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NOEL K. DESSAINT
CLERK SUPREME COURT
BY

IN THE SUPREME COURT OF THE STATE OF ARIZONA

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In the Matter of:

ADMINISTRATIVE ORDER)

ADOPTION OF REVISIONS)
TO THE ARIZONA CHILD)
SUPPORT GUIDELINES)

Administrative Order
No. 2000 - 65

Pursuant to section 25-320(A), Arizona Revised Statutes, the Supreme Court shall establish guidelines for determining the amount of child support and review the guidelines at least once every four years to ensure that their application results in the determination of appropriate child support amounts. The last major review of the Arizona Child Support Guidelines resulted in revisions that became effective in actions filed after October 31, 1996.

Review of the existing guidelines, including a statewide analysis of data from court case files, was undertaken by the Administrative Office of the Courts in 1999. The Child Support Coordinating Council Subcommittee (Council) was requested to review the analysis and recommendations of the Administrative Office and to suggest further changes or studies to improve the guidelines. Between October 1999 and March 2000, the Council conducted public hearings throughout the state to develop final proposals. These proposals subsequently were recommended for approval by both the Committee on Superior Court and the Arizona Judicial Council. Final revisions were approved by the Supreme Court on September 28, 2000.

Now, therefore, pursuant to the administrative authority vested in the Supreme Court by Arizona Constitution, Article VI, Section 3, and consistent with state statute,

IT IS ORDERED that the attached statewide child support guidelines shall be effective for all child support orders, whether original orders or modifications of previous orders, made in actions filed after December 31, 2000.

DATED this 5th day of October, 2000.


THOMAS A. ZLAKET
Chief Justice

**ARIZONA CHILD SUPPORT GUIDELINES
ADOPTED BY
THE ARIZONA SUPREME COURT
FOR
ACTIONS FILED AFTER DECEMBER 31, 2000**

BACKGROUND: The Arizona Child Support Guidelines follow the Income Shares Model. The model was developed by the Child Support Guidelines Project of the National Center for State Courts. The total child support amount approximates the amount that would have been spent on the child(ren) if the parents and child(ren) were living together. Each parent contributes his/her proportionate share of the total child support amount.

Information regarding development of the guidelines, including economic data and assumptions upon which the Schedule of Basic Child Support Obligations is based, is contained in the JUNE 28, 1999, report of Policy Studies, Inc., titled *REVIEW OF THE ARIZONA CHILD SUPPORT SCHEDULE*.

1. Purposes

- a. To establish a standard of support for children consistent with the reasonable needs of children and the ability of parents to pay.
- b. To make child support orders consistent for persons in similar circumstances.
- c. To give parents and courts guidance in establishing child support orders and to promote settlements.
- d. To comply with state law (Arizona Revised Statutes Section 25-320) and federal law (42 United States Code Section 651 et seq., 45 Code of Federal Regulations Section 302.56) and any amendments thereto.

2. Premises

- a. These guidelines apply to all natural children, whether born in or out of wedlock, and to all adopted children.
- b. The child support obligation has priority over all other financial obligations; the existence of non-support-related financial obligations is generally not a reason for deviating from the guidelines.
- c. The fact that a custodial parent receives child support does not mean that he or she may not also be entitled to spousal maintenance.

If the court is establishing both child support and spousal maintenance, the court shall determine the appropriate amount of spousal maintenance first.

The receipt or payment of spousal maintenance shall be treated in accordance with sections 4.a and 5.a. The addition to or adjustment from gross income under these sections shall apply for the duration of the spousal maintenance award.

- d. A parent's legal duty is to support his or her natural or adopted child(ren). The "support" of other persons such as stepchildren or parents is deemed voluntary and is not a reason for an adjustment in the amount of support determined under the guidelines.
- e. Duration of support is governed by Arizona Revised Statutes Sections 25-501 and 25-320, except as provided in Arizona Revised Statutes Section 25-648.
- f. Monthly figures are used to calculate the support obligation. Any adjustments to the child support amount shall be annualized so that each month's support obligation is increased or decreased in an equal amount, instead of the obligation for particular months being abated, increased or decreased.

EXAMPLE: At a child support hearing in a paternity action a custodial parent requests an adjustment for child care costs (Section 8.b.1A.). The parent incurs child care costs of \$150 per month but only for nine months of the year. The adjustment for child care costs must be annualized as follows: Multiply the \$150 monthly cost times the nine months that the cost is actually paid each year, for an annual total of \$1,350. Divide this total by 12 months to arrive at an annualized monthly adjustment of \$112.50 that may be added to the Basic Child Support Obligation when determining the child support order.

- g. When determining the Basic Child Support Obligation under Section 7, the amount derived from the Schedule of Basic Child Support Obligations shall not be less than the amount indicated on the Schedule:
 - 1. For six children where there are more than six children.
 - 2. For the Combined Adjusted Gross Income of \$20,000 where the actual Combined Adjusted Gross Income of the parents is greater than \$20,000.

3. Presumption

In any action to establish or modify child custody, and in any action to establish child support or past support or to modify child support, whether temporary or permanent, local or interstate, the amount resulting from application of these guidelines shall be the amount of child support ordered. These include, without limitation, all actions or proceedings brought under title 25 of the Arizona Revised Statutes (including maternity and paternity) and juvenile court actions in which a child support order is established or modified. However, if application of the guidelines would be inappropriate or unjust in a particular case, the court shall deviate from the guidelines in accordance with Section 18.

4. Determination of the Gross Income of the Parents

NOTE: Terms such as "Gross Income" and "Adjusted Gross Income" as used in these guidelines do not have the same meaning as when they are used for tax purposes.

- a. Gross income includes income from any source, and may include, but is not limited to, income from salaries, wages, commissions, bonuses, dividends, severance pay, pensions, interest, trust income, annuities, capital gains, social security benefits (subject to Section 25), worker's compensation benefits, unemployment insurance benefits, disability insurance

benefits, recurring gifts, prizes, and spousal maintenance. Cash value shall be assigned to in-kind or other non-cash benefits. Seasonal or fluctuating income shall be annualized. Income from any source which is not continuing or recurring in nature need not necessarily be deemed gross income for child support purposes. It is generally not expected that a parent will earn income greater than what would be earned from full-time employment.

- b. Gross income does not include sums received as child support or benefits received from means-tested public assistance programs including, but not limited to Temporary Assistance to Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps and General Assistance.
- c. For income from self-employment, rent, royalties, proprietorship of a business, or joint ownership of a partnership or closely held corporation, gross income means gross receipts minus ordinary and necessary expenses required to produce income. Ordinary and necessary expenses do not include amounts determined by the court to be inappropriate for determining gross income for purposes of child support. Ordinary and necessary expenses include one-half of the self-employment tax actually paid.
- d. Expense reimbursements or benefits received by a parent in the course of employment or self-employment or operation of a business shall be counted as income if they are significant and reduce personal living expenses.
- e. If a parent is unemployed or working below full earning capacity, the court may consider the reasons. If earnings are reduced as a matter of choice and not for reasonable cause, the court may attribute income to a parent up to his or her earning capacity. If the reduction in income is voluntary but reasonable, the court shall balance that parent's decision and benefits therefrom against the impact the reduction in that parent's share of child support has on the child(ren)'s best interest. In accordance with Arizona Revised Statutes Section 25-320, income of at least minimum wage shall be attributed to a parent ordered to pay child support. If income is attributed to the parent receiving child support, appropriate child care expenses may also be attributed.

The court may decline to attribute income to either parent. Examples of cases in which it may be inappropriate to attribute income include, but are not limited to, the following circumstances:

- 1. A parent is physically or mentally disabled,
 - 2. A parent is engaged in reasonable career or occupational training to establish basic skills or reasonably calculated to enhance earning capacity,
 - 3. Unusual emotional or physical needs of a natural or adopted child require that parent's presence in the home, or
 - 4. The parent is a current recipient of Temporary Assistance to Needy Families.
- f. Only income of persons having a legal duty of support shall be treated as income under the guidelines. For example, income of a parent's new spouse is not treated as income of that parent.

- g. The court shall not take into account the impact of the disposition of marital property except as provided in Arizona Revised Statutes Section 25-320.A.6. ("...excessive or abnormal expenditures, destruction, concealment or fraudulent disposition of community, joint tenancy and other property held in common.") or to the extent that such property generates income to a parent.
- h. The Schedule of Basic Child Support Obligations is based on net income and converted to gross income for ease of application. The impact of income taxes has been considered in the Schedule (federal tax, Arizona state tax, FICA, and earned income tax credit).

5. Adjustments to Gross Income

- a. The amount of court-ordered spousal maintenance actually paid and the amount of court-ordered child support for children of other relationships actually paid by a parent shall be deducted from the gross income of the paying parent. Court-ordered arrearage payments on child support for children of other relationships or spousal maintenance shall not be included as an adjustment to gross income. "Children of other relationships" means natural or adopted children who are not the subject of this particular child support determination.
- b. A parent shall receive a credit for support of children of other relationships covered by a court order for whom they are the custodial parent. The adjustment will be made to gross income and the amount of any adjustment will be determined by a simplified application of the guidelines to determine the basic amount of support that would be ordered for the children in question.
- c. Support of natural or adopted children not covered by a court order may be considered as an adjustment factor. Any adjustment will be made to gross income and the amount of any adjustment will be determined by a simplified application of the guidelines to determine the basic amount of support that would be ordered for the other children in question.

EXAMPLE: A parent having gross monthly income of \$2,000 supports an adopted minor child not subject of the support case before the court and for whom no support order exists. Locate \$2,000 in the Combined Adjusted Gross Income column of the Schedule. Select the support figure in the column for one child, \$383. The parent's income may be reduced by \$383, resulting in an Adjusted Gross Income of \$1,617.

6. Determining the Adjusted Gross Income of the Parents

Adjusted Gross Income is gross income minus the adjustments provided in Section 5 of these guidelines. The Adjusted Gross Income for each parent shall be established. These amounts shall be added together. The sum is the Combined Adjusted Gross Income.

7. Determining the Basic Child Support Obligation

Locate the income closest to the parents' Combined Adjusted Income figure on the Schedule of Basic Child Support Obligations and select the column for the number of children involved. This number is the Basic Child Support Obligation.

If there are more than six children, the amount derived from the Schedule of Basic Support Obligations for six children shall be the presumptive amount. The party seeking a greater sum shall

bear the burden of proof that the needs of the children require a greater sum.

If the combined adjusted gross income of the parties is greater than \$20,000 per month, the amount set forth for combined adjusted gross income of \$20,000 shall be the presumptive Basic Child Support Obligation. The party seeking a sum greater than this presumptive amount shall bear the burden of proof to establish that a higher amount is in the best interests of the child(ren), taking into account such factors as the standard of living the child(ren) would have enjoyed if the parents and child(ren) were living together, the needs of the child(ren) in excess of the presumptive amount, consideration of any significant disparity in the respective percentages of gross income for each party and any other factors which, on a case by case basis, demonstrate that the increased amount is appropriate.

8. Determining the Total Child Support Obligation

To determine the Total Child Support Obligation, the court:

- a. Shall add to the Basic Child Support Obligation the cost of the children's medical and/or dental insurance coverage. In determining the amount to be added, only the amount of the insurance cost attributable to the children subject of the support order shall be included. If coverage is applicable to other persons, the total cost shall be prorated by the number of persons covered. The court may decline to credit a parent for medical and/or dental insurance coverage obtained for a child if the coverage is not valid in the geographic region where the child resides.

EXAMPLE: Through an employment-related insurance plan, a parent provides medical insurance that covers the parent, one child subject of the support case and two other children. Under the plan, the cost of an employee's individual insurance coverage would be \$50. This parent instead pays a total of \$170 for the "family option" that provides coverage for the employee and any number of dependents. Calculate the adjustment for medical insurance as follows: Subtract the \$50 cost of individual coverage from the \$170 paid for the "family option" to find the cost of dependent coverage. The \$120 remainder then is divided by three--the number of covered dependents. The resulting \$40 is added to the Basic Child Support Obligation as the cost of medical insurance coverage for the one child.

An order for child support shall assign responsibility for providing medical insurance for the children who are the subject of the child support order. If medical insurance of comparable benefits and cost is available to both parents, the court should assign the responsibility to the parent having primary physical custody.

The court shall also specify the percentage that each parent shall pay for any medical costs of the children which are not covered by insurance. For purposes of this paragraph, non-covered "medical" means medically necessary medical and/or dental care as defined by Internal Revenue Service Publication 502. The Schedule of Basic Child Support Obligations includes up to \$250 of annual non-covered medical costs per child per year. Each parent's share of these non-covered medical costs is computed by multiplying each parent's percentage of the combined adjusted gross income (as determined by Section 9 below) by \$250. The resulting amount shall be deemed that parent's contribution to non-covered medical costs and only those sums in excess of the resulting amount per year per child shall be subject to reimbursement.

Example: father's share of the combined adjusted gross income is 60% and mother's share is 40% as determined under section 9. Father's apportioned share of the non-covered medical costs per year per child included in the basic child support obligation is \$150 ($\$250 \times 60\%$) and mother's apportioned share per year per child is \$100 ($\$250 \times 40\%$). Accordingly, no claim for medical reimbursement may be made against father's share of the non-covered medical costs unless they exceed \$150 per year per child and no claim for medical reimbursement may be made against mother's share of the non-covered medical costs unless they exceed \$100 per year per child.

Both parents should use their best efforts to obtain services that are covered by the insurance. A parent who is entitled to receive reimbursement from the other parent for medical costs not covered by insurance shall, upon request of the other parent, provide receipts or other evidence of payments actually made.

b. May add to the Basic Child Support Obligation amounts for any of the following:

1A. Child Care Costs:

Child care expenses that would be appropriate to the parents' financial abilities and to the lifestyle of the child(ren) if the parents and child(ren) were living together.

Expenses for child care shall be annualized in accordance with Section 2.f.

A custodial parent paying for child care may be eligible for a credit from federal tax liability for dependent children. The custodial parent is the parent who has custody of the child(ren) for the greater part of the year. Before adding child care costs to the Basic Child Support Obligation, the court may adjust this cost in order to apportion the benefit that the dependent tax credit will have to the parent incurring the child care costs. An adjustment of twenty-five percent may be deducted from total annual child care costs, up to maximum annual costs of \$2,400 for one child or \$4,800 for two or more children. If the annual costs for child care exceed the maximum limits, \$50 or \$100 per month, respectively, may be subtracted from the annualized monthly child care cost. Otherwise, annual costs are multiplied by .0625 to arrive at the adjusted monthly child care costs.

EXAMPLE ONE: For two children a parent pays monthly child care costs of \$550 for nine months of the year. To adjust for the expected tax credit benefit first determine whether the annual costs of child care exceed the maximum allowed annual costs. In this example, because the annual cost of \$4,950 ($\550 multiplied by 9 months) exceeds the \$4,800 maximum for two or more children, \$100 per month may be subtracted from the annualized monthly cost. To calculate the annualized cost, divide the annual cost by 12 months ($\$412.50$) and subtract \$100 ($\$312.50$). \$312.50 may be added to the Basic Child Support Obligation for adjusted child care costs.

EXAMPLE TWO: A parent pays monthly child care costs of \$175 for one child. Multiply by 12 months to obtain the annual costs ($\$2,100$). Because this amount is less than the \$2,400 maximum for one child, multiply \$2,100 by .0625 to obtain the amount ($\$131.25$) that may be added to the Basic Child Support Obligation.

Any adjustment for the payment of child care costs with pre-tax dollars shall be calculated in a similar manner. A percentage adjustment other than twenty-five percent may be utilized if proven by the parent paying the child care costs.

At lower income levels the head of household does not incur sufficient tax liability to benefit from the federal tax credit. No adjustment should be made where the income of the custodial parent is less than indicated on the following chart:

MONTHLY GROSS INCOME OF THE CUSTODIAL PARENT					
ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
\$1,350	\$1,900	\$2,450	\$3,000	\$3,550	\$4,100

1B. Education Expenses:

Any reasonable and necessary expenses for attending private or special schools or necessary expenses to meet particular educational needs of a child, when such expenses are incurred by agreement of both parents or ordered by the court.

1C. Extraordinary Child:

These guidelines are designed to fit the needs of most children. The court may increase the Basic Child Support Obligation to provide for the special needs of gifted or handicapped children.

1D. Costs Associated With Court-Ordered Supervision

Costs associated with court-ordered supervised visitation or supervised exchanges, if not otherwise assigned by court order to one or both parties.

2. Older Child Adjustment

The average expenditures for child(ren) age twelve or older exceed the average expenditures for all children by approximately ten percent. Therefore, the court may increase child support for a child(ren) who has reached the age of twelve years by an amount up to ten percent of the support shown on the Schedule. If the court chooses to make an adjustment, the following method of calculation shall be used.

EXAMPLE: The Basic Child Support Obligation for one child, age 12, is \$300. As much as \$30 may be added by the court, for a total of \$330. If not all children subject to the order are age 12 or over, the increase will be prorated as follows: Assume the Basic Child Support Obligation for three children is \$300. If one of the three children is age 12 or over, assign 1/3 of the Basic Child Support Obligation to the older child (\$100). Up to 10% (\$10) of that portion of the Basic Child Support Obligation may be added as an older child adjustment, increasing the obligation to

\$310. NOTE: This proration method is limited to this section and should not be followed in Section 23.

9. Determining Each Parent's Proportionate Share of the Total Child Support Obligation

The Total Child Support Obligation shall be divided between the parents in proportion to their Adjusted Gross Incomes. The obligation of each parent is computed by multiplying each parent's share of the Combined Adjusted Gross Income by the Total Child Support Obligation.

EXAMPLE: Combined Adjusted Gross Income is \$1,000. The father's Adjusted Gross Income is \$600. Divide the father's Adjusted Gross Income by the Combined Adjusted Income. The result is the father's share of the Combined Adjusted Gross Income. (\$600 divided by \$1,000 = 60%) So, the father's share is 60%; the mother's share is 40%.

10. Adjustment for Costs Associated with Visitation

Because the Schedule of Basic Child Support Obligations is based on expenditures for children in intact households, there is no consideration for costs associated with visitation. When visitation is exercised by the noncustodial parent, a portion of the costs for children normally expended by the custodial parent shifts to the noncustodial parent. Accordingly, when proof establishes that visitation is or is expected to be exercised by the parent paying child support, an adjustment shall be made to that parent's proportionate share of the Total Child Support Obligation.

To adjust for the costs of visitation, first determine the total amount of visitation indicated in a court order or parenting plan or by the expectation or historical practice of the parents. Using the following definitions, add together each period of visitation within twenty-four hours to arrive at the total number of visitation days per year.

- a. "One day" means more than 12 continuous and consecutive hours or an overnight.
- b. "One-half day" means greater than 4 and up to and including 12 continuous and consecutive hours.
- c. "One-quarter day" means up to and including 4 continuous and consecutive hours.

For purposes of calculating visitation days, only the time spent by a child with the noncustodial parent is considered. Time that the child is in school or child care is not considered.

After determining the total number of visitation days, refer to "Visitation Table A". The left two columns of the table set forth numbers of visitation days in increasingly higher ranges. Adjacent to each range is an adjustment percentage. The visitation adjustment is calculated as follows: Locate the total number of visitation days per year in the left columns of "Visitation Table A" and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 7 by the appropriate adjustment percentage. The number resulting from this multiplication then is subtracted from the proportionate share of the Total Child Support Obligation of the parent who exercises visitation.

VISITATION TABLE A		
Number of Visitation Days		Adjustment Percentage
0	3	0
4	20	.012
21	38	.031
39	57	.050
58	72	.085
73	87	.105
88	115	.161
116	129	.195
130	142	.253
143	152	.307
153	162	.362
163	172	.422
173	182	.486

EXAMPLE: The Basic Child Support Obligation from the Schedule is \$425 for two children. After making all applicable adjustments under Section 8, the Total Child Support Obligation is \$500 and the noncustodial parent's proportionate share is 60%, or \$300. The noncustodial parent has visitation with the children a total of 100 days. On the Visitation Table, the range of days for this amount of visitation is from 88 TO 115 days. The corresponding adjustment percentage is .161. Multiply the \$425 Basic Child Support Obligation by .161. The resulting \$68.43 is subtracted from \$300 (the noncustodial parent's proportionate share of the Total Child Support Obligation), adjusting the support obligation to \$231.57.

