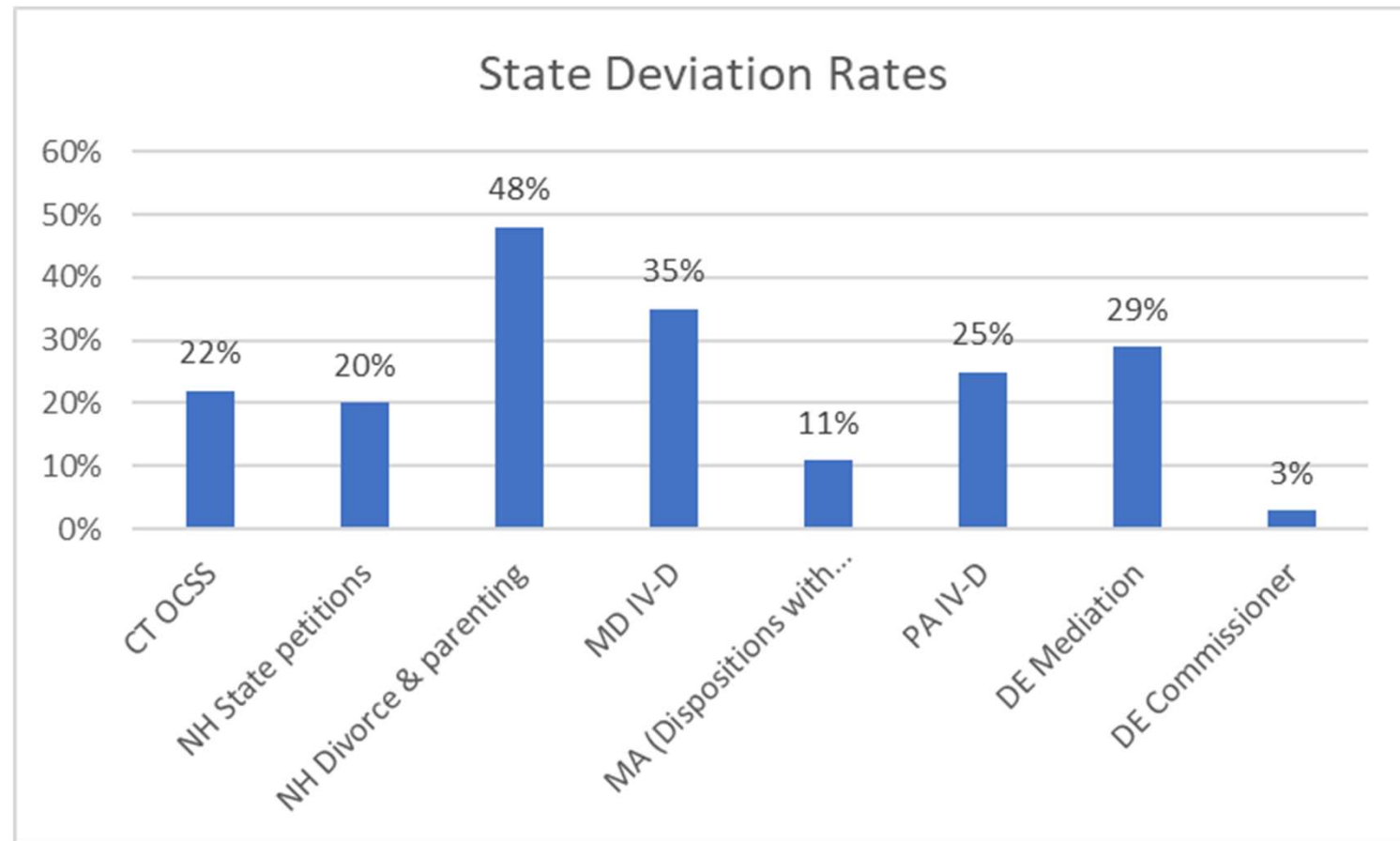
Subtotal: 58%

The combined percentage for the remaining offices was 42%



CT Deviation Rate = 22.4%

Based on data from other states, deviation rates tend to vary by data source and IV-D status. Generally, IV-D deviation rates are lower; and non-IV-D deviation rates are higher (e.g., NH divorce & parenting cases).



