

## CHILD SUPPORT FORMULA COMMISSION ACT

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**House Bills 6698, 6703, and 6705  
as introduced  
Sponsor: Rep. Alexander Lipsey**

**House Bill 6699 as introduced  
Sponsor: Rep. Paul Condino**

**House Bill 6700 as introduced  
Sponsor: Rep. Stephen Bieda**

**House Bill 6701 as introduced  
Sponsor: Rep. Virgil Smith**

**House Bill 6702 as introduced  
Sponsor: Rep. Chris Kolb**

**House Bill 6704 as introduced  
Sponsor: Rep. Stephen Adamini**

**Committee: Judiciary**

**Complete to 12-8-06**

## A SUMMARY OF HOUSE BILLS 6698-6705 AS REPORTED FROM COMMITTEE

House Bill 6698 would create the Child Support Formula Commission Act and the companion bills would amend various acts to incorporate references to the new act. The bills would move responsibility for the development and continued review of the child support distribution formula from the state Friend of the Court Bureau to a new 18-member Child Support Formula Commission housed within the Department of Human Services. House Bills 6698 and 6699 are tie-barred to each other and House Bills 6700-6705 are tie-barred to both House Bill 6698 and 6699.

House Bill 6698 would do the following.

- It would create the Child Support Formula Commission within the Department of Human Services. The Commission would consist of seven voting members and eleven nonvoting members, to be appointed by the Governor, as specified in the bill. Members would serve for four-year terms, without compensation (but could be reimbursed for actual and necessary expenses incurred in the performance of their duties), and meet at least quarterly.
- Business performed by the Commission would be conducted at public meetings held in compliance with the Open Meetings Act; writings prepared, owned, used, in the possession of, or retained by the Commission in the performance of an official function would be subject to the Freedom of Information Act.
- Duties of the Commission would include: adopting operating bylaws and rules; adopting the child support formula created by the Friend of the Court (FOC) Bureau in effect on the bill's effective date; reviewing the formula as required by federal law and make necessary revisions; holding public hearings on

recommended changes in each of four regions in the state; accepting written public comment on proposed changes for 10 days following the public hearings; distributing printed copies of the formula to all Michigan judges, FOC, prosecutors, referees, and depository libraries; maintaining public access to the child support formula by a website; and promulgating rules to implement the bill's provisions.

- The formula to be used in establishing and modifying a child support amount and health care obligation would have to be based upon the needs of the child and the actual resources of each parent. The formula would have to be subject to any automatic annual changes, establish a minimum threshold for modification of a child support amount, consider the child care and dependent health care coverage costs of each parent, and include guidelines for setting and administratively adjusting the amount of periodic payments for overdue support (including guidelines for adjustment of arrearage payment schedules when the current support obligation for a child terminates and the payer owes overdue support).
- The Commission would be allowed to consider changes to the formula whenever it determines a special circumstance exists; preserve any portion of the formula not subject to automatic annual change; and consider issues relevant to the fair and just application of the formula (this could include, but not be limited to, a study of court ordered deviations, a review of public comments prior to the review process, the effect of income differential on the application of the formula, potential adjustments to the formula for differences in custodial arrangements, and the effect of the existing tax code).

House Bill 6699 would amend the Friend of the Court Act (MCL 552.505 et al.) to eliminate the requirement for the State Friend of the Court Bureau to develop a child support formula for establishing and modifying a child support amount and health care obligation. Instead, the bill would incorporate references to the child support formula developed under provisions of the Child Support Formula Commission Act (House Bill 6698).

The following bills would amend various acts to eliminate references to the child support formula developed by the State Friend of the Court Bureau and instead incorporate references to the child support formula developed under to the Child Support Formula Commission Act.

House Bill 6700 would amend the Family Support Act (MCL 552.454).

House Bill 6701 would amend the Support and Parenting Time Enforcement Act (MCL 552.605).

House Bill 6702 would amend the Revised Judicature Act (MCL 600.5078).

House Bill 6703 would amend Public Act 293 of 1968 (MCL 722.3), which establishes the rights and duties to provide support for a child after the child reaches the age of majority.

House Bill 6704 would amend the Paternity Act (MCL 722.714).

House Bill 6705 would amend the Revised Uniform Reciprocal Enforcement of Support Act (MCL 780.163 and 780.164).

## **FISCAL IMPACT:**

House Bills 6698 and 6699 would amend current law to move responsibility for the development and continued review of the child support distribution formula from the state Friend of the Court Bureau to new 18-member Child Support Formula Commission housed within the Department of Human Services. The bill could lead to minimal increase in state costs.

House Bill 6698 creates the new 18-member commission. The bill provides that commission members would serve without compensation. However, it allows commission members to be reimbursed for their actual and necessary expenses incurred in the performance of their duties. The commission is charged with reviewing the current child support formula as required under federal law and making any necessary revisions. The bill also outlines certain requirements that the formula must meet. The commission would be required to meet at least four times a year under the bills provisions and to hold four public hearings around the state on any recommended changes to the formula. Finally, the commission would be responsible for distributing printed copies of the formula as well as facilitating access to the formula via the Internet.

The expense reimbursement provision for members of the new commission would likely increase costs to the state. However, these costs would likely be minimal. The provisions regarding distribution of the formula via printed copies and the Internet would likely have little overall impact, since this information is already distributed by the state.

House Bills 6700-6705 would have no fiscal impact as they only amend references to current law in various statutes.

## **BACKGROUND INFORMATION:**

Federal law requires states to review their child support guidelines at least once every four years. Since the enactment of the Friend of the Court Act, which created the Friend of the Court Bureau (FOCB) within the State Court Administrative Office (SCAO), the Bureau has carried the task of developing the guidelines. After the last review, the FOCB recommended significant revisions to the child support guidelines manual. The next review must be completed by December 31, 2007, and new federal mandates become effective October 1, 2007 that may impact the use of federal funds. While the Michigan Supreme Court concurs that some of the proposed recommendations should be

implemented, the court also concluded that the process should be moved to an arena better suited for soliciting public input – not the strong suit of the judicial branch. Legislation has been proposed to create a commission charged with the task of developing the child support manual and conducting all required reviews and reports.

The Friend of the Court Association opposes the legislation. The Association believes that changing the responsibility for maintenance and review of the guidelines at this point would adversely affect efforts underway to simplify the child support process in 2007 and could affect compliance with the next federally required review.

## **POSITIONS:**

A representative of the Family Law Council of the State Bar of Michigan testified in support of the bills. (12-6-06)

A representative of the State Court Administrative Office (SCAO) testified in support of the bills. (12-6-06)

The Friend of the Court Association opposes the bills. (12-6-06)

Legislative Analyst: Susan Stutzky  
Fiscal Analyst: Bob Schneider

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.