
Iowa Legislative Fiscal Bureau

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State Capitol
Des Moines, IA 50319
July 9, 2001

Child Support Guidelines

ISSUE

This *Issue Review* discusses child support guidelines in Iowa.

AFFECTED AGENCIES

Department of Human Services
Judicial Branch

CODE AUTHORITY

Section 598.21, Code of Iowa
Chapter 1092, 2000 Iowa Acts
42 USC §667
45 CFR 302.56

BACKGROUND

The federal Family Support Act of 1988 (Public Law No. 100-485) and Code of Iowa, Section 598.21(4) prescribe uniform child support guidelines. The purpose of the guidelines is to provide for the best interests of the child (or children) by recognizing that it is the duty of both parents to provide adequate support in proportion to their respective incomes. In ordering child support, the Court is required to determine the amount of support specified by the guidelines. However, this amount may be adjusted upward or downward, depending on the circumstances. Child support guidelines can be found on the Iowa Supreme Court website at <http://www.judicial.state.ia.us/families/childsupg.asp>. According to the federal law, each state must maintain uniform child support guidelines and criteria and review the guidelines and criteria once every four years.

CURRENT SITUATION

The Iowa Supreme Court developed Iowa's child support schedule in 1990 based on child support guidelines established in 1988. The guidelines were extended in 1995 with the help of Policy Studies, Inc. The guidelines are reviewed every four years.

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In 1995, the Iowa Child Support Advisory Committee recommended and the Iowa Supreme Court adopted the concept of a qualified additional dependent deduction (QADD). By doing so, the Court recognized the concept of multiple families without abandoning the “first mortgage” principle for child support. First mortgage means that when a divorce occurs, child support is calculated on the income of the mother and father and does not include any other children that either parent may be paying child support for.

In July 1999, Policy Studies, Inc. from Denver, CO, conducted a Child Support Guideline Review. The findings stated that Iowa was one of thirty-three states using the Income Shares model for child support guidelines. According to the Income Shares model, a child should receive the same proportion of parental income that the child would have received if the parents lived together.

The Report rated Iowa’s Child Support Schedule as being adequate. Iowa was midrange compared to bordering states. The state-by-state analysis disclosed that Iowa was one of four states that did not address extraordinary medical expenses such as asthma and eye care treatments. Forty-nine states, including Iowa, address health insurance premiums in child support calculations. Twenty-four states, including Iowa, allow for judicial discretion regarding the assignment of physical custody. This allows for deviation from what the child support guidelines would otherwise produce. Some of these States specify a formula for the assignment of child support custody; however Iowa does not.

The Iowa Supreme Court conducted the last review of the Child Support Guidelines on May 9, 2000. A copy of this review can be obtained from the Legislative Fiscal Bureau. Some of the changes noted in the review include:

- The chart percentages changed the support due for parents in the lowest income brackets.
- There was an increase in the Qualified Additional Dependent Deduction (QADD) by 50%.
- Expanded the availability of the health insurance premium deduction.
- Adopted a very broad definition of “medical expenses” and specified each parent’s responsibility for a child’s medical expenses not covered by insurance.
- Added a new “extraordinary visitation” credit. This lowers support due if the visitation order specifies 128 or more days of court-ordered visitations a year. Depending on the number of days, the credit could be 25%, 30%, or 35%.

ALTERNATIVES

PILOT PROJECT

Chapter 1092, 2000 Iowa Acts, authorized a pilot project in the 7th Judicial District (Jackson, Clinton, Cedar, Scott, and Muscatine Counties) to provide concurrent jurisdiction between the juvenile and district courts in the case of modifying custody when there was a prior order. The Plan states that the juvenile court judge would make the custody determination in a dispositional or permanency order and set a hearing in 30 days for the purpose of establishing the child support obligation. A file stamped copy of the support order would then be presented to the district court judge for approval without hearing. Once approved, a copy of both orders would be filed in district court and enforced the same way as any other modification order. The project started September 1, 2000. The purpose of this project was to avoid duplication of litigation in child custody issues and to allow the parents to have legal representation at both steps of the process.

