

# Guidelines Review and Oversight Committee (GROC)

## 2024 Sep 19, 10:00a–12:00n – Meeting Minutes

(Discussions are organized by topic, not necessarily by actual sequence.)

### \* I Opening business and participants list

Note: Priscilla was absent due to illness, but created these minutes from the recording. At about 10:01 a.m. Kim opened the Teams meeting. Below, x = those present today:

Community reps	Title, plus county(ies) covered		Location
-- Hoge, Jess	COC	Petroleum	Winnett
x Thiel, Cindy	Atty (ret.)	Missoula	Missoula
x Timmer, Colleen	Master	Mineral, Missoula	Missoula
State workers	Division & role and/or title		Location
-- Christensen, Kelsey	CSSD	Investigator	Butte
-- Delaney, Barb	CSSD	Bureau chief, SPOT	Helena
x Ensey, Miranda	CSSD	Investigator	Great Falls
-- Hochhalter, Priscilla	CSSD	Recorder / Training specialist	Helena
x Leach, Kial	CSSD	Compliance manager	Helena
x Martin, Chad	CSSD	Investigator	Helena
-- Pappe, Kate	CSSD	Investigator Supervisor	Missoula
x Quinn, Patrick	OLA	Staff attorney	Missoula
-- Twardoski, Christie	CSSD	Administrator	Helena
x Watne, Kim	CSSD	Chair / Guidelines project manager	Helena

### II Mission; purpose; requirements; process; Quadrennial Report (QR)

GROC is an advisory body with expertise in MT child support guidelines (GLs). It is authorized to do research, develop recommendations, suggest proposed rule changes and, every four years, prepare a federally-required quadrennial review and report (QR) on its work. This report is submitted to DPHHS and cited in MT’s State Plan.

**Mission and purpose.** From [45 CFR 302.56\(e\)](#) – GROC’s mission is: “The State must review, and revise, if appropriate, the child support guidelines...at least once every four years to ensure that their application results in the determination of appropriate child support order amounts.”

**Requirements.** From [45 CFR 302.56\(h\)\(1–3\)](#) – We are required to: consider economic data; analyze case data; and allow for meaningful public input, especially regarding low-income families. (‘Public input’ often comes from GROC’s community representatives and their case experiences.)

**Process.** From [MCA 40-5-209](#) – any proposed GLs changes are submitted for consideration for administrative rule changes, or as proposed legislation to MT’s legislature.

**Quadrennial Review / Report (QR).** To fulfill the above, typically the QR covers at least tax data, economic data, and case data (methodology, findings, variances, payment histories by case traits, etc.). For the 2024 QR, key resources – retained here for reference – include...

- US Department of Agriculture (USDA) 2015 figures on cost of raising a child (<https://www.fns.usda.gov/cnpp/2015-expenditures-children-families>).
- MT Department of Labor & Industry (DLI) 2023 Labor Day report on MT’s economy (<https://lmi.mt.gov/docs/Publications/LMI-Pubs/Labor-Market-Publications/LDR20221.pdf>).

### \* III 2024 QR: Due date, Dec. 31; list of possible GLs updates

Although this section was not directly discussed today, the verbiage has been slightly updated. The 2024 QR is due Dec. 31. Proposed GLs changes are recommended considering MT’s current economy and demographics, with a goal that GLs should be fair, easy to use, accessible

\* Today, asterisk-marked sections were discussed / updated; other (non-marked) sections – often retained for reference only – were not.

online, and standardized for all MT – and should keep support obligations at levels similar to those achieved by current GLs.

Thus – for this current 2024 QR (due Dec. 31) – proposals being considered include:

1. Remove tax factors; doing so would simplify the calculation for everyone, and eliminate the need to make updates (including software reprogramming) every time tax laws change.
2. Update PIG percentages for each parent's personal allowance (self-support reserve).
3. Update SOLA percentages.
4. Update primary support allowance percentage for child(ren) of the case.
5. Use ranges of days (instead of counting each individual day) for parenting days.
6. Remove credit for other child(ren), not of the calculation, in parents' homes.
7. Simplify, and make more transparent, calculation of minimum support obligation.

If implemented, these proposed changes would require updates to our current GLs worksheet (GLW) and to certain ARMs. Kim and Kial are looking at both.

## \* IV **GLs: model; general dialog; main issues; other issues; next steps**

Note: Virtually all of today's discussion content is embodied under this main heading.

