NEVADA CHILD SUPPORT GUIDELINES COMMITTEE PUBLIC MEETING TO REVIEW CHILD SUPPORT ENFORCEMENT GUIDELINESS IN ACCORDANCE WITH ASSEMBLY BILL 278 OF THE 2017 LEGISLATIVE SESSION.

The public meeting to review child support enforcement guidelines was brought to order by Kim Surratt, representing the Family Law Section of the State Bar of Nevada, at 12:05 p.m. on Tuesday, September 26, 2017. This meeting was video-conferenced between the Nevada State Legislative Building, 401 South Carson Street, Hearing Room 2134, Carson City, NV 89701 and Grant Sawyer State Office Building, 555 East Washington Avenue, Hearing Room 4401, Las Vegas, NV 89101.

MEMBERS PRESENT:

Kari LePori Cordisco for Kathleen Baker, Washoe County District Attorney's Office
Karen Cliffe, Clark County District Attorney's Office
Ellen Crecelius, Deputy Director, Department of Health and Human Services
Assemblyman Ozzie Fumo
Charles Hoskin, Family Division of the Eighth Judicial District Court
Assemblyman Keith Pickard
Bridget E. Robb, Family Division of the Second Judicial District Court
Joseph Sanford, Churchill County District Attorney's Association
Kim Surratt, Family Law Section of the State Bar of Nevada
Dawn Throne, Family Law Section of the State Bar of Nevada

MEMBERS NOT PRESENT:

Lidia Stiglich, Justice, Nevada Supreme Court
Nova Murray, Deputy Administrator, Division of Welfare and Supportive Services
Senator Patricia Farley
Senator Michael Roberson
Jim Shirley, Family Division of the Eleventh Judicial District Court

LEGAL REPRESENTATION:

Ryan Sunga, Deputy Attorney General
Sophia Long, Deputy Attorney General

GUESTS PRESENT – NORTH

Jenelle Gimlin, Chief of Child Support Enforcement, Division of Welfare and Supportive Services (DWSS)
David Castagnola, Social Service Program Specialist III, DWSS
Joy Tomlinson, Administrative Assistant III, DWSS

GUESTS PRESENT – SOUTH

Rebecca Lindelow, Family Services Supervisor, DWSS

Agenda Item #1 – Call to Order and Roll Call

Kim Surratt called the meeting to order at 12:05 p.m.

Roll call was taken. Judge Bridget E. Robb and District Attorney Joseph Sanford arrived after roll call.

Agenda Item #2 – Nevada Open Meeting Law Tutorial

Sophia Long provided the presentation regarding the Nevada Open Meeting Law to the committee members. Ms. Long stated the purpose of the Open Meeting Law is for boards and commissions to have transparency when discussing anything under specific jurisdictions. The Open Meeting Law allows the public to be given notice on items the committee with be discussing and taking action on. This applies to public bodies working on behalf of Nevada citizens and must conform to statutory requirements in open meetings under an agenda that provides full notice and disclosure of discussion topics and any possible action. If members of the committee are discussing a topic under their jurisdiction and a quorum has been met, it is considered a meeting and must follow open meeting requirements. If members do not have a quorum, discuss a topic not in their jurisdiction, or discuss items with an attorney or about litigation, it is not considered a meeting.

Ms. Long addressed the agenda and what is required. All agendas must include a time, place, and location. Agendas must be mailed and posted on the applicable website three full days before the meeting. If the room stated on the agenda is unavailable, the meeting may convene in a different location convenient for the public (across the hall, different floor, etc.). Moving the meeting to an inconvenient location, such as leaving the building, is not allowed. If the date of the meeting is incorrect, discuss the error with the DAG to see if the meeting can continue. Pursuant to NRS 241, the only obligation required by the committee is to provide a room to the public. If teleconferencing or videoconferencing goes out, the committee can continue the meeting as long as it is held in real time.

Agendas must consist of a clear and complete statement of topics. The public must know exactly what the committee with be discussing. "For Possible Action" means the agenda item can be voted on by the committee. If "For Possible Action" is not stated, the committee cannot vote on the item. If a vote needs to be taken, it must be placed on a future agenda. The committee should stay on topic per agenda items. If the committee goes off topic it can lead to a discussion not on the agenda and will violate Open Meeting Law. Judge Hoskin asked if the committee can combine agenda topics and discuss them at the same time. Ms. Long stated yes as long as the public is put on notice. The current agenda states: "*Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the Chairperson. Items may also be combined for consideration, pulled, or moved from the agenda at any time".* The chairperson can table or push agenda items to future meetings if required. The chairperson can also veto suggestions from the committee at their discretion.