As the number of visitation days approaches equal time sharing (143 days and above), certain costs usually incurred only in the custodial household are assumed to be substantially or equally shared by both parents. These costs are for items such as the child's clothing and personal care items, entertainment and reading materials. If this assumption is rebutted by proof, for example, that such costs are not substantially or equally shared in each household, only "Visitation Table B" must be used to calculate the visitation adjustment for this range of days. Locate the total number of visitation days per year in the left columns of the "Visitation Table B" and select the adjustment percentage from the adjacent column. Multiply the basic child support obligation determined under Section 7 by the appropriate adjustment percentage. The number resulting from this multiplication then is subtracted from the proportionate share of the total child support obligation of the parent who exercises visitation.

VISITATION TABLE B		
Number of Visitation Days		Adjustment Percentage
143	152	.275
153	162	.293
163	172	.312
173	182	.331

If the time spent with each parent is essentially equal, the expenses for the children are equally shared and gross adjusted incomes of the parents also are essentially equal, no support shall be paid. If the parents' incomes are not equal, the total child support amount shall be divided equally between the two households and the parent owing the greater amount shall be ordered to pay what is necessary to achieve that equal share in the other parent's household.

EXAMPLE: After making all applicable adjustments under Sections 8 and 11, the remaining child support obligation is \$1500. The parents' proportionate shares of the obligation are \$1000 and \$500. To equalize the support available in both households, deduct the lower amount from the higher amount ($\$1000 - \$500 = \$500$) then divide the balance in half ($\$500 \div 2 = \250). The resulting amount (\$250) is paid to the parent with the lower obligation.

11. Adjustments For Other Costs

If a parent pays a cost under section 8.a. through b.1.D., deduct the cost from that parent's proportionate share to arrive at the preliminary child support amount.

12. Determining the Child Support Order

The court shall order the noncustodial parent to pay child support in an amount equal to his or her proportionate share of the Total Child Support Obligation. The custodial parent shall be presumed to spend his or her share on the children.

EXAMPLE: On the Schedule, the Basic Child Support Obligation for a Combined Adjusted Gross Income of \$1,500 for one child is \$291. To this the court adds \$20 because the child is over 12 years of age (approximately 7% in this example). The Total Child Support Obligation is \$311.

The father's share is 60% of \$311, or \$187. The mother's share is 40% of \$311, or \$124. Custody is granted to the mother and under the court-approved parenting plan visitation will be exercised by the father a total of 100 days per year. After adjusting for visitation, the father's share is \$139.75. The father shall pay the child support amount of \$139.75 per month. The value of the mother's contribution is \$124, and she spends it directly on the child.

13. Self Support Reserve Test

In each case, after determining the child support order, the court shall perform a self support reserve test to verify that the noncustodial parent is financially able both to pay the child support order and to maintain at least a minimum standard of living, as follows:

Deduct \$710 (the self support reserve) from the noncustodial parent's Adjusted Gross Income, except that the court may deduct from such parent's adjusted gross income for purposes of the self support reserve test only, court-ordered arrears on child support for children of other relationships or spousal maintenance if actually paid. If the resulting amount is less than the child support order, the court may reduce the current child support order to the resulting amount after first considering the financial impact the reduction would have on the custodial household. The test applies only to the current support obligation, but does not prohibit an additional amount to be ordered to reduce an obligor's arrears.

EXAMPLE: Before applying the self support reserve test, the child support order is calculated under the guidelines to be \$175. The adjusted gross income of the noncustodial parent is \$850. Subtracting the self-support reserve of \$710 leaves \$140. Because this resulting amount is less than the \$175 child support order, the court may reduce the child support order to the resulting amount. However, before making any reduction, the court shall examine the self-support capability of the non-paying parent, using the same self-support reserve test applied to the noncustodial parent.

In this example, non-paying parent's proportionate share of the total child support obligation calculated under the guidelines to be \$200. This parent earns minimum wage of \$892 per month. Subtracting the self support reserve of \$710 leaves \$182. Because this resulting amount is less than the parent's proportionate share of the total child support obligation, it is evident that both parents have insufficient income to be self supporting. In this situation, the court has discretion to determine whether and in what amount the child support order (the amount the noncustodial parent is ordered to pay) may be reduced.

14. Multiple Children, Divided Custody

When each parent is granted physical custody of at least one of the parties' children, each parent is obligated to contribute to the support of all the children. However, the amount of current support to be paid by the parent having the greater support obligation shall be reduced by the amount of support owed to that parent by the other parent.

EXAMPLE: (For simplicity, this example does not consider visitation.) Combined Adjusted Gross Income is \$3,000 per month. Father's gross income is \$1,000 per month (33.3%) and he has custody of one child. Mother's gross income is \$2,000 per month (66.6%) and she has custody of two children.

Prepare a Parent's Worksheet to determine support for children in the mother's household. Locate the Combined Adjusted Gross Income figure of \$3,000 on the Schedule. Select the support figure in the column for the two children in this household, \$787. The father's share is 33.3% of \$787 or \$262.07.

Prepare a Parent's Worksheet to determine support for the child in the father's household. Locate the Combined Adjusted Gross Income figure of \$3,000. Select the support figure in the column for the one child in this household, \$543. The mother's share is 66.6% of \$543, or \$361.64.

The mother is obligated to pay the father \$361.64 for child support. This amount is reduced by the \$262.07 obligation owed by the father to the mother. Thus, the mother shall pay \$99.57 per month.

15. Support Assigned to the State

If support has been assigned to the state under Arizona Revised Statutes Section 46-407, the obligation of a parent to pay support shall not be offset by child support arrearages that may be owed to that parent.

16. Travel Expenses Associated with Visitation

The court may allocate travel expenses of the child associated with visitation. In doing so, the court shall consider the means of the parents and may consider how their conduct (such as a change of residence) has affected the costs of visitation. To the extent possible, any allocation shall ensure that the child has continued contact with each parent. A parent who is entitled to receive reimbursement from the other parent for allocated visitation expenses shall, upon request of the other parent, provide receipts or other evidence of payments actually made. The allocation of expenses does not change the amount of the support ordered.

17. Gifts in Lieu of Money

Once child support has been ordered by the court, the child support is to be paid in money. Gifts of clothing, etc. in lieu of money are not to be offset against the support order except by court order.

18. Deviations

- a. The court shall deviate from the guidelines, i.e., order support in an amount different from that which is provided pursuant to these guidelines, after considering all relevant factors, including those set forth in Arizona Revised Statutes Section 25-320, and applicable case law, only if all of the following criteria are met:
 1. Application of the guidelines is inappropriate or unjust in the particular case,
 2. The court has considered the best interests of the child in determining the amount of a deviation. A deviation that reduces the amount of support paid is not, by itself, contrary to the best interests of the child,
 3. The court makes written findings regarding 1 and 2 above,
 4. The court shows what the order would have been without the deviation, and
 5. The court shows what the order is after deviating.
- b. The court may deviate from the guidelines based upon an agreement of the parties only if all of the following criteria are met:
 1. The agreement is in writing,

2. All parties have signed the agreement with knowledge of the amount of support that would have been ordered by the guidelines but for the agreement,
3. All parties have signed the agreement free of duress and coercion, and
4. The court complies with the requirements of Section 18.a.

19. Third-Party Care Givers

When a child lives with a third-party care giver by virtue of a court order, administrative placement by a state agency or under color of authority, the third-party care giver is entitled to receive support payments from each parent on behalf of the child.

20. Court's Findings

The court shall make findings in the record as to: Gross Income, Adjusted Gross Income, Basic Child Support Obligation, Total Child Support Obligation, each parent's proportionate share of the child support obligation, and the child support order.

The findings may be made by incorporating a worksheet containing this information into the file.

If the court attributes income above minimum wage income, the court shall explain the reason for its decision.

The child support order shall be set forth in a sum certain and start on a date certain. A new child support order shall be filed upon any change in the amount or due date of the child support obligation.

21. Exchange of Information

The court shall order that every twenty-four months financial information such as tax returns, financial affidavits, and earning statements be exchanged between the parties.

Unless the court has ordered otherwise, at the time the parties exchange financial information, they shall also exchange residential addresses and the names and addresses of their employers.

22. Modification

a. Standard Procedure

Pursuant to Arizona Revised Statutes Sections 25-503 and 25-327, either parent or the state title IV-D agency may ask the court to modify a child support order upon a showing of a substantial and continuing change of circumstances.

b. Simplified Procedure

Either parent or the state title IV-D agency may request the court to modify a child support order if application of the guidelines results in an order that varies fifteen percent or more from the existing amount. A fifteen percent variation in the amount of the order will be

considered prima facie evidence of substantial and continuing change of circumstances. A request for modification of the child support amount must be accompanied by a completed and sworn "Parent's Worksheet for Child Support Amount," and documentation supporting the incomes if different from the court's most recent findings regarding income of the parents. If the party requesting the modification is unable to provide documentation supporting the other party's income, the requesting party shall indicate that the income amount is attributed/estimated and state the basis for the amount listed. The state title IV-D agency may submit a parent's worksheet.

The simplified procedure also may be used by either parent or the state Title IV-D agency to modify a child support order to assign or alter the responsibility to provide medical insurance for a child who is subject of a support order. A modification of the medical assignment or responsibility does not need to vary by fifteen percent or more from the existing amount to use the simplified procedure.

A copy of the request for modification of child support and the "Parent's Worksheet for Child Support Amount," including supporting documentation, showing that the proposed child support amount would vary fifteen percent or more from the existing child support order shall be served on the other parent, or on both parents if filed by the state title IV-D agency, pursuant to Rules 4.1 and 4.2, Rules of Civil Procedure.

If the requested modification is disputed, the parent receiving service must request a hearing within 20 days of service. If service is made outside the state, as provided in Rule 4.2, Rules of Civil Procedure, the parent receiving service must request a hearing within 30 days of service.

A party requesting a hearing shall file a written request for hearing accompanied by a completed and sworn "Parent's Worksheet for Child Support Amount." Copies of the documents filed, together with the notice of hearing, shall be served on the other party and, if appropriate, the state Title IV-D agency by first class mail not less than ten judicial days prior to the hearing.

Upon proof of service and if no hearing is requested within the time allowed, the court will review the request and enter an appropriate order or set the matter for hearing.

If any party requests a hearing within the time allowed, the court shall conduct such hearing. No order shall be modified without a hearing if one is requested.

The notice provision of Rule 55, Rules of Civil Procedure, does not apply to this simplified modification procedure.

A request to modify child support, request for a hearing and notice of hearing, "Parent's Worksheet for Child Support Amount" and child support order filed or served pursuant to this subsection must be made using forms approved by the Arizona Supreme Court or substantially similar forms.

Approved forms are available from the Clerk of the Superior Court.

23. Effect of Cessation of Support for One Child

If support for more than one child was ordered under these guidelines and thereafter the duty to support one of the children stops, the order is not automatically reduced by that child's share. To obtain a modification to the support order, a request must be made in writing to the court to recalculate the support obligation pursuant to these guidelines. The procedure specified in Section 22 may be used for this purpose.

EXAMPLE: The child support order for an income of \$1,500, with four children is \$562. One child graduates from high school and turns 18. In determining the new child support amount, do not deduct one-fourth of the order for a new order of \$421.50. Instead, determine a new child support order by applying the guidelines. (NOTE: This method varies from the one used in section 8.b.2).

24. Income of a Child

Income earned or money received by a child from sources other than child support shall not relieve a parent of the support obligation established by these guidelines. However, income earned or money received by or on behalf of a person for whom support is ordered to be continued past the age of majority pursuant to Arizona Revised Statute 25-320.B and 25-809.F may be credited against any child support obligation.

25. Credit for Benefits

Benefits, such as Social Security Disability or Insurance, received by a child as a result of contributions made by the parent paying support shall be credited as follows:

- a. Only the benefits received by the parent are included as part of that parent's gross income.
- b. If the amount of the child's benefit for a given month is equal to or greater than the parent's child support obligation, then the parent's obligation is satisfied. Any benefit received by the child for a given month in excess of the child support obligation is not treated as an arrearage payment nor as a future payment.
- c. If the amount of the child's benefit for a given month is less than the parent's child support obligation, the parent must pay the difference.

26. Federal Tax Exemption for Dependent Children

In any case in which the current child support obligation is at least \$1,200 per year, there should be an allocation of the federal tax exemptions applicable to the minor children which as closely as possible approximates the percentages of support being provided by each of the parents. If it is determined that a party who is otherwise entitled to the dependency exemption based upon the above percentages will not derive a tax benefit from claiming the dependency exemption, the exemption should be allocated to the other party. The allocation of the exemptions shall be conditioned upon payment by December 31 of the total court-ordered child support obligation for the current calendar year and any court-ordered arrearage payments due during that calendar year for which the exemption is to be claimed. If these conditions have been met, the custodial parent shall execute the necessary Internal Revenue Service forms to transfer the exemptions. If the

noncustodial parent has paid the current support, but has not paid the court-ordered arrearage payments, the noncustodial parent shall not be entitled to claim the exemption.

EXAMPLE: Noncustodial parent's percentage of gross income is approximately 67% and custodial parent's percentage is approximately 33%. All payments are current.

- If there are three children, the noncustodial parent would be entitled to claim two and the custodial parent would claim one.
- If there is only one child, the noncustodial parent would be entitled to claim the child two out of every three years, and the custodial parent would claim the child one out of every three years.

For purposes of this section only, a noncustodial parent shall be credited as having paid child support that has been deducted on or before December 31 pursuant to an order of assignment if the amount has been received by the court or clearinghouse by January 15 of the following year.

27. Effective Date

All child support orders in actions filed after December 31, 2000, shall be made pursuant to these guidelines, whether they be original orders or modifications of pre-existing orders.

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

This Schedule is only part of the overall guidelines and must be used together with the accompanying information

COMBINED ADJ. GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
650	147	218	259	286	310	332
700	156	232	274	303	329	352
750	164	243	288	319	346	370
800	171	255	303	334	362	388
850	179	267	317	350	380	406
900	188	281	333	367	398	426
950	196	294	348	385	417	446
1000	205	307	364	402	436	466
1050	213	320	379	419	454	486
1100	222	333	395	436	473	506
1150	230	346	410	453	492	526
1200	239	360	426	471	510	546
1250	247	373	442	488	529	566
1300	256	386	457	505	548	586
1350	264	399	473	522	566	606
1400	272	412	488	539	585	626
1450	282	425	502	555	602	644
1500	291	437	517	571	619	662
1550	300	449	531	587	636	681
1600	309	461	545	603	653	699
1650	319	473	560	618	670	717
1700	328	485	574	634	687	735
1750	337	497	588	650	704	754
1800	346	510	602	666	722	772
1850	356	522	617	681	739	790
1900	365	534	631	697	756	809
1950	374	546	645	713	773	827
2000	383	558	659	729	790	845
2050	392	570	674	744	807	863
2100	401	583	688	760	824	882
2150	409	595	702	776	841	900
2200	418	607	716	792	858	918
2250	426	619	731	807	875	936
2300	435	631	745	823	892	955
2350	443	643	759	839	909	973
2400	451	655	773	854	926	991
2450	460	668	787	870	943	1009

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

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COMBINED ADJ. GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
2500	468	680	802	886	960	1027
2550	477	692	816	902	977	1046
2600	485	704	830	917	994	1064
2650	493	716	844	933	1011	1082
2700	503	729	859	950	1029	1102
2750	509	739	871	962	1043	1116
2800	516	748	882	974	1056	1130
2850	523	758	893	987	1069	1144
2900	530	768	904	999	1083	1159
2950	536	777	915	1011	1096	1173
3000	543	787	926	1024	1110	1187
3050	550	797	938	1036	1123	1202
3100	557	806	949	1048	1136	1216
3150	564	816	960	1061	1150	1230
3200	570	825	971	1073	1163	1245
3250	577	835	982	1085	1177	1259
3300	584	845	993	1098	1190	1273
3350	591	854	1005	1110	1203	1288
3400	597	864	1016	1122	1217	1302
3450	603	872	1025	1132	1228	1314
3500	608	879	1034	1142	1238	1325
3550	612	886	1042	1151	1248	1336
3600	617	893	1051	1161	1259	1347
3650	622	900	1059	1170	1269	1358
3700	627	907	1068	1180	1279	1369
3750	632	914	1076	1189	1289	1380
3800	636	922	1085	1199	1300	1391
3850	641	929	1094	1208	1310	1402
3900	646	936	1102	1218	1320	1413
3950	651	943	1111	1227	1331	1424
4000	655	950	1119	1237	1341	1435
4050	660	957	1128	1246	1351	1446
4100	665	964	1137	1256	1361	1457
4150	670	971	1145	1265	1372	1468
4200	674	978	1153	1274	1381	1477
4250	679	983	1159	1281	1388	1485

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

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COMBINED ADJ. GROSS <u>INCOME</u>	ONE <u>CHILD</u>	TWO <u>CHILDREN</u>	THREE <u>CHILDREN</u>	FOUR <u>CHILDREN</u>	FIVE <u>CHILDREN</u>	SIX <u>CHILDREN</u>
4300	683	989	1165	1288	1396	1493
4350	687	995	1172	1295	1403	1502
4400	691	1001	1178	1302	1411	1510
4450	695	1006	1184	1309	1419	1518
4500	700	1012	1191	1316	1426	1526
4550	704	1018	1197	1323	1434	1534
4600	708	1024	1203	1330	1441	1542
4650	712	1029	1210	1337	1449	1550
4700	716	1035	1216	1344	1456	1558
4750	721	1041	1222	1351	1464	1566
4800	725	1046	1228	1357	1471	1574
4850	729	1052	1235	1364	1479	1582
4900	733	1057	1241	1371	1486	1590
4950	737	1063	1247	1378	1494	1598
5000	740	1067	1252	1383	1499	1604
5050	742	1071	1257	1388	1505	1610
5100	745	1075	1261	1393	1510	1616
5150	748	1079	1266	1398	1516	1622
5200	750	1083	1270	1404	1521	1628
5250	753	1087	1275	1409	1527	1634
5300	756	1091	1280	1414	1532	1640
5350	759	1094	1284	1419	1538	1646
5400	761	1098	1289	1424	1543	1651
5450	764	1102	1293	1428	1548	1657
5500	766	1106	1297	1433	1554	1662
5550	769	1109	1302	1438	1559	1668
5600	771	1113	1306	1443	1564	1674
5650	774	1117	1310	1448	1569	1679
5700	777	1121	1315	1453	1575	1685
5750	779	1124	1319	1458	1580	1691
5800	784	1131	1327	1466	1590	1701
5850	789	1138	1335	1475	1599	1711
5900	794	1145	1342	1483	1608	1721
5950	799	1151	1350	1492	1617	1730
6000	804	1158	1358	1500	1626	1740
6050	808	1165	1365	1509	1636	1750

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

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COMBINED ADJ. GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
6100	814	1172	1374	1518	1646	1761
6150	819	1180	1382	1528	1656	1772
6200	824	1187	1391	1537	1666	1783
6250	830	1195	1400	1547	1677	1794
6300	835	1202	1408	1556	1687	1805
6350	840	1210	1417	1566	1697	1816
6400	846	1217	1425	1575	1707	1827
6450	851	1225	1434	1584	1718	1838
6500	856	1232	1442	1594	1728	1849
6550	861	1239	1450	1602	1737	1858
6600	865	1245	1457	1610	1745	1867
6650	869	1251	1464	1618	1754	1876
6700	873	1256	1471	1626	1762	1885
6750	877	1262	1478	1633	1771	1894
6800	881	1268	1485	1641	1779	1903
6850	886	1274	1492	1649	1787	1912
6900	890	1280	1499	1657	1796	1921
6950	894	1286	1506	1664	1804	1930
7000	898	1292	1513	1672	1813	1939
7050	902	1298	1520	1680	1821	1948
7100	906	1304	1527	1688	1830	1957
7150	910	1310	1534	1696	1838	1966
7200	914	1316	1541	1703	1846	1975
7250	918	1322	1548	1711	1855	1984
7300	923	1328	1555	1719	1863	1993
7350	927	1334	1562	1727	1872	2003
7400	931	1340	1570	1734	1880	2012
7450	935	1346	1577	1742	1889	2021
7500	939	1352	1584	1750	1897	2030
7550	943	1358	1591	1758	1905	2039
7600	947	1364	1598	1766	1914	2048
7650	951	1370	1605	1774	1923	2057
7700	956	1377	1613	1782	1932	2067
7750	961	1384	1621	1791	1941	2077
7800	965	1390	1628	1799	1951	2087
7850	970	1397	1636	1808	1960	2097

