Policy/Research Question
A wide array of factors, including limited earnings capacities due to barriers to employment and competing obligations across multiple families, can limit the abilities of noncustodial parents to comply with their child support orders. A recent federal ruling requires states to consider noncustodial parents' abilities to pay when setting child support orders [45 C.F.R. § 302.56(c)(1)(ii)], but leaves it to states to determine how much support low-income parents can or should be expected to pay. As Wisconsin prepares to review its guidelines in 2020, this report provides detailed information about the approaches that other state child support agencies have taken or considered to make their child support guidelines for low-income parents consistent with the recent ruling, and examines the implications of these approaches for child support order amounts.

Data/Methods
We use a mixed-methods approach to examine recent changes to state child support guidelines for low-income noncustodial parents. The qualitative component includes a content analysis of publicly-available state guidelines reviews since the 2016 ruling. The quantitative component includes a cross-state comparison of child support order amounts for several types of low-income cases.

Results/Potential Policy Implications
States considered many factors related to low-income parents in their guidelines reviews. A significant area of emphasis was addressing provisions for the basic subsistence needs of noncustodial parents through a self-support reserve or low-income adjustment. A number of states considered changes to minimum order policies, typically increasing rather than decreasing minimum support amounts. States also frequently considered and implemented changes to statutory language regarding imputation, health insurance, and incarcerated obligors to facilitate consistency with the final rule. In each of these areas, a desire for greater transparency and more consistent treatment of low-income noncustodial parents emerged as common themes.

States varied in how they interpreted federal guidance related to these factors and in the extent to which they proposed and implemented changes to their existing guidelines, which led to considerable variation in what was considered an appropriate child support obligation for a low-income noncustodial parent. In our cross-state analysis, when noncustodial parents’ monthly incomes were equal to full time at the state minimum wage, monthly orders ranged from $59 to $416, with a median order amount of $249. When incomes were equal to part time at the state minimum wage, orders ranged from $0 to $212, with a median order amount of $92.

Our report highlights the policy tradeoffs in making orders manageable for low-income noncustodial parents and providing sufficient financial support for children. We found that self-support reserves were consistent with the 2016 ruling in that they prioritized the noncustodial parent having income to meet their own needs. However, they often resulted in order amounts that were well below the amount of income needed to support a child. We found more gradual declines in order amounts and burden levels when states used a separate schedule for low-income parents, such as the percentage of income guidelines tables used in Wisconsin. We also found that minimum orders often resulted in lower-earning fathers owing a higher proportion of their incomes for support than slightly higher-earning fathers.

Additional Research Questions/Data Limitations
Our analysis of states’ recent guidelines reviews may not include all states that have recently considered and/or implemented changes to their guidelines in response to the 2016 rule. Additionally, our analysis of order amounts for low-income cases was limited to three model families and did not include considerations for noncustodial parents’ obligations to resident children, obligations to other nonresident children, contributions of medical support and child care, or shared-parenting time. Different models could produce different results.