Persons with disabilities must be accommodated by the committee to the best of their ability. If a person is hard-of-hearing and an interpreter is requested the committee must bear the charge.

Persons requesting copies of any document discussed during the meeting must be sent the documentation and a contact person should be listed on the agenda. Documents must be available for the public at the meetings as well.

The Open Meeting Law requires public comment to be available during a meeting. There are two ways to allow public comment. First, the committee can allow public comment at the beginning of the meeting before any action is taken and at the end of the meeting after all action is taken. Second, the committee can allow for public comment after specific agenda items are discussed. When someone provides public comment, anything can be discussed as long as it is under the committee's jurisdiction. The committee cannot stop public comment if:

- Comments are based on viewpoint(s) of speaker
- Comments are based upon belief defamation is occurring; or
- Comment are critical of public official

Restrictions are allowed but must be reasonable and stated on the agenda. Examples of restrictions include: "time, place, and manner". The committee can limit the time of each public comment. The committee can stop public comment any time after the allowed timeframe if repetitious statements are made or if the speaker is disruptive and preventing the meeting from happening. The committee has ability to remove an individual from the room if necessary.

A meeting is determined by a quorum. If a quorum is not met, any private discussion is not a violation of open meeting law. However, a walking quorum can occur which is "a series of gatherings among separate groups of members of a governmental body, each less than quorum size, who agree, tacitly or explicitly, to act uniformly in sufficient number to reach a quorum" (https://www.doj.state.wi.us/office-open-government/ask-the-oog/what-walking-quorum). If a walking quorum occurs, it is considered a violation regardless of all eight people being in different rooms and having different conversations. Judge Hoskin asked if two members of the committee are discussing Child Support or the direction in which they believe the committee should go privately, is it a violation? Ms. Long stated no, but cautions any discussions outside of the Open Meeting Law because it can become a walking quorum. Judge Hoskin asked if there is a way to control not violating a walking quorum. Ms. Long again cautioned committee members not to talk about issues outside of the meeting.

When violations occur, it must be corrected and the committee must remedy the violation. For example, if an action was taken on a non-action item, it would need to be voided at the next meeting. The committee can vote again once the "For Action Item" is stated on an agenda. A violation is not a violation until someone complains; however, there is a statute of limitations of 60 days. Willful violations can be prosecuted, but are rare.

Karen Cliffe asked for recommendations about discussing topics with non-commission members and how to go about them. Ms. Long recommended discussing only topics previously discussed by the committee. Discussions could lead to non-commission members believing items have already been acted on or discussed.

Ms. Long's presentation will be posted on the DWSS website and will be emailed to the commission members. Ms. Surratt stated the Nevada Open Meeting Law Manual is a good

resource for the committee as well. Ms. Surratt asked if the agenda's wording of "limited copies of the agenda will be available at the meeting locations" is a safe statement to make. Ms. Long stated it depends what is reasonable for the committee. The committee has 20 copies of documents available for the public.

Agenda Item #3 – Public Comment

Ms. Surratt called for public comment in the north: no public comment.

Ms. Surratt called for public comment in the south: no public comment.

Agenda Item #4 – Approval of Meeting Minutes (September 8, 2017)

Ms. Surratt asked for a motion to approve meeting minutes. Assemblyman Pickard motioned to approve the meeting minutes. Ms. Cliffe clarified page 3 stated she recommended Nevada move to an income share model and would like to rectify it for the final draft. Assemblyman Pickard amended his motion to approve meeting minutes and remove the statement from Ms. Cliffe. Judge Hoskin seconded motion. Motion passed unanimously.

Agenda Item #5 – Report from Jim Fleming, North Dakota's Child Support Director in regards to the Child Support Calculation Model in North Dakota.

Jim Fleming, North Dakota's Child Support Director gave a presentation on North Dakota's Child Support Calculation model.

Assemblyman Pickard asked how the calculations are determined. Mr. Fleming stated when the case is opened for a parent, assuming paternity is not an issue; a communication would be sent to the absent parent indicating North Dakota has an open case. Next, child support would be established and a financial affidavit would be sent to the noncustodial parent(s), requesting it is returned to the child support office listing income and assets, along with paystubs and the last year's tax return. Once received, documents are reviewed and the state reviews the gross income of the parent while comparing them to the guidelines. Caseworkers inquire whether the obligor provides health insurance for the child. Then, fourteen percent of state tax obligation would be subtracted. In addition, the amount of children being supported is considered. Using wage information, deductions are reviewed and allow the caseworks to reach net income for child support purposes.