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

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COMBINED ADJ. GROSS <u>INCOME</u>	ONE <u>CHILD</u>	TWO <u>CHILDREN</u>	THREE <u>CHILDREN</u>	FOUR <u>CHILDREN</u>	FIVE <u>CHILDREN</u>	SIX <u>CHILDREN</u>
7900	975	1404	1644	1817	1969	2107
7950	980	1411	1652	1825	1979	2117
8000	984	1417	1660	1834	1988	2127
8050	989	1424	1667	1843	1997	2137
8100	994	1431	1675	1851	2007	2147
8150	998	1437	1683	1860	2016	2157
8200	1003	1444	1691	1868	2025	2167
8250	1008	1451	1699	1877	2035	2177
8300	1012	1457	1706	1886	2044	2187
8350	1017	1464	1714	1894	2053	2197
8400	1022	1471	1722	1903	2063	2207
8450	1027	1477	1730	1911	2072	2217
8500	1031	1484	1738	1920	2081	2227
8550	1036	1491	1745	1929	2091	2237
8600	1041	1498	1753	1937	2100	2247
8650	1045	1504	1761	1946	2109	2257
8700	1050	1511	1769	1955	2119	2267
8750	1055	1518	1777	1963	2128	2277
8800	1059	1524	1784	1972	2137	2287
8850	1064	1531	1792	1980	2147	2297
8900	1069	1538	1800	1989	2156	2307
8950	1074	1544	1808	1998	2165	2317
9000	1078	1551	1816	2006	2175	2327
9050	1083	1558	1823	2015	2184	2337
9100	1088	1564	1831	2023	2194	2347
9150	1092	1571	1839	2031	2202	2356
9200	1096	1577	1846	2039	2211	2365
9250	1100	1583	1853	2047	2219	2375
9300	1104	1589	1860	2055	2228	2384
9350	1108	1595	1867	2063	2237	2393
9400	1112	1601	1874	2071	2245	2402
9450	1116	1607	1882	2079	2254	2411
9500	1121	1613	1889	2087	2262	2421
9550	1125	1619	1896	2095	2271	2430
9600	1129	1625	1903	2103	2280	2439
9650	1133	1631	1910	2111	2288	2448

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

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COMBINED ADJ. GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
13300	1418	2053	2419	2673	2897	3100
13350	1423	2060	2426	2681	2907	3110
13400	1427	2066	2434	2690	2916	3120
13450	1431	2072	2442	2698	2925	3130
13500	1435	2079	2450	2707	2935	3140
13550	1440	2085	2457	2715	2944	3150
13600	1444	2091	2465	2724	2953	3160
13650	1448	2098	2473	2733	2962	3170
13700	1452	2104	2481	2741	2972	3180
13750	1456	2110	2488	2749	2980	3188
13800	1459	2115	2493	2755	2986	3195
13850	1463	2119	2498	2761	2992	3202
13900	1466	2123	2503	2766	2998	3208
13950	1469	2128	2508	2772	3004	3215
14000	1472	2132	2513	2777	3011	3221
14050	1475	2137	2518	2783	3017	3228
14100	1478	2141	2523	2789	3023	3234
14150	1481	2145	2529	2794	3029	3241
14200	1484	2150	2534	2800	3035	3247
14250	1487	2154	2539	2806	3041	3254
14300	1490	2159	2544	2811	3047	3261
14350	1493	2163	2549	2817	3053	3267
14400	1496	2167	2554	2823	3060	3274
14450	1499	2172	2559	2828	3066	3280
14500	1502	2176	2564	2834	3072	3287
14550	1506	2181	2570	2840	3078	3293
14600	1509	2185	2575	2845	3084	3300
14650	1512	2189	2580	2851	3090	3307
14700	1515	2194	2585	2857	3096	3313
14750	1518	2198	2590	2862	3103	3320
14800	1521	2203	2595	2868	3109	3326
14850	1524	2207	2600	2874	3115	3333
14900	1527	2211	2605	2879	3121	3339
14950	1530	2216	2611	2885	3127	3346
15000	1533	2220	2616	2891	3133	3352
15050	1536	2224	2621	2896	3139	3359

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

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COMBINED ADJ. GROSS <u>INCOME</u>	ONE <u>CHILD</u>	TWO <u>CHILDREN</u>	THREE <u>CHILDREN</u>	FOUR <u>CHILDREN</u>	FIVE <u>CHILDREN</u>	SIX <u>CHILDREN</u>
15100	1539	2229	2626	2902	3145	3366
15150	1542	2233	2631	2908	3152	3372
15200	1545	2238	2636	2913	3158	3379
15250	1548	2242	2641	2919	3164	3385
15300	1552	2246	2646	2925	3170	3392
15350	1555	2251	2652	2930	3176	3398
15400	1558	2255	2657	2936	3182	3405
15450	1561	2260	2662	2942	3188	3412
15500	1564	2264	2667	2947	3195	3418
15550	1567	2268	2672	2953	3201	3425
15600	1570	2273	2677	2959	3207	3431
15650	1573	2277	2682	2964	3213	3438
15700	1576	2282	2687	2970	3219	3444
15750	1579	2286	2692	2976	3225	3451
15800	1582	2290	2698	2981	3231	3457
15850	1585	2295	2703	2987	3237	3464
15900	1588	2299	2708	2993	3244	3471
15950	1591	2303	2713	2998	3250	3477
16000	1595	2308	2718	3004	3256	3484
16050	1598	2312	2723	3010	3262	3490
16100	1601	2317	2728	3015	3268	3497
16150	1604	2321	2733	3021	3274	3503
16200	1607	2325	2739	3026	3280	3510
16250	1610	2330	2744	3032	3287	3516
16300	1613	2334	2749	3038	3293	3523
16350	1616	2339	2754	3043	3299	3530
16400	1619	2343	2759	3049	3305	3536
16450	1622	2347	2764	3055	3311	3543
16500	1625	2352	2769	3060	3317	3549
16550	1628	2356	2774	3066	3323	3556
16600	1631	2361	2780	3072	3329	3562
16650	1634	2365	2785	3077	3336	3569
16700	1638	2369	2790	3083	3342	3576
16750	1641	2374	2795	3089	3348	3582
16800	1644	2378	2800	3094	3354	3589
16850	1647	2383	2805	3100	3360	3595

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

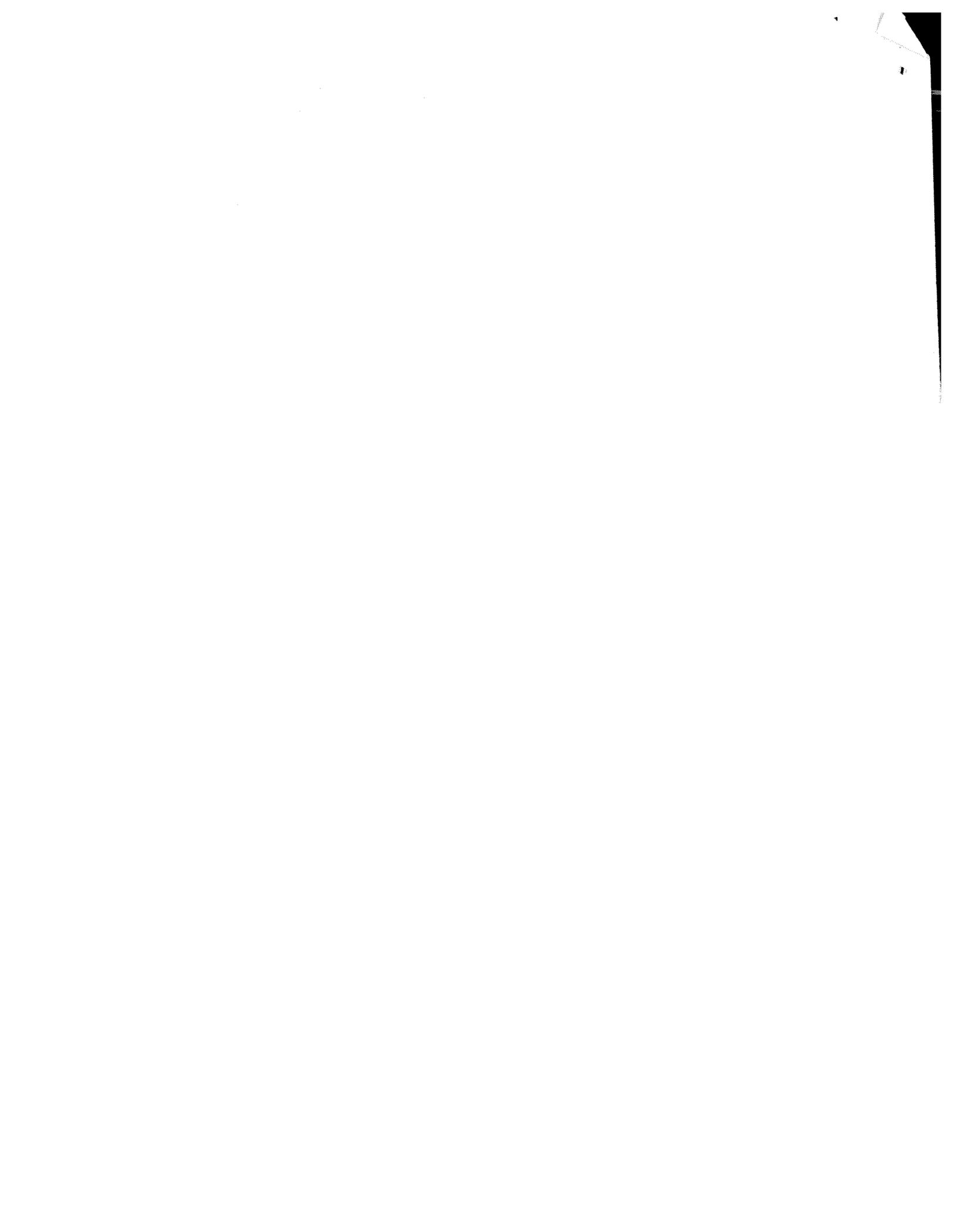
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COMBINED ADJ. GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
16900	1650	2387	2810	3106	3366	3602
16950	1653	2391	2815	3111	3372	3608
17000	1656	2396	2821	3117	3379	3615
17050	1659	2400	2826	3123	3385	3621
17100	1662	2404	2831	3128	3391	3628
17150	1665	2409	2836	3134	3397	3635
17200	1668	2413	2841	3140	3403	3641
17250	1671	2418	2846	3145	3409	3648
17300	1674	2422	2851	3151	3415	3654
17350	1677	2426	2856	3157	3421	3661
17400	1681	2431	2861	3162	3428	3667
17450	1684	2435	2867	3168	3434	3674
17500	1687	2440	2872	3174	3440	3681
17550	1690	2444	2877	3179	3446	3687
17600	1693	2448	2882	3185	3452	3694
17650	1696	2453	2887	3191	3458	3700
17700	1699	2457	2892	3196	3464	3707
17750	1702	2462	2897	3202	3471	3713
17800	1705	2466	2902	3208	3477	3720
17850	1708	2470	2908	3213	3483	3726
17900	1711	2475	2913	3219	3489	3733
17950	1714	2479	2918	3225	3495	3740
18000	1717	2484	2923	3230	3501	3746
18050	1720	2488	2928	3236	3507	3753
18100	1724	2492	2933	3242	3513	3759
18150	1727	2497	2938	3247	3520	3766
18200	1730	2501	2943	3253	3526	3772
18250	1733	2505	2949	3259	3532	3779
18300	1736	2510	2954	3264	3538	3786
18350	1739	2514	2959	3270	3544	3792
18400	1742	2519	2964	3275	3550	3799
18450	1745	2523	2969	3281	3556	3805
18500	1748	2527	2974	3287	3563	3812
18550	1751	2532	2979	3292	3569	3818
18600	1754	2536	2984	3298	3575	3825
18650	1757	2541	2990	3304	3581	3831

SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION

This Schedule is only part of the overall guidelines and must be used together with the accompanying information

COMBINED ADJ. GROSS <u>INCOME</u>	ONE <u>CHILD</u>	TWO <u>CHILDREN</u>	THREE <u>CHILDREN</u>	FOUR <u>CHILDREN</u>	FIVE <u>CHILDREN</u>	SIX <u>CHILDREN</u>
18700	1760	2545	2995	3309	3587	3838
18750	1763	2549	3000	3315	3593	3845
18800	1767	2554	3005	3321	3599	3851
18850	1770	2558	3010	3326	3605	3858
18900	1773	2563	3015	3332	3612	3864
18950	1776	2567	3020	3338	3618	3871
19000	1779	2571	3025	3343	3624	3877
19050	1782	2576	3030	3349	3630	3884
19100	1785	2580	3036	3355	3636	3891
19150	1788	2585	3041	3360	3642	3897
19200	1791	2589	3046	3366	3648	3904
19250	1794	2593	3051	3372	3655	3910
19300	1797	2598	3056	3377	3661	3917
19350	1800	2602	3061	3383	3667	3923
19400	1803	2606	3066	3389	3673	3930
19450	1806	2611	3071	3394	3679	3936
19500	1810	2615	3077	3400	3685	3943
19550	1813	2620	3082	3406	3691	3950
19600	1816	2624	3087	3411	3697	3956
19650	1819	2628	3092	3417	3704	3963
19700	1822	2633	3097	3423	3710	3969
19750	1825	2637	3102	3428	3716	3976
19800	1828	2642	3107	3434	3722	3982
19850	1831	2646	3112	3440	3728	3989
19900	1834	2650	3118	3445	3734	3996
19950	1837	2655	3123	3451	3740	4002
20000	1840	2659	3128	3457	3747	4009



REVIEW OF THE ARIZONA CHILD SUPPORT SCHEDULE

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Submitted to:

Supreme Court
State of Arizona
Administrative Office of the Courts
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Phoenix, Arizona

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TABLE OF CONTENTS

Chapter I: Introduction

Basis of Existing Guidelines	1
Updating the Arizona Schedule	3
Report Organization	4

Chapter II: New Economic Data on Child-Rearing Costs

General Economic Approach to Measuring Child-Rearing Costs	5
Rothbarth Estimator	7
Other Estimators.....	7
Choice of Estimators	10
Other Issues Pertaining to Estimates of Child-Rearing Costs	11
(1) Use of national data for state guidelines	11
(2) Use of data from intact families to determine child support levels	12
Expenditures on Children as a Proportion of Net Income.....	14

Chapter III: Developing a Support Schedule from Estimates of Child Expenditures

Building a Table of Support Proportions	17
1. Updating the Net Income Brackets.....	18
2. Deducting Costs of Child Care	18
3. Deducting the Child's Share of Unreimbursed Medical Expenses.....	18
4. Calculating the Relationship Between Consumption and Net Income	19
5. Computing Child Expenditures as a Proportion of Net Income.....	19
6. Extending the Rothbarth Estimates to Larger Household Sizes	19
7. Computing Marginal Proportions Between Income Ranges	20
Summary	21
Building a Schedule of Basic Child Support Obligations	23
Converting Net to Gross Income	23
Other Adjustments	24
Self Support Reserve	24

Chapter IV: Summary of Key Assumptions





Chapter V: Comparison of Existing and Proposed Schedules

Self Support Reserve.....	37
Revisions in Personal Income Tax Rates.....	39
Changes in the Price Level	40
Combined Effect of Increases Taxes and Increased Prices.....	46

Chapter VI: Summary and Conclusions

Figures

Figure 1: Family Consumption Expenditures and Income	5
Figure 2: Proportion of Net Income Spent on Children.....	15
Figure 3: Child Support Formulas - Two Children, Obligee Income = \$0.....	43
Figure 4: Child Support Formulas - Two Children, Obligee Income = 50%	44
Figure 5: Child Support Formulas - Two Children, Obligee Income = Obligor Income	45

Tables

Table 1: Proportion of Net Income Spent on Children.....	15
Table 2: Proposed Table of Support Proportions	22
Table 3: Proposed Schedule of Basic Child Support Obligations.....	25
Table 4: Comparison of Existing and Proposed Guidelines for Low Incomes	39
Table 5: Changes in Federal and State Taxes and FICA from 1995 to 1999	40

Appendices

Appendix I	Technical Appendix
Appendix II	Gross to Net Income Conversion Table
Appendix III	Schedule Comparisons for One and Three Children
Appendix IV	Gross Schedule Comparisons for One, Two and Three Children



Chapter I

Introduction

This report has been prepared by Policy Studies Inc. (PSI) to assist Arizona with its quadrennial review of its child support guidelines. The Family Support Act of 1988 [P.L. 100-485] requires states to review their guidelines every four years. Federal regulations [45 CFR 302.56] specify that the review must include an assessment of the most recent economic data on child-rearing costs and a review of case data to ensure that deviations from guidelines are limited. This report addresses the core of the guidelines, the Schedule of Basic Child Support Obligations.

This report provides an assessment of the most current economic estimates of child-rearing costs. The estimates of child-rearing costs that form the foundation of the existing Arizona Schedule have not been updated. Nonetheless, the Schedule is updated for changes in the price level along with changes in federal and state personal tax and FICA schedules that have occurred since the guidelines were last reviewed in 1995. The update also considers changes in the federal poverty guidelines used for the Self Support Reserve Test in the worksheet.

Because of relatively low inflation and small changes in personal taxes since the guidelines were last reviewed, however, there are minor differences between the existing and updated Schedules. The only substantial difference involves support amounts for low-income noncustodial parents. An updated self support reserve will significantly reduce support amounts for low incomes.

Basis of Existing Guidelines

The existing Arizona Child Support Guidelines are based on the Income Shares model, which was developed under the Child Support Guidelines Project funded by the U.S. Office of Child Support Enforcement and administered by the National Center for State Courts. The Income Shares model has been described as follows:

The Income Shares model is based on the concept that the child should receive the same proportion of parental income that he or she would have received if the parents lived together. In an intact household, the income of both parents is generally pooled and spent for the benefit of all household members, including any children. A child's portion of such expenditures includes spending for goods used only by the child,



such as clothing, and also a share of goods used in common by the family, such as housing, food, household furnishings, and recreation.¹

Because household spending on behalf of children is commingled with spending on behalf of adults for the largest expenditure categories (i.e., food, housing, and transportation), the proportion allocated to children cannot be directly observed even if the specific spending patterns are examined. This commingling of household expenditures is the most important reason that equitable child support awards are so difficult to set on a case-by-case basis.

Since the child's share of household consumption cannot be directly observed, it must be estimated based on the best available economic evidence on child-rearing expenditures. This evidence provides estimates of expenditures on children as proportions of parental income levels across a broad spectrum of family incomes.

When the Arizona Child Support Guidelines were first drafted in 1987, the State implemented the national Income Shares model recommended by the Child Support Guidelines Project. Like most Income Shares states at this time, Arizona based its Schedule on economic estimates of child-rearing expenditures as a proportion of household consumption developed by Dr. Thomas Espenshade. The Espenshade estimates, which are published in *Investing in Children* (Urban Institute Press: Washington, D.C., 1984), were derived from national data on household expenditures from the 1972-73 Consumer Expenditure Survey conducted by the U.S. Bureau of Labor Statistics. They were the most current and most reliable economic estimates at the time.