CT Deviation Reasons

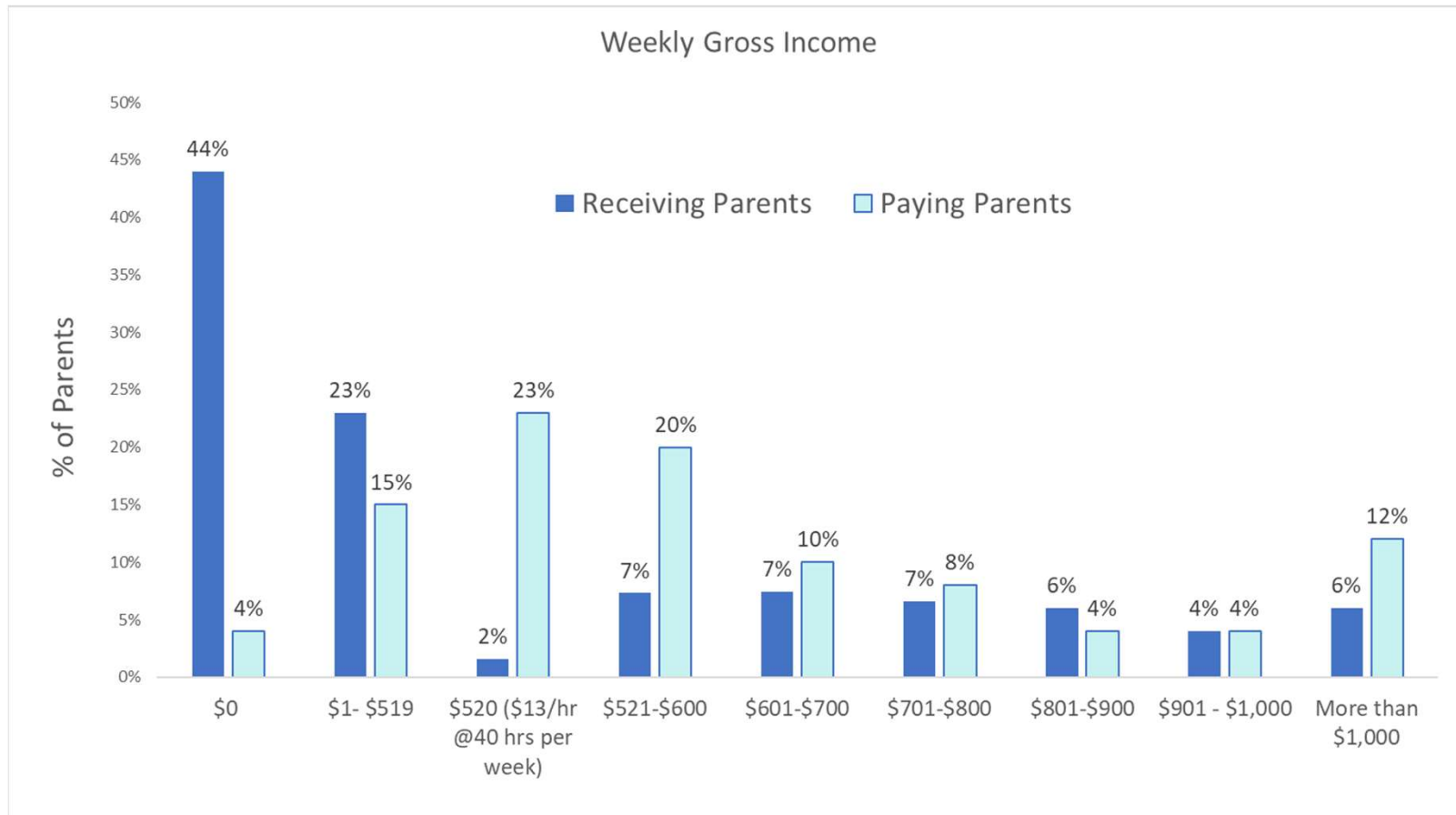
Excerpt from CT guidelines worksheet: Top 3 circled

VIII. DEVIATION CRITERIA (Attach additional sheet if necessary.)		
36. Reason(s) for deviation from presumptive support amounts: <input type="checkbox"/> check here if requesting a deviation by agreement (Check all boxes that apply.)		
Parent's other financial resources	Extraordinary parental expenses	Coordination of total family support
<input type="checkbox"/> substantial assets	<input type="checkbox"/> significant visitation expenses	<input type="checkbox"/> division of assets and liabilities
<input checked="" type="checkbox"/> parent's earning capacity	<input type="checkbox"/> unreimbursed employment expenses	<input type="checkbox"/> provision of alimony
<input type="checkbox"/> parental support provided to a minor obligor	<input type="checkbox"/> unreimbursed medical/disability expenses	<input type="checkbox"/> tax planning considerations
<input type="checkbox"/> recurring gifts of spouse or domestic partner		
<input type="checkbox"/> employment over 45 hours per week	Needs of parent's other dependents	Special circumstances
	<input type="checkbox"/> resources available to qualified child	<input type="checkbox"/> shared physical custody
Extraordinary expenses for child	<input type="checkbox"/> child care expenses for qualified child	<input type="checkbox"/> extraordinary disparity in parental income
<input type="checkbox"/> education expenses	<input type="checkbox"/> verified support for non-resident child	<input checked="" type="checkbox"/> best interests of the child
<input type="checkbox"/> unreimbursable medical expenses	<input type="checkbox"/> significant and essential needs of a spouse	<input type="checkbox"/> total award exceeds 55% of obligor's net
<input type="checkbox"/> special needs		<input checked="" type="checkbox"/> other equitable factors (explain)

Deviation reason (n = 416)

Parent's other financial resources	
Substantial assets	<0.5%
Parent's earning capacity	19%
Parental support provided to a minor child, Recurring gifts of spouse or domestic partner, Employment over 45 hours per week	
Extraordinary expenses for the child	
Education expenses	
Unreimbursable medical expenses	<0.5%
Special needs	<0.5%
Extraordinary parental expenses	
Significant visitation expense	2%
Parental spt to minor obl	<0.5%
Unreimbursed employment expenses, & Unreimbursed medical/disability expenses	
Needs of parent's other dependents	
Resources available to qualified child, child care expenses	
Significant and essential needs of a spouse	<0.5%
Verified support for non-resident child (prior order established)	1%
Coordination of total family support	
Division of assets and liabilities, provision of alimony, tax planning	
Specific circumstances	
Shared physical custody, total award exceed 55% net	
Extraordinary disparity in parental income	<0.5%
Best interest of the child	32%
Other equitable factors (explain)	11%
Magistrate gave no reason	15%
Recalculation done in court	14%

Income Distribution



23% of paying parents with \$520 per week is reflection of income imputation at state min. wage Jan – June 2021.