Assemblyman Pickard asked Mr. Fleming to walk through the deviation factors. Mr. Fleming answered the deviation factors are rarely applied. However, there are adjustments used that are not labeled as deviations but function like deviations. For example, if an obligor has remarried and has new children in the home, there is an adjustment for the support of the new children and will adjust the support obligation. The deviation credit is designed to hold the custodial parent's cost neutral for the times the child is visiting the other parent. Deviation criteria includes: ongoing medical needs for the parent and cost of daycare.

Judge Hoskin verified one child equals 14 percent, two children equals 17 percent, and three children equals 20 percent of the NCP's income. Mr. Fleming confirmed the chart is accurate when it applies to lower income levels. Judge Hoskin asked how the percentages change. Mr.

Fleming clarified the percentages rise as income increases then tapers off and starts to lower. Judge Hoskin inquired how the calculations are determined. Mr. Fleming replied North Dakota's original guidelines were devised through an economist named Dr. Thomas Espenshade. North Dakota used economic data available at the time to know what people spent on children at various income levels. The state adjusted the information to reflect inflation and that remains at the core of child support obligation determinations. Judge Hoskin wanted to know if the information has changed in the last few decades and if there is a cap. In addition, he asked if there is an adjustment for timeshare, what adjustment is made after 164 nights, and does the adjustment happen year round or just for the months the child is with the obligor. Mr. Fleming explained the concept has not changed, but adjustments have been made to reflect inflation such as: being capped at $25,000 of the NCP's income. The chart is now capped at $25,000 or more per month of an NCP's net income and applies a percentage up to that. With regard to timeshare, the adjustment can be found in section 8.1 of North Dakota's guidelines. Their legislature drew the line based on the point at which the custodial parent experienced savings due to the visitation. After 164 nights are reached, the number of parenting nights is multiplied by .32, and then subtracted from the obligation. Extended visitation assumes that 68 percent of the costs of the custodial parent are fixed and 32 percent are saved to the custodial parent. Therefore, it should be deducted from the obligor's obligation. The adjustment is averaged for a year round amount.

Ms. Cliffe asked how the arrangement is determined. Is it through his office or the family courts prior to obtaining the reduction? Mr. Fleming explained the nights are counted in the court order; generally, in a divorce or other privately arranged judgment.

Mr. Fleming went back to Judge Hoskin's question regarding the lower level and bottom line of the guidelines. He stated North Dakota is in the process of creating a low-income reserve which strikes out all the lines in the guidelines at the $700 income level or lower. For those low incomes, he believes it is appropriate to provide a self-support reserve for the obligor and not to seek child support from that parent.

Ms. Surratt asked Mr. Fleming if there is an ongoing dispute with the private bar about how child support calculations should be dealt with. Mr. Fleming stated there is an ongoing dispute with North Dakota Child Support and the private bar. They have an ongoing dialog with him and he listens to their complaints and provides feedback regarding the guidelines. Ultimately, the legislature is the policy making branch and they have reviewed the scenario and said the perception of fairness is not worth the investment of time and resources. Fairness to the program is connected to right sizing (adjusting the obligation up or down to reflect the periodic changes of income) obligations which would need to be accomplished every 18 months. This provides a more tangible level of fairness to the guideline calculation because it closely tracks the rising and falling of income.

Ms. Surratt asked when North Dakota changed its policy to review the calculation and child support amount to 18 months and if there has been an increase in staff needs. Mr. Fleming replied their legislature started the change in 2015 to streamline the process and made the policy official last month. In regard to the increase in staff, during the last month the current month's collection has been trending upward. Case workers wanted to hurry and get the form documents

and system support ready because they know their roles for enforcing orders will be easier if they have a more manageable obligation to begin with. Ms. Surratt asked if there was any pushback to the legislative change and how the Judiciary branch reacted to this. Mr. Fleming answered there were no issues with the changes and there was support from both sides of the aisle. The conservative side wanted to ensure North Dakota did not place a burden on hardworking parents who owe support. Everyone felt comfortable with regular, right sizing of orders. The Judiciary was supportive of the change. They felt confined by the previous guidelines and were not fond with being faced with contempt hearings when there had been life changes in the interim that created legitimate reasons for non-payment. They also did not like seeing when someone had been laid off but they were not getting a reduction of child support. The new guidelines advised when someone had a delinquency and the judiciary was confident that it was less likely to be because the obligor had been laid off and more because they were willfully not paying an adjustment could be made.