Dr. Betson's Estimates of Child-Rearing Costs

Subsequently, the Arizona Schedule was updated to include new economic estimates of child-rearing costs as part of its 1995 guidelines review. Dr. David Betson of the University of Notre Dame, through the University of Wisconsin Institute for Research on Poverty, conducted an updated study of child-rearing costs. His study fulfilled a requirement of The Family Support Act of 1988 [P.L. 100-485, §128] mandating that the U.S. Department of Health and Human Services "...conduct a study of the patterns of expenditures on children in 2-parent families, in single-parent families following divorce or separation, and in single-parent families in which the parents were never married... ." For his research, Dr. Betson used data

¹ Robert G. Williams, *Development of Guidelines for Child Support Orders, Part II, Final Report*, Report to U.S. Office of Child Support Enforcement, Policy Studies Inc., (March 1987) p. II-69.

from the national 1980-86 Consumer Expenditure Survey. His updated estimates were published in one report and further analyzed in another.² Dr. Betson developed new estimates using five different estimating models, with detailed national data on household expenditures drawn from the Consumer Expenditure Survey.

Of the models used by Dr. Betson for estimating child-rearing expenditures, the "Rothbarth estimator" seems to have the most economic validity and plausibility. As a result, Arizona and most states that have updated their schedules in the past five years now rely on the Betson-Rothbarth estimates. Betson's study has not been updated. Therefore, most states currently relying on the Betson-Rothbarth estimates are updating their schedules for changes in the price level, personal taxes and the poverty level since the guidelines were last reviewed, but are not using new economic estimates.

Updating the Arizona Schedule

Dr. Betson's research provides estimates of the proportion of household *consumption* expenditures ascribed to children. Using the same data set from which he derived estimates of these parameters, we assisted Arizona with the development of its Schedule in 1995.³

- ❖ Specifically, with assistance from Dr. Betson, the estimates of child-rearing costs were converted to current price levels.
- ❖ Then, estimates of the proportion of household *net* income spent on children across a broad income spectrum were developed.
- ❖ We also deducted average expenditures on child care, estimated health insurance, and estimated children's extraordinary medical expenses from these proportions. (In the Income Shares model, these child-rearing costs are added to the basic child support calculation as actually incurred.)

² David M. Betson, *Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey*, Report to U.S. Department of Health and Human Services (Office of the Assistant Secretary for Planning and Evaluation), University of Wisconsin Institute for Research on Poverty (September 1990); Lewin/ICF, *Estimates of Expenditures on Children and Child Support Guidelines*, Report to U.S. Department of Health and Human Services (Office of the Assistant Secretary for Planning and Evaluation), Lewin/ICF (October 1990).

³ Robert G. Williams, David A. Price, and Jane C. Venohr, *Economic Basis for Updated Child Support Schedule: State of Arizona*, Report to the Arizona Administrative Office of the Courts, Policy Studies, Inc., Denver, Colorado (June 1995).



- ❖ The existing Schedule was finally developed by converting it from net income to gross income using withholding tables for a single obligor.

This report uses the same technique to update the Schedule only 1999 price levels and tax rates will be used rather 1995 levels.

Report Organization

In Chapter II, we discuss the Betson-Rothbarth estimates and assess other estimates of child-rearing costs.

In Chapter III, we describe the steps involved in developing the updated Schedule based on changes in the price level and personal tax rates. In this Chapter, we also discuss updating the self support reserve. Further detail is provided in Appendix I, Technical Computations.

In Chapter IV, we summarize the key assumptions implicit in the development of the updated Schedule that are likely to have the most impact on how the tables are used.

In Chapter V, we compare the existing Schedule to the updated Schedule.

In Chapter VI, we present a brief summary and conclusions.

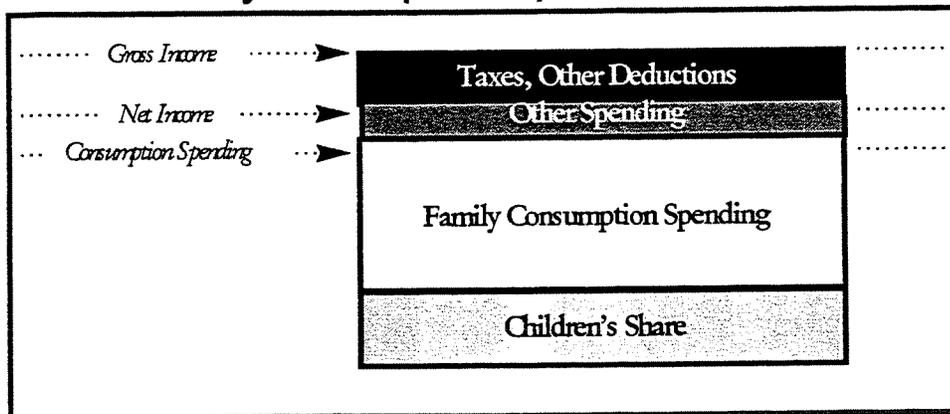
Because the same technique is used to develop the existing Schedule as the updated Schedule, this report's repeats much of PSI's 1995 report to the Arizona Administrative Office of the Courts.

Chapter II

New Economic Data on Child-Rearing Costs

As previously discussed in PSI's 1995 report to the Arizona Administrative Office of the Courts, economic estimates of the costs of child rearing are the foundation of guidelines schedules. Child-rearing costs are estimated as a proportion of total family spending on consumption. By relating a family's consumption expenditures to total income, we can then derive estimates of spending on children as a proportion of net or gross family income. The relationship between consumption spending on children to total household consumption spending, and thus to net and gross family income, is depicted in Figure 1.

Figure 1
Family Consumption Expenditures and Income



GENERAL ECONOMIC APPROACH TO MEASURING CHILD-REARING COSTS

Most household spending on children cannot be directly observed. Parents can separately track, and account for, spending on such categories as children's clothing, educational expenses, and child care. However, for those expenditure categories accounting for the bulk of child-related costs, spending on children is inextricably intertwined with spending on adults. These categories of pooled family expenditures include food, housing, utilities, home furnishings, transportation, most recreation, and most health insurance. To determine how much of the household budget is spent on children, it is necessary to devise and apply an estimation methodology that indirectly calculates the children's share.



Several economic methodologies have been developed to produce such estimates. Most attempt to estimate the marginal, or extra, costs of child rearing relative to expenditures in the absence of any children. They do so by comparing expenditures between two households that are equally well off economically, one with children and one without. The additional expenditures by the household with children are deemed to be the costs of child rearing.

An example, shown below, illustrates this method. In this example, the households are both assumed to have two adults and are considered to be equally well off. Family A has no children, while Family B has two children:

	Family A	Family B	
Number of Children	0	2	
Income	\$18,000	\$30,000	
Children's Additional Cost		\$12,000	
Children's Share of Total		$\$12,000 / \$30,000 = 40\%$	

In this example, Family B must spend \$12,000 more to be as well off as Family A. That \$12,000 can be considered as the marginal cost of the children. Since \$12,000 is 40 percent of \$30,000, we would estimate the total cost of the two children to be 40 percent of parental income at this level of earnings. The methodology can also be applied to compare expenditures by equally well off households with varying numbers of children. This yields estimates of additional costs of a second and third child, for example.

In order to estimate the children's share of expenditures in this manner, it is necessary to construct a standard of well-being that is independent of income. Only with such a standard can we consider two families to be equally well off, one with children and one without, even though they have different incomes. Several such standards of well-being have emerged from the economic literature on child-rearing costs.

Rothbarth Estimator

The Rothbarth estimator, which was mentioned in the introduction, uses the proportion of family expenditures on luxury goods as a standard of well-being. As stated by Lewin/ICF, economist Erwin Rothbarth "... argued that the best way to measure expenditures on children is to assess children's impact on their parents' consumption."⁴ Rothbarth assumed that well-being should be determined by comparing the levels of "excess income" available once necessary expenditures on all family members have been made, with excess income defined to include luxuries (alcohol, tobacco, entertainment, and sweets) and savings.

Studies which have used the Rothbarth methodology to estimate child-rearing costs — including Dr. Betson's — have limited the definition of excess income to those goods which are assumed to be used only by adults, usually adult clothing, alcohol, and tobacco. In fact, Dr. Betson tested the sensitivity of his estimates to several alternative definitions of "adult goods:" adult clothing alone, and adult clothing plus tobacco and alcohol. He found there was little variation in results with these changes in definition. This finding suggests that his estimates have not been significantly compromised by any data inadequacies in the measurement of spending for tobacco and alcohol.

Dr. Betson used this standard of well-being (i.e., household expenditures on adult clothing, tobacco, and alcohol) as well as others to compare spending by families with and without children, who were equally well off. He then derived estimates of spending for two children compared with one, and three children compared with two. His estimates of the average proportion of consumption expenditures allocated to children are 25 percent for one child, 35 percent for two, and 39 percent for three. These Rothbarth estimates form the basis of the existing Arizona Child Support as well as the base of 15 other states' Schedules.

Other Estimators

In addition to the Rothbarth estimator, other estimators of child-rearing costs have been considered in child support schedules. The Engel estimator was used in 1984 by Espenshade and in 1990 by Betson to develop estimates of child-rearing costs. As discussed in the previous section, Espenshade's estimates form the basis of several states' child support schedules, particularly those that were initially adopted in the 1980s and have not been updated. Arizona used Espenshade's estimate when they first adopted child support guidelines. The United States Department of

⁴ *Estimates of Expenditures on Children.* p. 2-16.



Agriculture estimates are also frequently considered in guidelines reviews, but have only been incorporated into child support schedules of a few states. In addition to the Rothbarth and Engel estimators, Betson also used three other methods to estimate child-rearing costs.

Engel Estimator

One of the most commonly used estimator is the "Engel" estimator. Over a century ago, economist, Ernst Engel, found that as a family's income increases (holding family size constant), the percentage of the family's expenditures on food decrease, even though total spending increases. This means that a family's spending on food increases more slowly than income. Under this standard, total expenditures devoted to food are deemed to be a valid indicator of economic well-being. Thus, if two families of different size spend the same proportions of their incomes on food, they are deemed to be equally well off.

In addition to being used by Espenshade to estimate child-rearing costs in 1984, this methodology was used in the development of the U.S. poverty standard, the Bureau of Labor Statistics equivalency scale.⁵ In his research, Espenshade used 1972-73 Consumer Expenditure Survey data from the U.S. Bureau of Labor Statistics. Espenshade's Engel estimates of child-rearing expenditures were used in most of the Income Shares schedules adopted by states in the 1980s. At that time, Espenshade's estimates were the best, available estimates on child-rearing expenditures.

As part of his contract with the U.S. Department of Health and Human Services, Betson also developed Engel estimates based on the 1980-86 Consumer Expenditure Survey data when he developed the Rothbarth estimates. In an analysis of the various economic methods for measuring child-rearing expenditures including Betson's estimates, Lewin/ICF find that the Betson-Engel estimates are greater than the Espenshade-Engel estimates based on 1972-73 data.⁶ Specifically, the Betson-Engel estimates found that families allocate 33 percent of their consumption to one child, 49 percent to two children and 59 percent to three children. The Espenshade-Engel estimates found that families allocate 24 percent of their consumption to one child, 41 percent to two children and 51 percent to three children. Lewin/ICF

⁵ Thomas J. Espenshade, *Investing in Children: New Estimates of Parental Expenditures* (Washington, D.C.: Urban Institute Press, 1984).

⁶ Lewin/ICF, *Estimates of Expenditures on Children and Child Support Guidelines* (Chapter IV: The Empirical Literature on Expenditures on Children).

could not discern whether the difference results from changes in child-rearing expenditures over time or differences in the procedures used by Drs. Betson and Espenshade.

*U.S. Department of
Agriculture Estimates*

The U.S. Department of Agriculture's Center for Nutrition Policy and Promotion (CNPP) develops economic estimates for the major categories of child-rearing expenditures (i.e., housing, food, transportation, clothing, health care, child care and education and miscellaneous child-rearing expenditures). CNPP's most recently published figures are based on data from the 1990-92 Consumer Expenditure Survey (CEX), updated to 1998 dollar levels using the Consumer Price Index (CPI).⁷ The appeal of the CNPP data is that it provides estimates by expenditure category. Furthermore, it controls for regional differences and age of the child. Yet, unlike the Rothbarth and Betson estimators, it does not measure the marginal cost of children to a household; that is, how much more a childless family would have to spend to maintain their current well-being if they did have children. Generally, the CNPP estimates are based on an average cost approach.

The CNPP estimates child-rearing expenditures for each category separately, then adds them together to arrive at a total amount of child-rearing expenditures. How expenditures are measured for each category varies. Nonetheless, CNPP limits their analysis to CEX families with children. The Rothbarth and Engel methods examine childless families and families with children. Expenditures of childless families provide a baseline to estimate what is the marginal (i.e. extra) cost of children.

The CNPP first apportions housing, transportation, clothing services (e.g., dry cleaning) and miscellaneous other expenses among all members of the household on a simple per capita basis. For example, in a household with two parents and two children, the total housing costs would be equally divided among all four family members. Assuming the baseline family consists of a husband and wife and two children, CNPP then uses multivariate analysis to adjust these estimates for one-child and three or more children families.

Food and health care expenditures are allocated among each family member using proportions derived from the National Food Consumption Survey conducted by the U.S. Department of Agriculture and the National Medical Care Utilization and

⁷ Mark Lino, *Expenditures on Children by Families: 1998 Annual Report* U.S. Department of Agriculture, Center for Nutrition Policy and Promotion. Miscellaneous Publication No. 1528-1998 (1999).



Expenditure Survey conducted by the U.S. Department of Health and Human Services.

Expenditures on children's clothing, education, and child care, which are directly reported in the CEX, are divided equally among each child in CNPP's baseline family (i.e. the two children). Multivariate analysis is then used to adjust these estimates for one child and three or more children.

Based on this approach, CNPP estimates child-rearing expenditures for a range of gross incomes. The CNPP estimates are also presented as a proportion of total household expenditures; they average: 26 percent of household expenditures for one child; 42 percent of household expenditures for two children; and 48 percent of household expenditures for three children. These amounts are between the Betson-Engel and Betson-Rothbarth estimates.

Other Estimators Using Marginal Cost Approach

In addition to the Rothbarth and Engel estimates, Betson developed estimates using less common methods (e.g. alternative iso-prop estimators and the Barten-Gorman estimator). None of these estimators yielded reliable results.⁸ These estimates along with all of Betson's estimates are further explained and compared to estimates developed with earlier data and results from other researchers in the Lewin/ICF report.

CHOICE OF ESTIMATORS

Among economists, no consensus has emerged that any single estimator is better than another. All have their limitations and biases. As a result, the Lewin/ICF report issued by the U.S. Department of Health and Human Services does not express any opinion concerning the single best estimator of child-rearing costs. Rather, it states that the various estimates should be considered as expressing a range of results. Of the estimates derived, however, which include several other formulations, only the Rothbarth and Engel methodologies are without serious problems of empirical specification. The primary bias of the Engel methodology, according to the Lewin/ICF Report, is that it is theoretically most likely to

⁸Lewin/ICF, *Estimates of Expenditures on Children and Child Support Guidelines* (page 4-8).

overstate child-rearing expenditures. In contrast, the primary bias of the Rothbarth methodology is that it is likely to understate child-rearing expenditures.

From a theoretical point of view, the Rothbarth methodology seems to be at least as strong as the Engel methodology. Indeed, there seems to be growing support for the Rothbarth methodology among economists. Not only does Dr. Betson favor the Rothbarth estimates as the best single source of data on child-rearing expenditures, but the most recently published study using the earlier 1972-73 Consumer Expenditure Survey also relied on a Rothbarth type of methodology.

An additional consideration is that the Rothbarth estimates are approximately in the middle of the range of the estimates constructed by Betson using an array of different models. Of the various methodologies used by Betson to develop estimates of child-rearing costs using data from the 1980-86 Consumer Expenditure Survey (CEX), the Rothbarth approach seems to have yielded the most plausible results. In contrast, the Engel estimates based on this data set are lacking in plausibility, sometimes even exceeding per capita shares (a equal division of household costs between all family members). Thus, in our view, the sound theoretical basis of the Rothbarth methodology, in conjunction with the implausible results from the Engel methodology, renders the Rothbarth estimator to be the preferred choice for revision of the guidelines schedule based on the most current research on child-rearing costs.

The CNPP estimates are not deemed suitable because they rely on an average cost approach. The division of some expenditures between parents and children assumes a conclusion about the real allocation of those costs, which is particularly bothersome for setting child support awards. Child support is commonly understood to provide for the additional costs of children. It seems very unlikely that the costs of children would proportionately equal the adult's initial costs in those categories of expenditures. For purposes of child support, a marginal cost approach to estimating costs of child rearing is a more appropriate method.

OTHER ISSUES PERTAINING TO ESTIMATES OF CHILD-REARING COSTS

(1) Use of national data for state guidelines

Most state child support schedules using economic studies on child-rearing expenditures rely on estimates from national data. The specific source of the data is



one of the periodic Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics. These surveys are used because they are the most detailed available source of data on household expenditures. They track household expenditures and income through two components: (1) a diary of household spending; and (2) an interview survey. This produces in-depth information on household expenditures and income. The Consumer Expenditure Survey is conducted for a large sample of households. For Betson's research, for example, he was able to begin with data on a sample of more than 26,000 households. Even after excluding irrelevant groups (e.g., single individuals, widowed single parent households), he was left with an analysis sample of 8,519 observations for the research relating to child-rearing expenditures.

Data of this depth and quality are simply not available at the state level. Moreover, replication of the Consumer Expenditure Survey at the state level would be extremely costly. Because of the methods that must be used to estimate child-rearing costs, the absence of such data precludes the development of accurate estimates specific to a given state. This is why no state has attempted to develop such a data source and conduct its own research on child-rearing expenditures. Even if a state did so, however, there is no reason to expect that the results would differ significantly from national results. The findings from national research yield estimates of the proportion of parental expenditures allocated to children. There is no reason to believe that expenditure patterns of parents in say, Arizona, would be so different that the estimates of these proportions at the State level would vary much from the national estimates.

(2) Use of data from intact families to determine child support levels

The child-rearing expenditures discussed in this report are estimates from samples of two-parent households. This is appropriate since the Income Shares model (upon which the Arizona guidelines are based) seeks to apportion to the child the amount that the parents would have spent if the household were intact.

Since child support is required only when the household is not intact, some have argued that child-rearing expenditure data from single-parent families should be used as the basis for child support levels. Although such data have generally not been available in the past, Betson did formulate such estimates in his research. However, those estimates are based on much smaller sample sizes than the estimates for two-parent households.

Unfortunately, even if valid data exist on expenditure patterns in one-parent households, such data do not provide meaningful guidance for setting child support

awards. In economic terms, the "costs" of child rearing are defined by what parents actually spend on their children, at least above a minimum (i.e., poverty) level. For a middle class child, for example, the only way of determining whether part of that child's costs should include a new bicycle, Nintendo game, or own bedroom is by observing how other parents at that same income level divide their income between their own needs and those of their children. All economic studies on child-rearing costs have found that parents spend more on children as they have more income available. The relevant question is, how much of that additional income do they spend on the children?

It is well known that single-parent households with children have less money to spend than intact families. Therefore, any study of such households will observe a lower level of spending on children overall than would be observed in two-parent households. The fact that single-parent households actually do spend less income on children than two-parent households does not mean that they should spend less if the other parent has the means to provide more child support.

A simple example will help to illustrate this point. Assume that two different single-parent households exist, each with two children, and each with income before child support of \$1,000 per month. Assume also, that in the absence of child support each of these households would spend \$600 per month on the two children. Finally, assume that the noncustodial parent in the first case had monthly income of \$5,000, while the noncustodial parent in the second case had monthly income of \$1,000. Clearly, the noncustodial parent in the first case should pay substantially more child support than the noncustodial parent in the second case. This reflects the greater ability to pay, and the fact that the children's standard of living would have been much higher if the first household were intact than if the second household were intact.

That spending on the children in the two single-parent households in this example was the same level (and much lower than it should be given the incomes of the noncustodial parents) has no relevance to the child support determination except as it reflects the custodial parent's ability to contribute. This demonstrates why it is appropriate to rely on child-rearing data from two-parent households rather than one-parent households for determination of child support obligations.