EDUCATION REQUIREMENT

In 1997, the General Assembly enacted Section 598.21(5a), Code of Iowa, stating that the Court may order a postsecondary education subsidy if good cause is shown. Good cause is based on the age of the child, the ability of the child, the child's financial resources, whether the child is self-sustaining, and the financial conditions of each parent. A child's expected contribution is deducted from the cost of postsecondary education. The Court then apportions responsibility for the remaining cost of postsecondary education to each parent. The amount paid by each parent cannot exceed one-third of the total cost of postsecondary education. The child is required to forward grades to the parents within ten days of completing a session. Postsecondary education subsidies awarded by the Court can be terminated upon completion of the first calendar year of instruction if the child fails to maintain a median range grade point average.

BUDGET IMPACT

In order to meet federal regulations, Iowa must have a federally approved State plan, and use a single set of child support guidelines established by the federal government to determine child support payment levels. If Iowa did not meet the federal requirements, the State would not receive federal child support funding which includes incentive payments. Additional federal requirements include that the guidelines at a minimum:

- Must be based on the non-custodial parent's income.
- Must be based on specific numeric criteria.
- Provide for children's health care needs.
- Be specific and numeric and result in a computation of the support.
- Must be reviewed every four years, and the review must consider data on the cost of raising a child and deviations from the guidelines to ensure deviations are limited.

The federal government pays performance-based incentives to federally approved State child support programs. A table showing the amount of money that each state has received as incentive payments for the collection of child support through 1998 can be found online at <http://www.acf.dhhs.gov/programs/cse/rpt/annrpt23/tables/TABLE13.htm>. **(Attachment A)** In recent years, Congress has changed the formula and capped the amount of performance incentives the federal government will give states. Iowa received \$6,357,855 in performance incentives for federal fiscal year 1999. The Department of Human Services uses the money for child support recovery work.

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Attachment A

U.S. Department of Health and Human Services
Administration for Children & Families
Office of Child Support Enforcement

TABLE 13

Child Support Enforcement *Twenty-Third Annual Report to Congress*

INCENTIVE PAYMENTS ACTUALS FOR FIVE CONSECUTIVE FISCAL YEARS

STATE	1994	1995	1996	1997	1998
ALABAMA	\$3,012,128	\$3,343,336	\$3,548,344	\$3,598,175	\$2,576,216
ALASKA	2,503,627	2,660,126	2,972,968	3,232,503	2,732,684
ARIZONA	3,347,694	3,802,087	3,839,650	4,203,232	3,595,356
ARKANSAS	2,516,392	2,742,645	3,194,951	3,247,867	2,553,739
CALIFORNIA	52,631,210	55,525,751	66,752,267	74,627,910	83,629,205
COLORADO	4,627,232	4,953,245	5,589,748	5,863,847	5,023,057
CONNECTICUT	5,426,348	6,545,447	7,086,036	7,862,799	7,408,719
DELAWARE	1,069,689	1,088,203	1,112,429	1,058,068	1,007,664
DISTRICT OF COLUMBIA	1,062,964	1,105,938	1,103,380	1,008,760	878,358
FLORIDA	13,020,505	13,855,642	13,501,183	16,074,924	12,150,204
GEORGIA	14,170,495	12,057,518	15,110,090	11,008,578	8,732,259
GUAM	266,045	237,276	281,396	208,057	231,112
HAWAII	1,436,434	1,633,355	1,758,037	1,687,795	1,677,993
IDAHO	1,789,789	1,936,296	1,960,817	1,849,408	1,563,357
ILLINOIS	8,938,629	9,571,066	10,690,531	11,412,468	11,846,454
INDIANA	10,732,750	8,799,520	7,889,764	5,941,735	5,579,467
IOWA	7,095,260	6,313,526	6,319,228	5,979,754	6,214,510
KANSAS	3,591,102	4,055,693	5,265,302	3,999,498	3,723,864
KENTUCKY	5,284,738	5,441,430	5,513,988	5,576,033	5,390,009
LOUISIANA	3,754,975	3,862,591	4,270,009	3,781,050	3,076,705
MAINE	4,613,999	4,890,770	4,906,738	5,733,405	5,052,394
MARYLAND	6,740,813	6,700,384	6,540,392	5,047,673	4,121,259
MASSACHUSETTS	10,655,778	10,786,584	9,828,198	9,467,909	7,705,873
MICHIGAN	24,880,621	23,890,047	22,397,433	21,135,540	19,689,267
MINNESOTA	8,512,471	8,978,834	9,017,164	8,970,746	7,905,863
MISSISSIPPI	3,262,042	3,186,706	3,552,980	3,248,561	2,645,645
MISSOURI	8,033,694	8,353,345	9,634,668	7,826,303	8,353,339
MONTANA	976,895	1,203,806	1,326,135	1,389,241	1,261,000
NEBRASKA	1,452,613	1,617,266	1,750,287	1,805,488	1,882,211