Agenda Item #6 – Report from Minnesota regarding their Child Support Calculation Model.

Tera Borton, Staff Attorney and Legislative Liaison for The Department of Human Services in Minnesota, gave a presentation on Minnesota's Child Support Calculation Model.

Judge Hoskin asked if Minnesota calculates all deductions from the gross income before Parents Income for Child Support (PICS). He also wanted to confirm that Minnesota gives deductions based on gross income for overtime child support, the spouse's income, and public support and if Minnesota is giving the deduction before the combined PICS are determined. In addition, Mr. Hoskin inquired about the process where there is a disagreement between the parents and what those determined numbers are. Ms. Borton answered PICS is the combined gross income from both parents and confirmed deductions are based on gross income, overtime child support, spouse's income, etc. In regard to arguments, parents have the opportunity for a hearing and can bring their concerns to a judge or magistrate. Judge Hoskin followed up by clarifying it is a judicial determination as to what deductions are taken off the gross income before the PICS. Ms. Borton confirmed if there is a conflict then a judicial determination is required.

Ms. Cliffe asked when obtaining the PICS, what point does Minnesota determine the custodial arrangement or if it is even a consideration. She also wanted to know if the process is to review both parties income but then an offset is provided based on timeshare. However, timeshare has to be agreed upon or there has to be a court order. Ms. Borton answered the custodial arrangement is put in when pleading occurs. In addition, she verified the statement regarding timeshare. Even moving forward, the agreement is going to be shaky and a court order will be required. After the parenting expense adjustment is completed, child care and medical expenses are reviewed and prorated from the PICS. Child care and medical insurance will be split and based on the share of income. However, medical insurance has to be ordered and beyond that uninsured costs are not worked in. When a parent goes to the doctor and pays a deductible they must submit the expense. Child Care gets paid automatically. It does not need to be submitted once it has been verified and is in the order.

Judge Hoskin asked how often circumstances occur where child care and medical adjustments exceed the child support calculation. He inquired if child care is zeroed out at that point or if

another adjustment is made? Ms. Borton replied adjustments exceed the calculation frequently when parents have young children. Minnesota has a child support reserve that is based on 120% of the federal poverty guidelines. Medical would be the first to be reduced down and child care would come second and dipping into the base support would be last. The self-support reserve is only one of the low-income adjustments. There is also a minimum order that can take affect if the self-support reserve gets to low or if the order comes out to $10. The minimum for one or two children is $50, three to four kids is $75, and five plus children is $100. The deviation statute is broad. Items that can cause a deviation include, but are not limited to, income disparities, extraordinary debt, extraordinary financial needs of the child, child's cost of living in a foreign country, etc. The difference between post 2007 and pre 2007 is the obligee's income is considered. The actual estimate of what the cost to raise a child is also included and that is a benefit when changes occur. The model uses gross income instead of net income and that has reduced litigation. Using gross income reduces the chance of fraud because it keeps people from putting money into their 401K, etc.

As of August 1, 2018, medical and child care will be removed from the base support amount. Complaints were made by the public in regard to higher income obligors because they could have higher orders than necessary; however, the information has not been verified. Minnesota recently waived the $25 application fee for the custodial parent and was a help to the customers. Mr. Fumo asked how significant the increase in applications has been since the fee has been waived. Ms. Borton confirmed a 4 to 5% increase. In addition, Minnesota started taking online payments. Ms. Surratt asked if Minnesota is a high-performing state. Ms. Borton stated she is not an expert, but believes they are a high performing state.

Ms. Cliffe questioned whether Minnesota's new model reflected the old model regarding the maximum income being around $15,000. Ms. Borton confirmed the PICS cap at $15,000. Ms. Cliffe asked how agreeable parties are when referrals are made often from judicial determinations. Ms. Borton stated Minnesota's system is administered by the counties so it is hard to know what the counties are looking for at the state level. She knows the agreements are common, but often those agreements happen in the court room. Cases usually go to hearings rather than default.

Ms. Cliffe asked if the child support orders are higher post 2007 rather than pre 2007. Ms. Borton does not have the numbers but does not believe so. In recent years there has been a big push to get the right size orders. There has been a push for the Minnesota counties to try and get the correct order for the correct size family. Arrears management is helping get a reasonable order and helping remove the arrears from a case. Fifty-two standard reports are distributed to the counties for analysis. This assists the state to achieve right size orders.

Mr. Sanford confirmed Minnesota is moving to a per-day time compensation system and wanted to know if orders set in place before this change would be affected. Ms. Borton verified some Minnesota orders will be grandfathered in and others will go back to court to determine reasonable parenting time.