EXPENDITURES ON CHILDREN AS A PROPORTION OF NET INCOME

Our discussion has focused up to now on the proportion of consumption expenditures allocated to children. Of more interest is the estimated proportion of net income spent on children, which we have derived from Betson's findings on child-rearing expenditures. Using the same database he used for his earlier research, Betson for the purposes of the child support schedules estimated the proportion of net income spent on one, two, and three children in fourteen income categories (inflated to 1999 dollars from a 1983 constant dollar base).

As shown in Table 1 and depicted in Figure 2, the proportion of net income spent on children declines as income increases, although the level of spending (i.e. actual dollars) on children increases as income increases.

- ❖ For one child, spending is estimated to be approximately 26 percent for one child in the lowest income category, declining to 16 percent in the highest.
- ❖ For two children, spending is estimated to be 38 percent in the lowest income category, declining to 23 percent in the highest.
- ❖ For three children, spending is estimated to be 45 percent in the lowest income category, declining to 28 percent in the highest.

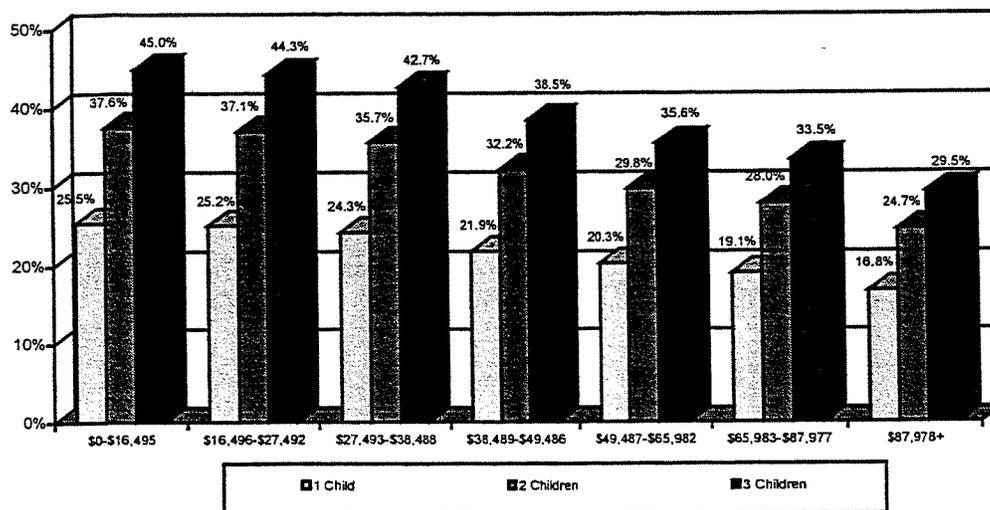
These proportions include average spending for child care and children's health care. As discussed in Chapter III, these amounts are deducted from the estimates prior to construction of a guidelines Schedule.

Like Espenshade's estimates and the CNPP estimates, Betson's Rothbarth estimates show consumption spending declining as a proportion of net income as income increases. Yet, Betson's estimates show those proportions declining more rapidly than the Espenshade estimates, with the result that expenditures on children as a proportion of net income are somewhat lower using the Rothbarth parameters than they are using the Espenshade parameters.

Table 1
PROPORTION OF NET INCOME SPENT ON CHILDREN
(based on Betson-Rothbarth Estimates)

U.S.A. NET ANNUAL INCOME (1999 DOLLARS)	PERCENT OF NET INCOME SPENT ON		
	One Child	Two Children	Three Children
Less than \$ 10,997	25.64	37.82	45.26
\$ 10,998 < \$ 16,494	25.44	37.48	44.82
\$ 16,495 < \$ 21,993	25.28	37.20	44.47
\$ 21,994 < \$ 27,492	25.15	36.99	44.20
\$ 27,493 < \$ 32,990	25.05	36.83	44.00
\$ 32,991 < \$ 38,489	23.62	34.71	41.46
\$ 38,490 < \$ 43,988	22.67	33.31	39.78
\$ 43,989 < \$ 49,486	21.12	31.03	37.06
\$ 49,487 < \$ 54,985	20.95	30.80	36.74
\$ 54,986 < \$ 65,982	19.91	29.24	34.90
\$ 65,983 < \$ 76,980	19.41	28.47	33.99
\$ 76,981 < \$ 87,977	18.64	27.35	32.64
\$ 87,978 < \$ 98,974	17.75	26.03	31.05
\$98,975 < \$109,972	17.44	25.57	30.50
\$109,973 +	15.88	23.26	27.75

Figure 2
Proportion of Net Income Spent on Children





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Chapter III

Developing a Support Schedule from Estimates of Child Expenditures

Estimating expenditures on children in intact households is only one step in developing a Schedule of Basic Child Support Obligations. The purpose of this chapter is to describe the additional procedures and assumptions used to move from child expenditures to a Schedule. A more technical discussion of the material in this chapter is presented in Appendix I.

There are two stages in the development of a Schedule of Basic Child Support Obligations that build upon the estimates of child-rearing expenditures. The first stage is the development of a table of support proportions that relates child expenditures in different household sizes to net income. This relationship uses the Betsch-Rothbarth estimates shown in Table 1 and Figure 2 in the previous chapter. Further adjustments were made to those proportions (1) to exclude the portion of expenditures accounted for by child care and the child's share of health insurance premiums and extraordinary medical expenses; (2) to extend the proportions to households with four, five, and six children; and (3) to develop a method of smoothing the proportions between income ranges to eliminate the gaps in support obligations that would otherwise exist.

The second stage is the development of a support schedule from the table of support proportions. Specifically, since the tables of proportions is specified in terms of net income, a method of translating gross to net income must be defined.

BUILDING A TABLE OF SUPPORT PROPORTIONS

There are seven steps in developing a table of support proportions from the Rothbarth estimates of child expenditures. These steps include:

1. Updating the net income brackets for changes in the cost of living since the time the data were collected;
2. Deducting from child expenditures the portion attributable to child care;
3. Deducting from child expenditures the child's portion of medical expenses (i.e. health insurance premiums and extraordinary medical expenses);



4. Calculating the relationship between consumption spending and net income;
5. Computing child expenditures as a proportion of net income;
6. Extending the estimates for one, two, and three-child households to households with four, five, and six children; and
7. Computing marginal proportions between income ranges to avoid notches in support obligations.

1. Updating the Net Income Brackets

The Rothbarth estimates are based on annual Consumer Expenditure Survey (CEX) data from 1980 through 1986 compiled by the Bureau of Labor Statistics. The CEX income data specified in constant 1983 dollars were updated to March 1999 dollars using statistics on changes in the consumer price index (CPI) since the time the data were collected.

2. Deducting Costs of Child Care

The Income Shares model currently used in Arizona is meant to be a basic support obligation to which are added the costs of work-related child care and extraordinary medical expenses. The table of support proportions specifically excludes the child's share of expenditures related to these items. Adjustments for these expenditures can be accommodated because the CEX database identifies expenditures for each commodity. To make the adjustment, child care expenses are computed as a proportion of consumption spending and then subtracted from the Rothbarth estimates of child expenditures as a proportion of consumption spending. Child care costs per child ranged from 0.62 percent of consumption spending in households with annual net incomes less than \$11,151 to 1.28 percent of consumption spending in households with annual net incomes between \$50,177 and \$55,751.

3. Deducting the Child's Share of Unreimbursed Medical Expenses

The adjustment for unreimbursed medical expenses is similar to the adjustment for child care costs, although not as easily computed since medical expenses are not itemized for each household member. Therefore, to compute an adjustment for medical expenses, we assumed that the child's share of those expenditures was the same as the child's share of all consumption spending. Once this share was

computed and defined as a proportion of consumption, it was subtracted from the Rothbarth estimates of child expenditures as a proportion of consumption spending. The child's share of extraordinary medical expenses in one-child households ranged from 0.33 percent of consumption spending for households with annual net incomes between \$11,151 and \$18,161 to 0.59 percent in households with annual net incomes between \$108,971 and \$121,079.

4. Calculating the Relationship Between Consumption and Net Income

Net income using CEX data was defined as gross income, less adjustments for federal, state, and local taxes; social security (FICA) taxes; and union dues. For all but relatively low income households, net income generally exceeds consumption spending. The difference takes the form of savings and increases in household net worth (e.g. principal payments on a mortgage). In order to convert expenditures on children as a proportion of consumption spending to child expenditures as a function of net income, the relationship between consumption and net income must be computed. Not surprisingly, that ratio decreases as net income increases. Thus, while consumption spending consumes all of net income for households with annual net incomes below \$36,323, it represents only about 65 percent of net income for households with annual net incomes in excess of \$121,079.

5. Computing Child Expenditures as a Proportion of Net Income

Once the previous steps have been completed, the computation of child expenditures as a proportion of net income is straightforward. That is, the costs of child care and extraordinary medical expenses are subtracted from the Rothbarth estimates of child expenditures as a proportion of consumption, and the revised proportions are multiplied by the ratio of consumption to household net income. The resulting proportion relates child expenditures to net income.

6. Extending the Rothbarth Estimates to Larger Household Sizes

The CEX data do not allow estimates of child expenditures to be developed for households with more than three children because the number of households on which the estimates would be based is too small. Yet estimates for four, five and six-child households were developed as part of an earlier study. That study used the Espenshade parameters to estimate child-rearing expenditures and Bureau of Labor Statistics (BLS) data on equivalent consumption levels for different family sizes to project consumption levels for households with more children. The study developed ratios to extend the proportion of net income spent on three-child households to households with larger numbers of children. The ratios were



assumed to be constant across income ranges and were used as multipliers to extend the Espenshade estimates.

This information guided the assumptions used to extend the Rothbarth estimates to larger household sizes. As in the earlier study, the assumption was adopted that as the number of children increases, the children's share of consumption spending increases at a constant rate for all income ranges, but that the constant decreases as the number of children increases. That is, although child expenditures as a proportion of consumption spending increase as more children are added to the household, the expenditures per child decrease; a fact which is consistent with the Rothbarth estimates for one, two, and three-child households.

A further assumption was made to account for the finding that the Rothbarth estimates showed smaller increases in child expenditures as a proportion of consumption spending relative to the Espenshade estimates. For example, the Rothbarth estimates show child expenditures increasing an average of approximately 47 percent as a second child is added to the household and 20 percent for the addition of a third child. The comparable Espenshade estimates were 55 and 25 percent respectively. As a result, we assumed that the Rothbarth estimates for four, five, and six-child households would continue to be lower than the Espenshade estimates. We further assumed that they would be lower in approximately the same proportion that they were lower for one, two, and three-child households.

7. Computing Marginal Proportions Between Income Ranges

The previous adjustments result in a table that relates levels of net income to the proportion of income spent on children in one to six-child households. One further adjustment, however, is needed before the table can be used to prepare a Schedule of Support Obligations that will not result in "notches" in obligation amounts as income increases. The method adopted for the Rothbarth estimates is the same approach that was used in developing the current Arizona Schedule of Basic Child Support Obligations. That is, the Rothbarth estimates are assumed to apply at the midpoint of each net income range. For net incomes that lie between these midpoints, marginal proportions were computed so that obligations would increase gradually as income increases.

An example will illustrate why this method of smoothing the support Schedule is needed. Assume we have two, two-child households, one earning between \$2,323-\$2,788 per month and the other earning between \$2,789-\$3,252 per month. The proportion of net income spent on the two children in the lower income household is estimated to be 33.88 percent. The comparable proportion in the higher income

household is estimated to be 32.28 percent. If actual income in the first household were \$2,750, the total support obligation would be \$932 monthly ($\$2,750 \times .3388$). If actual income in the second household were \$2,800, the total monthly support obligation would be \$904 ($\$2,800 \times .3228$); \$28 less per month than the support obligation in the lower income household. The use of marginal proportions between the midpoints of income ranges eliminates this effect and creates a smooth increase in the total support obligation as household income increases.

Summary

After this last adjustment, the table of support proportions, shown below in Table 2, can be prepared. (Table 2 is derived from Table 1.) This table of support proportions is analogous to a tax rate schedule. Each net income midpoint in the table is associated with two proportions for each number of children being supported. The first proportion is applied to the income midpoint and the proportion just below it is applied to income between that midpoint and the next highest midpoint. An example best illustrates how this procedure results in a basic support obligation if the net income and the number of children are known.

Assume that the noncustodial parent has monthly net income of \$1,500 and the custodial parent has \$1,000. The computation of a child support obligation for two children using the information in Table 2 involves the following four basic steps.

Step 1: Add the monthly net incomes of both parents ($\$1,500 + \$1,000 = \$2,500$) and compute their proportionate share of combined income. Custodial parent earns 40 percent of combined net ($\$1,000/\$2,500$), while noncustodial parent's share is 60 percent.

Step 2: Use the combined income from Step 1 to compute a basic support obligation using the proportions in Table 3.

❖ Find the income midpoint just below the combined net income (i.e. \$2,091) and multiply the amount by the proportional support for two children: [$\$2,068 \times .3434$] = \$718.

Subtract the midpoint from the combined net income of the parents and multiply by the marginal proportion: [$(\$2,500 - \$2,091) \times .3181$] = \$130.

Add the two obligation amounts: $\$718 + \$130 = \$848$. This obligation represents the monthly amount estimated to have been spent on the children jointly by the parents if the household had remained intact.



Step 3: Pro-rate the basic support obligation between the parents based on their proportionate shares of net income: (1) noncustodial parent's share is $\$848 \times .60 = \509 , (2) custodial parent's share is $\$848 \times .40 = \339 . The noncustodial parent's computed obligation is payable as child support. The custodial parent's computed obligation is retained and is presumed to be spent directly on the child. This procedure simulates spending patterns in an intact household in which the proportion of income allocated to the children depends on total family income.

Table 2
PROPOSED TABLE OF SUPPORT PROPORTIONS

Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
165	0.2459	0.3595	0.4265	0.4713	0.5109	0.546
	0.2282	0.3536	0.4182	0.4621	0.5009	0.535
162	0.2353	0.3560	0.4215	0.4658	0.5049	0.540
	0.2495	0.3279	0.3848	0.4252	0.4609	0.493
1626	0.2394	0.3480	0.4110	0.4542	0.4923	0.526
	0.2273	0.3275	0.3835	0.4238	0.4594	0.491
2091	0.2367	0.3434	0.4049	0.4474	0.4850	0.519
	0.2233	0.3181	0.3685	0.4072	0.4414	0.472
2557	0.2343	0.3388	0.3983	0.4401	0.4771	0.510
	0.1583	0.2349	0.2833	0.3131	0.3394	0.363
3021	0.2226	0.3228	0.3806	0.4206	0.4559	0.487
	0.1391	0.1891	0.2092	0.2312	0.2506	0.268
3486	0.2114	0.3050	0.3578	0.3953	0.4285	0.458
	0.0909	0.1314	0.1550	0.1713	0.1857	0.198
3951	0.1973	0.2846	0.3339	0.3690	0.4000	0.428
	0.1697	0.2387	0.2721	0.3007	0.3259	0.348
4415	0.1944	0.2797	0.3274	0.3618	0.3922	0.419
	0.1309	0.1897	0.2240	0.2476	0.2684	0.287
5112	0.1857	0.2675	0.3133	0.3462	0.3753	0.401
	0.1496	0.2130	0.2482	0.2743	0.2973	0.318
6842	0.1801	0.2591	0.3033	0.3351	0.3633	0.388
	0.1317	0.1927	0.2283	0.2523	0.2735	0.292
6971	0.1737	0.2502	0.2933	0.3241	0.3513	0.375
	0.1153	0.1700	0.2050	0.2265	0.2456	0.262
7901	0.1668	0.2408	0.2829	0.3126	0.3389	0.362
	0.1477	0.2213	0.2696	0.2979	0.3229	0.345
8831	0.1648	0.2388	0.2815	0.3111	0.3372	0.360
	0.1068	0.1527	0.1781	0.1968	0.2133	0.228
11828	0.1501	0.2169	0.2553	0.2821	0.3058	0.327

BUILDING A SCHEDULE OF BASIC CHILD SUPPORT OBLIGATIONS

The last step involved in building a Schedule is converting gross to net income. The proposed Schedule of Basic Child Support Obligations (gross income version) that incorporates these adjustments is displayed in Table 3 attached at the conclusion of this chapter.

Converting Net to Gross Income

The Schedule of Basic Child Support Obligations is specified in terms of gross monthly income. Yet, the support obligations using the table of proportions are computed for the equivalent net income. Thus, some method must be defined for converting net to gross income. The method could be made complex by treating earned and unearned income differently and attempting to simulate the tax effects for alternative assumptions about the noncustodial parent's share of income and alternative household circumstances. Such an approach, however, is likely to be cumbersome to administer. The approach used to build the Schedule of Basic Child Support Obligations shown in this report makes the following assumptions to simplify the conversion process:

- ❖ All income is treated as earned income subject to taxes;
- ❖ All income is assumed to be earned by a noncustodial parent with no dependents; and
- ❖ Only adjustments for federal and state taxes and FICA are considered. These adjustments assume two federal withholding allowance and rates for FICA applicable in 1999. State taxes are based on one standard deduction and one personal exemption. Federal taxes incorporate the Earned Income Tax Credit (EITC).

A table showing these gross to net income conversions is provided in Appendix II.

Obviously, these assumptions ignore situations where not all income is fully taxable (e.g. tax breaks for home mortgages), where both parents have income and claim different numbers of dependents, and where other taxes (e.g. local taxes) further reduce net income. Nevertheless, in modeling the differential tax impacts associated with different family situations including the new child tax credit, we have found that adjustments to account for the actual tax impacts generally serve to increase the total net income available for support, increase the total support obligation, and,



except in unusual circumstances (e.g. all income is earned by the custodial parent), increase the noncustodial parent's share of that obligation.

OTHER ADJUSTMENTS

The support obligation computed using the Rothbarth parameters is meant to be a basic obligation. To that obligation should be added the costs of other necessary expenditures, such as work-related child care costs and extraordinary medical expenses in excess of \$250 per year per child. As mentioned above, these additional costs of child rearing are not factored into the table of support proportions (Table 3).

Self Support Reserve

An additional adjustment is made for low-income obligors in the worksheet. The existing adjustment compares gross income after payment of the support amount to \$645, the existing self support reserve. If the remainder is less than \$645, the support amount is set at the difference between the obligor's gross income and \$645 per month.

The self support reserve allows the obligor to maintain a minimum subsistence level of living. The existing self support reserve approximates the gross equivalent of the 1995 poverty guidelines for one person (\$623 net per month). The 1999 poverty guidelines for one person is \$687 per month.⁹ Its gross equivalent is about \$780 per month.

⁹ *Federal Register*, vol. 64 no. 52, March 18, 1999, pp 13428-13430.

