

ADVISORY COMMITTEE ON
CHILD SUPPORT GUIDELINES
AND ENFORCEMENT FOR THE STATE OF ALABAMA

FRIDAY, November 7, 2025

10:00 a.m. CDT

LOCATION HELD:

Heflin-Torbert Judicial Building

Mezzanine

300 Dexter Avenue

Montgomery, Alabama 36104

FINAL COPY

APPEARANCES:

The Honorable Claire Veal,	Senior Staff Attorney To Honorable Cook, Supreme Court of Alabama, Montgomery
The Honorable Calvin Williams,	Circuit Judge, 15th Judicial Circuit (Montgomery County)
The Honorable Patricia Stephens	Circuit Judge 10th Judicial Circuit Jefferson County
The Honorable Joshua James	Senior Staff Attorney To Honorable Edwards Court of Civil Appeals, Montgomery
Professor Penny A. Davis,	The University of Alabama School of Law, Tuscaloosa (Chair)
Professor J. Brian Gray,	Professor Emeritus of Statistics, Culverhouse College of Business, The University of Alabama, Tuscaloosa
Honorable Michael D. Sherman	13th Judicial Circuit Court of Civil Appeals (Mobile County)
Ms. Katie Steinwinder,	Esquire, Attorney, Montgomery
Ms. Candy Peoples,	Esquire, Attorney, Montgomery
Ms. Lathesia S. McClenney,	Director, Child Support Enforcement Division, Alabama Department of Human Resources, Montgomery
Ms. Shirlee Beach,	Morgan County Department of Human Resources, Decatur
Ms. Emily Hawk Mills,	Esquire, Attorney, Gadsden

Ms. Stephanie Blackburn, Esquire, Staff Attorney,
Supreme Court Clerk's Office,
Montgomery

Ms. Jillian Peek Esquire, Staff Attorney,
Legal Division, the Alabama
Administrative Office
of Courts, Montgomery

Ms. Christy Brown, Program Specialist, Child
Support Enforcement Division,
Alabama Department of Human
Resources, Montgomery

Ms. Vernecia Howell, Program Specialist, Child
Support Policy and Procedures
Unit, Child Support Enforcement
Division, Alabama Department
of Human Resources, Montgomery

Dr. Jane Venohr, Center for Policy Research,
Denver, Colorado (Via Zoom)

Ms. Lisa Clark, Program Manager, Policy and
Procedures, Child Support
Enforcement Division, Alabama
Department of Human Resources,
Montgomery

Ms. Kintisha Matthews, Esquire, Attorney, Birmingham

Ms. Beverly Slack, Court Reporter

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3 PROFESSOR DAVIS: Okay. Well, thank you
4 all for coming today. I appreciate the efforts that
5 all of you make. Some of you travel at great
6 distances and some of you not obviously as quite as
7 far, but it's always an effort to travel and I
8 appreciate that.

9 We have already started up. I'm looking
10 at my cheat sheet that they give us and we have
11 started the Zoom recording. And, most of you
12 recognize Dr. Venohr on the screen. So, hello
13 Dr. Venohr. Can you hear us okay?

14 DR. VENOHR: Yes.

15 PROFESSOR DAVIS: You can, great.
16 Okay, we tried to do a microphone check before and
17 because of the size of the room, we've got a lot of
18 feedback. So, we're not going to use a microphone,
19 but we'll ask Dr. Venohr to signal. If she can't
20 hear, I think we can hear each other but if I'm not
21 speaking loud enough or if someone on the Committee
22 doesn't speak loud enough, if you'll just raise your
23 hand and get someone's attention that way the

1 speaker will know that we are having problems
2 hearing.

3 Most of you may remember Beverly Slack,
4 who is our court reporter and she's been with us
5 several times. She does a great job. One of the
6 difficulties she has is people like me on the
7 Committee that forget to say, "My name is Penny
8 Davis," before you speak.

9 And, so it is like a lot of times in life,
10 don't do as I do. Do as I suggest, which is to
11 please identify yourself. When the public,
12 obviously, when we get the chance for the public to
13 speak, to tell them the same thing.

14 So, we always like to start by asking
15 people to introduce themselves. First on the
16 Committee and then we'll ask for the public to
17 introduce yourselves, too.

18 So, I'll start with myself and then we'll
19 go to the right, if that's okay.

20 My name is Penny Davis. I'm an attorney
21 from Tuscaloosa and Chair of the Committee. And,
22 so, Judge, if you would --

23 HONORABLE SHERMAN: My name is Michael

1 Sherman. I'm Circuit Judge in Mobile County.

2 MS. STEINWINDER: Katie Steinwinder in
3 private practice in Montgomery.

4 HONORABLE JAMES: Joshua James, Court of
5 Civil Appeals.

6 PROFESSOR GRAY: I'm Brian Gray. I'm a
7 Professor of Emeritus of Statistics at the
8 University of Alabama in Tuscaloosa.

9 MS. BEACH: I'm Shirlee Beach. I'm a
10 Program Manager at Morgan County DHR but I represent
11 the Alabama Child Support Association on this
12 Committee.

13 MS. VEAL: I'm Claire Veal. I am standing
14 in for Justice Greg Cook. I'm his Senior Staff
15 Attorney.

16 MS. MILLS: I'm Emily Mills. I'm a
17 private attorney in Gadsden, Alabama.

18 MS. PEEK: Dr. Venohr, would you like to
19 introduce yourself?

20 DR. VENOHR: Yes, thank you. I'm Dr. Jane
21 Venohr. I'm an Economist/Research Associate for the
22 Center for Policy Research and we provide technical
23 assistance to the Committee and we are the ones that

1 updated the schedule. I will introduce Kayla
2 Christiani. She's a Research Assistant at CPR and
3 helped us with the data.

4 Kayla, if you want to just say, "Hi," so
5 they can hear your voice, that would be great.

6 MS. CHRISTIANI: Good morning, everybody.
7 (Committee members respond affirmatively.)

8 MS. PEEK: Hello, my name is Jillian Peek,
9 I am a Staff Attorney in the Legal Division of AOC.

10 HONORABLE WILLIAMS: Good morning, Calvin
11 Williams, Circuit Court Judge, Montgomery Family
12 Court Division.

13 MS. MATTHEWS: Good morning, my name is
14 Kintisha Matthews. I feel like I need to give
15 background information.

16 When I started, I was with One Place in
17 Montgomery. I am now with volunteer lawyers in
18 Birmingham.

19 MS. BLACKBURN: I'm Stephanie Blackburn.
20 I'm a Staff Attorney with the Supreme Court Clerk's
21 office.

22 MS. MCCLENNEY: Leteisha McClenney,
23 Director of Child Support Enforcement Division,

1 Alabama Department of Human Resources.

2 HONORABLE STEPHENS: Good morning. I'm
3 Patricia Stephens, Circuit Court Judge in Jefferson
4 County in Domestic Relations.

5 MS. PEOPLES: I'm Candy Peoples. I'm a
6 Private Practice lawyer in Birmingham.

7 PROFESSOR DAVIS: Okay, our usual public
8 members, if you all will introduce yourselves.

9 MS. CLARK: I'm Lisa Clark. I'm the
10 Program Manager for the Child Support Enforcement
11 Division with the Department of Human Resources.

12 MS. BROWN: Good Morning, I'm Christy
13 Brown. I am a Program Specialist in the Policy and
14 Procedures Unit at The Child Support Enforcement
15 Division.

16 MS. HOWELL: Good morning, I'm Vernecia
17 Howell. I'm a Program Specialist as well in the
18 Policies and Procedures Department for the Safe
19 Department of Human Resources.

20 PROFESSOR DAVIS: And, I've forgotten to
21 ask, so I'll ask as a group. Does anyone from the
22 public want to speak?

23 (Members of the public response as negative.)

1 PROFESSOR DAVIS: No, no. Okay, and we'll
2 ask you again at the end in case any questions come
3 to mind from the publications here, any comments
4 here?

5 Jillian, do we have any written comments
6 that you'd like to remind the Committee of, I know we
7 do have, at least, one.

8 MS. PEEK: We did receive a communication.
9 If you will look at the back of your packet that was
10 there. It was actually received when there was no
11 solicitation for communication, so it was kind of
12 just sent to the Supreme Clerk's Office to the
13 attention of the Committee.

14 So, we'll -- we don't have that item on the
15 agenda because it wasn't a solicitation but we will
16 discuss that amongst ourselves after the presentation
17 by Dr. Venohr.

18 PROFESSOR DAVIS: All right. And, I've
19 looked at that. Was this sent out to the Committee
20 members to read ahead of time?

21 MS. PEEK: You know what, I don't think I
22 did that. I apologize. I should have sent this out.

23 PROFESSOR DAVIS: Oh, I have read it and

1 it's not necessarily germane to what we're going to
2 be talking about today but it's an important topic
3 and I do want the Committee to be aware and maybe we
4 won't discuss it today since you haven't had a chance
5 to look at it.

6 And, I should have said, remind you to send
7 that out but it is important family matter relating
8 to the -- I think her name was Ms. Wheeler, if I
9 remember correctly, she had some issues that she
10 wanted us to look at relating to her and then
11 potentially impact for other people in the similar
12 situations.

13 So, we'll always appreciate the Committee's
14 very appreciative of comments from the public and we
15 will deal with that. We probably won't have time
16 today to be aware of that.

17 Do we have a quorum at this time?

18 MS. BLACKBURN: We do. We do have a
19 quorum.

20 PROFESSOR DAVIS: We had some thoughts
21 about contingencies, if we didn't have one. So, it's
22 always good to have a quorum. And, again, very
23 appreciative of the people who made the special

1 effort.

2 A number of people did indicate ahead of
3 time that they couldn't come. Like, Justice Cook,
4 for example, had a conflict and we appreciate Claire
5 coming and representing him and the court and very
6 faithful Committee members having some comments, I
7 mean, had some conflicts that they had already
8 committed to do. So, we appreciate you letting us
9 know of your conflicts.

10 Jillian, do you want to inform everyone of
11 the way we've communicated with the public about this
12 meeting and information?

13 MS. PEEK: Yes, absolutely. Notice of this
14 meeting was provided to all media outlets around the
15 State by e-mail dated October 9th, 2025. The meeting
16 agenda and the other materials for this meeting will
17 be posted to the Child Support Guidelines Review page
18 of the Administrative Office of Courts website at
19 www.alacourt.gov.

20 PROFESSOR DAVIS: Thank you. I appreciate
21 that. And, I think Jillian and her group did an
22 excellent job of trying to get the information out to
23 the public in a timely manner.

1 The next agenda item is the transcript, the
2 thick document that you have in front of you. It has
3 been awhile since we met. And, of course, this is
4 sent out to the Committee to make any corrections.

5 So, I'll ask at this time, does anybody
6 have any suggestions for changes or corrections?

7 (No audible response from Committee members.)

8 PROFESSOR DAVIS: Okay. Well, do I hear a
9 motion that we accept and approve the transcript as
10 we have in front of us?

11 HONORABLE SHERMAN: So moved.

12 PROFESSOR DAVIS: So, we have a motion by
13 Judge Sherman. Do we have a second?

14 MS. STEINWINDER: Katie Steinwinder. I'll
15 second.

16 PROFESSOR DAVIS: Okay. We have a motion
17 and a second. All in favor, if you'll say, "Aye".

18 (Affirmative responses from Committee members.)

19 PROFESSOR DAVIS: Any opposed?

20 (No audible response from Committee members.)

21 PROFESSOR DAVIS: Okay, well, is there any
22 other business that we need to take up?

23 MS. PEEK: I don't think so.

1 PROFESSOR DAVIS: I think that gets us to
2 the main menu item and that is going to be our
3 review, continuation of our Review Support Guidelines
4 and we have before you some information in your
5 packet. We're going to pull that out. You will also
6 be seeing that in front of you.

7 Can everybody see the board, the Power
8 Point screen pretty well? If you can't, or if you
9 prefer to look at it, then you can have information
10 in your packet, too.

11 Okay, Jane, do you want to just go ahead
12 and give us a quick overview of what we're going to
13 be looking at?

14 DR. VENOHR: Sure, for the record, I'm
15 Dr. Jane Venohr, an economist with Center for Policy
16 Research.

17 And, if you look at Slide 2, it has a
18 summary of our objectives today. We are required to
19 provide technical assistance on the data
20 requirements.

21 These requirements are set in federal
22 regulation and what States have to do. This includes
23 the review of the economic data on the cost of

1 raising children and the review of case file data and
2 I'll explain all that, the relevance in a minute but
3 the end all is you all take this information and all
4 the other expertise that you have from working in the
5 State of Alabama from your respective positions and
6 make decisions on whether the guidelines should be
7 changed, including the schedule, which is our primary
8 tasks to look at.

9 And, there's lots of policy decisions based
10 on, ingrained in that, as well as the Self Support
11 Reserve is another important element because that's
12 based on economic data.

13 So, Madam Chair, is that a good overview or
14 are you wanting me to continue or do you want to add
15 something?

16 PROFESSOR DAVIS: No, I think that's a good
17 -- I will say this, in your packet, you'll see a
18 glossary of terms and abbreviations after I looked at
19 the presentation by e-mail and I dropped a quick
20 e-mail to Dr. Venohr and I asked her if she would
21 provide us with sort of a cheat sheet.

22 But, I felt like it would be particularly
23 helpful to the public. We're used to terminology

1 because we deal in this on a regular basis. And,
2 sometimes we forget, but not everybody has that same
3 bit of information and lingo.

4 So, you'll see in your packets, the
5 glossary and, probably, most of it, you don't need to
6 refer to that but I thought it was helpful and I just
7 thought about that a couple of days ago. I asked
8 Jane and she, usually, very quickly, was
9 accommodating. So, this is what the sheet is here
10 that you have.