Assemblyman Pickard referred back to the maximum amount. He understands the cap is a combined income of $15,000 between both parents but wanted to confirm the proration is based on the entire income. What happens when there are high income earners involved? Ms. Borton

confirmed the statement was correct and replied the chart is stacked. If there are two high income parents earning $10,000 a month there will be a $20,000 combined monthly income, the state would look at the $15,000 column, pull that number, split it by 50 percent, and then use the 50 percent proration pulled from the $15,000 column. This could lead to a deviation being requested.

Assemblyman Pickard inquired what Minnesota would do in a situation where an obligee is a stay-at-home parent and has a wealthy spouse. Would Minnesota order the obligor, who is a low income earner, to pay a high child support amount because the obligee's spouse is wealthy? Ms. Borton stated the obligor would not have a high child support order. They may have a $50 order because of income disparity. If the low income parent is the obligor, the order is not that high. The only problem would be someone with more parenting time not receiving a larger parenting time adjustment. Assemblyman Pickard clarified his question was if the obligee is a stay-at-home parent, technically they would have no income themselves but their spouse, who is a high income earner, would be the one providing for the obligee. Ms. Borton stated the obligee would be imputed a higher income because they choose to stay at home and the spouse provides for them.

Assemblyman Pickard then asked for Ms. Borton to list Minnesota's deviation factors. Ms. Borton provided some Minnesota deviations such as: considering all earnings, incomes, circumstances, and resources of the parents; extraordinary financial needs and resources of the child; standard of living the child would enjoy if the parents were currently living together; if the child lives in a foreign country for more than a year; which parent receives the income taxation dependency exemption; the financial benefits the parent receives from the exemption; the parent's debts; and, the obligor's total payments for court order child support exceed the limitations set forth in another statute.

Agenda Item #7 – Report from the Director, Clark County District Attorney Family Support Division, Jeffrey Witthun in regards to Wisconsin's Child Support Calculation Model.

Jeffrey Witthun, Director, Clark County District Attorney Family Support Division, provided a presentation regarding Wisconsin's Child Support Calculation Model.

Assemblyman Fumo asked what Wisconsin did when a non-custodial parent had to pay $100 and did not get to see their child. Mr. Witthun answered if it was in the first hearing, the court would need to set a form of temporary order for custody and physical placement. This could include visitation and something would be done for the best interest of the child.

Ms. Surratt referenced DCF 150.03(5). The document states there is an adjustment for the child's social security benefits and asked for Mr. Witthun's opinion. Mr. Witthun stated the way it used to be was if the child is receiving monetary monthly benefit based on the disability of the non-custodial parent the child support obligation can be adjusted by subtracting the amount of the social security benefit from what would be required under the percentage obligation. In Nevada, a similar process is followed out of fairness. Often times, the order would come to zero

because the amount of benefit the child was receiving was greater than what the child support order would be.

Judge Robb stated she was reading the regulations and asked Mr. Witthun how Wisconsin deals with a household where there are two wage earners. Mr. Witthun stated the other spouse's income cannot be directly used. The availability of the money to the non-custodial parent to pay child support is what is used. If the non-custodial parent says the mortgage, car payment, utilities are coming out of their check, but later find out the expenses are being paid by the spouse that will free up other money for child support.

Agenda Item #8a – Discussion on the premise and basis of the Nevada child support guidelines model and recommendation as to whether the base guidelines percentages/formula should be changed (pursuant to items 2 and 3 of Exhibit 44).

Ms. Surratt read the items of discussions:

- Item #2 – "Review the premise and basis of Nevada Child Support Guidelines Model"
- Item #3 – "Determine whether the base guidelines percentages/formula should be changed

Assemblyman Pickard referred to Mr. Fleming's presentation and asked how the state will be impacted if the committee chose to substantially change its approach. Based on how the change is played in will affect how the committee moves forward. Assemblyman Pickard recalled Nova Murray stating the state is in the process of updating the Child Support computer system and now is the time to make changes. Ms. Surratt asked David Castagnola to speak on the topic. Mr. Castagnola replied detailed information cannot be provided at this time, but can be obtained for the committee. A cost analysis needs to be completed and dollar amount or an estimate to the number of cases potentially impacted would need to be provided at a future date. Assemblyman Pickard stated the information would be interesting to know because the committee can avoid putting in three to four months of time and effort just to find out the outcome cannot be funded.

