

STATE OF NEW MEXICO Human Services Department Governor Michelle Lujan

David R. Scrase, M.D., Cabinet Secretary Angela Medrano, Deputy Cabinet Secretary Kari Armijo, Deputy Cabinet Secretary Nicole Comeaux, J.D., M.P.H., Medicaid Director

NEWS RELEASE

Contact: Jodi McGinnis Porter <u>jodi.mcginnis-porter@state.nm.us</u>

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Bipartisan child support legislation passes both House and Senate

Brings New Mexico into federal compliance, provides more money for kids and ensures child healthcare needs

SANTA FE – Senate Bill 140 sailed unanimously without debate through the House this afternoon. Senator Gay Kernan and Representative Daymon Ely introduced joint legislation that modernizes New Mexico child support law and brings it in compliance with federal law that will collect more child support for New Mexico kids. Passage of the bill saves New Mexico from losing \$147.5 million in federal funding: \$122.6 million for the Temporary Assistance for Low-Income Families (TANF) program and \$24.9 million in child support administrative/program funding if it fails to comply with federal law.

Senate Bill <u>140</u> sponsored by Sen. Gay Kernan and the duplicate House Bill <u>190</u> sponsored by Rep. Daymon Ely comprehensively modernizes several child support provisions to align with federal regulations and national best practices.

"This is a great day for over 200,000 families in New Mexico with current child support obligations," said Human Services Sec. David Scrase, M.D. "By focusing more on employment for parents, we know from experience that we can substantially increase the flow of funds to New Mexico children, giving them even more of a chance to enjoy being kids. Dads and Moms who don't live with their kids will be able to spend more time with them and build stronger relationships. The Human Services Department is greatly indebted to Senator Gay Kernan and Representative Damon Ely for taking a strong stand for the children of our State, and to Honorable Jane Levy and Honorable Debra Ramirez, both Family Court Judges in the 2nd Judicial District, for their consultation on this legislation and answering questions from Senators and Representatives as the bill worked its way through committees."

The legislation revises several items which are required for federal compliance such as changing how child support is calculated. It updates the child support guideline table and the guideline statute to align with federal rules that are based on the combined parents' actual income and the non-custodial parents' ability to pay to calculate the monthly child support amount. It also allows the state to focus on providing employment opportunities and job security to help non-custodial parents meet their obligations.

The legislation adjusts the timeframe guidelines for assessing fees, costs, and expenses, along with assessing retro-active child support arrears, reducing it from 12-years to three-years. The court may assess for a longer period if there is a substantial showing that an action to establish paternity could not have been brought before the court any sooner.

National best practice for child support arrears is three-years. New Mexico statistical data on child support arrears shows the state collects more child support money for children when the debt arrearage time-period is shorter.

<u>Studies show</u> that when non-custodial parents owe less child support debt, they have significantly more contact with their children, are more likely to interact with them, and are more effective parents. Higher debt leads to decreased mental and physical health and worsens family relationships.

The legislation specifies that the healthcare needs of minor child is a basis for a modification of a child support order. It updates terminology, such as changing "health insurance" to "health care coverage" and "insurers" to "carriers"; and defines what a reasonable cost for medical care coverage is when determining if it should be ordered.

Additionally, the legislation clarifies the role and duties of the quadrennial Child Support Guidelines Review Commission to ensure that the application of the guidelines results in the determination of appropriate support amounts. It also defines their compensation, and term.

The table below reflects the collections data from child support cases in two of the largest child support offices in New Mexico, which shows higher child support collections are made when the retro-arrears is a shorter period of time.