11 And, I don't know if the public has had an
12 opportunity to get this up on the --

13 MS. PEEK: That one has not been posted but
14 we will.

15 PROFESSOR DAVIS: Okay, I thought you might
16 not have had time to post it.

17 MS. PEEK: Yes.

18 PROFESSOR DAVIS: So, when the transcript
19 is posted, then this information will be posted, too.
20 So, if you're reading the transcript, you will see
21 this will be posted for you, also.

22 Does the Committee have any questions about
23 today's objectives or have any questions before we

1 ask Dr. Venohr to get started for us?

2 (No audible response from Committee members.)

3 PROFESSOR DAVIS: Okay. Dr. Venohr, I
4 think we're ready for you to go forward with the
5 presentation.

6 DR. VENOHR: Excellent. Thank you. So,
7 again, this is just for the record. This is
8 Dr. Venohr. And, again, just to help you think about
9 it from where you stand because you're the ones that
10 are making recommendations. As I'm going to be
11 showing you a lot of data, I'm going to pause now and
12 then for clarifying questions and, in my opinion, as
13 far as the role we play, where anything that has to
14 do with numbers. So, that's going to be the
15 schedule. And, I will tell you and you're going to
16 hear this over and over, again.

17 We all know there's been a lot of inflation
18 since 2021 when that schedule was last updated. And,
19 all of the price levels have increased 18% but when
20 that's offset by changes for income, it means an
21 average increase of 5% on the schedule. So, that's
22 something to keep back in your head and I'll show you
23 a bunch of case examples when we get there, but I

1 want to just tell you the bottom line.

2 So, you think about it as I'm throwing out
3 these numbers, what you should be thinking about from
4 your position that you are -- the view you're serving
5 on the Committee.

6 The second big issue from a mathematical or
7 a numbers point is that Self Support Reserve and I'll
8 show you more stuff on that. That was included in
9 the worksheet. That was a big change that was made a
10 few years ago.

11 And, it includes a Self Support Reserve
12 that relates to the federal poverty level in 2021.
13 And, like all the inflation that we've had in the
14 last few years, that's affected the federal poverty
15 level.

16 And, that's probably my biggest concern for
17 Alabama from a math point is that now that federal
18 poverty level, which is 2025 is \$1,304.00. And,
19 full-time minimum wage earnings in Alabama is
20 \$1,257.00.

21 And, you'll see that that income is used a
22 lot in child support calculations. I will say that
23 that's the federal poverty level.

1 It's not adjusted for Alabama's lower
2 income. And, when you see that, I just reran some
3 calculations again this morning. We're having a
4 little bit of problems with getting data from the
5 feds and getting the most recent data, but I did find
6 some May, 2025 data that I will verbally talk about.

7 It didn't make it in the presentation but,
8 in short, I'm going to show you a lot of numbers but
9 the two things that you should be listening for is
10 and thinking about is whether that schedule should be
11 updated based on the economic data I'm going to show
12 you today and whether there's some changes that
13 should be made and updates to that Self Support
14 Reserve.

15 And, of course, there's other issues that
16 you should be thinking of that from when I'm speaking
17 and what our charge is is the focus of those two.

18 So, we could go to the next slide and
19 that's just -- and, I'll go over it, again.

20 Let's go to Slide 4. So, we want to just
21 look at the Federal Requirements. This is the Code
22 of Federal Regulation. So, that's the first
23 abbreviation that I use. And, if you see in red, it

1 says, "The State must review and revise, if
2 appropriate," so that's your charge is that you are
3 appointed by the Supreme Court to just determine
4 whether it's appropriate for Alabama to make any
5 changes in their guidelines.

6 So, I can't emphasize enough how important
7 it is to obtain your perspective. And, as you know,
8 States have to review their guidelines at least once
9 every four years to ensure their application results
10 in the determination of appropriate child support
11 order amounts. Appropriate is subjective.

12 It's what you know from in the field in
13 Alabama. I'm going to give you a lot of numbers from
14 an Ivory Tower and it's up to you to determine
15 whether they make sense. Some of this stuff I'm
16 going to do is in that second paragraph that starts
17 with H. It says, "Consider economic data on the cost
18 of raising children, labor market data, the impact
19 the guidelines amounts," and then the second
20 paragraph is analyzed case data, and I can let you
21 read this own your own.

22 But, after today, we will meet all these
23 requirements, as far as Paragraph H-1 and H-2. Some

1 of it will be repeated from what you've heard in
2 February the last time I presented. As far as
3 Paragraph 3, what the federal requirement is is that
4 you must obtain public input and you accomplish that
5 in Alabama by always having a period in your meetings
6 for public input and you accept the written comments.
7 So, you are fulfilling, as of today, you will fulfill
8 all the requirements and then the big question is,
9 "What do you want to do with it? Do you want to make
10 revisions or do you want more information?"

11 So, the next slide, on Slide 5 just has
12 this information, the same stuff that is in this
13 paragraph form, only it's in a checklist form. And,
14 so on Page 5 of the slides, the first requirement is
15 to consider economic data on the cost to raising
16 children.

17 That's why Alabama contracts with us, it
18 was a competitive bid. We have experience with over
19 35 States. And, taking that economic data on the
20 cost of children and translating it into a format
21 that's usable for State guidelines.

22 And, it's a little bit complicated and when
23 we make adjustments to the data for a State's Federal

1 and State income tax rates because people spend out
2 of their pocket. They don't spend it based on their
3 gross income. They spend based on their after-tax
4 income.

5 And, as we all know, there's been lots of
6 inflation. So, that's of a concern. One of the
7 things that I'm very sad to actually say is the
8 second bullet is that I was very optimistic when we
9 bid on this contract because I knew we were going to
10 get some new economic data on child rearing cost.

11 We used a National Data Set. It's called a
12 Consumer Expenditure Survey. It's the same survey
13 that they used to calibrate inflation in our country
14 and it surveys about 6,000 households per month, I
15 mean, per quarter and on hundreds of items. All
16 economists that measure child-rearing expenditures
17 use this Consumer Expenditure Survey.

18 And, then, we realign it to account for
19 Alabama's income because there's not enough Alabama
20 people in this survey to do, or even any State,
21 except for California and two other states to do
22 State specific studies.

23 And, it would just be impossible to

1 replicate this type of detail when you're getting
2 6,000 households and hundreds and hundreds of items.

3 And, so the current Alabama schedule is
4 based on the Consumer Expenditure Survey from 2013 to
5 2019. So, we're very excited to get some funding
6 from Utah and California to update that study using
7 Consumer Expenditure Survey from 2018 to 2024 but we
8 are having lots of problems with the data.

9 Part of it is due to the Federal Shut-down,
10 part of it is due to COVID, some of the anomalies
11 caused in the savings rate, spiked over to, over 30%,
12 when it's usually around 4%.

13 Another problem that we have is that they
14 -- Consumer Expenditure Survey, they changed the
15 clothing question, which is integral to the estimates
16 of the child-rearing cost but I will explain this
17 more later but the bottom line is I was excited about
18 using that new data, we still have to vet it.

19 It's Professor David Betson out of Notre
20 Dame, that he puts that together. That's why it's
21 called BR5. It's Betson, Professor Betson and
22 Rothbarth is the methodology he uses to separate the
23 child rearing cost.

1 And, so -- and 5th is for his 5th study,
2 which forms the basis of the current Alabama
3 Schedule.

4 So, the new study I'm talking about is
5 BR6 and we're not ready to release it or to have
6 States use it. So, that means that the only thing we
7 can do for Alabama is take that BR5 Study, update it
8 for taxes from 2021 taxes to 2025 taxes and update it
9 for inflation and update it for differences between
10 the U. S. and Alabama income where the most current
11 census data on that is 2023, which is, there's a lag
12 there and, in effect, see if it makes sense.

13 You'll hear it again and again but that's
14 just kind of the summary of where that schedule is
15 and why we're struggling with that.

16 The second row is there's a Federal
17 Requirement to consider labor market data. We did
18 that in the February, 2025 presentation. I'm going
19 to repeat it because I think it's very important to
20 the low income adjustment, whether Alabama deems it
21 appropriate to update the Self Support Reserve.

22 The third row is we have to consider case
23 file data on deviations and I will cut to the punch

1 line here as the Federal Requirement that States are
2 to keep deviations from the guidelines at a minimum
3 and Alabama is.

4 So, that's probably a non-issue, but we're
5 going to report it because it's a Federal Requirement
6 out of respect for the Federal Requirements and due
7 diligence.

8 We're going to look at the impact and the
9 guidelines policy on parents with low income. And,
10 this should help inform that Self Support Reserve,
11 whether to update it.

12 Another Federal Requirement is the
13 influence of employment rates and compliance and we
14 did that a little bit in February and I'll talk about
15 it a little bit. I think it's a little egotistical,
16 or self centric of the Federal Government to think
17 that child support is the only thing that affects
18 whether people are employed.

19 We all hear stories of how when that wage
20 withholding hits, that they quit their employment but
21 overall, the data and the research finds that it's
22 all about labor attachment and people who are used to
23 working, keep working.

1 Once they, even if that child support hits.
2 It's more of those that are marginally employed and
3 can find alternative employment with an employer that
4 doesn't have to report their income up to the
5 government for unemployment and quarterly wage data
6 purpose and all those Worker's Comp, those sort of
7 benefits. And, those are the ones that can do the
8 best job at withholding wages for child support.

9 So, that's the biggest concern. And,
10 again, that touches on whether that Self Support
11 Reserve is appropriate and income imputation
12 policies.

13 That last cluster on the first, on my left
14 is the rates. We have to look at the rates of
15 default imputation and application of low income
16 adjustment and analysis of payment data and update.

17 So, that was a typo on my part. And, Kayla
18 was very instrumental in getting this data together
19 and we're very thankful for DHR. They have a stellar
20 team. Lathesia and Malik and Felicia were very
21 instrumental. We wouldn't have been able to do the
22 data without them. And, I mean, I just -- when we --
23 on the break, I hope everybody is giving a clap, or a

1 high 5 to everybody at DHR for getting that data to
2 us. It was quite the effort.

3 So, on the other side, the stuff that
4 doesn't pertain to our contract that are important is
5 provide meaningful opportunity for public input,
6 including input for low income parents, no State can
7 do a really good job of saying, or discerning
8 between, "Oh, you can comment because you're low
9 income, or you're high income."

10 Every State just gets comments from
11 everybody. And, so I feel that you're meeting that
12 Federal Requirement. If not, even better because
13 you're not trying to narrow it down to as far as what
14 population can submit comments but I'm sure there is
15 low income parents that are included in those
16 comments.

17 We just don't ask them. And, I think it's
18 -- for a researcher perspective, it's considered kind
19 of rude to ask them. Also, I think everybody
20 probably agrees with that, as far as the public
21 comments.

22 So, but, we do this a bit and we don't say
23 what income. I'm just saying all this so you know

1 that you're meeting the Federal Requirement and the
2 Federal Government doesn't expect you to identify the
3 income of the parents to prove that you obtained
4 input from low income parents. You're also required
5 to obtain input and advice from the IV-D Agency.
6 And, there's a lot of people from the IV-D Agency,
7 which is the DHR, Department of Human Resources.
8 They are here today and they're on the Committee.
9 So, you can definitely check that box up.

10 And, again, whether to revise the
11 guidelines that's the discretion of the Committee to
12 make and the court.

13 And, then, Jillian does a stellar job of
14 getting everything posted on the website. I think
15 Alabama has one of the most public accessible
16 websites, as far as posting all the materials. And,
17 some states they just posted the final report.

18 So, I'm going to pause there, to see if
19 anybody wants to add a comment and then we're going
20 to start digging into some of the harder stuff.

21 Okay, hearing none I think we're going to
22 move on to the next slide. And, this is just a
23 repeat of the labor market information and this is

1 really important because when we did that case file
2 data, then reminding you, we're getting the IV-D
3 cases. We're not getting the non-IV-D cases. We
4 don't have access to private case data and we
5 certainly don't have payment data from the non-IV-D.

6 And, that's a little bit of a different
7 world. The non-IV-D world tends to be higher income
8 but they're still very, very important because the
9 Federal Requirement is the State Guidelines has to
10 apply to all populations. It applies to all these
11 decision-makers and guidelines users.

12 So, this is the labor market information
13 that I showed you back in February with some updates.
14 It's really important to note that Alabama uses,
15 relies on the federal minimum wage, which is \$7.25 an
16 hour.

17 And, that results in an income of \$1,257.00
18 a month and if it's 40 hours a week. And, again,
19 here you see that the federal poverty level for one
20 person now is \$1,304.00. And, I will say that we
21 adjusted that last time for Alabama income because
22 Alabama has below average income.

23 And, Alabama is the minority of States as

1 far as not having a State minimum wage but if you
2 look at that center cluster where you see Alabama
3 entry and hourly wages, if you look at all
4 occupations and this is based on third quarter of
5 2024, so, it might have changed. That, for all
6 occupations, the entry wage is about \$13.00 an hour.

7 Now, if you look at some of the lower
8 paying jobs are the ones that don't require a lot of
9 skills, which is what decision-makers or the judges
10 are getting to when they impute at \$1,257.00, you'll
11 see that a lot of those jobs pay more than \$7.25 an
12 hour, even at the entry level.

13 For instance, cashier's pay \$9.64 an hour.
14 Food preparation pays at \$9.76. So, what this means
15 is there are jobs in Alabama that pay more than the
16 minimum wage.

17 The one thing that is different, though, is
18 that they probably don't work a 40 hour workweek.
19 And, a lot of service sector jobs, they offer less
20 than 40 hours a week. I mean, some of you in the
21 room might have a connection with Target or something
22 like that. And, you know that they rarely get a 40
23 hour work week in the service sector.