Ms. Surratt confirmed with Mr. Castagnola that during the last legislative session the Child Support Enforcement Program did receive money to completely overhaul the computer system. What the Child Support Program does not know is the additional staff costs or how it will affect the program and the caseworkers. Mr. Castagnola stated the money granted by the legislature to purchase a new computer system is an eight year multi-million dollar project. It is a different pool of money and does not directly impact the caseworkers. Eventually, it would affect caseworkers because they would need to secure custodian income on every case established or modified within the year. Currently, the state of Nevada has around 100,000 open cases in the obligation establishment or enforcement phase. Ms. Surratt reiterated if the committee is going to make change the time is now because if changes are made later it would lead to additional costs and would be impractical to overhaul the system again. Mr. Castagnola informed the committee October 2, 2017 is the official kickoff date for the project. The State is at the design and requirements identification stage of the process. If items such as an online calculator are required, the information needs to be provided. Ms. Surratt asked if the 2018 deadline is

impractical since the process just started on October 2, 2017. Mr. Castagnola stated the 2018 deadline may be timely.

Ms. Surratt stated she was in agreement with Mr. Witthun and Judge Hoskin in regards to what is in place right now is not broken. She does not believe it needs to be overhauled. She referred back to Mr. Witthun's statement of "we just didn't go far enough". The committee does not have what it needs for all different scenarios and family dynamics. Ms. Surratt believes North Dakota's model is too simplistic in addressing the needs for the income share. However, Wisconsin takes into consideration different scenarios and family dynamics Nevada is missing. She believes the changes and fixes can be achieved without completely overhauling to an income share model. Assemblyman Pickard agreed with Ms. Surratt and asked how the practice of law in Nevada is going to be changed. The District Attorney's office and private practitioners will have substantial changes in how business is conducted. Judge Robb agreed with Ms. Surratt. She believes the information from Mr. Fleming indicating North Dakota does not use the shared income approach has a two times better cost effectiveness rate than Minnesota is important. However, they are not receiving a lot more in the form of collections for their state. They do so with the additional costs that Minnesota spends. She does not believe it is appropriate to make a recommendation in Nevada to spend more money than what is appropriate to be able to really get the collections needed. Judge Hoskin referred back to Mr. Flemings comment: "Perception is not worth the time and resources invested". If the committee can prove the current model is fair, his suggestion is to make tweaks if needed. Fairness can still be accomplished without a huge expenditure. Assemblyman Pickard agreed with Judge Hoskin and stated the commission needs to consider minimizing the amount of human capital that would need to be spent on retraining. Ms. Surratt indicated there is plenty of experience in both the IV-D Program and private bar practice to make decisions that will impact both areas. Whether data is available from the private bar, any change will have an impact in both areas.

Ms. Throne stated she came in with a view from the private practice. She stated around 80% of cases deal with shared custody. Based on shared custody both parent's income is required. She asked if IV-D has an overwhelming percentage of primary custody to one parent. Society is changing and the custody approach has changed a lot as well.

Ms. Cliffe indicated she agreed with Ms. Surratt. She would like to maintain the current model but enhance it substantially. She likes many of the provisions from Wisconsin and a change would impact the program on many levels. From an economic perspective, the most challenging obstacles are the Right vs. Osborne cases where shared custody is involved and income from both parties is gathered and pleaded. The Clark County District Attorney's office does not have the type of turn out that a family court has. Often times, one party is not present at the hearing and these are the most time consuming cases. Clark County has 50,000 cases and hearing cases involving custody, child care, etc. may limit the courts from hearing 20 cases a day to 10 cases a day. This will potentially lead to a back log on cases. When timeshare and custody are discussed, the IV-D Program is not funded for those specific circumstances. Custody is not something the office deals with unless both parties agree. If agreed upon, hearing masters will provide an offset. Currently, the Clark County District Attorney's office advises parties to go to family court and obtain an order and mediation is referred at no cost. At least half of the cases are welfare referred and the child is with one party and welfare provides funding to the custodial

parent. Time share, child care, etc. are factored in if both parties agree and if there is currently a court order in place. However, this is not a common scenario. Ms. Surratt clarified the Clark County District Attorney's office clumps together custodial time and child care. Ms. Cliffe confirmed it is done on every case. Other scenarios include relative income, which is rarely considered unless the obligor's spouse is willfully unemployed. Health care is considered and there is a five percent cap in place.