Table 5
Arizona
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
650	147	218	259	286	310	332
700	156	232	274	303	329	352
750	164	243	288	319	346	370
800	171	255	303	334	362	388
850	179	267	317	350	380	406
900	188	281	333	367	398	426
950	196	294	348	385	417	446
1000	205	307	364	402	436	466
1050	213	320	379	419	454	486
1100	222	333	395	436	473	506
1150	230	346	410	453	492	526
1200	239	360	426	471	510	546
1250	247	373	442	488	529	566
1300	256	386	457	505	548	586
1350	258	390	461	510	553	591
1400	266	403	477	527	571	611
1450	275	416	492	544	590	631
1500	284	428	507	560	607	649
1550	294	440	521	576	624	667
1600	303	452	535	591	641	686
1650	312	464	549	607	658	704
1700	321	477	564	623	675	722
1750	331	489	578	639	692	741
1800	340	501	592	654	709	759
1850	349	513	606	670	726	777
1900	358	525	621	686	743	795
1950	368	537	635	702	761	814
2000	377	549	649	717	778	832
2050	386	562	663	733	795	850
2100	395	574	678	749	812	869
2150	403	586	692	765	829	887
2200	412	598	706	780	846	905
2250	420	610	720	796	863	923
2300	429	622	734	812	880	941



6/22/89

Table 3
Arizona

Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
2350	437	635	749	827	897	960
2400	445	647	763	843	914	978
2450	454	659	777	859	931	996
2500	462	671	791	875	948	1014
2550	471	683	806	890	965	1033
2600	467	678	800	884	958	1026
2650	476	690	814	900	975	1044
2700	485	704	830	917	994	1064
2750	492	714	842	930	1008	1079
2800	499	724	853	943	1022	1093
2850	506	733	864	955	1035	1108
2900	512	743	875	967	1048	1122
2950	519	752	886	980	1062	1136
3000	526	762	898	992	1075	1151
3050	533	772	909	1004	1089	1165
3100	539	781	920	1017	1102	1179
3150	546	791	931	1029	1115	1194
3200	553	801	942	1041	1129	1208
3250	560	810	953	1054	1142	1222
3300	566	820	965	1066	1155	1236
3350	573	830	976	1078	1169	1251
3400	580	839	987	1091	1182	1265
3450	587	849	998	1103	1196	1279
3500	594	858	1009	1115	1209	1294
3550	600	868	1020	1127	1222	1307
3600	605	875	1029	1137	1232	1318
3650	610	882	1037	1146	1242	1329
3700	614	889	1046	1156	1253	1340
3750	619	896	1054	1165	1263	1351
3800	624	903	1063	1175	1273	1362
3850	629	910	1072	1184	1284	1373
3900	634	917	1080	1193	1294	1384
3950	638	925	1089	1203	1304	1395
4000	643	932	1097	1212	1314	1406
4050	648	939	1106	1222	1325	1417



Table 3
ARIZONA
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
4100	653	946	1114	1231	1335	1428
4150	658	953	1123	1241	1345	1439
4200	662	960	1132	1250	1356	1450
4250	667	967	1140	1260	1366	1461
4300	672	974	1149	1269	1376	1472
4350	676	980	1155	1277	1384	1481
4400	680	986	1162	1284	1391	1489
4450	685	992	1168	1291	1399	1497
4500	689	997	1174	1298	1407	1505
4550	693	1003	1181	1305	1414	1513
4600	697	1009	1187	1312	1422	1521
4650	685	992	1168	1291	1400	1498
4700	689	998	1175	1298	1407	1506
4750	693	1003	1181	1305	1415	1514
4800	697	1009	1187	1312	1422	1522
4850	701	1015	1193	1319	1430	1530
4900	706	1020	1200	1326	1437	1538
4950	710	1026	1206	1333	1444	1546
5000	714	1032	1212	1340	1452	1554
5050	718	1037	1218	1346	1459	1562
5100	722	1043	1225	1353	1467	1570
5150	726	1048	1231	1360	1474	1578
5200	731	1054	1237	1367	1482	1586
5250	735	1060	1243	1374	1489	1594
5300	738	1065	1249	1380	1496	1601
5350	741	1069	1254	1385	1501	1607
5400	743	1072	1258	1390	1507	1612
5450	746	1076	1262	1395	1512	1618
5500	748	1080	1267	1400	1517	1623
5550	751	1084	1271	1404	1522	1629
5600	754	1087	1276	1409	1528	1635
5650	756	1091	1280	1414	1533	1640
5700	759	1095	1284	1419	1538	1646
5750	761	1098	1289	1424	1543	1652
5800	764	1102	1293	1429	1549	1657



Table 3
Arizona
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
5850	766	1106	1298	1434	1554	1663
5900	769	1110	1302	1438	1559	1668
5950	772	1113	1306	1443	1564	1674
6000	774	1117	1311	1448	1570	1680
6050	777	1121	1315	1453	1575	1685
6100	780	1125	1320	1459	1582	1693
6150	786	1133	1329	1469	1592	1703
6200	791	1140	1338	1478	1602	1714
6250	796	1148	1346	1488	1613	1725
6300	802	1155	1355	1497	1623	1736
6350	807	1163	1363	1506	1633	1747
6400	812	1170	1372	1516	1643	1758
6450	818	1178	1380	1525	1653	1769
6500	823	1185	1389	1535	1664	1780
6550	828	1193	1397	1544	1674	1791
6600	834	1200	1406	1554	1684	1802
6650	839	1208	1414	1563	1694	1813
6700	844	1215	1423	1573	1705	1824
6750	850	1223	1432	1582	1715	1835
6800	855	1230	1440	1591	1725	1846
6850	860	1237	1448	1600	1735	1856
6900	864	1243	1455	1608	1743	1865
6950	868	1249	1462	1616	1752	1874
7000	872	1255	1469	1624	1760	1883
7050	876	1261	1476	1631	1768	1892
7100	880	1267	1483	1639	1777	1901
7150	884	1273	1490	1647	1785	1910
7200	889	1279	1497	1655	1794	1919
7250	893	1285	1504	1662	1802	1928
7300	897	1291	1511	1670	1811	1937
7350	901	1297	1518	1678	1819	1946
7400	905	1303	1525	1686	1827	1955
7450	909	1309	1532	1694	1836	1964
7500	913	1315	1540	1701	1844	1973
7550	917	1320	1547	1709	1853	1982



Table 3
ARIZONA
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
7600	921	1326	1554	1717	1861	1991
7650	926	1332	1561	1725	1870	2000
7700	930	1338	1568	1732	1878	2009
7750	934	1344	1575	1740	1886	2018
7800	938	1350	1582	1748	1895	2027
7850	942	1356	1589	1756	1903	2036
7900	946	1362	1596	1764	1912	2045
7950	950	1369	1603	1771	1920	2055
8000	955	1375	1611	1780	1930	2065
8050	960	1382	1619	1789	1939	2075
8100	964	1389	1626	1797	1948	2085
8150	969	1395	1634	1806	1958	2095
8200	974	1402	1642	1814	1967	2105
8250	978	1409	1650	1823	1976	2115
8300	983	1416	1658	1832	1986	2125
8350	988	1422	1665	1840	1995	2135
8400	992	1429	1673	1849	2004	2145
8450	997	1436	1681	1858	2014	2155
8500	1002	1442	1689	1866	2023	2165
8550	1007	1449	1697	1875	2032	2175
8600	1011	1456	1704	1883	2042	2185
8650	1016	1462	1712	1892	2051	2195
8700	1021	1469	1720	1901	2060	2205
8750	1025	1476	1728	1909	2070	2215
8800	1030	1482	1736	1918	2079	2225
8850	1035	1489	1743	1926	2088	2235
8900	1039	1496	1751	1935	2098	2245
8950	1044	1503	1759	1944	2107	2255
9000	1049	1509	1767	1952	2116	2265
9050	1054	1516	1775	1961	2126	2275
9100	1058	1523	1782	1970	2135	2285
9150	1063	1529	1790	1978	2144	2295
9200	1068	1536	1798	1987	2154	2305
9250	1072	1543	1806	1995	2163	2315
9300	1077	1549	1814	2004	2172	2325



Table 3
Arizona
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
9350	1082	1556	1821	2013	2182	2335
9400	1086	1563	1829	2021	2191	2345
9450	1091	1569	1837	2029	2200	2354
9500	1095	1575	1844	2037	2209	2363
9550	1099	1581	1851	2045	2217	2372
9600	1103	1587	1858	2053	2226	2381
9650	1107	1593	1865	2061	2234	2391
9700	1111	1599	1873	2069	2243	2400
9750	1115	1605	1880	2077	2252	2409
9800	1120	1611	1887	2085	2260	2418
9850	1124	1617	1894	2093	2269	2427
9900	1128	1623	1901	2101	2277	2437
9950	1132	1630	1908	2109	2286	2446
10000	1136	1636	1916	2116	2295	2455
10050	1140	1642	1923	2124	2303	2464
10100	1144	1648	1930	2132	2312	2473
10150	1148	1654	1937	2140	2320	2483
10200	1153	1660	1944	2148	2329	2492
10250	1157	1666	1951	2156	2338	2501
10300	1161	1672	1959	2164	2346	2510
10350	1165	1678	1966	2172	2355	2519
10400	1169	1684	1973	2180	2363	2529
10450	1173	1690	1980	2188	2372	2538
10500	1177	1696	1987	2196	2380	2547
10550	1182	1702	1994	2204	2389	2556
10600	1186	1708	2002	2212	2398	2565
10650	1190	1714	2009	2220	2406	2574
10700	1194	1720	2016	2227	2415	2584
10750	1198	1726	2023	2235	2423	2593
10800	1202	1732	2030	2243	2432	2602
10850	1206	1739	2038	2251	2441	2611
10900	1211	1745	2045	2259	2449	2620
10950	1215	1750	2051	2267	2457	2629
11000	1218	1755	2058	2274	2464	2637
11050	1222	1760	2064	2281	2472	2645



6/22/99
Table 3
Arizona
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
11100	1225	1766	2070	2288	2480	2654
11150	1229	1771	2077	2295	2488	2662
11200	1233	1776	2083	2302	2495	2670
11250	1236	1782	2090	2309	2503	2678
11300	1240	1787	2096	2316	2511	2687
11350	1244	1792	2103	2323	2518	2695
11400	1247	1798	2109	2331	2526	2703
11450	1251	1803	2115	2338	2534	2711
11500	1254	1808	2121	2344	2541	2719
11550	1257	1813	2127	2351	2548	2726
11600	1261	1818	2133	2357	2555	2734
11650	1264	1823	2139	2364	2562	2742
11700	1267	1827	2145	2370	2569	2749
11750	1271	1832	2151	2377	2576	2757
11800	1274	1837	2157	2383	2583	2764
11850	1277	1842	2163	2390	2591	2772
11900	1281	1847	2169	2397	2598	2780
11950	1284	1852	2175	2403	2605	2787
12000	1287	1857	2181	2410	2612	2795
12050	1291	1862	2187	2416	2619	2802
12100	1294	1867	2192	2423	2626	2810
12150	1297	1872	2198	2429	2633	2818
12200	1301	1877	2204	2436	2640	2825
12250	1304	1882	2210	2442	2647	2833
12300	1307	1886	2216	2449	2654	2840
12350	1311	1891	2222	2455	2662	2848
12400	1314	1896	2228	2462	2669	2856
12450	1317	1901	2234	2469	2676	2863
12500	1321	1908	2241	2477	2685	2873
12550	1325	1914	2249	2485	2694	2883
12600	1330	1920	2257	2494	2704	2893
12650	1334	1927	2265	2502	2713	2903
12700	1338	1933	2272	2511	2722	2913
12750	1343	1940	2280	2520	2732	2923
12800	1347	1946	2288	2528	2741	2933



Part 3
ARIZONA
Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
12850	1351	1952	2296	2537	2750	2943
12900	1355	1959	2304	2545	2760	2953
12950	1360	1965	2311	2554	2769	2963
13000	1304	1882	2210	2442	2647	2833
13050	1307	1886	2216	2449	2655	2840
13100	1311	1891	2222	2455	2662	2848
13150	1314	1896	2228	2462	2669	2856
13200	1317	1901	2234	2468	2676	2863
13250	1321	1907	2241	2476	2685	2873
13300	1325	1914	2249	2485	2694	2882
13350	1330	1920	2257	2494	2703	2892
13400	1334	1927	2264	2502	2713	2902
13450	1338	1933	2272	2511	2722	2912
13500	1342	1939	2280	2519	2731	2922
13550	1347	1946	2288	2528	2740	2932
13600	1351	1952	2295	2536	2750	2942
13650	1355	1958	2303	2545	2759	2952
13700	1359	1965	2311	2554	2768	2962
13750	1364	1971	2319	2562	2778	2972
13800	1368	1977	2326	2571	2787	2982
13850	1372	1984	2334	2579	2796	2992
13900	1376	1990	2342	2588	2805	3002
13950	1381	1997	2350	2596	2815	3012
14000	1385	2003	2357	2605	2824	3022
14050	1389	2009	2365	2613	2833	3031
14100	1393	2016	2373	2622	2843	3041
14150	1398	2022	2381	2631	2852	3051
14200	1402	2028	2388	2639	2861	3061
14250	1406	2035	2396	2648	2870	3071
14300	1410	2041	2404	2656	2880	3081
14350	1415	2047	2412	2665	2889	3091
14400	1419	2054	2419	2673	2898	3101
14450	1423	2060	2427	2682	2908	3111
14500	1427	2067	2435	2691	2917	3121
14550	1432	2073	2443	2699	2926	3131

6/22/80

Table B
ARIZONA

Proposed Schedule of Basic Child Support Obligation

COMBINED ADJUSTED GROSS INCOME	ONE CHILD	TWO CHILDREN	THREE CHILDREN	FOUR CHILDREN	FIVE CHILDREN	SIX CHILDREN
14600	1436	2079	2450	2708	2935	3141
14650	1440	2086	2458	2716	2945	3151
14700	1444	2092	2466	2725	2954	3161
14750	1449	2098	2474	2733	2963	3171
14800	1453	2105	2481	2742	2973	3180
14850	1457	2111	2488	2750	2980	3189
14900	1460	2115	2493	2755	2987	3196
14950	1463	2119	2498	2761	2993	3202
15000	1466	2124	2503	2767	2999	3209



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Chapter IV

Summary of Key Assumptions

The design of the Schedule of Basic Child Support Obligations is based on a number of key economic decisions and assumptions that are documented throughout the text of the report and the technical appendix. In this chapter, we have highlighted the design assumptions that may be the most significant for application of the guidelines to individual cases.

(1) Guidelines based on net income, then converted to gross income. These guidelines are designed to provide child support as a specified proportion of an obligor's net income. As discussed in Chapter III, a table of child support based on obligor net income is developed before converting the tables to gross income. The tables are converted to gross income for three reasons:

- ❖ Use of gross income greatly simplifies use of the child support guidelines because it obviates the need for a complex gross to net calculation in individual cases;
- ❖ Use of gross income can be more equitable because it avoids non-comparable deductions that may arise in making the gross to net calculation in individual cases; and
- ❖ Use of gross income does not cause child support to be increased when an obligor acquires additional dependents, claims more exemptions, and therefore has a higher net income for a given level of gross income.

In converting the schedule to a gross income base, we have assumed that the obligor claims one exemption (for filing, two for withholding) and the standard deduction. This is the most favorable assumption that can be made concerning an obligor's filing status. Obligor with more than one exemption, or with itemized deductions, would have a slightly higher obligation under an equivalent net income guideline.

(2) Tax exemptions for child(ren) due support. The Schedule presumes that the noncustodial parent does not claim the tax exemptions nor the child tax credit for the child(ren) due support. In computing federal tax obligations, the custodial parent is entitled to claim the tax exemption(s) for any divorce occurring after 1984, unless the custodial parent signs over the exemption(s) to the noncustodial parent each year. The child tax credit is given to the parent claiming the tax exemption. Given these provisions, the most realistic presumption for development of the



Schedule is that the custodial parent claims the exemption(s) and child tax credit for the child(ren) due child support.

(3) Income assumed to be taxable. Because the Schedule has withholding tables built into it, the design assumes that all income of both parents is taxable.

(4) Schedule does not include expenditures on child care, extraordinary medical, and children's share of health insurance costs. The Schedule is based on economic data that represent estimates of total expenditures on child-rearing costs up to age 18. The major categories of expenditures include food, housing, home furnishings, utilities, transportation, clothing, education, and recreation. Excluded from these figures are average expenditures for child care, children's extraordinary medical care, and the children's share of health insurance. These costs are deducted from the base amounts used to establish the Schedule because they are added to child support obligations as actually incurred in individual cases. Deducting these expenditures from the base amounts avoids double-counting them in the child support calculation.

(5) Schedule includes expenditures on ordinary medical care. Although expenditures for the children's extraordinary medical care and the children's share of health insurance are to be added to the child support obligation as actually incurred in individual cases, it is assumed that parents will make some expenditures on behalf of the children's ordinary (i.e. out-of-pocket expenses not covered by insurance) medical care. The Schedule amounts in this report is based on the assumption that expenditures on ordinary medical care are \$250 per year per child.

(6) Schedule is based on average expenditures on children 0 - 17 years. Child-rearing expenditures are averaged for children across the entire age range of 0 - 17 years. Expenditures would be higher for teen-aged children, and lower for pre-teen children. For various technical reasons, Betson was unable to provide reliable estimates on child-rearing expenditures for teen-aged children. Based on estimates provided by Espenshade, however, the relative cost associated with children aged 12 to 17 is 1.146 above the average.

(7) Visitation costs are not factored into the schedule. Since the Schedule is based on expenditures for children in intact households, there is no consideration given for visitation costs. Taking such costs into account would be further complicated by the variability in actual visitation patterns and the duplicative nature of many costs incurred for visitation (e.g. housing, home furnishings).

Chapter V

Comparison of Existing and Proposed Schedules

This chapter discusses the differences between the existing and updated Arizona Schedule of Basic Child Support Obligations. Generally, the update yields small differences in the support amounts because there have only been small changes in the factors underlying the schedule. The factors affecting support amounts are listed below.

- ❖ Although, not directly part of the Schedule, the self support reserve has been updated for application of the low-income adjustment.
- ❖ Changes in personal income tax rates (i.e., federal and state taxes and FICA) from 1995 to 1999.
- ❖ Updating the economic estimates of child-rearing expenditures for changes in the price level from when the guidelines were last reviewed to present (1995 to 1999).

The combined effect of these changes is relatively small and offset each other. It is discussed at the end of this chapter.

SELF SUPPORT RESERVE

Many states such as Arizona make an additional adjustment for low-income obligors. In the adjustments, states typically define a self support reserve, which allows an obligor to maintain a subsistence level of living after payment of taxes and support obligations. In its use of the self support reserve, Arizona applies a Self Support Reserve Test in its worksheet. The support amount is first calculated. Then that amount is subtracted from gross income. If the remainder is less than the self support reserve, the support amount is set at the difference between the self support reserve and obligor gross monthly income. If the remainder is more than or equal to the self support reserve, the support amount is set as first calculated.

Arizona's current self support reserve is set at monthly gross amount of \$645. It approximates the net equivalent of the poverty guideline for one person (\$623) in 1995 when the Arizona guidelines were last reviewed. If the self support reserve is



updated to the 1999 federal poverty guideline (\$687 net per month) an approximate gross equivalent is \$760 per month.

Although Arizona defines a self support reserve, unlike most states, it does not specify a minimum support amount. Most states set a minimum support amount of \$50 per month, this represents a token amount which does not cover the obligor's share of child-rearing expenditures but demonstrates the obligor's financial commitment to the children. For the purposes of this comparison, we have also adopted a minimum support amount of \$50 per month.

The existing Schedule does imply that a deviation may be appropriate for obligor gross incomes below \$650 per month because this is the lowest amount addressed in the existing Arizona Schedule. The proposed Schedule implies that threshold should be raised to \$800.

Using this updated amount in Arizona's Self Support Test, we compare support obligations for two-child households under the existing and proposed Self Support Reserve Test and proposed minimum support amount of \$50 per month.¹⁰ As shown in Table 4, when obligor gross income equals \$600 per month, the existing Arizona guidelines do not address what the order should be. However, under the proposed guidelines the amount is \$50 per month. When obligor gross income equals \$700, the amount under the existing schedule is \$55 per month, whereas under the proposed amount the minimum support amount of \$50 per month would still apply. The proposed amounts continue to be less than the existing amount until obligor gross income reaches \$1,000 per month. At this level, the Self Support Reserve Test would no longer result in a downward adjustment to the support amount.

¹⁰ The minimum support amount is to be determined by the State. We propose \$50 only because it the amount most frequently used by other states, however, some states set the amount higher and other states set the amount lower.

Table 4
COMPARISON OF EXISTING AND PROPOSED
GUIDELINES FOR LOW INCOMES:
TWO CHILDREN

Monthly Gross Income	Existing Arizona Child Support Guidelines	Proposed Arizona Child Support Guidelines
\$ 600	Not addressed	\$ 50
\$ 700	\$ 55	\$ 50
\$ 800	\$155	\$ 60
\$ 900	\$255	\$140
\$1,000	\$310	\$240
\$1,100	\$334	\$333
\$1,200	\$358	\$360

**REVISIONS IN PERSONAL
INCOME TAX RATES**

As is evident in Table 5, the effective personal income tax rate from 1995 to 1999 has decreased for low incomes and increased for middle to high incomes. Generally, low incomes (as depicted in Table 5 by gross incomes below \$2,000 per month) are now taxed at a lower rate because of increases in the federal exemptions. Arizona state tax and FICA has remained constant for low incomes.