1 If we use 35 hours, which, the average
2 weekly hours in Alabama are 35.5 and we take that
3 cashier position. And, then we look at 47 weeks per
4 year, rather than 52 weeks a year just because we
5 know that a lot of these jobs do not have paid
6 benefits for some time or paid vacation time and that
7 averages about five weeks a year for most workers.
8 So, that's why I take 47 weeks per year. And, if I
9 average that over that, it becomes \$1,321.00.

10 So, the major point is showing you that
11 math, is even if you use 1,257 for the income
12 imputation, it does align with the pay of Alabama
13 Worker's once we adjust for the more typical hours
14 and their lack of benefits.

15 Another factor that's really important
16 besides the wage rate of the entry level positions
17 and I can't emphasize enough how important this is to
18 the IV-D cases. So, it's Section IV-D for the Social
19 Security Act that enables the Child Support Program.
20 And, that's the DHR Program is that a lot of times or
21 this is the most difficult cases is on the parents
22 that don't have a consistent income history.

23 They haven't been employed consistently for

1 the last two years. They might have been in and out
2 of the Labor Market. They might have moved from
3 another State. They might have come out of prison
4 recently. Those sort of factors and so in those
5 situations income has to be imputed.

6 So, that's why I spend so much time on
7 those wages. The other factor is the unemployment
8 rate and the unemployment rate is pretty low. It's
9 2.9% as of August, 2025, which is the most recent
10 numbers.

11 I was surprised that the feds, actually,
12 they put the Bureau of Labor Statistics on for a
13 couple of weeks just so they can publish some of the
14 inflation numbers and the Labor Market Numbers,
15 select few.

16 And, so, the unemployment rate in Alabama
17 is still lower than the nation. We are seeing a
18 slight increase in the nation.

19 As far as Alabama, if you look from
20 December, 2024, it went down, but it was up a little
21 bit higher earlier in the summer. You do have some
22 pockets of counties that have higher unemployment
23 rates, like Wilcox, Clark, Green.

1 And, there is a concern when you impute
2 income. Shelby has -- is doing really well and some
3 of the other counties, Jefferson, Mobile, Baldwin,
4 Montgomery, Tuscaloosa, they are -- I was looking at
5 them this morning and things are still going well
6 there, but in other parts of the country, we are
7 seeing a little bit of pull back, particularly, where
8 there's -- we're working with Virginia right now and
9 that's probably where I see the most pronounced pull
10 back and we believe it's due to the downing of the
11 Federal Government.

12 So, in short, what I'm saying is that if
13 you have some places where there was a high level of
14 federal employment, you might be experiencing that,
15 too.

16 So, anyway, that's just to add some context
17 from my ivory tower. Each of you is from another
18 region of Alabama. So, you know, you have better
19 working knowledge, as far as what the job
20 opportunities are there. And, that's something to
21 think about when we talk about income imputation.

22 So, I'm going to move to the findings of
23 the case file data, which is on Slide 8.

1 And, again, we're very thankful for the
2 hard work of DHR in getting us this data. We are
3 comparing it to the data from the last review. And,
4 what we did was we selected all new, or modified
5 orders that became effective in the sample period.

6 We looked at a year period. The last
7 review, we looked at Calendar Year 2018. And, then
8 we look at the payment data in the year after, which
9 is 2019 and we do that so we don't have a rolling
10 sample, like those that had an order established in
11 January 2018 are compared in December -- those that
12 had an order in December 2018 that we have all the
13 same year to account for the same factors.

14 And, ALECS is the automated system that DHR
15 uses to track payments for the IV-D cases. Again, we
16 don't have non-IV-D cases.

17 We get more detailed information from the
18 guidelines calculator. There's a guidelines
19 calculator attached to ALECS but it doesn't have to
20 be used. So, that's why the 8,333 orders, we only
21 had 2,308 with guidelines calculations.

22 And, that's where we get information about
23 income, whether there is deductions for spousal

1 support, those sort of things.

2 If you look at this review, we looked at
3 data from calendar year 2023. And, there is a
4 decline in order amounts, order establishments over
5 time, nationally. We had 7,214 orders that were new
6 or modified compared to 8,333, but we're seeing the
7 uptake on the use of the guidelines calculator that's
8 attached to the ALECS.

9 And, so, we had 2,749 orders that had
10 guidelines calculations. When you look at and this
11 is the summary of -- to go through each of these
12 topics, individually. When you look at the second
13 row, the federal expectation is to keep deviations to
14 a minimum. Deviations are departures from the
15 guidelines calculations. The guidelines calculations
16 are rebuttably presumptive, meaning that they should
17 apply to all cases but they can be rebutted based on
18 the best interest of the children. And, when in
19 equitable or inappropriate to that case.

20 And, just to further elaborate on the
21 history of why we have these national requirements
22 for Child Support Guidelines, it's because back in
23 the 70's, early 80's, there weren't guidelines and it

1 was just kind of random, what court, what judge and
2 it wasn't a fault of the judges, or the courts, it
3 was just that there weren't standards.

4 So, there was inconsistency in the amounts
5 of orders established where parents with similar
6 circumstances. In addition, another benefit of
7 guidelines is predictability.

8 So, parents that are contemplating divorce,
9 or separation can obtain the Child Support
10 Guidelines, they can look at the State's Guidelines
11 and see what they possibly could get as a Child
12 Support Order.

13 So, the third row applies to the Federal
14 Requirement to look at the percentage of income,
15 cases with income imputation. It was 5% based on
16 ALECS data field last time.

17 We actually improved how that was measured.
18 So, we're using a little bit of a different
19 measurement thereafter in talking to the ALECS
20 experts.

21 And, so some of that increase that you're
22 seeing where we see that it's 14% of mothers and 11%
23 of mothers that have income imputed. Some of them is

1 due to the data change, but what you'll see is that
2 it's still not high compared to other States when I
3 look at that issue separately.

4 With regard to default, we don't have that
5 on ALECS. So, I'm going to ask you some questions to
6 help us write this up. The federal definition of
7 default is not well defined. And, I will say that
8 every State defines it differently.

9 For instance, in Arizona, you have to
10 submit a court order. I mean, a form that requested
11 the default and that's how we're measuring it there,
12 but sometimes, if the party, the Noncustodial Parent
13 doesn't show, they just enter it as a default.

14 Other States, they have like a period. If
15 the parent, the Noncustodial Parent doesn't show,
16 they'll issue a temporary order for three or six
17 months, notify the parent, again, that we are issuing
18 this temporary order. "Please show, please give us
19 income information. If you want to contest it or get
20 a final order of a different amount," and then after
21 the waiting period of three, or six months, it
22 becomes a final order amount. And, so, where is the
23 default in that process?

1 So, it's a very, the short of it is that
2 it's a very difficult measure to say. So, when we
3 get to that topic, I'm going to pause and hear how
4 you enter default in Alabama. And, I will say that
5 the data shows that there is a correlation.

6 The national data says that there is a
7 correlation between income imputation and default.
8 And, so, we used that statistic last time and we
9 probably will use it this time.

10 And, then when we get to the application,
11 the low income adjustment, this is probably the most
12 -- the one that I'm most interested in. I'm trying
13 to get my slide up here so that -- I don't see all of
14 it on the screen here.

15 So, I want to share some details with the
16 -- this is, as I mentioned before and we will look at
17 this is that the low income adjustment happens in the
18 worksheet in Alabama. And, so -- and, that happened,
19 that was a recent change. And, that 14% of the NCPs
20 had incomes less than the Self Support Reserve. And,
21 most of those had an order entered at zero, which was
22 another -- that was something you were doing in
23 policy, but you put it in the guidelines in the last

1 few years. And, that there was 33% of that had an
2 order amount more than zero and 22% had 50, which is
3 the minimum, if a zero isn't appropriate.

4 And, if you don't understand that, now,
5 we'll pause when we get to that but that's just the
6 bottom line is that where I'm sitting in my ivory
7 tower, it looks like that low income adjustment is
8 working. So, but we'll spend more time on that.

9 Let's go to Slide 9. It is the deviation
10 rate. And, again, it did increase from 9 to 11%.
11 And, I don't see any issues with that. The Federal
12 Requirement encourage the States to develop deviation
13 criteria to or formulas to keep deviations at a
14 minimum.

15 Alabama recently adopted a parenting time
16 adjustment. That's one of the reasons that Georgia's
17 deviation rate was so high among their non-IV-D
18 cases, is Georgia doesn't have a parenting time
19 adjustment. And, they will have that parenting time
20 adjustment effective January 1 but the short of it is
21 you can see that compared to Georgia, Alabama's
22 deviation rate is low. It's 11% among IV-D cases in
23 Georgia. It's 47% among non-IV-D cases.

1 In Georgia, they obtain the data from hard case file
2 data, rather than the automated system and then they
3 also obtain case data from the automated system.

4 So, we don't have, it's a little bit
5 comparing from apples to oranges and then if you look
6 at Tennessee, which is another neighboring State, the
7 data is only for the IV-D cases. So, the Government
8 case load and their deviation rate increased from 3%
9 to 9%.

10 So, Alabama is in line with other States.
11 Nothing is saying to me from where I stand that you
12 need to change it, but I'm going to pause there and
13 let you all discuss deviations and look at the
14 deviation criteria.

15 And, this would be probably an opportunity
16 to comment on any of the deviation criteria or add
17 some experiences of what you're seeing in the field.

18 PROFESSOR DAVIS: Okay, why don't we --

19 DR. VENOHR: So, here's my pause.

20 PROFESSOR DAVIS: Okay, thank you. Why
21 don't we do it by certain categories and I'll ask the
22 judges if they have comments first about their
23 experience with deviations?

1 HONORABLE SHERMAN: I'll speak first. So,
2 this is Judge Michael Sherman. So, with this shared
3 custody adjustment, I'm seeing fewer deviations.

4 I do think this discussion -- I do think --
5 we have a Subcommittee that has not yet completed its
6 work but one of the things that we were going to do
7 was either reword or strike this Subparagraph A as a
8 reason for deviating because when we added the shared
9 custody adjustment, we did not take that out as a
10 grounds for deviating, which I think it could be
11 confusing, although, it's not working out that way in
12 Mobile County but yeah, I'm seeing fewer of them as a
13 result of the shared custody adjustment.

14 PROFESSOR DAVIS: Any other --

15 HONORABLE WILLIAMS: Judge Williams. I'm
16 seeing deviations based on providing support for the
17 child outside of the guidelines, over and above
18 what's required due to the, perhaps, the amount of
19 time of the financial contributions made outside of
20 the guidelines, or that management has made.

21 I would say, even with the shared custody
22 calculations, I'm seeing a lot of deviations where
23 they're just not to, not to require the other parent,

1 who may come up under the calculations as a
2 requirement to pay child support, to not pay that.
3 That's the agreement and I generally don't reject it
4 because that's what they, even, in light of the
5 CS-42S, they're still saying, "Well, based on the
6 arrangement or whatever reason, we're not going to --
7 we're not going to require child support under this
8 agreement."

9 HONORABLE STEPHENS: This is Patricia
10 Stephens in Jefferson County. I'm seeing less
11 deviations because of the shared calculation. And,
12 it's created a lot less confusion and a lot less, the
13 parents and attorneys having to negotiate.

14 PROFESSOR DAVIS: That's good feedback for
15 the Committee because we know a lot of the Committee
16 members and Subcommittee Members work really
17 diligently on that, on those charts and the
18 guidelines and the decisions that were made,
19 obviously, it's nice to hear feedback. That seems to
20 be beneficial to the parents and the court and the
21 attorneys out there.

22 Just comments from the attorneys and others
23 that were with the IV-D population or private

1 attorneys.

2 MS. MILLS: I've seen arguments made for
3 deviations due to private school tuition cost. That
4 seems to be something that it's become a, at least,
5 in my private practice, a larger issue than I've seen
6 before. And, maybe it's because the cost of private
7 school has gone up, even for smaller communities but
8 that seems to come into play when arguments are being
9 made. And, then also the cost of travel sports for
10 children, that becomes -- I've seen that become an
11 issue, also, because kids are involved in,
12 especially, if you have multiple kids involved in
13 travel sports. So, how that all cost calculates.

14 PROFESSOR DAVIS: It's very expensive.

15 MS. MILLS: And, that's something that I
16 haven't seen in the last most recent years.

17 PROFESSOR DAVIS: I know there's been some
18 changes in the Alabama State Law relating to money
19 being provided. And, I think it's a staggered
20 approach, income-wise, in terms of parents getting a
21 direct payment, to then spend the money, either home-
22 schooling or elsewhere in private schools. I've
23 forgotten the name of the act that was passed.

1 Have you all seen anything, gotten any
2 feedback from, as it relates to child support, either
3 deviation from or argues about who gets that check,
4 or that sort of thing? Does anybody have anything?

5 (No audible response from Committee members.)

6 It's a fairly new act. I think -- is it
7 \$7,000.00?

8 HONORABLE WILLIAMS: Choice.

9 HONORABLE STEPHENS: Choice.

10 PROFESSOR GRAY: Choice.

11 PROFESSOR DAVIS: Has that been an issue,
12 yet?

13 HONORABLE WILLIAMS: Not yet.

14 PROFESSOR DAVIS: I think, if I remember
15 correctly, it starts out with the low income. People
16 that are eligible but then it eventually broadens to
17 larger categories of people that -- I guess, we'll
18 just kind of watch and see if it's not -- it's a
19 little bit early for that.

20 Other comments or reasons for deviations
21 that you've experienced?

22 MS. STEINWINDER: I have a question.

23 PROFESSOR DAVIS: Yes, ma'am.

1 MS. STEINWINDER: I just wonder if Judge
2 Williams says that he has not rejected as a general
3 rule when people are saying no support, even if the
4 42 S results in support. I just wondered if Judge
5 Stephens and Judge Sherman --

6 HONORABLE SHERMAN: I don't accept it.

7 MS. STEINWINDER: Okay.

8 HONORABLE SHERMAN: I rejected it.

9 MS. STEINWINDER: Okay.

10 HONORABLE STEPHENS: It depends on the
11 amount. If it's a huge difference between the two
12 households and then that amount is going to affect
13 the quality of life for that child in that household,
14 then I'll reject it but if it's not going to be where
15 it's affecting the households to a big degree, then I
16 would accept it.