Ms. Surratt referred back to Minnesota's presentation and the cost of child care. The factors of calculating child care are vague and judges have different takes on how to calculate the fees. She asked for input from the counties on how they deal with child care. Ms. Cliffe stated normally the hearing masters provide a 1/3 cost on top of the child support amount. 50% is not used because the custodial parent benefits from the tax credit every year. Mr. Sanford agreed with Ms. Cliffe. The rural areas are similar to Clark County on how the cases are distributed. The majority of the rural county cases are single parent primary caregiver cases. The impact of having to gather income information from both parties is significant since many of the custodial parents are outside of Nevada's jurisdiction and living in other states that referred the case to Nevada. This leads to the custodial parent not attending the hearing because they know their presence is not required. Kari LePori Cordisco agreed with both Mr. Sanford and Ms. Cliffe. However, the Washoe County Court Master does include deviations when there is an increase in the NCP's shared time or an excess in visitation. Washoe County does have cases where the non-custodial parent has multiple cases which can complicate a flat fee. Some cases are uncollectable and not payable because child care costs are stacked on top of the child support costs. If a deviation for child care is included, Judge Robb requires the CST's income to be included so a reasonable cost for the NCP is determined. One big issue is orders are established too high. CST's have returned requesting a stipulation to reduce the NCP's payment. A flat rate or percentage for child care would help establishment of the Washoe County cases.

Committee took a five minute break from 3:15pm-3:20pm

Ms. Surratt brought the committee back to order regarding Exhibit 44 Items #2 and #3.

Judge Robb moved the committee concentrate their efforts on using the model and the guidelines that are currently in effect. The committee can use the model as a jumping point but modify it to be fairer and better serve the citizens. Mr. Sanford and Assemblyman Pickard seconded the motion. Motioned passed unanimously without discussion.

Agenda Item #8b – Discussion and recommendations as to whether to eliminate the presumptive maximum amounts and whether to replace them with a formula and provision consistent with economic theory and the economic data on child-rearing expenditures (pursuant to items 5 of Exhibit 44).

Ms. Crecelius provided the current USDA report on child rearing expenditures. In Jane Venohr's report the USDA amount is $9,950 per year. The newest amount is $12,350 per year, which is significantly higher from the last report.

Judge Hoskin reiterated adjustments regarding the cap need to be changed. He does not believe the percentages need to go on forever, however there needs to be some adjustment as the

percentages go higher. He believes the committee should take eliminating the current maximum amount in statute into consideration. Ms. Surratt commented things having income brackets have been a big part of the problem. The income brackets and the presumptive maximum brackets are what cause injustices because percentages change so much as an individual moves from bracket to bracket. She agreed to get rid of the maximum amounts and develop, as Venohr states: "a tax-like table of percentages or schedule to address higher incomes, extend the presumptive formulas to incomes where the economic evidence of child-rearing expenditures is reliable, and provide that for incomes above this income, the highest amount is a presumptive floor rather than a presumptive cap" (page 84). Ms. Surratt stated the brackets of income are not something seen amongst other states. Assemblyman Pickard said he likes the idea of tables because they are easily used and amended. He does not mind having an absolute cap; it just needs to be higher than what it is now. Wisconsin has a good amount going up to $25,000. Judge Hoskin moved that Nevada eliminates the presumptive maximum caps as they are currently with the anticipation of exploring how to deal with those high end cases at a future meeting. Assemblyman Pickard seconded the motion. Motion passed unanimously.

Agenda Item #8c – Discussion regarding the appropriateness of the minimum order and recommendation as to whether to make changes if necessary and also discussion on recommendation of whether Nevada should develop a self-support reserve or low-income adjustment like those used by other states (pursuant to items 6 and 7 of Exhibit 44).

In regard to item number six, Ms. Surratt believes one of the largest critiques addressed during the review is the $100 minimum. The minimum in many low-income case scenarios is unrealistic and not practical. Testimony from other states show this is something they are also dealing with.

Assemblyman Pickard motioned to develop a self-support reserve for low-income adjustment. Ms. LePori Cordisco seconded the motion. Motioned passed unanimously.

Ms. Surratt moved to item number seven in Exhibit 44. Item seven specifically reviews the appropriateness of the minimum order and makes changes if necessary. Assemblyman Pickard moved to eliminate the minimum order as part of the discussion in developing a self-support reserve. Judge Hoskin seconded the motion. Further discussion was needed on this motion.

