

Georgia Child Support Commission

Economic Study and Child Support Obligation Table Subcommittee Meeting

MEETING MINUTES

August 14, 2009

Dr Roger Tutterow, Chair of the Economic Study and Child Support Obligation Subcommittee of the Child Support Commission, called the meeting to order at 10:00 am. Present were Joy Hawkins, Rick Smith, Charles Clay, Michael Key, and Child Support Commission Chair, Seth Harp. Child Support Commission members available via telephone were Michael Martin and State Senator Jim Butterworth. Staff members including Jill Radwin, Elaine Johnson, Debra Oliver and Debra Nesbit were also present.

Background of Child Support Obligation Table

Dr. Tutterow announced at the onset of the meeting that it was being called to comply with O.C.G.A §19-6-53(4) – To determine periodically, and at least every two years, if the Basic Child Support Obligation Table (“BCSO” or “Table”) results in appropriate presumptive awards. The Table was established in 2005. It was based on averaging two estimates of child rearing costs, Rothbarth and Engel, methodologies. In 2007, there had been an informal review of the Table but due to the beginning of a recession, it was decided that it was not the appropriate time to revise the BCSO Table.

Review of the Current BCSO

Dr. Tutterow stated that there are three issues for updating the BCSO Table – 1) concerns for why the low income deviation is not working; 2) need as to whether the BCSO should be revised, including a re-estimating the costs to raise children and addressing changes; and/or 3) whether in light of the fluctuating economy was there a need to postpone any revisions until at least the Spring of 2010 due to inflation forecasting and tax reform expected.

Dr. Tutterow called on Jill Radwin, Staff Attorney, Child Support Commission, to give a report from Dr. Jane Venohr. Dr. Venohr, previously with Policy Studies, Inc., served as a consultant to the Georgia Child Support Commission and helped develop the BCSO Table. She is now an economist with the Center for Policy Research in Denver and was consulted about updating Georgia’s Table. While, she gave only estimates as to the percentages of changes that an update will produce, she based the estimates on recent reviews her

company has done for other states. Dr. Venohr said that the bottom line is that the existing Georgia Table is based on three sources of economic data: 1) Average of the Engel and Rothbarth estimators produced by Professor David Betson from families surveyed in 1996-99; 2) Federal and state tax rates; and, 3) Changes in price levels. The changes in price levels since 2005 have increased about 12% to 20%. Because incomes have also increased, this would be about a 7% to 13% increase in the BCSO Table for costs alone.

After hearing that the BCSO will increase across the board, the Subcommittee decided that the time was not suitable to update the Table. There was a specific concern on how an increase in obligation amounts would impact the low income noncustodial parent. The obligation amounts have already been considered high for this sector of the population. A decision was made to defer updating the Table until at least the Spring (2010) when there may be a better grasp as to the state of the economy.

Other Economic Factors

The Subcommittee members expressed concerns that there needs to be some relief for the many impacted by the economic downturn. Since updating the Table would not provide the anticipated relief, Senator Harp suggested that maybe a revision to the Guidelines may be needed. Discussion followed regarding the statutory language about whether the current “involuntary loss of income” subsection (19-6-15(j)) would meet the need. Jill Radwin pointed out that this provision does not apply to initial cases, unless there was a temporary order. It was primarily written for modification cases. All of the members present and on the phone agreed that the relief should be temporary. Perhaps any revision would have “sunset” clause to terminate in two years when it is expected that there will an economic recovery. Joy Hawkins, though, did point out that the Commission should not lose sight that the children will still need support. Subcommittee members agreed that triggering factors to provide some form of relief needs to be spelled out and defined. Further, comments were made that perhaps the revision will provide the court with greater discretion and allow emergency hearings. The current provision does allow for expedited hearings but the Subcommittee members felt that the process may need to more detailed. Michael Key suggested that when drafting any proposed new statutory language, the modification subsection of the Guidelines should be reviewed.

Determination of Next Steps

Dr. Roger Tutterow summarized that no action will be taken on the Table at this time. Yet, this will be reviewed again during Spring 2010. Dr. Venohr may be contracted at that time to start a Georgia specific study.

He also stated that everyone present agreed that some form of relief is needed, and perhaps that relief should come in the form of making a suggested revision to the Child Support Guidelines. A decision was made to get the Statute

Review Subcommittee involved in this discussion. Senator Harp, the Child Support Commission Chairman, requested that the Economic Subcommittee report to the Statute Review at the August 27, 2009, meeting and the full Commission meeting be re-scheduled following the Statute Review Subcommittee's recommendation. All present members agreed and the meeting adjourned at 10:48 a.m.