Imputed Income to Paying Parent and Defaults

Connecticut

27% Income imputation rate

28% Default rate (income known or imputed)

- Default & income known: 10%
- Default & income imputed: 18%

39% Appeared & income known

Percentage of Support Paid

Other States

DE: 33% income imputation

MA: 11% combined default & income imputation

MD: 23% income imputation rate

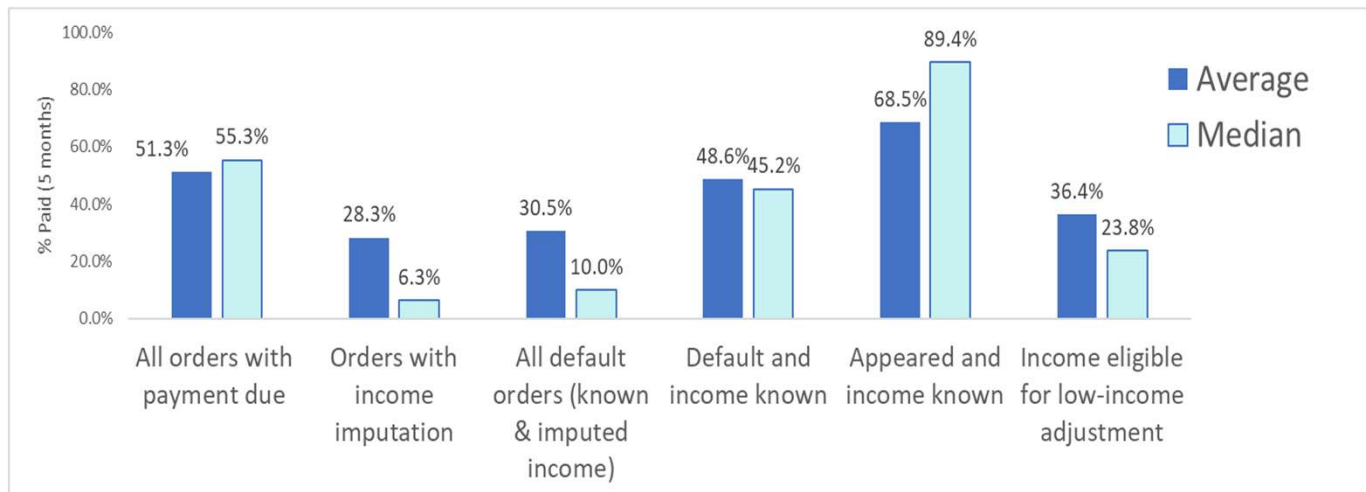
PA: 11% income imputation rate

NH state petitions: 49% default rate

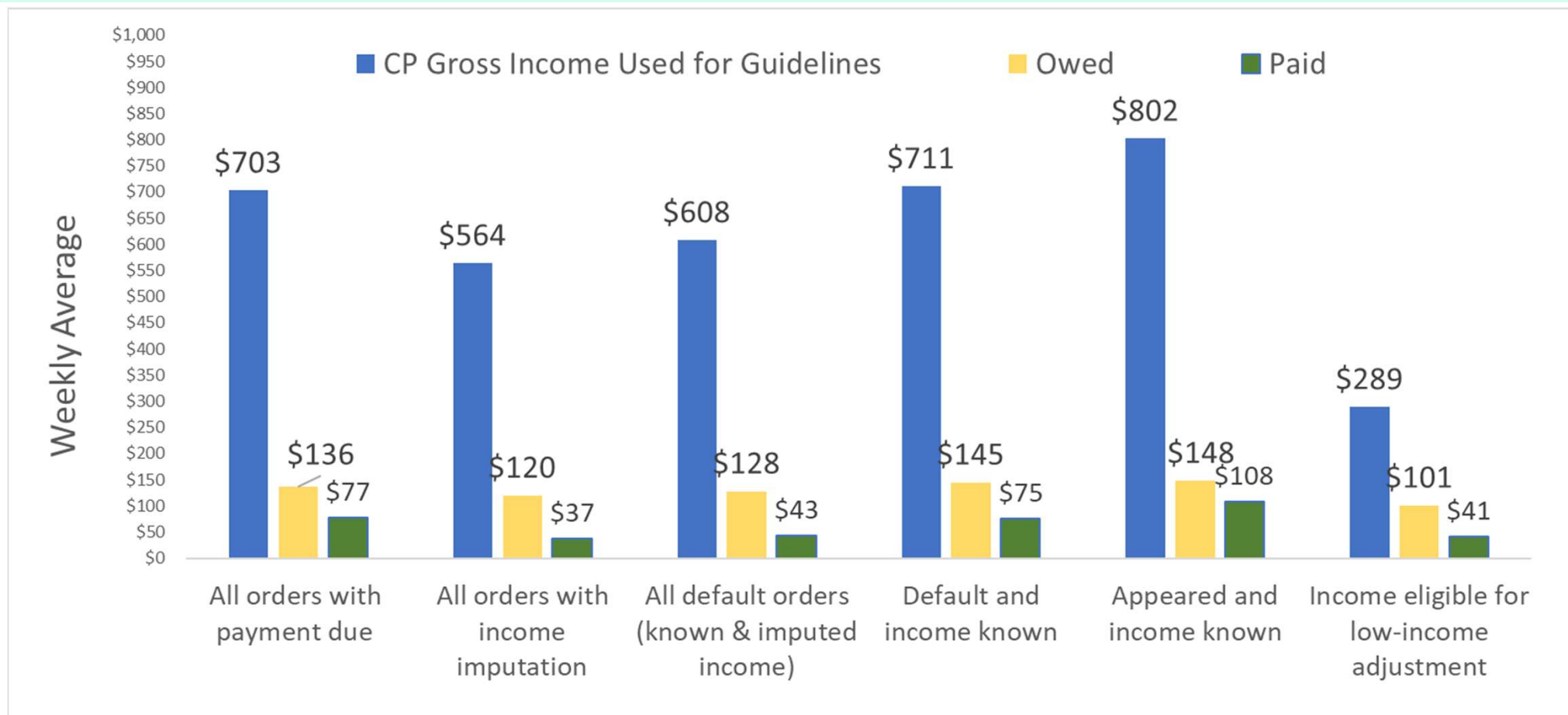
NH divorces and parenting: 8% default rate

