

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1414

As Engrossed: 2/25/2015

Bill Subtitle: TO REVISE THE FAMILY SUPPORT CHART TO REFLECT PAYOR AND RECIPIENT INCOME.

Basic Change : Sponsor: Representative Lowery

Engrossment 02/25/15 --- House Amendment 1 --- HB 1414 would require a committee of the Arkansas Supreme Court to revise the methodology underlying the family support chart to take into account both custodial and non-custodial parent income when establishing or modifying a child support obligation. The current chart is based on a percentage of obligor income and does not directly take into account the custodial parent's income. The bill, as amended, would require this revision to be complete no later than January 1, 2017.

Revenue Impact :

None

Taxpayer Impact :

None

Resources Required :

The Office of Child Support Enforcement (OCSE) data system programming changes would cost approximately \$135,000. Additionally, the required economic study, necessary for any revision to the Supreme Court's family support chart, is an OCSE expense and would be approximately \$20,000-25,000.

Time Required :

There will need to be a bid and award for the required economic study. That process generally requires 2-3 months with another 3-4 months for the completion of the study. After the guidelines are changed it will take approximately 5 additional months for programming changes to the OCSE data system to be completed. Additional staff training will be required after programming changes are completed.

Procedural Changes :

None

Other Comments :

The Supreme Court Child Support Committee, at the request of the Court, has studied the impact of adopting a methodology, i.e., income shares, which takes into account both parent's income in establishing child support obligations. The Committee has reported its findings to the Court. Currently 38 states use some form of the income shares method. This would be a significant change in Arkansas family law and would impact the bench, bar, and families around the state. This amendment provides additional time for the development, implementation, and education of the bench and bar than originally provided. This new completion date would allow for a more orderly approach to the study and transition. Additionally, current law, Ark. Code Ann. § 9-14-107(c)(2), provides that an inconsistency between a current support obligation and the support obligation that which would result from application of the family support chart would constitute a material change in circumstances and form the basis for a petition for modification of support. Revisions to the child support chart would result in increase in litigation, not only for OCSE but also for private cases.

Legal Analysis :

HB 1414 amends current law to specify the method by which the family support chart used in divorce, support and paternity actions derives child support obligations. The family support chart is established by Supreme Court rule.