17 MS. STEINWINDER: Thank you.

18 PROFESSOR DAVIS: Other comments or
19 questions?

20 (No audible response from Committee members.)

21 PROFESSOR DAVIS: Okay, thank you, Jane.
22 We'll pause the comments.

23 (No audible response from Committee members.)

1 DR. VENOHR: Am I back on?

2 PROFESSOR DAVIS: You are.

3 DR. VENOHR: I didn't hear all those
4 comments but I look forward to the minutes. And,
5 I'll read them carefully to see if there's any
6 insights we can put in on any of those issues that
7 were brought up later.

8 But, again, this is an opportunity for
9 Alabama to improve their deviation criteria, so it
10 sounds like you all are working on that, as we -- the
11 A and I'm sure you'll circle back to it after I
12 finish all this.

13 So, the next slide is on income imputation
14 rate compared to other States. And, again, I think
15 Alabama, your rate looks good, especially, when you
16 compare it to other States. Like, and I kind of feel
17 bad because I feel like I'm picking on Georgia, which
18 might not be bad when we talk about football.

19 Anyway, as far as what we see here is that
20 Alabama has a lower rate of income imputation than
21 Georgia, but I will say the caveat that this is data
22 from Georgia's 2020 review and there, they were still
23 experiencing the aftermath of the COVID Pandemic

1 Shutdown. That happened in the mid of 2020. And, if
2 you remember, like, that's when the restaurant
3 shutdown, the retail shutdown, a lot of low paying
4 jobs. And, it took awhile for those to come back.

5 I can't remember Georgia's policy off the
6 top of my head, but it's pretty standard to try to
7 get two years of tax returns and three months of pay
8 stubs, that kind of stuff and you can imagine that
9 Pandemic. And, I'm sure the judges on this Committee
10 experienced it where there was a period there right
11 after the Pandemic that it was like, "Oh, what do you
12 do?" Because the employment history became pretty
13 sketchy for some people due to the layoffs and so
14 forth.

15 So, but the bottom line is that Alabama is
16 in range of what other States do on income
17 imputation. So, I'm not really worried too much
18 about the rate.

19 I will say that there's always room for
20 tweaking on practices. And, if you look at the
21 Federal Requirement, what it has in the Code of
22 Federal Regulation is it essentially says that the
23 guidelines has to provide for the consideration and

1 the specific circumstances of the parent if income is
2 imputed.

3 And, this was a new reg that was imposed in
4 2016. And, so, it's pretty new to Alabama. It was
5 on the list in Alabama in 2019. It's pretty much
6 verbatim, if income imputation is authorized, take
7 into consideration the specific circumstances of the
8 Noncustodial Parent and at the State's discretion,
9 the Custodial parent.

10 That applies because there's a lot of
11 States that -- well, there's only about seven States
12 that only consider the income of the Noncustodial
13 Parent. There's 30 some, or 40 something States that
14 consider both parents' incomes.

15 And, to the extent, you know, including
16 such factors as the Noncustodial Parents' assets
17 because that, obviously, if they are a landlord, they
18 can earn if they're not renting their apartment out
19 at the moment, that's an asset that should be
20 considered in the child support calculation.

21 The parents' residence, specifically, when
22 they drafted this rule, they were concerned whether
23 the parent was homeless, sleeping on the sofa of a

1 friend, or something like that. Employment and
2 earning history, job skills, educational attainment,
3 literacy, age, health, criminal record and other
4 employment barriers and records seeking work, as well
5 as the local job market availability where employers
6 are willing to hire the Noncustodial Parent,
7 prevailing earning levels in the local community and
8 other relevant background factors in the case.

9 And, I'd like to break down this grocery
10 list into three distinct categories. One, is those
11 employment barriers, we do know that criminal records
12 can be an employment barrier and the data will
13 support that. In Alabama, if they're incarcerated
14 during the order establishment, it would be a zero
15 order.

16 We do know that literacy could be an
17 employment barrier, or age, if they're over 65, they
18 might not -- that might be if they --

19 And, then, the second category would be the
20 job skills that they bring to the table, that
21 employer would look at.

22 Do they have a high school degree? Do they
23 have an apprenticeship in anything? Do they have any

1 job experience? What was their prior wage?

2 And, then, the third category is those
3 labor market statistics. Are they working in a
4 county that has a high unemployment rate that has a
5 low unemployment rate? If they're a dishwasher, or
6 are they working in Mobile, or near the coast where
7 there might be better paying jobs and somewhere
8 internal?

9 And, so, those last two factors, the skills
10 and the qualifications that the Parent brings to the
11 table and that market stuff, a lot of that stuff can
12 be discerned from The Alabama Department of Labor
13 data like the data that I showed you earlier, you can
14 look at the regions and see what the entry level wage
15 is, at least, in 2024. It's not updated to 2025,
16 yet, for somebody that's a dishwasher, or somebody
17 that's a construction worker.

18 What we -- what the Federal Rule doesn't
19 say is what to do with those parents that are
20 homeless, or don't have transportation, how you
21 adjust those wages to accommodate that when you are
22 using this provision of income imputation.

23 And, some States are trying to get more

1 creative on that. And, none of them had implemented
2 it, thoroughly. Some of them are developing, like
3 little mathematical formulas to put different weights
4 on these factors.

5 I'm not a big fan of these because it's
6 based on historical data. And, it takes awhile to
7 get this data and the time that somebody becomes
8 unemployed.

9 For instance, we didn't see that coming.
10 The District of Columbia really experienced that at a
11 decrease in wages. That wouldn't be captured in that
12 model.

13 Another thing that States are doing is that
14 they are making or are taking the effort to have
15 forms and a process that documents the reasons for
16 income imputation and the factors considered in
17 income imputation like they do for deviation.

18 It's like, "Okay. Well, we've looked at
19 it. He had a history of incarceration but he's a
20 licensed plumber."

21 And, so we've looked at the wage data for a
22 licensed plumber and this is what they pay. So, we
23 felt okay, essentially, doing it and they have the

1 forms to document that.

2 And, then they might have another situation
3 where the parent just came out of prison, but they
4 have no history of wages. They went into prison when
5 they were 18 or something.

6 And, they really didn't have any job
7 experience. So, that would be all documented.

8 So, this is an emerging topic, as far as
9 what you'll see at National Conferences and what some
10 of the Child Support Agencies are discussing.

11 And, I think I -- let me see if I wanted to
12 -- I'm going to get one more slide and then I'm going
13 to pause there. And, particular, if you want to say
14 some stuff from the Agency about income imputation.

15 PROFESSOR DAVIS: Jane, can I interrupt,
16 first before we move back to that slide? Am I
17 understanding what you're saying is that there may be
18 sort of a -- either, if not a movement, but a
19 discussion about maybe having some deviations built
20 in just to the imputed income aspect of the child
21 support. Is that what you're saying?

22 DR. VENOHR: Yeah, or deviation.

23 PROFESSOR DAVIS: Okay.

1 DR. VENOHR: Like, where you have to
2 document it, or that you thought of these factors,
3 just so they don't just automatically go to minimum
4 wage.

5 PROFESSOR DAVIS: Okay, thank you.

6 DR. VENOHR: So, the next slide is that
7 when we do income imputation, or when it is done
8 based on the most recent case file, it's usually at
9 full-time minimum wage. It happens more often for
10 the mothers and the mothers are more likely to be the
11 custodial parent.

12 I'll show you data on that in a second.
13 Eight percent of the fathers have income imputation.
14 One of the other Federal Requirements is that we're
15 supposed to analyze current support on how much is
16 paid and my apologies for Kayla. She put together
17 the months page and I didn't put that in the slides.

18 She worked hard on that this weekend but so
19 when we look at all cases, we see that the percent of
20 the current support paid on an average and we're
21 looking at a case by case data. That's not the same
22 way you reported it up to the feds where you all in
23 the room that are familiar with the OCES 157. If

1 you're not, ignore that comment, but the average
2 percent of the current support paid in the following
3 year is 61.4%. The median is 73.7% meaning that half
4 of them paid more than that and the other half paid
5 less. There was 12% that paid nothing. And, 15%
6 that paid all.

7 When we look at those fathers with income
8 imputation, it's not that great. It's an average of
9 23% that were paid in and the median is 33.9% and
10 those that paid nothing was 82%.

11 So, what this says is that that imputation,
12 that income, it there's a way to improve it in the
13 process, or in the guidelines, that would be great.
14 I will say that these below average payments, we see
15 them over and over, again. This is not just Alabama.
16 This is true for any State that we work with that has
17 payment data.

18 I will -- let's go one more slide and then
19 let's pause and kind of talk about this a little bit
20 more. Is that, when we look at those that had
21 full-time minimum wage as their incomes and we're
22 looking at all of that, not just where it was noted
23 that income was imputed.

1 The order amount ends up being about
2 \$235.00 a month and the percent of current support
3 paid, if we compare it, that first cluster is for all
4 the cases we examine. And, when we look at like this
5 subpopulations, so now we're just looking at
6 everybody with full-time minimum wage and it includes
7 those that where income wasn't imputed. The payment
8 data is looking a little better.

9 So, it's not as bad as just the total
10 income imputation. And, then if you look at that
11 histogram, the histogram is a frequency that shows a
12 distribution of everybody in the sample. So, if you
13 look at their payment, then you can see there's a big
14 cluster at zero and then there's another big cluster
15 or the highest second cluster is right at one,
16 meaning a 100%, but you can see, they're kind of all
17 over the map on the payment.

18 So, if we could go back, Jillian, just to
19 three slides where I showed that Federal Reg, but I
20 just want to pause there and just see if there is any
21 comments on how -- oh, could we go forward one?

22 MS. PEEK: Sorry about that.

23 DR. VENOHR: Yes, that's okay. If there's

1 any comments on how this provision is being used on
2 income imputation and any responses or ideas, do they
3 trigger anything that people want to say from the
4 field?

5 PROFESSOR DAVIS: Comments?

6 MS. MILLS: So, income is being imputed
7 because people aren't working. So, when they come
8 in, in my court, when they come in with no income or
9 no job and they're capable of working and capable of
10 getting a job, the court imputes minimum wage.

11 Now, this may be some people and the
12 payment is low because they're not going to work, or
13 they're never going to work and they're never going
14 to pay and that's why the percentage is low. So, it
15 doesn't surprise me that that is the case, but I tell
16 people, "If you bring a child into this world, it's
17 your responsibility to support this child." You've
18 got to get a job.

19 Prior to COVID, we had a program in our
20 court that ran through our local community college
21 where we had a -- and, I don't know if it was from a
22 grant, or from the school, or what, but we had a
23 person in court that helped people find jobs.

1 So, the court would refer them to that
2 program and it would be either education or training
3 and then they had connections with the community that
4 would find people jobs. We had much success with
5 that. And, because sometimes people just need to
6 know where to go.

7 We don't have that program. After COVID,
8 we didn't have that program and the Director passed
9 away with cancer.

10 So, I don't honestly know the logistics of
11 what happened. But, if you don't impute minimum
12 wage, what do you use?

13 And, if that's -- and --

14 PROFESSOR DAVIS: Are part of the numbers
15 -- also, when the other party doesn't show up, is it
16 because the Noncustodial Parents, the custodial
17 parent's there, unless, they're in the hospital or
18 something, but the Noncustodial Parent, what
19 percentage of those types of cases where you impute
20 or just because they don't -- no one else shows up
21 and you don't have any other information about that
22 individual.

23 MS. MILLS: We have that some but not a

1 lot, not a lot.

2 PROFESSOR DAVIS: Okay.

3 MS. MILLS: She mentioned earlier about one
4 State by imputing and reviewing before it becomes a
5 final order.

6 A lot of times, our judges will impute
7 minimum wage and will reserve a retroactive payment
8 for maybe the next court date to see if the person
9 actually shows up before they enter a back time
10 payment.

11 PROFESSOR DAVIS: Because it's a play in
12 the system. If you knew that, you don't show up,
13 it's going to be minimum wage. I don't know if
14 anybody -- it feels like there are some people that
15 are playing that system. They're weighing the
16 retroactive, but not let them play the system quite
17 as much.

18 MS. MILLS: Well, and if -- and, if we're
19 able to access or determine what the person is making
20 and they don't show up, then we use the actual income
21 by default.

22 PROFESSOR DAVIS: Right. If it's in that
23 category of people where the employers are providing

1 information that you can pull out from somewhere or
2 if the -- if it's a divorce case, maybe the soon to
3 be, or ex-wife has that information that they can
4 provide to the court, I just wondered if, generally,
5 do you have situations where they don't show up
6 because they think they're going to wind up paying
7 less, as far as to determine why they don't show up.

8 MS. MILLS: So, I think in the DHR realm, a
9 lot of these cases originate from attorney cases.
10 So, many times people will show up to determine the
11 paternity. We, at least, in our community, we don't
12 have a whole lot of default paternity cases. So, I
13 think that people are willing to come in to take a
14 test.

15 Now, there may be in other counties a large
16 default rate. I don't know, but generally, they
17 start with paternity, we adjudicate paternity and
18 then we set the support when the results come back
19 in.

20 MS. MATTHEWS: Kintisha Matthews. And, the
21 non-profit realm, I see it a lot, especially, in
22 domestic violence cases, whether it's imputing
23 minimum wage, or prior information on what you

1 believe they were making at the time of the marriage
2 or when you guys were living together.