NH state petitions: 38% income imputation rate

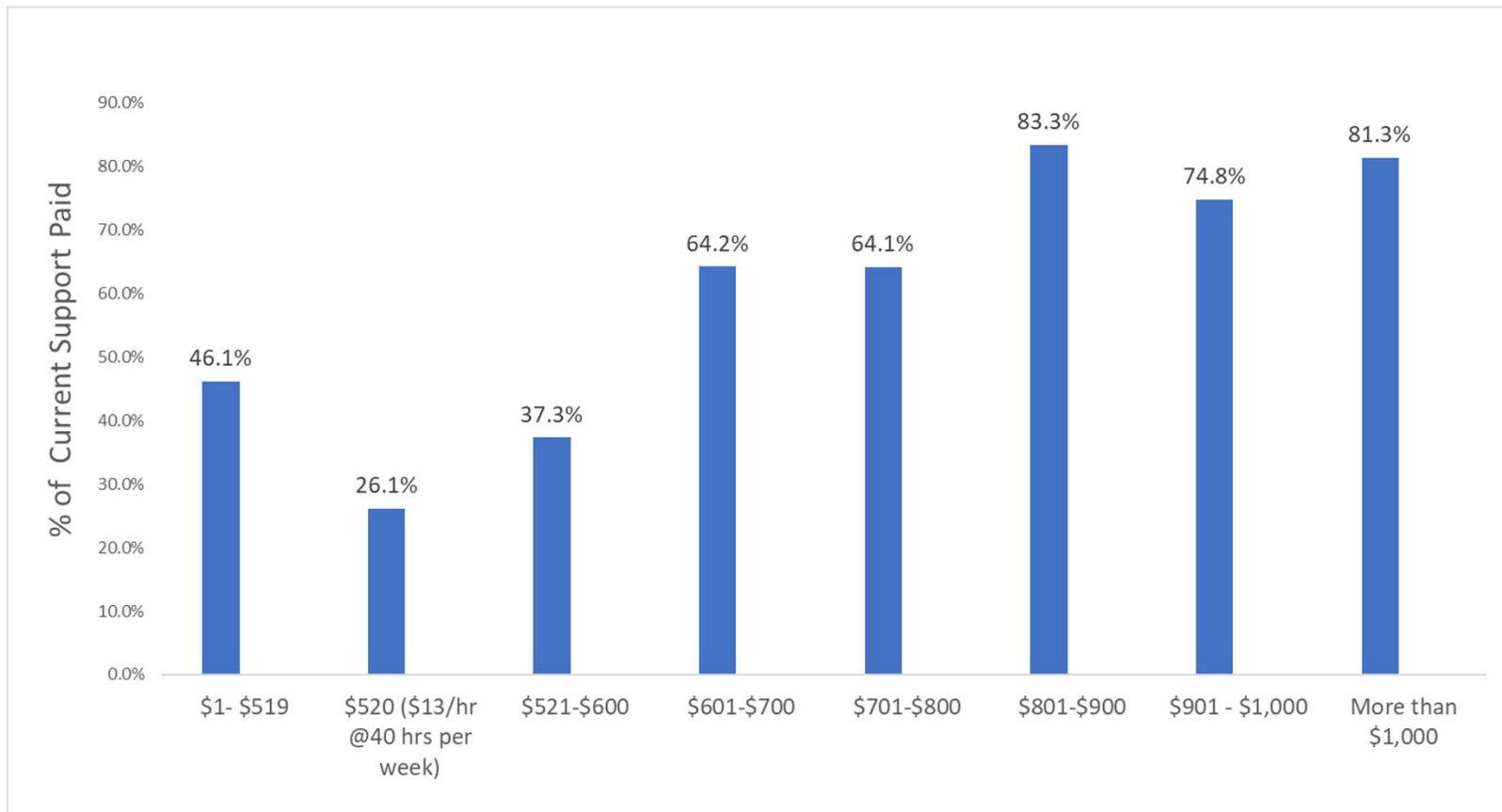
NH divorces and parenting: 3% income imputation rate



Weekly Averages: Income, Order Amount, & Dollar Paid (n = 1,389)



Percentage of Current Support Paid by Noncustodial Parent's Gross Weekly Income



The lowest percentage paid occurs at common imputed income amounts: \$520 is 2021 min. wage; \$560 is 2022 min. wage; and \$600 is 2023 min wage.

Labor Market Analysis

2023 State minimum wage = \$15/hr

- 40-hour workweek = \$600 gross per week,
 - About \$480 net per week

Findings from CT Labor Market Analysis (July 2023)

- Unemployment rate 3.6% (U.S. 3.5%)
- Ranges from 2.2% in North Canaan and Deep River to 6.4% in Hartford
- Labor force participation rate: 64.1%
- Average hours for CT private industry Jul. 2023): 33.4 hours per week
- Average hours for CT leisure and hospitality: (25.3 hrs)
- Small decreases in construction and manufacturing from Jan. 1, tourism up

National data:

- 55% of all workers work at hourly wage
- 35% of nonresidential parents had incomes below 200% poverty
 - Less likely to work f-t, year round
 - Lower levels of highest educational attainment
- Few low-wage earners have paid sick and vacation time
- Low-paying jobs often don't offer 40-hour workweeks