Although the increase in the federal exemptions lowers federal personal income taxes for the middle and high incomes as well, increases in the state personal and FICA schedules offset the reduction in federal taxes. The increase in Arizona taxes results from a change in the Arizona standard deduction and personal exemption. In 1995, Arizona personal income tax rate was applied to monthly income adjusted for federal exemptions. In 1999, Arizona employees can elect what proportion of federal tax withheld is withheld for Arizona State tax. Because the monthly withholding is now at the employee's option, we used the Arizona deduction and standard exemption provided in state statute [A.R.S. §43-1041]. These amounts are substantially lower than the federal amounts, thus result in more income being subject to Arizona tax in 1999 than was subjected to tax in 1995.



Table 5
CHANGES IN FEDERAL and STATE TAXES and FICA
from 1995 to 1999

Monthly Gross Income	1995				1999			
	Federal Tax	FICA ²	State Tax	Total	Federal Tax	FICA ³	State Tax	Total
\$ 900	\$ 40	\$ 69	\$ 12	\$ 121	\$ 33	\$ 69	\$ 12	\$ 114
\$1,000	\$ 55	\$ 76	\$ 15	\$ 146	\$ 48	\$ 77	\$ 15	\$ 140
\$2,000	\$ 205	\$153	\$ 51	\$ 409	\$ 198	\$153	\$ 73	\$ 424
\$3,000	\$ 423	\$229	\$ 90	\$ 742	\$ 382	\$230	\$158	\$ 771
\$4,000	\$ 703	\$306	\$132	\$1,140	\$ 662	\$306	\$196	\$1,164
\$6,000	\$1,300	\$403	\$230	\$1,933	\$1,242	\$459	\$403	\$2,104
\$8,000	\$1,920	\$432	\$334	\$2,686	\$1,863	\$491	\$497	\$2,851
\$10,000	\$2,540	\$461	\$438	\$3,439	\$2,482	\$520	\$591	\$3,593
\$12,000	\$3,242	\$490	\$542	\$4,274	\$3,130	\$549	\$686	\$4,365

¹The assumptions used to compute federal taxes were (1) two withholding allowances; and (2) all income earned by a single person.

²FICA rates in 1995 : 7.65 percent up to gross monthly income of \$5,100, plus 1.45 percent of gross monthly incomes above \$5,100.

³FICA rates in 1999: 7.65 percent up to gross monthly income of \$6,050, plus 1.45 percent of gross monthly incomes above \$6,050.

Increases to the Social Security threshold further increase the effective tax rates for high incomes. Social Security is now applied up to gross incomes of \$6,050 per month, whereas it was only applied up to gross incomes of \$5,100 per month in 1995.

On average, the increase in the effective personal income tax rate is 2.7 percent. It ranges from an increase of 0.7 to 7.1 percent. In effect, this makes less income available for child-rearing expenditures.

CHANGES IN THE PRICE LEVEL

The change in the price level since the Schedule was last updated in 1995 is 10 percent. The income intervals displayed in Table 2 are inflated to reflect this change. It shifts the proportions of child-rearing expenditures downward. In effect,

a higher proportion of child-rearing expenditures is now applied to each income level. This is evidenced in the graphical comparisons of the existing to updated Schedules, which compares support amounts along a range of obligor net incomes.

Figures 3, 4 and 5 display levels of support obligations as percentages of obligor monthly net income across a range of incomes from \$700 to \$6,000 per month. Net income rather than gross income is used to exclude effects caused by tax rate changes. Comparisons are presented for two children, with comparisons for one and three children displayed in Appendix III. For each comparison, three figures with accompanying tables are shown under the following assumptions about obligee income:

- ❖ The first figure for each comparison depicts support order levels under the assumption that the obligee has zero income.
- ❖ The second figure depicts order levels under the assumption that the obligee has half as much income as the obligor. That is, if the obligor has net income of \$2,000 per month, the obligee is assumed to have net income of \$1,000 per month; if the obligor has net income of \$3,000 per month, the obligee is assumed to have net income of \$1,500 per month. We would expect this to be the most typical income ratio because it approximates the relationship between average male to female earnings.
- ❖ The third figure depicts order levels under the assumption that the obligee has the same amount of net income as the obligor across the entire income range.

These comparisons assume there are no additional expenses, such as child care costs or children's extraordinary medical expenses. Also, the comparisons assume that an additional adjustment is made for low income.

In reading the figures, one important consideration is that the x-axis is not an interval level scale. That is, although support is shown as a proportion of net income for each \$100 increase in income through \$2,500 per month, the scale changes to \$500 income increases through the remainder of the income range. As a result, the fairly rapid descent of the curves after \$2,000 per month is an artifact of the income scale used in the figures. The actual curves would decline much more slowly if \$100 income increments had been used throughout the income range.



Figure 3: Two Supported Children, Obligee Has No Income

For low incomes, obligations under the proposed Schedule and proposed self support reserve track below obligations below the existing Schedule due to the proposed increase in the self support reserve. By obligor net incomes of \$1,100, however, the self support reserve is no longer applied. After \$1,100, the proposed schedule tracks somewhat above the existing Schedule. This modest increase reflects changes in the price levels from 1995 to 1998.

Figure 4: Two Supported Children, Obligee's Income Is Half the Obligor's

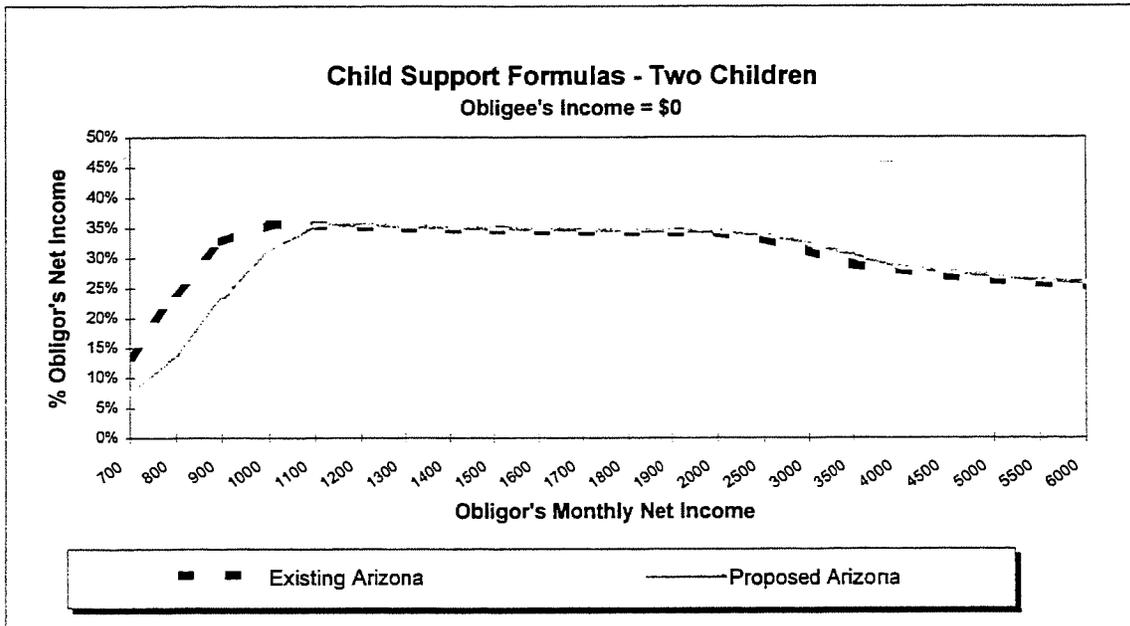
In this situation, the first observation to make is that generally the obligor's share of the support obligation as a proportion of his or her net income is almost always less than in the situation where the obligee had no income. (The exception is for low income obligors where the adjustment to maintain a self support reserve is applicable.) For example, the support obligation is 35 percent of obligor net income when obligor income equals \$1,700 per month and the obligee has no income under the existing Schedule. In contrast, it is 33 percent of obligor net income when obligor net income equals \$1,700 per month and obligee net income is \$850 per month under the existing Schedule. This is also true of the proposed Schedule.

Generally, the relationship between the existing and proposed Schedule is similar to the relationship depicted in Figure 3 (the scenario when the obligee had no income). That is, the proposed Schedule tracks below the existing Schedule when the Self Reserve Test is applied and the proposed Schedule tracks somewhat above the existing Schedule once the self support reserve is no longer applied. The increase reflects changes in the price level.

Figure 5: Two Supported Children, Obligee's Income = Obligor's Income

The trends evidenced in Figures 3 and 4 are also evident in Figure 5. That is, (1) application of the proposed increase to the self support reserve results in lower orders for low income obligors, (2) support as a proportion of obligor net income is less as the obligee's income increases relative to the obligor's; (3) obligations under the proposed Schedule are somewhat more than those under the existing Schedule once the Self Support Reserve Test is no longer applicable.

Figure 3

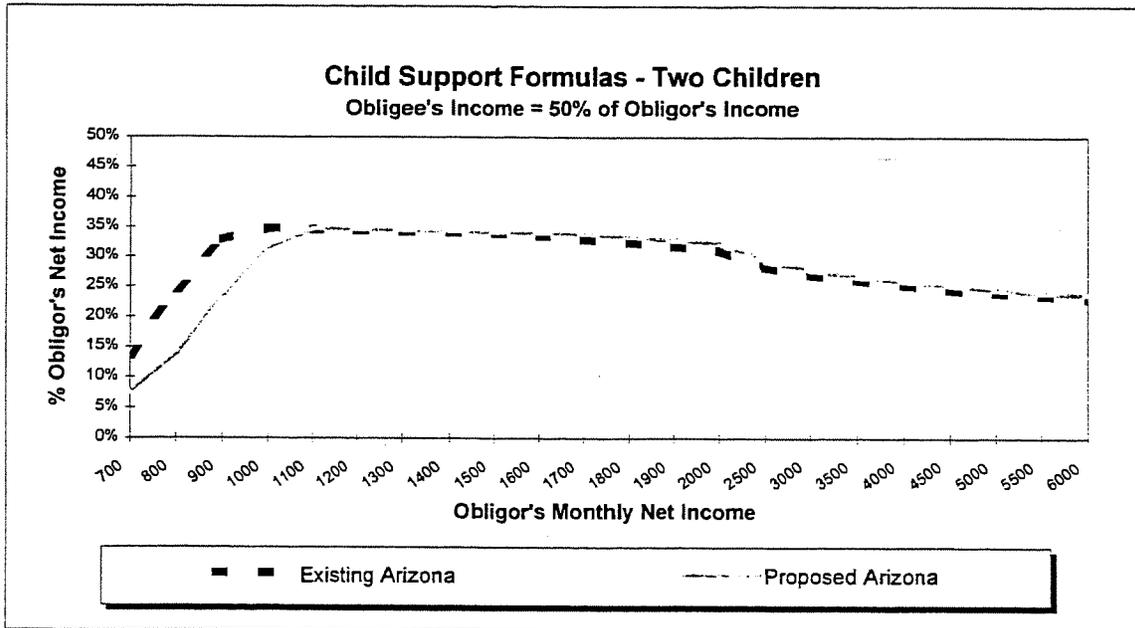


CHILD SUPPORT FORMULAS - TWO CHILDREN
Obligee's Income = \$0

Obligor's Net Monthly Income	Support Due (\$\$ per month)		%	
	Existing Arizona	Proposed Arizona	Existing Arizona	Proposed Arizona
700	95	50	14%	7%
800	195	113	24%	14%
900	295	213	33%	24%
1000	356	313	36%	31%
1100	390	392	35%	36%
1200	423	426	35%	36%
1300	456	459	35%	35%
1400	489	492	35%	35%
1500	522	525	35%	35%
1600	554	557	35%	35%
1700	587	590	35%	35%
1800	620	623	34%	35%
1900	652	656	34%	35%
2000	684	688	34%	34%
2500	828	848	33%	34%
3000	934	970	31%	32%
3500	1009	1065	29%	30%
4000	1119	1136	28%	28%
4500	1214	1251	27%	28%
5000	1318	1346	26%	27%
5500	1424	1450	26%	26%
6000	1520	1557	25%	26%



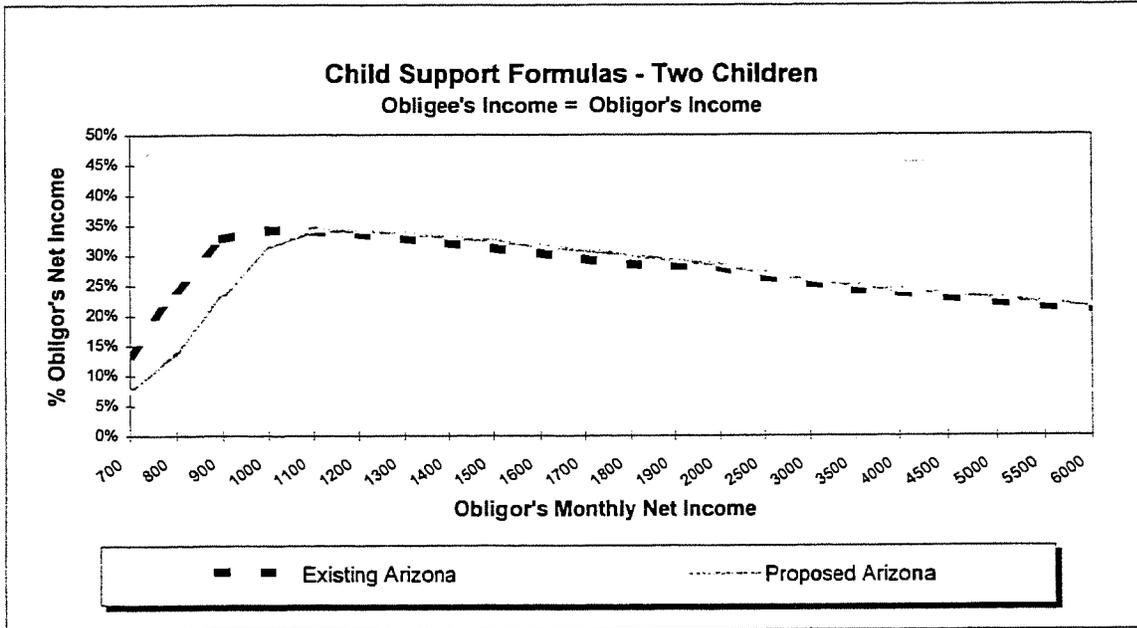
Figure 4



CHILD SUPPORT FORMULAS - TWO CHILDREN
Obligee's Income = 50% of Obligor's Income

Support Due (\$\$ per month)			% of Obligor's Net Income		
Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona	Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	95	50	700	14%	7%
800	195	113	800	24%	14%
900	295	213	900	33%	24%
1000	348	313	1000	35%	31%
1100	380	382	1100	35%	35%
1200	413	415	1200	34%	35%
1300	446	448	1300	34%	34%
1400	477	481	1400	34%	34%
1500	509	512	1500	34%	34%
1600	537	544	1600	34%	34%
1700	560	576	1700	33%	34%
1800	584	600	1800	32%	33%
1900	604	623	1900	32%	33%
2000	623	647	2000	31%	32%
2500	707	732	2500	28%	29%
3000	810	834	3000	27%	28%
3500	914	931	3500	26%	27%
4000	1014	1038	4000	25%	26%
4500	1103	1135	4500	25%	25%
5000	1200	1223	5000	24%	24%
5500	1300	1320	5500	24%	24%
6000	1376	1423	6000	23%	24%

Figure 5



CHILD SUPPORT FORMULAS - TWO CHILDREN
Obligee's Income = Obligor's Income

Obligor's Net Monthly Income	Support Due (\$\$ per month)		% of Obligor's Net Income	
	Existing Arizona	Proposed Arizona	Existing Arizona	Proposed Arizona
700	95	50	14%	7%
800	195	113	24%	14%
900	295	213	33%	24%
1000	342	313	34%	31%
1100	374	376	34%	34%
1200	402	408	34%	34%
1300	426	438	33%	34%
1400	448	462	32%	33%
1500	467	485	31%	32%
1600	485	504	30%	32%
1700	498	523	29%	31%
1800	512	539	28%	30%
1900	536	552	28%	29%
2000	560	568	28%	28%
2500	659	673	26%	27%
3000	760	778	25%	26%
3500	849	875	24%	25%
4000	955	962	24%	24%
4500	1032	1067	23%	24%
5000	1109	1144	22%	23%
5500	1185	1220	22%	22%
6000	1261	1296	21%	22%



COMBINED EFFECT OF INCREASES TAXES AND INCREASED PRICES

As discussed earlier, price levels have increased 10 percent from when the Arizona child support guidelines were last reviewed to now (1995-1999). Over the same time period, the average reduction in net income was 2.7 percent because of an increase in the effective tax rate. On the one hand, the change in the price level results in increases to the basic obligations in the proposed gross income schedule shown in Table 3. On the other hand, the reduced net income results in decreases to the basic obligations shown in Table 3. Combined, the effects generally offset each other. For example, the average increase in the basic obligations for one, two and three children is zero percent. However, the percentage difference ranges from -5.0 to 4.0. A comparison of the existing and proposed Schedules for one, two and three children is provided in Appendix IV.

Chapter VI

Summary and Conclusions

In part due to federal requirements, the Arizona Administrative Office is currently reviewing its child support guidelines. PSI has been contracted to provide technical assistance on this review. The federal government mandates that the review consider the most recent economic studies on child-rearing costs. This report discusses the most current economic studies on child-rearing costs, however, no studies have updated the economic estimates developed by Dr. David Betson, which are currently used as the base of the existing Arizona Schedule. As a result, no new economic estimates are used to update the Arizona Schedule. However, Dr. Betson's estimates, which are based on 1980-86 data from the Consumer Expenditure Survey, are updated for changes in the price level since the guidelines were last reviewed in 1995.

This report proposes an updated Schedule using Dr. Betson's estimates updated to 1999 price levels and in consideration of 1999 federal and state personal taxes and FICA. Because price levels have increased 10 percent since the Schedule was developed in 1995, there is a small increase in the basic support obligations as a proportion of net income. It is important to note, however, that the basic support obligations are not inflated by 10 percent across the board. Rather, the income intervals used to develop the schedule are inflated. For example, a combined *net* monthly income of \$1,000 which resulted in a basic support obligation of \$100 under the existing Schedule would be inflated in the proposed Schedule to a combined monthly *net* income of \$1,100 ($\$1,000 + 0.10 \times \$1,000$) and would be assigned a basic support obligation of \$100.

Once inflated, the basic support obligations were converted to a gross income Schedule using 1999 federal and state personal and FICA tax schedules. Because the effective tax rate is higher (2.7 percent on average) less income is available for child-rearing expenditures. This generally offsets the increase due to changes in the price level.