3 So, I think I see it a lot more than maybe
4 DHR with things like that, especially, in domestic
5 violence cases.

6 PROFESSOR DAVIS: Good point. Other
7 comments, questions to Dr. Venohr?

8 DR. VENOHR: Well, it's a little bit of --
9 so, if I seem strained, it's just that way. I do
10 have a question before we move on and we will revisit
11 this because it's tied to the low income adjustment.

12 Is, I heard some stuff about default that
13 was another data field we were federally required to
14 look at and we don't have that in ALECS. And, so but
15 what I'm hearing is there's a high correlation
16 between income imputation and default, meaning, it
17 sounds like in Alabama that they don't show up for
18 the hearing.

19 Could you maybe agree, or disagree and just
20 offer a few comments on that so I can make sure to
21 write that up correctly based on the experiences of
22 the Committee?

23 PROFESSOR DAVIS: Does anybody want to

1 comment?

2 HONORABLE SHERMAN: Dr. Venohr, this is
3 Michael Sherman. Could you clarify the correlation
4 you are trying to default in imputation?

5 DR. VENOHR: Yes, what I want to hear is if
6 income imputation is highly correlated with default
7 rates. That, when you -- if I take that default rate
8 for fathers of 11%, would it be fair to say that the
9 default rate is probably close to that, maybe, a
10 little bit less?

11 HONORABLE SHERMAN: I would think
12 anecdotally, I don't have the numbers. This is
13 Michael Sherman. I would think it's less than the
14 imputation figure by some amount, maybe as much as
15 half.

16 But, I don't do CS cases. I don't do -- I
17 don't do Child Support Paternity cases, I do divorce
18 cases and modifications after divorce, what we call
19 DR cases. So, it might be more frequent than the
20 other, in the CS cases, potentially. I don't know.

21 HONORABLE WILLIAMS: Judge Williams. I
22 will say based on my collection between the CS cases,
23 as well as DR, when we're dealing with imputation,

1 it's based on what you might consider no defaults, or
2 no shows by the Noncustodial Parent.

3 That's the predominant imputation that I'm
4 seeing with the Noncustodial Parents. When they show
5 up, they tend to be able to testify to what they --
6 what they are making currently or what they have made
7 in the past and we kind of go from there.

8 DR. VENOHR: So, you would say that it's
9 more than 50% of those that have income imputation
10 and probably default and no-shows?

11 HONORABLE WILLIAMS: Yes.

12 DR. VENOHR: Okay, thank you.

13 HONORABLE SHERMAN: Judge, do you do both
14 CS and DR?

15 HONORABLE WILLIAMS: Yes.

16 HONORABLE SHERMAN: What do you do, Judge?

17 HONORABLE STEPHENS: Just DR.

18 HONORABLE SHERMAN: What's your experience
19 with that, the correlation between imputation and
20 default?

21 HONORABLE STEPHENS: The folks that, just
22 like you said, don't show up. And, in my mind, I've
23 been trying to come up with a percentage, less than

1 10% that we impute the minimum wage because like
2 Penny was saying, the spouses come in with prior
3 income information, skill sets. So, we don't usually
4 impute minimum wage, then.

5 HONORABLE SHERMAN: My informed guess would
6 be that it's probably higher in CS cases than in DR
7 cases.

8 HONORABLE STEPHENS: Honestly, though, this
9 is Pat Stephens. That would be my guess, also.

10 HONORABLE SHERMAN: Yes.

11 HONORABLE WILLIAMS: I agree with that.
12 Judge Williams, but I do see a great deal of time
13 with the CS IV-D, or non-IV-D cases that I deal with.

14 MS. MATTHEWS: This is Kintisha Matthews.
15 Point of clarity. Are we just talking about imputing
16 minimum wage or are we just talking about, or is that
17 including imputing income, period?

18 UNIDENTIFIED SPEAKER: What is this you're
19 entering?

20 DR. VENOHR: I think that's a good
21 distinction. And, I think, for the purposes of the
22 federal reporting, it would be imputed, period. And,
23 for the purpose of really the intent of the Federal

1 Requirement would probably be minimum wage because
2 what that Federal Rule is aimed at is to essentially
3 pause a little bit before there's an imputation rule,
4 such as minimum wage, 40 hours a week.

5 Does that make sense?

6 MS. MILLS: Yes, ma'am.

7 DR. VENOHR: And, I will say that when you
8 look, I mean, that was one of the reasons I looked at
9 the labor market data because alternatively, I mean,
10 there is imputation at 40 hours a week at minimum
11 wage in Alabama, particularly, for the CS cases.
12 There is in other states.

13 And, you could go look at the wages using
14 that Department of Labor data that I showed you, but
15 at the end of the day, it's pretty much the same
16 dollar amount. So, it's -- even though the Federal
17 Reg is kind of encouraging States to take that extra
18 step, it's kind of like, oh, you know, I don't think
19 Alabama has it wrong, is what I'm saying based on
20 your labor market data.

21 I mean, there are parents that they shirk,
22 they could work. There are jobs out there and you
23 have to do something. But, of course, you're

1 considering their ability to work first. There's
2 obviously, they might be disabled. They might be in
3 the process of applying for SSI, or something like
4 that.

5 But, you can see that, but there's evidence
6 to that. They don't have the ability to work. And,
7 I will say, there was a comment. I'm sorry, I didn't
8 catch the name, but the referral to, I think, it was
9 the Community College.

10 And, what's really interesting about that,
11 there's an old study in the 1990's that found that
12 when there's a parent, that there's no evidence of
13 income and they bring them into court, they're about
14 to impute income and they find out that in 30% of the
15 time, it smokes out employment and this was in the
16 '90's. So, who knows if it's true. It smokes out
17 employment that was earned under the table.

18 So, the short of what I'm saying, it's a
19 really difficult issue. So, I think it's a -- this
20 discussion is good.

21 HONORABLE SHERMAN: May I ask you a
22 question, Dr. Venohr?

23 DR. VENOHR: Yes.

1 HONORABLE SHERMAN: You mentioned a 2025
2 federal poverty level was 1,304. Do you know the
3 Alabama, the number adjusted for Alabama's lower
4 income figures?

5 DR. VENOHR: Well, we're going to do that
6 next.

7 HONORABLE SHERMAN: Okay.

8 DR. VENOHR: Well, let's see, what slide
9 are we on? Can we go back to -- let me find this
10 slide number here? It's Slide 13, perfect.

11 So, the Federal Requirement is that the
12 Child Support Guidelines must take into consideration
13 the basic subsistence needs of the Noncustodial
14 Parent and at the State's discretion, the custodial
15 parent and children who have the limited ability to
16 pay by incorporating a low income adjustment, such as
17 the Self Support Reserve, or some other method
18 determined by the State.

19 And, Chair Davis and Professor Gray and a
20 lot of you in the room. Oh, my gosh, you gave us so
21 much consideration because when Alabama arrived at
22 the current adjustment, the adjustment hadn't been
23 updated for, oh, probably over ten years or so.

1 It was in the schedule. It was embedded.
2 Most didn't know it existed. It was something like
3 \$500.00 a month.

4 And, there was a lot of effort, a lot of
5 Alabama, the best family, as there is today that came
6 about to do the adjustment that we have now. I know
7 that Professor Gray spent a lot of time automating
8 that worksheet that makes it transparent.

9 It -- you considered whether to make the
10 adjustment for both parents, mathematically or really
11 doesn't make a difference. I mean, there was a lot
12 of back and forth to write about it.

13 And, where it landed back in 2022 was to
14 put that adjustment in the worksheet. That Self
15 Support Reserve was set at \$981.00. That's probably
16 the most important for it is -- and, that was based
17 on the Federal Poverty Guide then which was
18 \$1,073.00.

19 Right now, that poverty level is \$1,304.00,
20 so it's increased by 21.5%. And, we got that 891 by
21 looking at some census data and what's the medium
22 income in Alabama compared to the U.S. income. And,
23 we said, "Well, in Alabama, the cost of living is

1 less, so we're going to take that federal poverty
2 level for one person." And, there's not State
3 specific poverty levels and adjust it for Alabama's
4 income like we did the whole schedule because you
5 know the whole schedule was based on National data
6 and how much it cost to raise children. And, we
7 looked at it with Professor Gray's help, too, on
8 whether we should adjust it for Alabama's incomes or
9 Alabama's price levels. We had data on both and we,
10 Alabama, the Committee, we decided to go with income
11 differences.

12 So, that's the reason that that 891, or 981
13 is less than that 1,073 is because it's adjusted for
14 Alabama incomes. So, I realize I have the wrong
15 numbers written down here.

16 So, if we were to take that adjustment and
17 just update it for inflation, not use the algorithm
18 we used last time. Let's see, that would get us at,
19 I realize I hadn't done this calculation yet. That
20 would get us at a Self Support Reserve of, that's
21 pretty high, 1,191, but I have other data that I'm
22 looking at.

23 I wasn't excited by that and jumping around

1 a bit. We're going to talk about how to update that
2 and whether it's appropriate to update.

3 When I use the algorithm that we used last
4 time, I played with having data going back to 2023.
5 And, I did find some more current data from a
6 different source from the Bureau of Labor Statistics,
7 rather than the census, that a Self Support Reserve
8 of \$1,017.00 would be appropriate if you were to
9 update it, as a different algorithm, but I'll talk
10 about that more in a minute, but I just wanted to
11 throw that out there for you all, that are ahead of
12 the game, I want to go onto the bottom line.

13 So, I do want to highlight the bottom of
14 that Alabama Guidelines where Rule 32C was further
15 amended by adding Subsections zero dollar amounts.
16 This is very much a best practice among States.

17 I think this is -- I actually use this with
18 other States to show the circumstances that zero
19 dollar order is appropriate.

20 In other States, they applied their minimum
21 order in these situations. Again, this might be an
22 incarcerated parent, or a parent that is permanently
23 disabled, or in situations like that.

1 So, I'm going to go to the next slide and
2 just tell you how the numbers are looking and then
3 we'll pause, again.

4 So, the way that the Self Support Reserve
5 works in the worksheet is that you take the monthly
6 gross income of the parent paying support and you
7 subtract out 981. If it's less than \$50.00, you can
8 enter that amount.

9 If it's not less than \$50.00, you take 85%
10 of it and that 85% is 100 minus 85 percent. It's 15%
11 and that's the estimated Federal tax rate or I'm
12 sorry, the Federal payroll tax.

13 So, it includes FICA, Federal and State and
14 that 15% because we know that each of the dollar of
15 additional gross income that that parent earns, that
16 parent is going to have to pay taxes.

17 So, we don't want it all to go to child
18 support. So, if he was making a \$1,000.00, this
19 would suggest, actually, let's keep the math really
20 simple.

21 If he was making \$1,181.00, then the
22 difference with his Self Support Reserve and
23 \$1,181.00 is \$200.00. And, then we take 85% of that

1 and then that would be a \$170.00, 200 times 85%.

2 It's a \$170.00.

3 And, let's say he had six children, then
4 that would be the maximum order amount for that
5 situation. If that \$170.00, if it came out to be
6 like \$20.00, then it would be \$50.00.

7 I will say that that tax rate, that 15% of
8 that, it's a progressive tax rate, so at very, very
9 low income. It's closer to 8% and it gradually gets
10 higher.

11 It's at 15% right at about 2,100. So,
12 somebody that's making 2,100 is at about 15%
13 effective tax rate and then it keeps getting higher
14 and higher.

15 So, we try to take that tax rate right at
16 where that low income adjustment would apply. So,
17 some of the questions when I show you the data is
18 should that Self Support Reserve 981 be changed, or
19 should that 85% be changed?

20 So, should the \$50.00 be changed? And,
21 should this whole mechanism for the low income
22 adjustment be changed?

23 So, there's actually four questions. And,

1 when we move to the data, I actually think this, from
2 where I sit but if you move to the next slide, that,
3 it looks like it's working, the low income adjustment
4 from my ivory tower, but we're going to pause and
5 hear from the group in a minute.

6 So, the next slide is Slide 15, it shows,
7 let's see, I'll put that up in a minute. It shows
8 for those that have income below that Self Support
9 Reserve, 981, and actually how many times it was
10 applied. That was in the previous, so that was on
11 the slide and on Page -- sorry, I didn't put it two
12 places.

13 So, 14% of NCPs had incomes less than the
14 Self Support Reserve. And, among them 67% had orders
15 set at zero, probably, because they were -- met the
16 criteria for a zero order. So, that's working.

17 And, then, there were orders more than a
18 zero: 33%, 22% of those had a \$50.00 order.

19 And, then if you look at the payment data
20 for those that had a non-zero order and their income
21 was less than the Self Support Reserve, it's pretty
22 darn good. You don't know it because you haven't
23 seen other States, but when I look at that gap

1 between all examined orders and income below the Self
2 Support Reserve, the average pay, there's a gap of 3
3 percentage points. And, you look at the median,
4 there's a gap of about 9 percentage points.

5 Usually, I see something more, or like
6 Kayla and I see something more like half or two-
7 thirds that amount.

8 So, to me, what that says is a nuanced
9 approach that you're using when you're determining
10 whether that order should be zero, or \$50.00, or
11 whatever amount is really working.

12 And, so I'm going to stop there and see
13 what sort of comments you have on that. And, then
14 we're going to move on to a few more case file
15 findings and then talking about updating that Self
16 Support Reserve, whether it's appropriate.

17 So, chairwoman, I return the floor to hear
18 what people say about the low income adjustment.

19 PROFESSOR DAVIS: Okay. Let's open up the
20 floor.

21 MS. MILLS: Emily Mills. I see the impact
22 of the low income adjustment and the context of
23 minimum wage, or imputed income when you have

1 multiple children. Say you come into calculate for a
2 second child, then there's the \$50.00 order.

3 So, you end up with the first child, or a
4 child from a previous relationship ends up with a
5 much higher child support amount versus the second
6 child with a \$50.00 amount. So, or multiple
7 children.