Employment Projections: Top 10 Occupations Requiring less than 1 Month of Training & Earnings

- Cashiers: \$15.31/hr
- Fast food and counter workers: \$15.47/hr
- Waiters and waitresses: \$20.30/hr
- Retail salesperson: \$18.77/hr
- Laborers and freight, stock, and material movers: \$19.06/hr
- Janitors and cleaners: \$19.04/hr
- Stockers and order filers: \$18.56/hr
- Customer service representatives: \$23.15/hr
- Office clerks: \$21.73/hr
- Secretaries and administrative assistants: \$26.36/hr

Examples from Other States: Limiting Income Imputation

- Adopt federal language and apply
- 45 C.F.R 302.56(c)(1)(iii) If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.
- Encourage verbal testimony & review of all sources of income (see DC in attachment)
- Treat income imputation like deviation (e.g., DC requires a finding that parent can earn more/shirking responsibility and documentation)
- As last resort impute income at something less than 40 hours/52 weeks per year (e.g., See CO, which uses 32 hrs/50 weeks, in attachment)
- Apply low-income adjustment at common income imputation amounts
- Training of agency staff and courts
- Encourage appearance and communication with child support agency
 - E.g., simplified forms and notices in plainspeak and text and refrigerator magnet reminders
 - See findings and resources from federal Office of Child Support Services Behavioral Economics Demonstration projects <https://www.acf.hhs.gov/css/grants/current-grants/bics>
- Other?

Low-Income Adjustment

- Low-income adjustment is shown by shaded area (based on 2012 Federal Poverty Guidelines for 1 person) = \$215 per week
- 2023 FPG = \$280 per week
- Findings from Case file Data
 - 13.5% of paying parents had incomes eligible for the low-income adjustment
 - Median order = \$190 per week
 - Median gross income = \$234 per week
 - Median order amount as % of gross income = 14.3%
 - Median percentage of current support paid = 23.7%, average = 36.4%
- Best practices:
 - Use state minimum wage (e.g., AZ uses 80% of FT earnings at state min wage) or more than 100% FPG (e.g., NJ uses 150% of FPG)
 - Index and put in worksheet so can be updated annually and administratively without technical assistance

Combined Net Weekly Income	One Child		Two Children		Three Children		Four Children		Five Children		Six Children	
50	10.00%	5	10.40%	5	10.80%	5	11.20%	6	11.60%	6	12.00%	6
60	10.00%	6	10.54%	6	11.08%	7	11.62%	7	12.16%	7	12.70%	8
70	10.00%	7	10.68%	7	11.36%	8	12.04%	8	12.72%	9	13.40%	9
80	10.00%	8	10.82%	9	11.64%	9	12.46%	10	13.28%	11	14.10%	11
90	10.00%	9	10.96%	10	11.92%	11	12.88%	12	13.84%	12	14.80%	13
100	10.00%	10	11.10%	11	12.20%	12	13.30%	13	14.40%	14	15.60%	16
110	10.00%	11	11.24%	12	12.48%	14	13.72%	15	14.96%	16	16.20%	18
120	10.00%	12	11.38%	14	12.76%	15	14.14%	17	15.52%	19	16.90%	20
130	10.00%	13	11.52%	15	13.04%	17	14.56%	19	16.08%	21	17.60%	23
140	10.00%	14	11.66%	16	13.32%	19	14.98%	21	16.64%	23	18.30%	26
150	10.00%	15	11.80%	18	13.60%	20	15.40%	23	17.20%	26	19.00%	29
160	10.00%	16	14.62%	23	16.78%	27	18.70%	30	20.57%	33	22.46%	36
170	12.29%	21	17.10%	29	19.59%	33	21.62%	37	23.55%	40	25.50%	43
180	14.32%	26	19.31%	35	22.08%	40	24.21%	44	26.19%	47	28.21%	51
190	16.14%	31	21.29%	40	24.32%	46	26.53%	50	28.56%	54	30.64%	58
200	17.78%	36	23.07%	46	26.33%	53	28.62%	57	30.69%	61	32.82%	66
210	19.26%	40	24.68%	52	28.14%	59	30.50%	64	32.62%	68	34.80%	73
220	20.61%	45	26.14%	58	29.80%	66	32.22%	71	34.37%	76	36.59%	81
230	21.84%	50	27.48%	63	31.30%	72	33.79%	78	35.97%	83	38.23%	88
240	22.96%	55	28.70%	69	32.69%	78	35.22%	85	37.43%	90	39.73%	95
250	23.46%	59	29.83%	75	33.96%	85	36.54%	91	38.78%	97	41.11%	103
260	23.97%	62	30.87%	80	35.13%	91	37.76%	98	40.03%	104	42.39%	110
270	24.47%	66	31.83%	86	36.22%	98	38.89%	105	41.18%	111	43.57%	118
280	24.97%	70	32.73%	92	37.23%	104	39.94%	112	42.25%	118	44.67%	125
290	25.47%	74	33.56%	97	38.17%	111	40.92%	119	43.25%	125	45.69%	133
300	25.48%	76	35.00%	105	39.05%	117	41.83%	125	44.18%	133	46.64%	140
310	25.46%	79	35.24%	109	39.87%	124	42.68%	132	45.05%	140	47.53%	147
320	25.44%	81	35.48%	114	40.64%	130	43.48%	139	45.86%	147	48.37%	155
330	25.43%	84	35.71%	118	41.36%	137	44.23%	146	46.63%	154	49.16%	162
340	25.41%	86	35.95%	122	41.39%	141	44.94%	153	47.35%	161	49.89%	170
350	25.40%	89	35.91%	126	41.42%	145	45.61%	160	48.03%	168	50.59%	177
360	25.38%	91	35.88%	129	41.45%	149	45.68%	164	48.67%	175	51.25%	185
370	25.37%	94	35.84%	133	41.48%	153	45.76%	169	49.29%	182	51.87%	192
380	25.36%	96	35.81%	136	41.51%	158	45.84%	174	49.86%	189	52.46%	199
390	25.34%	99	35.78%	140	41.48%	162	45.92%	179	50.40%	197	53.02%	207
400	25.33%	101	35.75%	143	41.46%	166	46.00%	184	50.42%	202	53.55%	214
410	25.32%	104	35.72%	146	41.43%	170	46.08%	189	50.45%	207	54.06%	222
420	25.31%	106	35.70%	150	41.40%	174	46.16%	194	50.47%	212	54.11%	227
430	25.30%	109	35.67%	153	41.38%	178	46.13%	198	50.49%	217	54.17%	233
440	25.27%	111	35.62%	157	41.29%	182	46.04%	203	50.51%	222	54.22%	239
450	25.25%	114	35.55%	160	41.20%	185	45.93%	207	50.53%	227	54.28%	244
460	25.22%	116	35.48%	163	41.10%	189	45.83%	211	50.41%	232	54.33%	250
470	25.20%	118	35.42%	166	41.01%	193	45.73%	215	50.30%	236	54.39%	256
480	25.18%	121	35.36%	170	40.92%	196	45.63%	219	50.19%	241	54.44%	261
490	25.16%	123	35.30%	173	40.84%	200	45.54%	223	50.09%	245	54.50%	267