Mr. Sanford stated he agrees with having a self-support reserve and believes it may address several issues regarding a minimum order. However, he believes there is still a need for a minimum order. Otherwise, there could potentially be cases with orders for $10-$12. A number of states have a minimum order even if there is a self-support reserve. Ms. Throne stated Exhibit 37 on page 55 of Jane Venohr's report gives the committee an approach to low-income obligors and provides support reasonable within their income. Ms. Cliffe stated she agreed with possibly having a self-support reserve and some sort of low-income adjustment. However, in terms of eliminating a statutory minimum, the process of how it is accomplished needs to be explored. Perhaps one of the ways to create a self-support reserve and address low-income obligors is to eliminate the statutory minimum. Ms. Cliffe is not prepared to agree with removing the minimum order at this time. Ms. Surratt referred the committee to pages 53 and 54 of the Ms. Venohr's report. It addresses specific minimum orders given to the committee by the review of Nevada's child support guidelines. The reasons for the commission is not to go through and say

what the recommendations are, however, it helps with the discussion in keeping a minimum order amount in addition to a self-support reserve. She wanted to point it out for discussion.

Assemblyman Pickard amended his motion to state the extent of the minimum order as it currently exists in statute be eliminated with the idea the committee will develop a more appropriate mechanism for assuring a minimum child support amounts under the circumstances given with the respect to the self-support reserve. He believes the committee is in agreement the $100 minimum is inappropriate, unworkable, and leads to absurd results, particularly in those cases where there is no income to speak of. He believes the minimum should be eliminated. His motion is to eliminate how the statute is currently written and have the committee craft the rules so the minimum standards as currently written are written in a way that comports with item number six. Ms. Cliffe agrees with the motion how it stands. She also stated page 53 of Ms. Venohr's report states the majority of states that have a self-support reserve do have a minimum order. Arizona and Pennsylvania are the two states that have a self-support reserve but do not retain a minimum order. Judge Hoskin asked Assemblyman Pickard to withdrawal his motion so it could be restated. Assemblyman Pickard withdrew his motion.

Judge Hoskin motioned to eliminate the $100 statutory minimum that currently exists with the anticipation of reviewing, in conjunction with item #6, the best way to approach the issue as the committee finally resolves it. Assemblyman Pickard seconded the motion. Motion passed unanimously.

Ms. Surratt reminded the committee the minimum amount will need to be placed on a future agenda to be determined.

Agenda Item #9 – Approve Future Agenda Items

Ms. Surratt asked if the committee would like to review the calculation since it is fresh on the committee's mind and they have been discussing minimum support orders. Judge Hoskin stated he needs additional time to review the information before a decision can be made on the calculation of the minimum orders. Ms. Surratt suggested the committee discuss additional conceptual ideas from exhibit 44. The committee has not discussed items four and eight through sixteen. Once topics are known, the committee can decide if additional experts and their reports are necessary. Assemblyman Pickard asked if there is a budget in place for experts to attend a meeting. Ms. Surratt verified there is a limited budget for the committee members to travel.

Assemblyman Pickard mentioned item number four in the vendor report. If the committee is going to try and gather private case file data, it will require a team of people in order to get a sample size large enough to actually aid the committee in making a determination. From a practical standpoint, number four may not be achievable because the committee cannot hire people to do the research. Ms. Surratt stated the committee is required to meet every four years to review the guidelines. She sees number four as the last item the committee will discuss because it does not impact anything until the next guideline review.

Judge Hoskin stated items eight, nine, fifteen and sixteen need to be addressed at a future meeting and ten through fourteen are deviation factors. Once the formulas are put together, deviations can be addressed. He suggested including items eight, nine, fifteen, and sixteen on

the next agenda and narrowing down what the committee want to do on modifying the support guidelines. Assemblyman Pickard agreed and would like to have a line item to discuss the formula itself.

Ms. Surratt believes the items on this agenda need to be revisited. Item number eight discusses incarcerated parents and federal rules are specific. Judge Hoskin would like to have a good framework of what the guidelines are going to look like. Ms. Surratt stated to duplicate what the agenda currently has and add items eight and fifteen from the exhibit. Ms. Cliffe stated she understood the committee agreed to keep the model as it is but with some tweaks. She wanted to know if the committee would discuss keeping the percentage model as it stands in terms of 18%, 15%, etc. Ms. Surratt agreed this is up for discussion.

Agenda Item #10 – Approve Future Meeting Dates

Ms. Surratt stated the committee will continue as they do in the past and offer dates to the committee for future meetings via email. The date with the most available members will be scheduled.

Agenda Item #11 – Public Comment

Ms. Surratt called for public comment in the south: no public comment

Ms. Surratt called for public comment in the north: no public comment

Item #12 – Adjournment

Ms. Surratt called for a motion to end the meeting. Assemblyman Pickard seconded the motion. Motion passed unanimously. Meeting adjourned at 4:01 pm.