### A **Model**

Today it was reiterated that MT GLs use a 'modified Melson' model (based on, but different from, Delaware's original Melson model). MT's 'modified Melson' model considers more factors and gives more credits than other models, with the goal of increasing fairness.

### B **General dialog**

Kial and Kim have been working on proposed GLs changes for about a year. Today they sought clarification from GROC by going back to this most basic question: Do GROC members agree our GLs formula needs updates?

Patrick thinks it does. He said reviewing it for any needed updates is a QR requirement; for the 2020 QR, we made only minor updates as there wasn't time to dig deeper into them. So yes, now's the time to do so.

Others agreed on this point. When Kim asked the reverse question – Does anyone feel maybe there ISN'T a need for updates? – then everyone fell silent. So it was concluded that no one on GROC is opposed to deciding upon, and submitting, proposed GLs updates at this time.

Several restated they do like the proposed GLs changes (in the new Excel calculator) – which do seem to add simplification and address issues in current GLs, while still retaining fairness.

Kial explained the proposed GLs Excel worksheet is just a temporary tool to be used for now; in the development of a new computer system, the final product will look more like a true online calculator. Also noted was this reminder: GLs factors are interconnected, so changing one could result in necessary changes to others.

### C **Main issues**

When asked which areas need additional discussion, GROC members listed...

1. Self-employment.
2. Imputed income (often clearer to CSSD / OAH than to case parties, attorneys, and courts).
3. Parenting days – including how to count and how to define a 'day' (ARM 37.62.124 says it's from midnight to midnight – but ARM 37.62.138 adds complexity, as does school). The group responded positively to Colleen's offer to get input from other standing masters.
4. Credit for 'other child(ren)'. Currently, and counterintuitively, in some instances giving such credit actually will increase support obligations (at least until income hits about \$50K) since tax credits increase income. To counteract this undesired result, we are discussing including only children of the order in the calculation. Also, how do we handle this issue in ways we can easily explain to parties? One suggestion: Maybe all we need is a note somewhere, to help explain it to them. This issue affects only about 15% (39/257) of test cases analyzed.
5. Obligor's high cost of living. Related to the above, Kim and Kial have worked to mitigate too-burdensome obligations by removing tax factors and by adjusting SOLA, PIG, self-support reserve, etc. Do these adjustments work? Are more needed? Discussion continues.

6. Retirement. See agenda for two items: a) attachment re. railroad (RR) retirement, which we will need to keep updating yearly even if we do remove taxes; b) possible verbiage (in body of agenda) giving credit for voluntary, not just mandatory, contributions to retirement – since it's usually self-funded now, not employer-funded as in the past. Possible language: "Maximum up to 8% of gross income for combined mandatory and private retirement contributions, unless mandatory exceeds 8% of gross, then 100% credit. Proof of 3 months current contribution must be provided prior to credit allowance being given." This idea was well received; percentages can be discussed.

## **D Other issues**

These additional issues were discussed in less detail...

1. High-income obligors. Should we put a 'cap' on obligations? Some states do; but in MT's cases, few parties earn an income level that would need it. Also, it was noted that there is rebuttable presumption, and there are hearing opportunities to address issues.
2. Obligors without paid vacation time. Should we adjust annual income for obligors without paid vacation time? ARM 37.62.105 already allows leeway by saying annual income can be calculated at more or less than 52 weeks per year. We could cover this point in training, and also in GLs instructions and documentation.

## **E Next steps**

Kial laid out the steps for finishing the QR and proposing changes to GLs:

1. First we must decide which GLs changes generally to propose in QR (due Dec. 31); later we can add specifics in decision brief. CSSD Administrator Twardoski submits both to DPHHS.
2. Kial and Kim will finish QR for submission.
3. After that we'll work out decision brief (with details like percentage, etc.) for submission.
4. If decision brief is approved, we'll proceed with proposed changes.

The whole process could take a couple of years. So, we'll just focus on one step at a time.

## **\* V Closing business / adjournment**

Kial and Kim have drafted two-thirds of QR; the last one-third will be proposed GLs changes. Before Nov. 7 (our next meeting), they will finish and distribute this draft so all can give final input. Also, they are working on examples to share of calculations at various income levels. We adjourned at 11:46 a.m.; we'll reconvene Nov. 7, 10:00a–12:00n.