Simplified Example of Low-Income Adjustment in Worksheet

Major Strength: Can be updated annually for changes in poverty or state minimum wage

Major Weakness: Big change

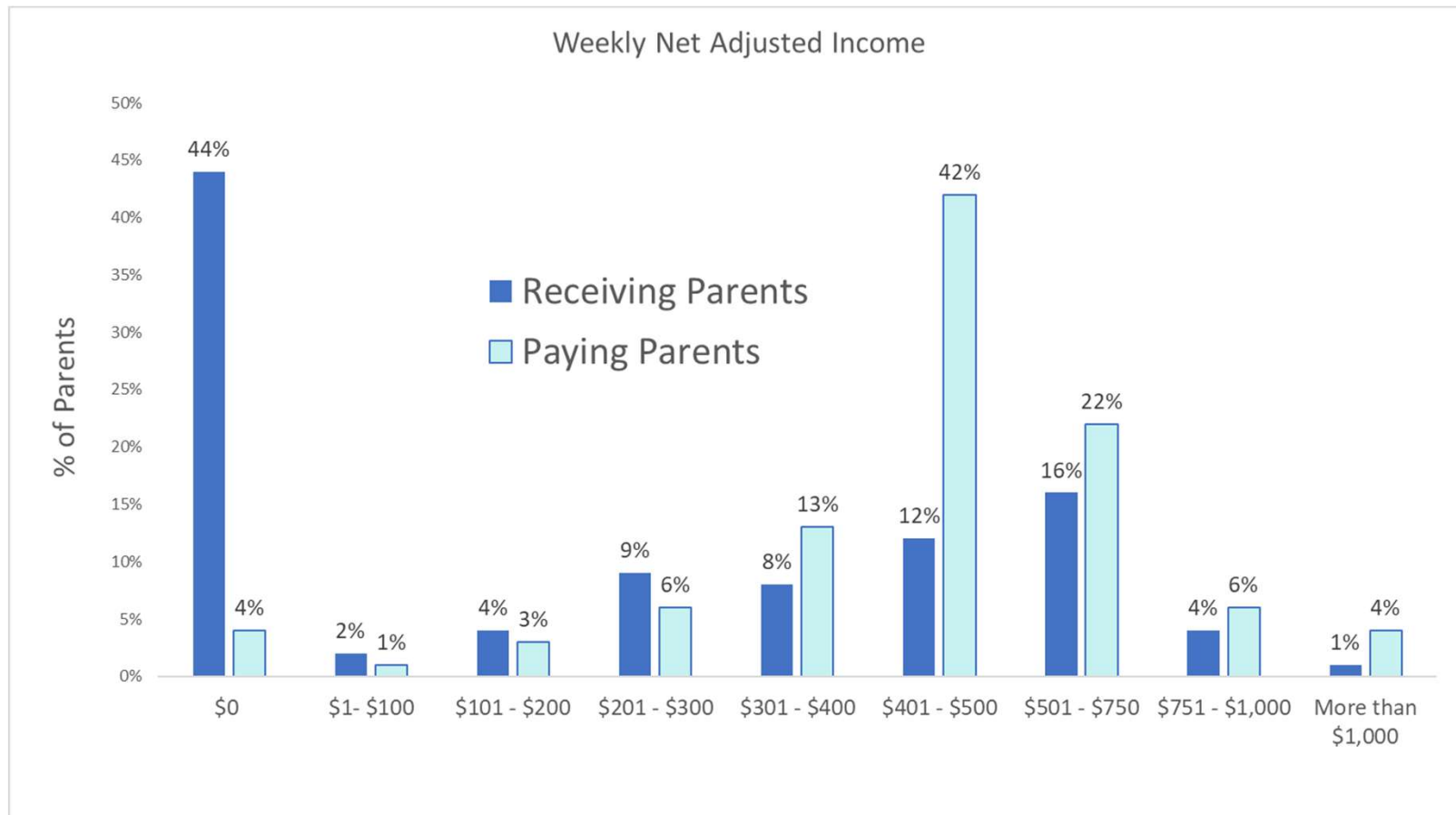
	Parent A	Parent B
Line 14. Net Weekly Income	\$400	\$600
II. CURRENT SUPPORT		
Line 15 Combined net weekly income	\$1,000	
Line 16. Basic child support obligation (from Schedule of Basic Child Support Obligation) for 6 children	\$514	
Line 17. Each parent's percentage share of Line 15	40%	60%
Line. 18 Each parent's share of the basic child support obligation	\$205	\$308
Line 20/Line 30 Preliminary presumptive current support amount for noncustodial parent		\$308
NEW SECTION: ABILITY TO PAY/SELF-SUPPORT RESERVE		
Line X: Self-Support Reserve (130% of poverty = 130% x \$280 = \$364 per week)		\$364
Line Y: Income available for current support (Line 18 minus Line X)		\$236
Line Z: Current support amount after consideration of ability to pay/self-support reserve (Lower of Line 20/Line 30 and Line Y)		\$236