8 So, you have somebody who has one child
9 that's getting the \$233.00 a month and somebody that
10 may have two children, or three children and they're
11 getting \$50.00 a month and you're having to explain
12 the disparity from a practical standpoint.

13 PROFESSOR DAVIS: And, the decision to
14 favor the first child over subsequent children was a
15 Committee decision that was made, actually, before I
16 was on the Committee and that's something that can be
17 revisited at anytime that the Committee wants to do
18 that.

19 But, it's my understanding that the
20 principle thought process at that time was that a
21 person of such, and I think everything in the terms
22 of that marriage, a subsequent marriage, they would
23 -- that person or child -- I really didn't think

1 about this, but the second mother would know that
2 there was already a preexisting order and that they
3 made the decision knowing that.

4 And, that at some point, in the grand
5 scheme of things, that first child would roll off and
6 then the second child would then be the favored
7 child, so to speak, and then the third child.

8 And, so, that was the decision that was
9 made and maybe somebody that knows more history than
10 I about why they made that decision because that was
11 kind of what was told to me down the road. So, just
12 -- do you know?

13 MS. BEACH: That's what I've always
14 understood.

15 PROFESSOR DAVIS: Okay.

16 MS. MILLS: Me too, but prior to the \$50.00
17 amount adjustment and the guidelines, that second
18 child got much more money, even under minimum wage.

19 PROFESSOR DAVIS: Right.

20 MS. MILLS: And, so, when you have the
21 \$50.00 limitation, there's a \$50.00 limitation. So,
22 they wouldn't get the -- under the prior guidelines,
23 it was like \$247.00 a month was, or \$257.00 --

1 \$257.00, I think it was down to \$233.00.

2 That second child would get maybe a
3 \$150.00. They wouldn't get the -- or a \$100.00, but
4 it was more than the \$50.00.

5 MS. BEACH: Is that assuming that the
6 mother has no income?

7 MS. MILLS: That's imputing minimum wage
8 to --

9 MS. BEACH: With no income from the mom.

10 MS. MILLS: And, I don't know.

11 MS. BEACH: Because moms will usually have
12 different incomes. Therefore, the --

13 MS. MILLS: Yes, that's a fair statement.
14 That's just under a situation with both parents are
15 making the minimum wage.

16 MS. BEACH: Got you.

17 MS. MILLS: So, that's just -- I appreciate
18 that. So, that would be the scenario if both parents
19 made minimum wage.

20 MS. BEACH: Yes, yes.

21 PROFESSOR DAVIS: That's true.

22 MS. MILLS: And, so now under that same
23 scenario, that second child gets \$50.00 under the

1 guidelines.

2 So, that's just an impact I've seen under
3 the change in the guidelines from the old change in
4 the Guidelines and practical.

5 PROFESSOR DAVIS: And, that would be also
6 because of the Self Support Reserve?

7 MS. MILLS: Yes, ma'am.

8 PROFESSOR DAVIS: Because if it goes up,
9 that would have that impact, too.

10 But, again, obviously, with regard to the
11 Self Support Reserve, we're mandating to have
12 something in there. And, I guess, we could look at
13 the import, or the impact that the Self Support
14 Reserves that Alabama has chosen, how that impacts on
15 children down the line, perhaps.

16 PROFESSOR DAVIS: Good comments. Yes,
17 ma'am.

18 MS. PEOPLES: Candy Peoples. I'm just
19 curious if anyone has any information on what other
20 States that have a similar computation that we do
21 with regards to this second child issue. I mean, has
22 anyone -- I mean, I don't know if anyone has looked
23 at the data.

1 I mean, are we unique in the way we treat
2 the first child versus subsequent children, or are we
3 in line with what other States with an income share
4 model are doing?

5 PROFESSOR DAVIS: Jane, can you hear the
6 question?

7 DR. VENOHR: Yes, I would say you're in
8 line. I'm just trying to think if there's any -- I
9 think you do a better job on your Self Support
10 Reserve. I think it's very transparent and some
11 States still use a version that was more similar to
12 your previous version.

13 So, you might be coming more aware of that
14 interaction between it and those multiple orders, but
15 I will go back and look at a few States. It's a
16 tough issue. I can't say that any States got it
17 down.

18 Pennsylvania and New Jersey, I think we
19 talked about it. They bring all the orders back in
20 and modify them. At the same time, which that's
21 burdensome on the court. It's hard to do, but I'll
22 go back and look if I have some better notes on that.

23 I appreciate the discussion. I think it's

1 a real issue and not just in Alabama.

2 PROFESSOR DAVIS: And, that is something
3 that we're -- I started to say famous for doing
4 Subcommittees but we do take advantage of the
5 opportunity in the Subcommittees because your time is
6 limited and when we meet in the entirety of the
7 Committee.

8 So, the people like you all now or others
9 that are interested in that, then I would encourage
10 you to think about and Jane's material could help
11 think about alternative ways to deal with the
12 multiple families and second and third family units
13 because we're not married to the prior decisions that
14 the Committee members had made before.

15 MS. PEOPLES: And, I also deal with large
16 income earners, also, in my private practice.

17 PROFESSOR DAVIS: Right.

18 MS. PEOPLES: And, it is really not an
19 issue with them.

20 PROFESSOR DAVIS: Right.

21 MS. PEOPLES: It becomes -- I see it more
22 in the very low income earners. So, I would like to
23 clarify that, too.

1 PROFESSOR DAVIS: Well, that makes sense if
2 you would --

3 DR. VENOHR: Sorry. Kayla is on the call,
4 too, and we do have some data on additional
5 dependents. So, we'll talk about whether we can
6 tease out some data on that. That can be informative
7 to the Subcommittee if you decided to go that way.

8 DR. DAVIS: Okay, other comments, or
9 questions for Jane?

10 (No audible response from Committee members.)

11 PROFESSOR DAVIS: Okay, the ball's back in
12 your court, Jane.

13 DR. VENOHR: Does anybody -- do you want to
14 take a break, or do you want to keep going because
15 we're going to --

16 (Ms. Veal exited room at approximately 11:40
17 a.m. CDT.)

18 PROFESSOR DAVIS: Okay, do y'all want to
19 take about a 5 minute break, or do you want to go on?

20 DR. VENOHR: And, you know what, Penny, I'm
21 so sorry, can I just finish the case file data real
22 quick? It will be two minutes.

23 PROFESSOR DAVIS: Sure. Yes, ma'am, go

1 ahead.

2 DR. VENOHR: Okay, so sorry. So, the next
3 slide is Slide 16 and some other findings are the
4 average order amount that's \$411.00 and I screwed up.
5 I didn't get the distribution.

6 So, when you're thinking about the impact,
7 the number of children is important. Again, this is
8 the IV-D World. We don't have data in the non-IV-D
9 World, but 71% of those orders are for one child, 21%
10 are for two children.

11 So, that means when you're thinking about
12 the consequences, don't obsess about the child
13 amount, even though, it's very important for those
14 who have six children, we know from other data that
15 for the non-IV-D World that they have slightly more
16 children.

17 As far as the person, the custodial person,
18 we use the word, "person," because it could be a
19 grandparent. So, mother is 81%, father is 5%. The
20 Noncustodial Parent, actually, that's 88% as the
21 father and there's a -- my 8 got chopped off there.

22 And, then the next slide is on Slide 17, is
23 -- this just shows you the distribution of income and

1 these are only the ones that we have the worksheets
2 for that have income information, so it's a limited
3 population. It's not going to be representative of
4 Alabama as a whole but it does provide some insights
5 and we see that the NCP's average income is \$2,488.00
6 and for 19% that it is at \$1,257.00 so that the
7 highest column is that \$1,257.00 and you can see with
8 the exception of that \$1,257.00, it's almost normally
9 distributed.

10 There's a cluster at 0, but it gives you an
11 idea of what income ranges we're dealing with. And,
12 then, of course, CPs have slightly less income.

13 So, thank you, I'm done for now.

14 PROFESSOR DAVIS: All right. Any questions
15 about this last slide?

16 (No audible response from Committee members.)

17 PROFESSOR DAVIS: Okay, if we want to take
18 a break, then, we will take a short break where
19 everyone can stretch. So, a five minute break for
20 everybody.

21 (Brief recess at approximately 11:45 a.m. CDT.)

22 PROFESSOR DAVIS: We are going to go back
23 to recording. We all enjoyed a little five minute

1 break. And, so Jane are you ready to start the next
2 presentation?

3 DR. VENOHR: Yes, thank you, Madam Chair.
4 So, we could jump to Slide 19. And, this shows the
5 schedule.

6 The schedule relates to the economic data
7 and the cost of raising children in Alabama in 2021.
8 Obviously, that first line doesn't. We did a little
9 bit of a phase in because we thought it was important
10 to start the schedule at zero just to avoid some
11 confusion, but nobody is using your -- those \$52.00,
12 \$80.00 is not being used that much, but by the time,
13 I think it's like \$350, or \$400 you get into the
14 economic data on how much it costs to raise children.

15 And, the reference to the underlying study
16 is on the right -- on my right. And, then we're
17 going to talk about that schedule. This is something
18 that, essentially, you're required to review every
19 four years.

20 We're going to look at the assumptions. I
21 think the previous Committee, including members that
22 are on it today did a pretty thorough job, as well as
23 vetting the underlying assumptions. And, I'm going

1 to talk about what economic data are available to
2 update that schedule.

3 So, if we go to the next slide. And, this
4 -- and, you've seen this before, this is probably the
5 third time you've seen it, actually.

6 This is from the February, 2024, and I'll
7 start with the guidelines model. The guidelines
8 review is an opportunity to review this. And, I'm
9 pretty sure you guys decided to stay with the income
10 shares. And, so now it's like if I think about it,
11 but there's no compelling reason to switch guidelines
12 models, at least, from what I've seen on the data.

13 Two is the underlying economic study. This
14 is the part that I'm not very happy with because we
15 don't have a viable new economic study. I was really
16 hoping for that for Alabama, for a lot of States for
17 this review.

18 And, this study that Alabama is based on is
19 the most current credible economic study on child
20 rearing cost. It was released in 2020. There are 18
21 States that are now based on it.

22 As far as options, there is no other study
23 that is more current, other than the one that I was

1 telling you about that we're still reviewing because
2 we have a couple of anomalies because of the changes
3 due to the changes and the questions. The Bureau of
4 Labor Statistics changed a lot of the questions
5 because they are trying to respond to lower response
6 rates.

7 They thought if they changed the questions,
8 it will make people respond more and it really
9 hasn't. And, then we have the issues in the Pandemic
10 that I'll explain in a minute.

11 The only other study is there's a Florida
12 study that considers the same underlying years to
13 2013 to 2019 but no State uses it. Florida doesn't
14 even use that study.

15 I'm hoping that Florida funds their
16 university to do this study. It's quite expensive to
17 do these studies.

18 I think, let's see, the last Betson study
19 was about 60,000. So, I'm hoping that Florida hired
20 -- hired their university, again, and maybe they will
21 get some more insights, but in short, we're going to
22 be looking at this, but I do not feel comfortable.

23 As an economist, I think that will be

1 irresponsible for me to do, even to develop the
2 schedule based on the preliminary stuff that we have
3 from Betson's latest study.

4 What we could do is Line 3. We can update
5 the Betson-Rothbarth 5. So, Rothbarth is the
6 methodology. I'll explain a little bit more on that
7 in a minute.

8 And, Betson is an economist. Five is
9 because it's his 5th study. Prior to going to BR5,
10 Alabama was, I think, on BR2, the second study.

11 So, we can update that to current price
12 levels. The most current price levels are from
13 September 2025. And, the existing schedule is based
14 on September 2021.

15 There's been 18.4% increase in prices, but
16 because incomes have also increased, it offsets part
17 of that.

18 The other thing that we can change is Line
19 4 is that, we take that economic data and realign it
20 for Alabama's lower income.

21 And, we used 2019. We looked at the income
22 of Alabama families compared to U. S. Families in
23 2019 from census data. We could go all the way up to

1 2023. That made some differences. We did do that.

2 We could revisit price parity. That's
3 something that's hashed by the last Committee. I
4 mean, it was pretty extensive and Professor Gray was
5 again very helpful in that.

6 So, that would be a rehash. Line 4 would
7 be a rehash, as far as some of the issues that the
8 schedule, it doesn't include childcare, rather that's
9 considered data one by one case basis because
10 childcare cost are highly variable from case to case.

11 The older children don't have childcare
12 expenses. Infants, it could be a thousand dollars.
13 We know it's capped in Alabama using the childcare
14 assistance study that's published on line. And, the
15 same thing with the healthcare.

16 One of the things we have to do is when we
17 get this economic data, it comes in as a percent of
18 the expenditures.

19 It's not -- doesn't consider savings or tax
20 rates. And, as I mentioned earlier, people spend
21 based on what's in their back pocket, but for child
22 support calculations, it's easier to start with gross
23 income.

1 We certainly don't want parents, I know
2 some States do it, presenting other tax filing status
3 and having to argue that. So, it is very simple to
4 do gross income. So, that's a decision that Alabama
5 already made.

6 The one thing that we can do, I mean, you
7 can always rehash any of this, but with the one thing
8 we could do is that current schedule is based on 2021
9 Federal tax rates and we can update that for 2025 and
10 we did do that.

11 The second thing we can do is when we do
12 all of this, when we update for inflation and taxes
13 and so forth, we can take that schedule from
14 \$30,000.00 combined income per month to \$40,000.00 is
15 the highest.

16 And, then the last item is -- has nothing
17 to do with the schedule. That's a separate one, that
18 set low income adjustment. That's in the worksheet.

19 And, the main question is whether -- since
20 the Federal Poverty Guidelines, which is the root of
21 that 981, was updated and increased by 21.5%, should
22 that 981 increase, or should there be any other
23 changes.