NEVADA	1,902,347	2,070,346	2,278,954	2,708,838	2,314,330
NEW HAMPSHIRE	1,267,977	1,405,837	1,538,948	1,478,604	1,383,133
NEW JERSEY	12,014,363	12,376,537	12,697,556	12,481,433	10,970,415
NEW MEXICO	1,967,202	1,424,673	974,661	1,385,023	1,366,793
NEW YORK	24,742,703	25,622,035	28,461,048	31,373,902	26,666,957
NORTH CAROLINA	10,734,842	10,660,026	10,731,931	10,718,199	7,488,942
NORTH DAKOTA	1,021,469	994,680	989,967	973,236	826,844
OHIO	15,439,734	16,366,642	17,007,676	16,939,979	14,383,880
OKLAHOMA	3,117,388	3,335,482	3,666,422	3,657,797	3,514,615
OREGON	5,519,697	5,313,254	5,479,522	5,383,466	4,858,969
PENNSYLVANIA	17,078,213	18,040,445	18,619,197	16,933,812	15,828,502
PUERTO RICO	598,613	578,975	372,053	388,376	349,712
RHODE ISLAND	2,359,571	2,660,332	3,261,885	3,645,566	3,487,431
SOUTH CAROLINA	3,832,921	3,921,167	4,153,724	3,566,570	2,946,869
SOUTH DAKOTA	1,098,738	1,207,332	1,398,994	1,150,761	965,528
TENNESSEE	5,107,325	6,778,739	5,327,990	5,431,190	4,607,458
TEXAS	11,825,789	13,696,585	15,873,312	16,756,181	18,474,485
UTAH	2,958,922	3,047,468	3,217,290	3,181,690	3,248,052
VERMONT	1,029,327	1,155,414	1,345,962	1,182,444	1,202,017
VIRGIN ISLANDS	68,049	56,803	66,847	112,066	86,832
VIRGINIA	5,307,917	6,152,289	5,988,212	6,060,966	7,006,054
WASHINGTON	15,132,355	16,017,816	16,448,607	16,363,817	15,204,705
WEST VIRGINIA	1,662,631	1,822,662	2,064,898	2,180,087	1,874,103
WISCONSIN	12,484,093	12,420,952	10,658,975	8,458,121	7,230,342
WYOMING	777,414	819,457	646,629	566,647	467,934
NATIONWIDE TOTALS	\$374,456,532	\$387,084,381	\$409,985,373	\$409,926,098	\$384,962,685

SOURCE: FSA FINANCIAL MANAGEMENT.

NOTE: ACTUAL DATA IS SHOWN FOR ILLUSTRATIVE PURPOSES. ESTIMATED DATA IS USED TO COMPUTE FINANCIAL SAVINGS