

Subcommittee Meeting: Income, Imputation, and the Self-Support Reserve

Date | time 4/12/2019 11:00 AM | Location via WebEx

WebEx Information:

[WebEx Meeting Link](#)

Meeting number: 806 817 472

-or-

Call the audio connection: (240) 454-0887

Facilitator	Matthew Parascand	Attendees [Attendees]
Note taker	Terry Price	DCS HQ (Matthew and Brittany)
		Janelle Wilson
		Anneliese Vance-Sherman
		Kris Amblad
		Terry Price

Agenda Items

Topic	Presenter	Time allotted
<input type="checkbox"/> Dropbox contents Matthew: Review of dropbox contents: Copies of statutes, some undefined terms Kris added the chart w/ poverty guideline, monthly and annual	All	10 minutes
<input type="checkbox"/> A definitions discussion	Nicole	30 minutes
<input type="checkbox"/> Update on parents income when they exit TANF	All	10 minutes
<input type="checkbox"/> Statue review and issue identification	All	40 minutes

Update on Parents Income when they exit TANF

Matthew stated DSHS has this data. We will have the numbers by next week. DSHS policy department will review. **We will have by Wed, 4/17. They will break out numbers by types of TANF closures. Subsets for various reasons they left TANF—self-sufficiency, term limits, etc.**

Definitions Discussion

RCW 26.19.011 Definitions in child support statutes

RCW 26.19—undefined terms:

- Actual income
- Full-time
- Historical rate of pay
- Records of parent's actual earnings
- Significantly underemployed
- Unemployable
- Voluntarily underemployed
- Voluntarily unemployed

Matthew—finding what caselaw exists to give context would be good—there may already be a list. **He will go find the list.**

Difference between historical rate of pay and past rate of pay

Discussion of whether the distinction was still useful. Sometimes useful if you don't have current ESD data or consistent pattern of current income. It can be the difference between a relatively complete employment history and a snapshot of pay.

Voluntary unemployment/underemployment

There's no line of demarcation where someone is voluntarily underemployed or unemployed. If, for example, someone is working 1 or 2 part-time jobs, they don't reach the 30 hour threshold. There's inconsistency between administrative process or it differs judge to judge whether they are full-time employed—for policy purposes, it would help to have consistency. Question raised what "full-time" means in economic world?

Anneliese—not clear. Most meaningful is specifically by occupation. **Will check into it.**

Janelle added document to Dropbox that's a good starting part--Minimum wage imputation pdf. Shows what imputing 40 hours/week would look like for child support owed. When minimum wage went up, child support went up considerably. 2019- what was \$164 became \$381 monthly child support obligation. No definition re full-time. There's a WA case—full-time doesn't have to be 40 hours/week—it's the standard in the industry. Because of the self-support reserve, the child support obligation was higher, but reduced by the self-support

reserve. In 2019, it is not reduced by the self-support reserve, hence it is much higher. Self-support reserve is currently \$1301. Janelle also added definitions about how other states define voluntarily underemployed/ unemployed, and what is full-time.

RCW 26.19.071 definition of "income." Looks pretty complete. Only issue on there w/ private bar is, recent case law issues about how maintenance is considered. Primarily affects people who can hire attorneys.

Matthew—list from Flexibility Rule. Factors to consider from that list—different from WA statutory language. Curious what kind of approach to take re Flexibility Rule? Viewing this through the racial equity lens, who will have burden of providing this information to the courts? Many people will not have the capacity to provide this info. How much judicial notice is the court required to give? People already have a challenge getting information required for court. The State cannot take that burden on.

Kris—I've talked with colleagues re principles. The consensus—the better definition or solution—it coincides with how we define full-time. That's their primary concern for their clientele. Not many disagreements w/ the hierarchy. When you're imputing at minimum wage, then that needs to be expanded on as a possibility beyond the 3 areas on the statute. No one has formulated a full idea on this—more like formulating our goals. We are interested in looking at something that the court could presumptively do on an imputation but it could be challenged by the party if they had other information. If we start adjusting the percentages on the SSR, and the minimum wage increases will level off, then is there an unintended consequence 5-10 years down the line?

Janelle—The statute doesn't give us guidance when people are on TANF but rather when people are recently off TANF, then we impute minimum wage. We are hoping that people on TANF are moving in a direction where they will be off TANF (over income as receiving child support, stable employment, etc.).

Matthew—**what about SSR? Leave that for homework?** No further work done on that issue during this meeting.

Decisions, tasks, and next steps

On April 25, 2019, subgroup members had a subsequent phone call. Attending were Janelle Wilson, Anneliese Vance-Sherman, Terry Price, and Matthew Parascand and Ian Kinder-Pyle from DSHS. Three things were added to the Dropbox files:

- a. Per Anneliese Vance-Sherman—tables that identify by industry what usual full-time hours means—fluctuates between 20-40 hours. Challenges are that the focus is on the employer—focus on the job not the person—so that will not address multiple job holdings. She is looking at specific job holding data. She is also looking at implications from minimum wage studies from UW—impressed by data sharing arrangements supporting their findings. In the long run, there's been an improvement for workers at a whole, but for some workers (i.e., first-time workers) are having a hard time getting a high number of hours. Therefore, if someone does not have major barriers to employment or younger than 20, there may be a need to provide leeway as they get introduced into the workforce. Perhaps hold a higher standard for people with job experience.
- b. Request to Matthew to find info about what people are earning when they exit TANF. There are a number of reasons for why exiting TANF. There is actual income data. There's a summary report prepared for the workgroup. We will get it soon.
- c. Matthew asked colleague Ian Kinder-Pyle to join us. He added additional matrix in Dropbox that incorporated what Janelle did about the 50 state survey. It is called Full-time Definitions. It can be a helpful reference tool for everyone.