1 I mean, the purpose of the State's
2 guidelines review is everything is open to review.
3 It doesn't mean that you have to review every single
4 item each time.

5 You can rely on other Committees' decision,
6 or something in the Statute, but there is an
7 opportunity, if somebody has issues, to bring up
8 something that they believe isn't working and that
9 can better serve Alabama children and families and is
10 more appropriate.

11 So, I do want to just go through a couple
12 of slides before I pause. The next slide has just a
13 little bit more why we're having so many problems
14 with the new data, is it shows what we do with taxes
15 and savings, when we do that conversion is that when
16 Betson, or even Florida State professors look at
17 this. This is on Slide 21 and they start with the
18 things in blue on Slide 21.

19 They look at total expenditures in the
20 family. And, there's a little on 21 that they look
21 on a total expenditures of the family and their
22 objective is to analyze that share that is
23 expenditures on children, so that dark blue --

1 MS. PEEK: I'm sorry, I'm trying to go
2 back.

3 PROFESSOR DAVIS: Go back one slide.

4 MS. PEEK: I'm trying.

5 PROFESSOR DAVIS: Okay.

6 DR. VENOHR: Oh, it's slow, I know, it's
7 all slow.

8 MS. PEEK: I'm sorry about that.

9 DR. VENOHR: No worries, you're okay.

10 MS. PEEK: My keyboard was not responding.

11 DR. VENOHR: Yes, it's amazing what we can
12 do remotely these days, though. So, when the
13 economists that were analyzing this, like Betson and
14 the Florida State, they're assessing with the stuff
15 in blue. And, they're looking at total expenditures
16 of the household and separating out the child's
17 share. And, that's an incredible amount of work and
18 there's a bunch of different methodologies because a
19 lot of this stuff is co-mingled.

20 There's housing, what's the child's share?
21 Do you get a loaf of bread?

22 So, they don't enumerate it. They're not
23 doing an accounting system. I mean, there are some

1 estimates that do, like the USDA does that.

2 And, that was -- we talked about that last
3 review and they actually find -- those studies find
4 expenditures on children being higher.

5 So, that would mean that these amounts that
6 you have now would be higher if you were to change
7 that methodology, but they're also old data, so I'm
8 not very comfortable with that.

9 And, the way that Betson does it, is he
10 does two different methodologies, one is the
11 Rothbarth Methodology to separate those total
12 expenditures from what's expended on the adults and
13 from the children. And, he uses expenditures, he
14 takes two sets of populations, one with children, one
15 without children and then he looks at what they spend
16 on adult goods, which historically has been clothing,
17 adult clothing.

18 And, there are some prior Rothbarth studies
19 that use tobacco, alcohol and clothing. In foreign
20 countries, especially, in merging nations, they use
21 coffee, they use shaving supplies. I mean, the
22 Rothbarth Methodology is the methodology that is used
23 internationally.

1 And, what happens is they take that, those
2 households with children and those households without
3 children and they look at how much they spend on
4 adult goods and then they are equally well off and
5 then they look at their total expenditures, so
6 they're not counting how many loaves of bread and how
7 many bedrooms they have and all that.

8 And, they deem that just through a simple
9 math equation and that difference is how much is
10 devoted to child-rearing.

11 So, that's important and, again, this is
12 the methodology used by most States. It's the
13 methodology that Alabama uses. Alabama made a
14 conscious decision to change to this methodology. I
15 can't remember what exact year, but used a different
16 methodology and then in turn, my groups, Center for
17 Policy & Research takes that data and converts that
18 to a schedule.

19 So, our challenge at low income, is they're
20 spending more than they have in income. So, we just
21 chop it off. And, all States, including Alabama, it
22 explicitly implies that we shouldn't ask families to
23 spend more than their income to support their

1 children as public policy.

2 So, when you see that line there, that
3 orange line, if they're spending more than their
4 income, we're taking it off the child's share. And,
5 that's for incomes of about \$50,000.00 a year, now.
6 Fifty to \$60,000.00 a year, depending on tax
7 conversion. So, it's actually kind of sad, but right
8 now we have to just deal with the numbers.

9 Now, when we look at the upper middle and
10 the upper incomes, what we do is we take out their
11 taxes and their savings, so that they might not have
12 any savings. So, then we just take out the taxes and
13 that feeds into what I showed you earlier about how
14 we use 2021 payroll taxes. So, that's the State of
15 Alabama payroll taxes. The Federal payroll taxes and
16 then the FICA.

17 And, then we also get data from Betson on
18 how much savings. And, of course, in families, if
19 they have more income, they have more savings. So,
20 it's a bigger green that's being taken out.

21 Well, if you look at that other chart on
22 the side that I pulled from the Federal Reserve in
23 Kansas, there was a spike in savings right during the

1 Pandemic. It went to over 30% and now it's back to
2 normal with 4.6, but when I average that out, that
3 green area, that would be savings, using that new
4 data that I don't want to use because I -- because of
5 these anomalies would be bigger.

6 So, it would suggest decreasing the amounts
7 at higher incomes. But, when you look at the data,
8 you can really, when you look at the graph, you see
9 it's a blip, that it doesn't make sense to adjust for
10 savings when we know it was just something that
11 happened in the Pandemic.

12 So, in short, the slide is only just about
13 a justification of why I'm having troubles of using
14 that more current data that was just released.

15 Utah is considering it and Utah was one of
16 the States that funded it. I don't know if they're
17 going to actually use it.

18 They haven't updated their schedule for --
19 it's been almost 20 years. So, the consequences are
20 different than those States that have been keeping
21 more current.

22 So, I want to show you one more slide about
23 this and then I'll move on and the rest of the stuff

1 will go pretty quickly, except for the low income
2 adjustment.

3 So, if you want to know more about some of
4 the underlying stuff, like I say, that this comes
5 from the Consumer Expenditure Survey. This is the
6 website. If you want to know what's included and
7 what's not included on all those child rearing costs.

8 Somebody mentioned that extracurricular
9 activities is an important issue and the high income
10 and I hear that across the country. We've tried to
11 look at that in the Consumer Expenditure Survey.

12 One of our problems is that the way that
13 the Consumer Expenditure Survey is organized is not
14 the way that those extracurricular activities are
15 organized, like uniform ends up in the clothing
16 expense, the Consumer Expenditure Survey.

17 A baseball bat ends up in entertainment.
18 Those expenses to go take the kid to see all the
19 colleges when they're doing college entrance exams.
20 The transportation ends up in the transportation
21 expense. So, does like traveling teams.

22 So, it's not an easy pull, but I do have
23 some stuff on it that I can share, but most States,

1 when they see the memo that I wrote on it, they go,
2 "No, we can't do it."

3 But, again, so -- but, again, the Rothbarth
4 show that it was. So far, it shows a decrease. It's
5 18.3% compared to 22.2% with the alternative
6 definition.

7 If you look at that last bullet in the
8 center, the previous studies are showing the
9 Rothbarth is very consistent and stable.

10 It's usually 23 to 25 to 26%. We do
11 statistical techniques, so there's always a margin of
12 error. You're used to hearing it in the polls, like,
13 somebody is ahead by 2 percentage points, or plus or
14 minus 2 percentage points.

15 So, our margin of errors is usually about 3
16 percentage points. So, this new study is outside of
17 it, but we also know that there was some changes in
18 that clothing question and that some other issues
19 that are causing it.

20 Betson also estimated the Engel estimate.
21 And, that uses that same approach of looking at
22 families with and without children.

23 And, that came out more in alignment with

1 what we expect, 24% but there's been problems with
2 the Engel estimates over time. So, we're not crazy
3 about recommending them. It's not a stable
4 consistent estimate. It's ranged from 22 to 33%.

5 And, one of the things that has happened
6 with the Engel's estimate is over time, these food
7 shares to determine equally food shares on families.
8 This dates back to German and I think it was Swedish
9 Poverty Research in the 1800's where they had people
10 working in mines and they were concerned about the
11 pay of miners and the children they had, if they had
12 enough income to support. So, they used food shares
13 because they recognize that.

14 At that time, everybody kind of had more of
15 a stable diet, like meat and potatoes. So, it was
16 like, does the family have enough money to make their
17 food budget, based on the food budget, but what's
18 happened over to the food budget over time is we've
19 gotten more alternatives to our food and it's no
20 longer that we added a person and have to add the
21 same diet.

22 You can switch from, if you didn't have
23 tuna, sushi and salmon to hot dogs. So, there's more

1 substitutes.

2 So, that's the short explanation for why we
3 think the Rothbarth estimate is better than the
4 Engel. And, this might be something you hear down
5 the road as Florida, if they do fund their study, I
6 haven't talked to them and we recently just figured
7 out what's happening in the data. The USDA
8 methodology, they're now updating it.

9 The Federal Government isn't really
10 releasing any of their data lately and currently
11 because of the shutdown, but it's also data becomes
12 so politicized.

13 So, the short of it is we're struggling,
14 but so for now with going back to whether to
15 recommend is that the Alabama to update to use what
16 you currently have and update it for inflation and
17 changes in taxes, data on the income realignment.

18 So, how about and then the Self Support
19 Reserve, which is separate. So, how does that look?
20 That's the next slide on Slide 20 and 23, is it's a
21 small increase.

22 What you see is just kind of a shift. It's
23 not -- it's a shift because we're moving everything

1 over to accommodate that higher income and we see
2 that in both the tax rates and the inflation.

3 And, there's some anomalies just because of
4 that FICA, phase out, right at high income, but
5 that's why you don't see a consistent shift in the
6 line is because we don't have a consistent shift in
7 the tax rates.

8 We also had some changes in the income
9 alignment. On average, it's a 5% increase overall.
10 It's a 0 to 10% increase, depending on what income
11 you end up with. Is it worth it to make that change,
12 but then, again, then you end up waiting another four
13 years, will we have better economic data, then? I
14 don't know.

15 Will we have reconciled this whole issue
16 that we're having with the Consumer Expenditure
17 Survey? I don't know.

18 So, the next slide just shows that for two
19 and three children. So, it's the same sort of thing.
20 It's about a 5% increase.

21 And, I will finish up pretty quickly. And,
22 then the next slides go into the case comparisons.
23 And, this just shows you where Florida, Georgia, some

1 of your neighboring States are.

2 Louisiana is a neighboring, not a bordering
3 State, but it's close in the south, so I included
4 them. I didn't include Mississippi because they are
5 the lowest guidelines in the country and they are
6 trying to update it. And, they're a percent of
7 obligor income that, or maybe, well, at least you can
8 see where Mississippi is, but I didn't include them
9 in the comparisons or I did include them in the
10 comparisons. Sorry about that. I'm going back and
11 forth.

12 So, the next slide, hopefully, has the -- I
13 might have taken out the case examples. So, it looks
14 like I've taken out the case examples.

15 So, the case examples are in the February
16 presentation. So, this is an update to the February
17 presentation because now we updated the realignment.

18 So, this shows you, if -- case one is a
19 zero earner at a minimum wage. And, here, I updated
20 that Self Support Reserve using the same algorithm as
21 the previous schedule or the previous low income.

22 I now, I was bothered by it because it was
23 based on 2023 data. I have -- we have 2025 data that

1 I use. And, so, slightly different data source on
2 that income difference.

3 So, I do want to update that and send it to
4 you, but what it means is the red is the existing
5 amount for that scenario. The updated is the
6 straight, the red and the white.

7 It's the updated schedule and the updated
8 Self Support Reserve using that 2023 information.
9 If I use a different amount, it's going to up that
10 amount and it's going to be closer to \$200.00. And,
11 that's something that we should talk about today with
12 a lot of information, but we'll talk about that more,
13 just what you think, as far as updating that Self
14 Support Reserve, whether it's appropriate.

15 It would affect those first two cases where
16 the first case is we have a zero CP Custodial Parent.
17 And, the Obligor Parent or the Noncustodial Parent
18 has minimum wage income.

19 So, one, two, five, seven. Case two, they
20 both have minimum wage income. So, if we do a
21 different Self Support Reserve, it wouldn't be
22 \$50.00. It would be closer to \$200.00. And, there's
23 lots of options on that Self Support Reserve.

1 It's a policy decision. Definitely, you
2 want to ground it in the poverty level, or something
3 that makes sense.

4 But, States are all over the map, as far as
5 their Self Support Reserve. I think the highest
6 right now is 200% in the poverty.

7 And, the lowest is maybe close to -- it's
8 about 75% of the poverty level. So, that is truly a
9 policy decision.

10 Now, if you look at Case 3, we've got a
11 minimum wage and a \$10.00 per hour earner. And, that
12 might be -- that's probably the low income adjustment
13 that's kicking in there that we'd see a little bit of
14 a decrease.

15 When we get to Case 5, we start seeing that
16 increase from inflation and we'll go from 459 to 481.
17 And, for that case, I took the medium income of
18 parents that in Alabama that did not complete high
19 school. And, I used the medium income for females as
20 the custodial parent and the medium income for males
21 as the Noncustodial Parent.

22 And, I apologize that I do not have those
23 incomes in front of me. They're in that February

1 presentation.

2 But, the trends are that you can see that
3 the updated Self Support Reserve would have an
4 impact. I think that I put in the word, "generous
5 Self Support Reserve," It was the algorithm that we
6 used last time.

7 And, what I don't like about that Algorithm
8 is that the census data hasn't been updated. So, I'm
9 using what I was talking about now is I found some
10 labor market data that is updated to 2025 and it
11 suggests higher Self Support Reserve than what is
12 shown in here.

13 So, if we go to the next slide, we will see
14 the higher income cases. And, you can see that for
15 Case 6 where both parents are high school graduates,
16 their earnings and that order would go up from 530 to
17 about 589 per month, assuming a modification. So, it
18 would go up to about \$60.00 a month, which that's
19 important. I mean, families experience inflation.