Amount of SSR is a policy decision, worksheet can be designed to have minimum order and other attributes

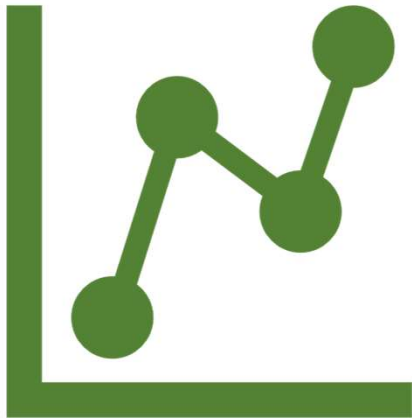
Other Findings from Case File Data

	All Orders (N = 1,859)		Orders Established by Appearance and Known Income (n = 706)	
	Receiving Parent	Paying Parent	Receiving Parent	Paying Parent
Income deduction for medical/hospital/dental insurance (Line 6 on worksheet)	19% Average = \$22/wk	36% Average = \$21/wk	24% Average = \$27/wk	45% Average = \$30/wk
Income deduction for non-arrearage payments on court ordered alimony and child support (Line 11 on worksheet)	<0.5%	16%	None	16%
Income deduction to support qualified children (Line 12 on worksheet)	14%	7%	25%	10%
Social security dependency benefits adjustment (Line 19 on worksheet)	None	<0.5%	None	<0.5%

Distribution of Net Incomes



On average, the paying parent's income is 55% of combined income



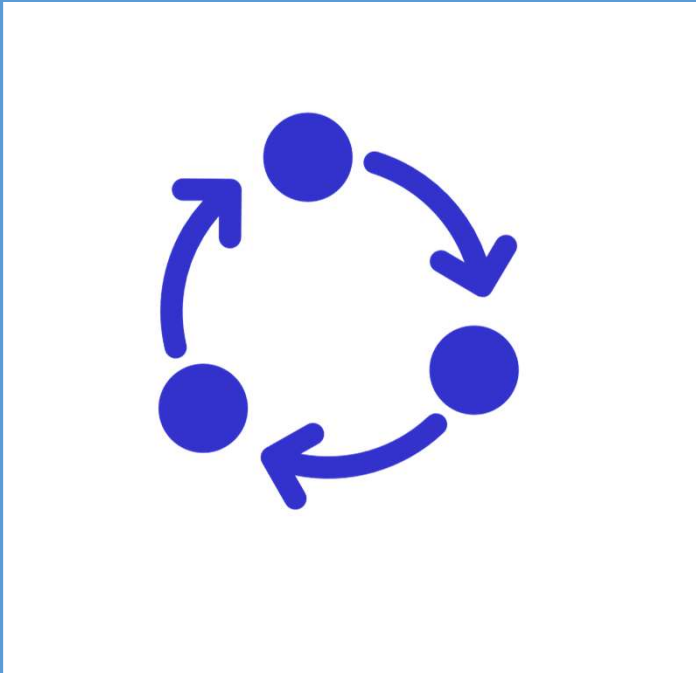
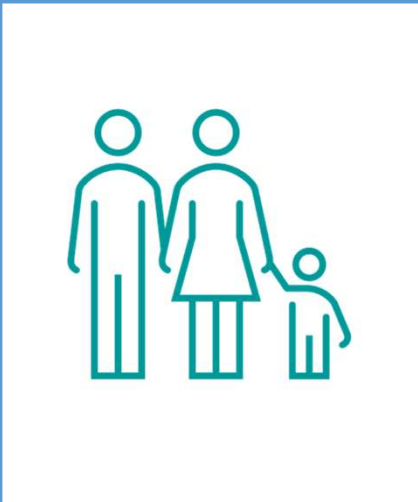
Summary,
Suggested
Considerations
and Next Steps

Summary and Suggested Considerations

- Summary
 - There are new federal requirements of state guidelines and guidelines reviews
 - Economic: There is new economic data on the cost of raising children; the existing schedule is based on 2012 data
 - Income imputation at 40 hr per week at minimum wage is common
 - Many low-paying jobs offer less than 40-hour per week and often less than 52 weeks per year are paid
- Economic Considerations:
 - Should the schedule be updated using updated BR? If so, should it account for Connecticut's income using income realignment or price parity?
 - Be extended from maximum combined income of \$4,000 per week to \$5,000 per week?
 - Should the amount of the low-income adjustment be increased and expanded to higher incomes?
 - Should the low-income adjustment approach be modified (e.g., put in worksheet)?
- Non-economic Considerations
 - Tweak income imputation considerations to lessen income imputation at f-t, state minimum wage
 - Other tweaks (see slide 5 from Feb. presentation)

