

Child Support Guidelines Review Panel

June 17, 2013

10:00 a.m. – 2:00 p.m.

House Room 1, State Capitol

Meeting Minutes

Members Present:

The Honorable A. Ellen White, Chair
Amy Atkinson
Craig M. Burshem, Deputy Commissioner and
Director, Division of Child Support Enforcement
Hilton W. Graham, II
Reeves W. Mahoney, Esq.
Karen Sampson
The Honorable Wilford Taylor, Jr.

Members Not Present:

Heather Cooper
Delegate G. Manoli Loupassi
Paul McLean
Jennifer Oram-Smith, Esq.
Senator Richard H. Stuart
Delegate Ronald Villanueva
Delegate Vivian E. Watts
Michael Woods

Staff Members Present:

Alice G. Burlinson, Esq.
Melody C. McKinley
C. Robert Own

I. Welcome

Judge White

Judge White welcomed Panel members, staff and public hearing speakers to the meeting.

II. Public Hearing

All

Judge White advised speakers that they would each have five minutes to make their remarks.
The following persons provided public comments:

Helen Gregory
Kenneth Skilling
D'Arcy McGreer
Robert Cunningham

III. Brief recap of May meeting

Alice Burlinson

At the May 3, 2013 meeting, Ms. Burlinson presented a powerpoint summary of Dr. Venohr's February 2013 report to the Panel, which addressed several selected factors and provided proposed guideline schedules. The presentation also included the Family Bar Coalition's input on the selected factors, provided at the Panel's request. The selected factors included the shared custody multiplier and threshold; complex cases; unpaid, ordered health care; unreimbursed medical expenses; regional differences in cost of living; and guidelines based on age of children.

Dr. Venohr's updated briefing provided revised guideline schedules based on 2013 federal and state income tax rates, FICA and price levels, as well as additional information regarding low-income adjustments. The Panel voted to adopt Guideline E, which does not include a low-income adjustment, self-support reserve or the existing \$65 minimum. The Panel also voted to

propose only the guideline update and elimination of the \$250 unreimbursed medical expenses. Ms. Burlinson was to ask Dr. Venohr to provide an updated schedule E without the built-in unreimbursed medical expenses.

IV. Questions for Jane Venohr, Ph.D.

All

Dr. Venohr thanked the public speakers for their comments. She pointed out that Virginia's existing guidelines are based on economic data from the 1970s and have not been updated since their implementation in the late 1980s. The proposed guidelines are based on national economic data which reflects what it costs to raise a child in 2013, taking into account that both prices and incomes have risen and spending patterns have changed. Dr. Venohr noted that most states, including Virginia, have a self-support reserve built into their schedule. Virginia's existing self-support was based on the federal poverty level at the time the guidelines were implemented. The federal poverty level has increased to about \$950 for one person now. Schedule E, which the Panel voted to adopt, does not include a low-income adjustment or self-support reserve. While it is important not to shortchange children, ability to pay is also an issue, particularly at the lowest incomes.

Dr. Venohr reviewed the side-by-side comparison of Virginia's existing schedule, proposed schedule E with the unreimbursed medical expenses built in (as they are in the existing guideline), and schedule E without those expenses. Under the existing guideline, the custodial parent is responsible for the first \$250 in unreimbursed medical expenses, and the parents split expenses over \$250 on a pro rata basis. The Panel's proposal from the May meeting was to eliminate the \$250 and have parents split all unreimbursed medical pro rata. Dr. Venohr pointed out that, at the lowest incomes, this may be reasonable in light of the Affordable Care Act (ACA). Once ACA is fully implemented, about 80% of IV-D cases will be eligible for Medicaid/CHIP; those cases would not need the \$250 provision. Those who make too much income to qualify for Medicaid/CHIP will be able to buy insurance through an exchange on a sliding scale based on income. ACA also has a cost sharing provision based on a sliding scale. Removing the \$250 could be an issue at higher incomes since more cases may have to be litigated.

Mr. Mahoney said he frequently sees issues with medical expense in his cases. He includes a clause in orders which requires the parties to deal with medical expenses within 30 days so that large amounts do not accumulate. Judge Taylor said this is effective and typically orders the same provision the first time the parents come back to court with a problem.

Mr. Burshem pointed out that the Panel will need to reconsider its May vote for schedule E if they want to adopt the revised version of E without the built-in medical expenses instead. Judge White asked Dr. Venohr to provide a written summary of the pros and cons of each approach for the Panel's review before the September meeting.

Dr. Venohr also reviewed the low-income chart, which compares obligations at low incomes under the existing schedule, schedule E with medical, schedule E without medical, Maryland, D.C., Michigan, Pennsylvania and North Carolina. North Carolina updated its guideline in 2010 and uses a self-support reserve test (roughly \$930 per month); Maryland uses a self-support reserve but has a convoluted calculation method; D.C.'s self-support reserve is 133% of the federal poverty level, but they are reconsidering this as they think it may be too generous; Pennsylvania has very few of these cases since they do not often obligate those at the lowest incomes unless there is evidence that NCPs would be able to find work in their area.

Judge White pointed out that the Panel will need to vote on whether to adopt schedule E with or without the built-in medical and suggested that the Panel consider this issue at the September meeting. Mr. Burshem pointed out that at the May meeting Senator Stuart recommended doing away with the self-support reserve, which the existing guideline includes. Mr. Burshem thinks this may cause some “sticker shock” since the obligations at the lowest incomes will increase significantly. Ms. Atkinson agreed and noted that the schedule needs to consider “real world” situations and the obligations need to be realistic. Judge Taylor concurred and asked if the Panel could reconsider this issue and have further discussion based on the new research and data. Judge White requested that the issue be put back on the agenda for further discussion at the September meeting.

Panel staff will provide several guideline calculation worksheets using various incomes and scenarios as samples for the next meeting.

V. Plans for September 24th meeting

Alice Burlinson

The Panel will reconsider and discuss schedule E with and without built-in medical expenses, as well as the self-support reserve, and will vote on the final proposed schedule.

VI. Administrative Issues

Alice Burlinson

- The Panel’s report is due to the General Assembly in December 2013.
- The next meeting is September 24. Panel members are strongly encouraged to attend so that there will be quorum to reconsider and vote on the proposed schedule.
- Emails to the Panel
The Panel has received only two emails since the May meeting. Ms. Burlinson will have them posted on the Panel’s website (<http://dls.state.va.us/childsupport.htm>).
- Travel vouchers - turn in to Ms. Burlinson.

VII. Adjourn

Judge White

The Panel adjourned at approximately 11:28 a.m.

Action Items for Staff:

- Post the following items on the Panel’s website:
 - Dr. Venohr’s revised guideline schedules and low-income comparison chart
 - E-mails to the Panel from April 18, 2013 – June 14, 2013
 - Minutes, upon approval of Panel
- Ms. Burlinson will obtain Dr. Venohr’s summary of the unreimbursed medical expenses issue and provide it to Panel members for review prior to the September meeting.
- Staff will
 - Draft proposed legislation and provide it to the Panel for review
 - Begin drafting the report due to the General Assembly in December 2013