20 Groceries have definitely increased. Case
21 7 or the parents with some college, that's increased
22 by about, from 578 to 620 per month. So, it's gone
23 up by about \$40.00.

1 And, then get to the very, very high income
2 case example that I considered it, it would go up to
3 by almost a \$100.00.

4 So, and then next two slides are for two
5 children and they're going to show a similar pattern,
6 as far as these, where if you update that low income
7 adjustment using that algorithm that I don't -- I
8 think I would highly recommend going with the
9 Department of Labor data. Then, I didn't shut off my
10 phone. I'm so sorry for that.

11 And, then but you see that when you get
12 into a higher income when they're not affected by the
13 low income adjustment, that updating for inflation
14 matters.

15 So, we can jump to the last slide because
16 this is just kind of the bottom line. And, it is,
17 the bottom line could be that you need more
18 information as to whether the schedule should be
19 updated, whether the Self Support Reserve should be
20 updated.

21 And, what additional information is needed
22 to make that decision. And, also, if there's
23 anything else that you want to change, that would

1 affect our work, where our work is mostly the
2 numbers.

3 Obviously, you'd probably want to talk a
4 bit about the deviation criteria. These aren't
5 things that necessarily affect us because we're not
6 putting together numbers that affect the deviation.

7 So, I am done and I return it,
8 respectfully, to the Chair.

9 PROFESSOR DAVIS: Thank you. If you'll
10 hang in with us for a few more minutes. Let me stop,
11 we're approaching the end of the appointed time. I
12 want to circle back to our public. I don't want to
13 cut off any public opportunity for discussion. Does
14 anybody here representing the public want to speak?

15 (Members from the public respond negatively.)

16 PROFESSOR DAVIS: Okay. So, the indication
17 is no public member wants to speak.

18 Okay, we are approaching the hour and that
19 we had said that we would end. There's a lot left to
20 do, I feel like. And, I felt like that prior to our
21 meeting that we might get to the point where we might
22 not have enough time to go into the depth of
23 conversation and things that we normally do on this

1 Committee.

2 So, I had proposed the option of, perhaps,
3 at this point, sending a report to the Committee or
4 some type of recommendation.

5 HONORABLE SHERMAN: Or to the Supreme
6 Court.

7 PROFESSOR DAVIS: To the Supreme Court, I'm
8 sorry. Thank you.

9 We, the problem that we are running into is
10 the, from my perspective, is that we because of the
11 federal mandate that we do it every four years, our
12 deadline is upon us.

13 Did you check to see the date?

14 MS. PEEK: I did verify the date. It's
15 November 17th is the end of the quadrennial review.

16 PROFESSOR DAVIS: Right. So, this is the
17 last meeting that we will have until then. I knew it
18 was a day in November. I wasn't sure.

19 HONORABLE SHERMAN: Can I -- I'm sorry.
20 Can I just clarify what you mean?

21 The deadline for us to have completed the
22 review and report to the Supreme Court, you're
23 saying, is November --

1 PROFESSOR DAVIS: The deadline for us to
2 complete the review. The Feds do not tell us how we
3 have to do it.

4 Different states do it to the Legislative
5 Review, different States do it through other ways of
6 doing it.

7 Jane could probably tell us all the
8 different ways that people meet the guidelines. What
9 Jane has confirmed and what I thought is that what we
10 have done today completes the Federal Requirements of
11 the review.

12 What my reasoning for thinking, maybe it
13 would be appropriate to send something to the Supreme
14 Court was for there to be documentation that DHR
15 could take, if necessary, to regional. Is that who
16 you all -- do you all -- and, Jennifer Bush had a
17 required meeting that she had to attend and that's
18 why she's not here.

19 So, I don't want for us to do anything that
20 doesn't fulfill our obligations as a Committee, or as
21 a State that jeopardizes the money in any way.

22 So, I'm going to, looking at Lathesia, do
23 y'all feel like that it would be helpful,

1 appropriate, if necessary, whatever, for us to, at
2 least, send a report to the Supreme Court Committee
3 relating to what we've done to indicate that we --
4 that the State of Alabama has met the requirements by
5 virtue of completing the study or is that overkill on
6 my part, to think we need to do that? That would be
7 helpful.

8 Do you have any input?

9 MS. McCLENNEY: Lathesia McClenney. That
10 would be helpful for us. We would enter, we would
11 update our State plan, that the quadrennial review
12 has been completed according to the Code of Federal
13 Regulations and we would update our regional person
14 in Atlanta. That has been done.

15 PROFESSOR DAVIS: Okay.

16 MS. McCLENNEY: -- to the extent of what's
17 required.

18 PROFESSOR DAVIS: Okay, thank you. Any
19 other comments about the Federal Requirements?

20 MS. PEOPLES: I guess, I'm just a little
21 confused. Candy Peoples. Are we just saying that we
22 would want to just say that we've done a review?
23 Because I don't know that we made any decisions about

1 whether we would want to make any changes to the
2 guidelines. I think that's just where I'm a little
3 bit confused.

4 PROFESSOR DAVIS: Right. And, Jane can
5 help us on this. We are required to review and for
6 many years after this process and I don't remember
7 how many, for ten, twelve, fourteen years or longer,
8 I said, one State, I think she says twenty years,
9 that the only recommendation was no change.

10 And, the last review that we had, we made
11 substantial changes. And, that was the first time
12 that Alabama had done that in a long time.

13 The problem that we ran into this, during
14 this review process was we kept thinking that the
15 economic data would be available, readily available
16 to the Committee to review in a timely manner as it
17 had been in the past.

18 And, as Jane identified in part because of
19 COVID and on top of that, you do have the government
20 shutdown so there's not additional, you can't just
21 run to somebody and say, "Hey, can we get more
22 information?"

23 I felt like this was a personal observation

1 of totally what we do that's up to the Committee that
2 I would not be comfortable recommending any changes
3 at this point because what we recommend historically
4 in Alabama has -- has not only lasted for four years
5 but for multiple years after that.

6 Coupled with the fact that when she -- when
7 Jane factored it and everything goes on at 5% change.
8 Now, she's broken down different aspects, like the
9 Self Support Reserve and the other things that we
10 could make changes to without -- and, we put in, for
11 example, the Self Support Reserve, so that would be a
12 fairly easy fix because it's not in the schedules.
13 So, there's some things that we could do.

14 So, if we didn't have that four year period
15 of time, then I personally would say, "Let's just go
16 on with the review." That's what I was thinking when
17 I drafted the potential e-mail to the Supreme Court.

18 But, I'm kind of backing away and let us
19 continue doing that. I'm almost backing away from
20 that because Jane's comment recently that she doesn't
21 know exactly because of what the shutdown and the
22 other economic data, when exactly we will have the
23 quality of the data that we are accustomed to when we

1 make those changes, whether we need to ask the court
2 or tell the court if we want to continue reviewing or
3 if we want to say, "What do you want us to do?"

4 So, that's kind of what my thought process
5 was. So ...

6 HONORABLE SHERMAN: So, Mike Sherman.
7 Maybe this is over-simplifying it but the quadrennial
8 review is required by the Federal Government.

9 We could say we have done that and there's
10 no reason why we couldn't adopt changes --

11 PROFESSOR DAVIS: Any other time.

12 HONORABLE SHERMAN: -- any other time,
13 right, including next month or three months from now
14 or a year from now, we could have -- we could report
15 to the Supreme Court we had completed the review.
16 And, at this time, we do not recommend any changes,
17 if you will.

18 If you want to say in there, "Our review
19 continues," because we do that all the time, anyway,
20 with the changes to the rules. And, we meet our
21 requirement but we also feel like we're rushed to
22 make any decisions about potential changes that might
23 be advisable in the relatively near future.

1 HONORABLE WILLIAMS: Judge Williams. I
2 would agree, Penny, I think the letter that you
3 drafted, I think it speaks to the requirement for the
4 quadrennial.

5 PROFESSOR DAVIS: There's a copy in this.

6 HONORABLE WILLIAMS: Yeah, and it does what
7 Judge Sherman says is that we don't recommend any
8 changes at this time, which doesn't foreclose us for
9 making recommended changes at a later time.

10 PROFESSOR DAVIS: Right, right. And, we
11 could ask, this is just a draft that I would welcome
12 anybody else who would like to draft something to
13 send to the court could do that.

14 HONORABLE SHERMAN: I think it's good you
15 also mentioned that Dr. Venohr is going to continue
16 to give us updated economic data, so if we did need
17 to go back to the Supreme Court with recommendations,
18 we've got some justification for why we -- some
19 indication that we thought that might be the case and
20 like it's not unexpected to the Committee.

21 PROFESSOR DAVIS: Right. So, Doctor, maybe
22 you can help us with the budgeting aspect of it. Her
23 contract ends but and we've talked about this, I

1 think we have to renew and the process would take a
2 few months, but I also don't anticipate that the
3 Committee -- it's November, now will meet before the
4 first of next year, anyway, unless the court gets
5 something from us and says, "No, you have to come
6 back and meet Christmas Eve," or whatever they say.
7 Whatever they say, we'll do.

8 Of course, Claire had to leave. She had a
9 different Committee and Justice Cook is not here to
10 give us any of his thoughts on the direction to go.

11 So, the good thing is we have a quorum.
12 So, we can vote on and I think we should,
13 appropriately, it would be appropriate to vote on
14 what we do want to do, whether it's -- and, I just,
15 in my mind, I'm sort of jotting down options, but one
16 would be what we've done in the past is just send a
17 report to the Committee that, excuse me, the report
18 from the Committee to the Supreme Court that at this
19 time, the Committee does not recommend the changes to
20 the schedule or if we want, as a Committee, somebody
21 wants to make a motion, a specific change, then we'll
22 vote on that, too. I'm not concluding that from
23 happening or we could send a report that we're not

1 recommending any changes at this time.

2 And, the reason that we'd like to continue
3 or plan on continuing to study, unless they tell us
4 otherwise, with the thoughts that we'd get better
5 economic data that we'd be more comfortable making
6 decisions or we could ask them for, we could send a
7 report that we made no changes or recommendations,
8 but we would await their direction as to whether they
9 would like for us to continue during this next four
10 year period to work on the data once it becomes
11 available because Jane is not sure exactly when more
12 would be available.

13 We could work off what we have but there's
14 some of this, she has identified as being flawed.
15 And, I have some discomfort, personally, going
16 forward with and making any recommendation to the
17 court that we know is based on flawed economic data.

18 That really gives me a great deal of
19 concern personally, but again, whatever the committee
20 votes, we do that is what we will follow and send
21 that recommendation to the court.

22 So, those are options that I see and we
23 welcome comments from you all as to other options

1 that you see at this time or you all may be very
2 comfortable with information. We've had -- Jane has
3 certainly done an excellent job as always providing
4 us with the information that she has available, but
5 does that answer your question?

6 MS. STEINWINDER: Yes, ma'am.

7 HONORABLE STEPHENS: This is Patricia
8 Stephens. I am of the opinion that we don't make any
9 changes at this time knowing that this is an on-going
10 process. We're going to get more information and we
11 can make any necessary changes, or anything that we
12 view is necessary in the future.

13 PROFESSOR DAVIS: I'm going to pause for
14 anybody else to comment. If not, can that be a
15 motion?

16 HONORABLE STEPHENS: Yes, that's a motion.

17 PROFESSOR DAVIS: Okay.

18 MS. STEINWINDER: I'll second.

19 PROFESSOR DAVIS: So, we have a second.

20 So, now we have discussion. So, the motion would be
21 that we send a report to the Supreme Court that we
22 make no recommendation for change at this time, but
23 do you want to add that we would continue the review

1 process?

2 HONORABLE STEPHENS: And, we will continue
3 the review process as we've been doing in the past as
4 we gather more information.

5 PROFESSOR DAVIS: Okay, something similar
6 to what we've drafted here.

7 HONORABLE STEPHENS: Yes.

8 PROFESSOR DAVIS: Again, I would welcome
9 someone to help with the drafting. Any comments from
10 the Committee before we vote?

11 (No audible response from Committee members.)

12 PROFESSOR DAVIS: Well, we will have a
13 motion and a second on the table, so all in favor say
14 Aye.

15 (Committee members responding affirmatively.)

16 PROFESSOR DAVIS: All opposed?

17 (No audible response from Committee members.)

18 PROFESSOR DAVIS: Well, thank you all,
19 again, for your very hard work -- there's a lot of
20 information and it's almost excruciating to have to
21 listen to Jane's explanation.

22 Well, any other questions or comments
23 before we adjourn?

1 (No audible response from Committee members.)

2 PROFESSOR DAVIS: We are adjourned.

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5 (Whereupon, the meeting of the Advisory
6 Committee on Child Support Guidelines and Enforcement
7 was concluded at approximately 12:40 p.m. CDT.)

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CERTIFICATE OF REPORTER

COUNTY OF MONTGOMERY)

STATE OF ALABAMA)

I, Beverly G. Slack, a fully trained and certified, licensed and bonded court reporter, do hereby certify that I transcribed the Statements in the foregoing cause, that I, by computer aided transcription, transcribed the Statements and that the foregoing contains a true and accurate transcription of all portions of said Statements on the dates herein indicated.

I certify that I am not related by either blood or marriage to any of the Committee members or other persons who were present in the meeting, that I have not acted as counsel to or for any of the Committee members or other persons who were present in the meeting, or am I otherwise interested in the outcome of the meeting.

I further certify that I have maintained the confidentiality of this process by not disclosing any information concerning this matter to any person under penalty of law; that I have prepared the transcript with the input and assistance from some of the Committee members and other persons who attended the meeting providing statements; and that I have permitted some of the Committee members and other persons who attended the meeting to review the transcript.

/s/ BEVERLY G. SLACK
 Beverly G. Slack
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