Examples from Other States: Income Imputation

- CPR
 - What additional information is needed for decision making?
 - Updating low-income adjustment in schedule requires decision to use price parity or income realignment
- Commission
- Timelines



Attachments

Examples from Other States: Income Imputation

<p>MA</p>	<p>D. Imputation of income When the Court finds that a parent has, in whole or in part, undocumented or unreported income, the Court may reasonably impute income to the parent based on all the evidence submitted, including, but not limited to, evidence of the parent’s ownership and maintenance of assets, and the parent’s lifestyle, expenses and spending patterns. Expense reimbursements, in-kind payments or benefits received by a parent, personal use of business property, and payment of personal expenses by a business in the course of employment, self-employment, or operation of a business may be included as income if such payments are significant and reduce personal living expenses. In circumstances where the Court finds that a parent has unreported income, the Court may adjust the amount of income upward by a reasonable percentage to take into account the absence of income taxes that normally would be due and payable on the unreported income.</p> <p>E. Attribution of income Income may be attributed where a finding has been made that either parent is capable of working and is unemployed or underemployed. If the Court makes a determination that either parent is earning less than he or she could earn through reasonable effort, the Court should consider potential earning capacity rather than actual earnings in making its child support order. The Court shall consider the age, number, needs and care of the children covered by the child support order. The Court shall also consider the specific circumstances of the parent, to the extent known and presented to the Court, including, but not limited to, the assets, residence, education, training, job skills, literacy, criminal record and other employment barriers, age, health, past employment and earnings history, as well as the parent’s record of seeking work, and the availability of employment at the attributed income level, the availability of employers willing to hire the parent, and the relevant prevailing earnings level in the local community.</p>
<p>PA</p>	<p>A) Earning Capacity Limitation. The trier-of-fact: (I) shall not impute to the party an earning capacity that exceeds the amount the party could earn from one full-time position; and (II) shall determine a reasonable work regimen based upon the party’s relevant circumstances, including the jobs available within a particular occupation, working hours and conditions, and whether a party has exerted substantial good faith efforts to find employment. (B) The trier-of-fact shall base the party’s earning capacity on the subdivision (d)(4)(ii) factors. (C) After assessing a party’s earning capacity, the trier-of-fact shall state the reasons for the assessment in writing or on the record. (D) When the trier-of-fact imputes an earning capacity to a party who would incur childcare expenses if the party were employed, the trier-of-fact shall consider reasonable childcare responsibilities and expenses. (ii) Factors. In determining a party’s earning capacity, the trier-of-fact shall consider the party’s: (A) child care responsibilities and expenses; (B) assets; (C) residence; (D) employment and earnings history; (E) job skills; (F) educational attainment; (G) literacy; (H) age; (I) health; (J) criminal record and other employment barriers; (K) record of seeking work; (L) local job market, including the availability of employers who are willing to hire the party; (M) local community prevailing earnings level; and (N) other relevant factors.</p>

Examples from Other States: Income Imputation

<p>CO</p>	<p>(b.5)(II) In determining potential income, the court or delegate child support enforcement unit shall consider, to the extent known, the specific circumstances of the parent, including consideration of the following information, when available:</p> <p>(N) Prevailing earnings level in the local community. and THE TYPICAL HOURS AVAILABLE TO WORKERS IN THE PARENT'S JOB SECTOR AS ESTABLISHED BY ANY RELIABLE SOURCE GENERALLY USED AND RELIED ON BY THE PUBLIC OR PERSONS IN A PARTICULAR OCCUPATION, INCLUDING, BUT NOT LIMITED TO, VERIFIED STATEMENTS, WORK HISTORY, THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS OR OTHER RELIABLE COMPILATIONS, THE DEPARTMENT OF LABOR AND EMPLOYMENT, OR OTHER INFORMATION PROVIDED BY THE PARENT. IN THE ABSENCE OF ANY SUCH INFORMATION, THE COURT OR DELEGATE CHILD SUPPORT ENFORCEMENT UNIT SHALL DETERMINE THE PARENT'S INCOME BASED ON A REASONABLE RATE OF PAY FOR A THIRTY-TWO-HOUR WORKWEEK FOR FIFTY WEEKS EACH YEAR, SUBJECT TO OTHER FACTORS SET FORTH IN THIS SECTION THAT MAY AFFECT THE NUMBER OF HOURS THE PARENT IS CAPABLE OF WORKING, SUCH AS AGE, HEALTH, OR THE SPECIFIC NEEDS OF THE SUBJECT CHILD.</p>
<p>DC</p>	<p>§303.4 Establishment of support obligations. (b) Use appropriate State statutes, procedures, and legal processes in establishing and modifying support obligations in accordance with §302.56 of this chapter, which must include, at a minimum: (1) Taking reasonable steps to develop a sufficient factual basis for the support obligation, through such means as investigations, case conferencing, interviews with both parties, appear and disclose procedures, parent questionnaires, testimony, and electronic data sources; (2) Gathering information regarding the earnings and income of the noncustodial parent and, when earnings and income information is unavailable or insufficient in a case gathering available information about the specific circumstances of the noncustodial parent, including such factors as those listed under §302.56(c)(1)(iii) of this chapter; (3) Basing the support obligation or recommended support obligation amount on the earnings and income of the noncustodial parent whenever available. If evidence of earnings and income is unavailable or insufficient to use as the measure of the noncustodial parent's ability to pay, then the support obligation or recommended support obligation amount should be based on available information about the specific circumstances of the noncustodial parent, including such factors as those listed in §302.56(c)(1)(iii) of this chapter. (4) Documenting the factual basis for the support obligation or the recommended support obligation in the case record</p>