On average, there is a 0 percent change in the gross income Schedules for one, two and three children when both effects are considered. Yet, the percentage change varies between income groups. In some areas of the proposed Schedule, there is a proposed *increase* of 4 percent, whereas in other areas of the proposed Schedule there is a proposed *decrease* of 5 percent. In the areas where there is the proposed increase, the change in the price level has a larger effect than the change in the tax



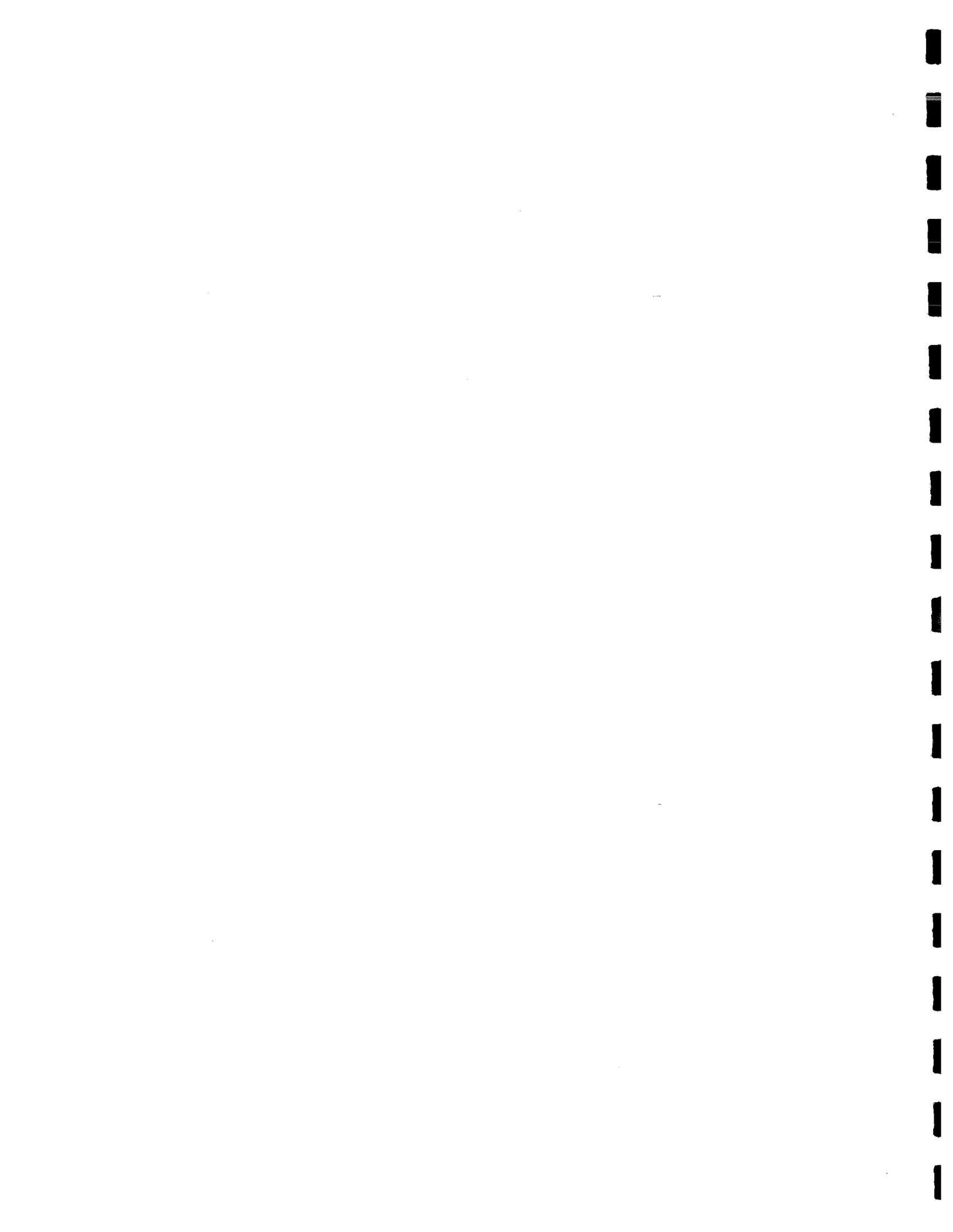
structure. Conversely, in the areas of the proposed Schedule with a proposed decrease, the effect of the change in the tax structure is larger than the effect from the change in the price level.

In this report, we have also examined the self support reserve used to adjust for low-income obligors. The current self support reserve is set at \$645 gross per month, it approximates the 1995 federal poverty guidelines for one person. We recommend increasing the self support reserve to \$780 gross per month which reflects the 1999 federal poverty guidelines.

In summary, the updated Schedule only results in small differences from the existing Schedule. On the one hand, the change is not large enough to warrant adopting the proposed Schedule. On the other hand, adoption of the proposed Schedule would be a gradual change that could thwart the need for adopting a Schedule with large changes in the future.

APPENDIX I:
TECHNICAL CONSIDERATIONS IN DEVELOPING
SCHEDULE OF SUPPORT OBLIGATIONS





Appendix I

Technical Considerations in Developing Schedule of Support Obligations

The development of a schedule of child support obligations is fairly complex in that it requires (1) the use of multiple data sources (e.g. Consumer Expenditure Surveys); (2) decisions about how to treat certain classes of expenditures (e.g. medical care); (3) intermediate calculations (e.g. how to translate expenditures on children to a proportion of net income); and (4) assumptions (e.g. how to estimate expenditures on children, computation of taxes in estimating net income). The purpose of this technical appendix is to explain the procedures used in developing the table of support proportions (i.e. expenditures on children as a proportion of household net income for various levels of income and numbers of children) and, therefore, the proposed Schedule of Basic Child Support Obligations.

PARENTAL EXPENDITURES ON CHILDREN

The effort to build a schedule of support obligations begins with decisions about how to measure parental expenditures on children. Obviously, those expenditures can not be observed directly, primarily because many expenditures (e.g. shelter, transportation) are shared among household members. For example, in a two-adult, two-child household, what proportion of a new car's cost should be attributed to the children? Since child expenditures cannot be measured directly, an indirect method must be defined to estimate those expenditures. The common element of all the estimation methods is that they attempt to allocate expenditures to the children based on a comparison of expenditure patterns in households with and without children and which are deemed to be equally well off.

There are numerous estimation techniques available and they are described succinctly in a 1990 Lewin/ICF report to the U.S. Department of Health and Human Services. The two techniques that appear to offer the most sound theoretical bases are the Engel and Rothbarth estimators. The Engel approach estimates child expenditures based on total household expenditures on food. Economists believe child expenditures estimates using this approach represent an upper bound to those expenditures. The Rothbarth approach, on the other hand, estimates child expenditures based on the level of household expenditures on adult goods (e.g. adult clothing, alcohol, tobacco). Child expenditures using this approach are believed to represent a lower bound to expenditures. Again, the Lewin/ICF report cited above presents a clear description of the approaches and of their merits



and limitations as estimators of child expenditures. The support schedule defined in this report is based on the Rothbarth approach.

Data on Household Expenditures

The ideal database for estimating child-rearing expenditures would be one that itemized household consumption expenses by cost category and by each individual in the household. There is no existing database that provides this level of detail. Moreover, since 90 percent of household expenditures are shared, it is unlikely that such a database will ever exist if only because it would be impossible to allocate expenditures with any level of precision to individual household members.

The database most commonly used to estimate child expenditures is the Consumer Expenditure Survey (CEX). As the aforementioned Lewin/ICF report says of the CEX, "It is by far the best available source of information for implementing the techniques for estimating expenditures on children...." (p. 3-1). The Espenshade and Rothbarth models presented in this report are based on household expenditure data reported in the CEX.

Even though the CEX may be the best database to estimate child expenditures, it has some limitations that are important to the development of a schedule of child support obligations, especially a schedule based on an income shares concept. They include:

- ❖ Only a few items in the CEX (i.e. adult clothing, alcohol, tobacco) are solely "adult" expenditures;
- ❖ It is impossible to distinguish between "necessary" child care expenses (e.g. those incurred to allow someone to work) from "discretionary" expenses;
- ❖ Medical expenses on children cannot be distinguished from expenses on adult household members; and
- ❖ The CEX likely understates total household income.

The first issue is of concern because the Rothbarth technique estimates child expenditures by examining how adult expenditures are affected by the addition of a child to the household; that is, asking how much of total expenditures is displaced (i.e. transferred from the adults to the children) when a child is added to the household. The precision of the technique would be improved if there were more items that were clearly adult expenses.

The second and third issues are of concern because the support schedule developed for Arizona establishes a "basic" support obligation to which is added the parental share of expenditures for child care and unreimbursed medical expenses. The assumptions used to deal with these limitations are discussed later in this appendix.

The CEX is much like every survey that attempts to capture income information; that is, there is likely to be underreporting or nonreporting of income. Staff at the Bureau of Labor Statistics, which administers the survey, suggest that income reported in the CEX is too low relative to expenditures. There are, however, no theoretically-based methods to adjust income for this problem and so no adjustment is applied.

CHILD EXPENDITURES AS A PROPORTION OF NET INCOME

Using the Rothbarth estimation technique and CEX data from 1980-86, David Betson computed child expenditures for 1, 2 and 3-child households. These expenditures are related to total consumption spending in the expression EC/C , where EC = expenditures on children and C = total consumption expenditures. In order to estimate EC as a proportion of net income (NI), the relationship between NI and C must be computed. This can be done from the CEX because of the detailed itemization of expenditures.

Under the approach used to develop the income shares model, net income is computed independently using CEX data on gross income (GI) and on itemized deductions for (1) federal, state and local taxes, including personal property taxes; (2) social security ($FICA$) taxes; and (3) union dues, which are considered to be mandatory employment expenses. Thus,

$$NI = GI - \text{taxes} - FICA - \text{union dues}$$

In relation to consumption, net income is greater by the amount of spending that is not related to consumption. This includes, for example, spending on contributions, savings, personal insurance and pensions. Included in the category of savings are principal payments on a home mortgage (interest payments are counted as household consumption) and changes in net worth (i.e. net change in assets - net change in liabilities).

For low income households, consumption expenditures may exceed the net income figure derived by subtracting taxes and other items from gross income. Thus, consumption as a proportion of net income (C/NI) exceeds 100 percent. In these



instances, the C/Ni ratio is set at 1.0. For example, in Betson's calculations, consumption expenditures exceeded net income for the lowest four income ranges (i.e. all households with annual net incomes below \$33,449 per year in March 1999 dollars). This outcome may be partially related to reported difficulties of measuring income in the CEX as discussed above. As shown in Table I-1 below, the measured ratio of consumption expenditures to net income ranged from 3.300 for households with annual net incomes less than \$11,150 to 0.648 for households with annual net incomes above \$111,504.

Table I-1
NET INCOME AND CONSUMPTION AT SELECTED NET INCOME
INTERVALS

Net Income Interval (1999 \$)	Income Midpoint (1983 \$)	Number of Observations	Consumption Spending (C) (1983)	C/Ni
Less than \$11,154	\$ 3,333	220	\$10,999	3.300
\$11,155 - \$16,730	\$ 8,333	337	\$12,549	1.506
\$16,731 - \$22,308	\$11,667	479	\$14,759	1.265
\$22,309 - \$27,885	\$15,000	667	\$16,275	1.085
\$27,886 - \$33,461	\$18,333	741	\$18,571	1.013
\$33,462 - \$39,039	\$21,667	809	\$20,475	0.945
\$39,040 - \$44,616	\$25,000	877	\$22,725	0.909
\$44,617 - \$50,194	\$28,333	791	\$24,026	0.848
\$50,195 - \$55,770	\$31,667	706	\$26,704	0.843
\$55,771 - \$66,925	\$35,000	1103	\$28,105	0.803
\$66,926 - \$78,081	\$43,333	651	\$34,016	0.785
\$78,082 - \$89,313	\$50,000	419	\$37,800	0.756
\$89,314 - \$101,389	\$56,667	239	\$40,857	0.721
\$100,390 - \$111,542	\$63,333	151	\$44,966	0.710
\$111,543+	\$84,833	329	\$54,972	0.648

Total consumption expenditures are related to net income by the expression C/Ni. Expenditures on children are related to consumption by the expression EC/C. Multiplying the two expressions provides a ratio of child expenditures to net income (EC/Ni).

$$EC/C \times C/NI = EC/NI$$

Treatment of Selected Factors

Specific questions have been raised in other states that have incorporated the new Rothbarth/Betson estimates about the treatment of various types of expenditures. Specifically, there have been questions about adjustments for (1) teenage clothing; (2) child care; (3) medical expenses; (4) durable goods, particularly housing; and (5) savings.

Teenage Clothing

Clothing expenditures in the CEX for children beyond the age of 15 years are classified with other adult clothing expenditures. Therefore, it is necessary to estimate expenditures for 16-18 year old children based on clothing expenditure data for other children. The Rothbarth clothing cost estimates for teenagers get smaller as the child ages and actually are negative for 16-18 year old children. To correct for this anomaly, Betson assumed that the costs for children ages 13-18 years were the same as the costs for a 12 year old child.

Child Care

The current Arizona support schedule and the Rothbarth version of the model presented in this report exclude the costs of child care. Instead, in the child support calculation, the actual costs are prorated between the parents based on their relative proportions of net income and added to the basic support obligation. There are several reasons for this approach:

- ❖ They represent a large variable expenditure and are not incurred by all households; usually only in households with a working custodial parent and one or more young children.
- ❖ Where child care costs occur, they generally represent a large proportion of total child expenditures, particularly in households with children under 6 years of age.
- ❖ Treating child care costs separately maximizes the custodial parent's marginal benefits of working. If not treated separately, the economic benefits of working are reduced substantially. One of the principles incorporated into the Income Shares model is that the method of computing a child support obligation should not be a deterrent to participation in the work force.



Since the CEX itemizes child care expenditures, an adjustment can be made directly to EC/C. For example, Table I-3 at the end of this appendix shows that for two-child households in the \$33,451-\$42,376 income range, EC/C = 36.73 percent. Child care (CC) as a proportion of consumption for that same income range is 1.72 percent (0.86 percent x 2 children). For this income range, a revised EC/C which excludes child care costs is:

$$\text{Revised EC/C} = 36.73 - 1.72 = 35.01 \text{ percent}$$

Medical Expenses

Like expenses for child care, the current Arizona support schedule and the Rothbarth version of the model presented in this report exclude the child's share of costs for some medical expenses, specifically including the costs of health insurance premiums and extraordinary, or unreimbursed medical expenses. There are two principal reasons these costs are excluded from the model:

- ❖ Federal regulations (45 CFR §306.51) require that the obligor carry health insurance that covers the child if available through the employer at a reasonable cost.
- ❖ Unreimbursed medical expenses (i.e. those not covered by or that exceed insurance reimbursement) are highly variable across households and can constitute a large proportion of expenditures on a child. Orthodontia, psychiatric therapy, asthma treatments, and extended physical therapy may be among the expenses not covered.

Deciding what proportion of unreimbursed medical expenses might be considered extraordinary is difficult. We have elected to assume that some unreimbursed medical expenses (e.g. non-prescription medications, well visits to doctors) should be considered routine and not extraordinary. For the purposes of estimating support proportions, extraordinary medical expenses are defined as the amount of expenditures that exceed \$250 per family member. This amount, deflated to 1983 dollars, was subtracted from the reported costs of unreimbursed medical expenses in computing the proportion of medical expenses that should be considered extraordinary.

While the CEX itemizes unreimbursed medical expenses and health insurance premium costs, it does not allocate expenses to individual household members. Thus, a method must be developed for excluding those expenditures from EC/C.

There are two steps in this process. First, the child's share of those medical expenses (M) must be determined. That calculation assumes that the child's share is the same as his/her share of all household expenditures (EC/C). Thus, for a two-child household in the \$33,451-\$42,376 net annual income range, the child's share of these expenses would be 36.73 percent (i.e. EC/C for two children) of 2.31 percent (i.e. medical expenses as a proportion of consumption for a household in that income range). The children's share of medical expenses is therefore 0.85 percent of consumption expenditures. This proportion is subtracted from EC/C to arrive at an adjusted EC/C.

$$\text{Revised EC/C} = 36.73 - 0.85 = 35.88 \text{ percent}$$

Durable Goods

The largest durable goods expenditures are for housing and transportation. Housing costs are treated in the following manner:

- ❖ For housing that is owned or being purchased: only taxes and interest payments are counted as expenditures. Payments of principal are counted as savings.
- ❖ For housing that is rented: all rental costs are counted as consumption expenditures.

The purchase price of an automobile is not counted as an expenditure, however the interest payments made on an automobile loan are counted. This approach may underestimate total expenditures, particularly in the situation where the automobile is purchased for cash. The ideal approach to counting such a purchase would be to include as consumption the rental value of the automobile, not the net purchase price. The rental value, however, cannot be defined by the data.

With regard to other durable goods (e.g. television, toaster oven), their purchase prices are counted as consumption expenditures. The interest payments on consumer debt associated with those purchases are also counted as expenditures, since there is no way to link interest payments to individual purchases. Therefore, there is some double counting of expenditures for these durable goods items.

Savings

Savings are not counted as consumption expenditures. Rather, they are counted as residual expenditures; that is, part of all non-consumption spending which is the difference between net income and consumption. Income specifically itemized as savings and retirement contributions fall into this residual category. Also, as noted



above, the category includes principal payments on home mortgages and the purchase price of automobiles. Since savings are a residual and therefore not calculated independently, there is no implicit savings rate that is applied to the calculation of expenditures on children as a proportion of net income.

Effect of Adjustments on Proportional Expenditures

Table I-4 at the end of this appendix illustrates for two children how adjustments for child care expenditures and medical expenses (health insurance and unreimbursed medical costs) are factored into the computation of a proportion that relates expenditures on children to net income. The table uses a two-child household as an example, but the same procedure was applied to one and three-child households using the information presented in Table I-3. Thus, for two-child households in the \$33,451-\$42,376 annual income range, child expenditures were estimated at 36.73 percent of consumption expenditures (EC/C). Child care (CC/C = 1.72 percent of household consumption expenditures) and medical expenses attributable to the child (M/C = 0.85 percent of household consumption expenditures) were subtracted from EC/C. This new amount (34.16 percent) was multiplied by the ratio of household consumption to net income (C/NI = .945) of that net income range. The resulting figure— $EC^*/NI = 32.28$ percent—relates child expenditures to net income for the \$33,451-\$42,376 net annual income range.

Adjustments for the Number of Children

Betson's estimates of child expenditures for one, two, and three-child households are based on actual household income and expenditure data for 8,519 two-parent families with at least one child under 18 years of age. He did not compute proportions for households with greater numbers of children because of the small sample sizes in the database. Betson computed his proportions for one, two and three-child households in the following manner:

- ❖ Take the midpoint of the annual net income ranges expressed in March 1999 dollars and deflate the amount to 1983 dollars by the Consumer Price Index ($1.662/0.996 = 1.669$). The top interval uses the average net income (\$128,868 in 1999 dollars) of households in that interval rather than the midpoint.
- ❖ Multiply the net income midpoint by the average ratio of consumption expenditures to net income. For income ranges where the ratio exceeded 1.0, expenditures were assumed to equal net income.

- ❖ Take the level of annual expenditures and determine what proportion is spent on one, two and three children. Using his Rothbarth estimates, Betson computed the average percentage spent over all the years the children were with their parents. That is, for one child he computed the average over 18 years. For two and three-child households, he assumed that the children differed in age by two years. Thus, for two-child households, he computed the average over a 16-year period when both children were in the household. Similarly, for three-child households, he computed the average over 14 years.

Adjustments to these data were necessary to extend the support proportions for one, two, and three children to four, five, and six-child households. However, there were no clear guides about how to accomplish this task. Based on a comparison of the Espenshade and Rothbarth parameters, however, we observed that on average the Rothbarth parameters produced estimates that were about 83 percent of those produced using the Espenshade parameters. For example, Espenshade's estimates showed a 55 percent increase in child expenditures as a second child was added to the household and a 25 percent increase for the addition of a third child. Betson's Rothbarth estimates showed an average 47 percent increase with the addition of a second child and a 20 percent increase with the addition of a third child. We assumed there would be an equivalent difference between the Espenshade and Rothbarth proportions as the number of children in the household increased. Based on this assumption, Betson's findings were extended to four, five and six-child households using the multipliers shown in Table I-2 below.

The multipliers were used as constants for all income ranges.

The decreasing size of the multiplier as the number of children increases reflects two phenomena: (1) economies of scale as more children are added to the household (e.g. sharing of household items); and (2) reallocation of expenditures. The reallocation occurs as adults reduce their share of expenditures to provide for more children and as each child's share of expenditures is reduced to accommodate the needs of additional children. That is, as there are more people to share the economic pie, the share for each family member must decrease.

TABLE OF SUPPORT PROPORTIONS

The result of the computations and adjustments discussed above is a table of support proportions that relates child expenditures in one to six-child households to various levels of net income. These relationships are displayed in Table I-5 at the end of this appendix.



**Table I-2
EXTENDING THE ROTHBARTH SUPPORT PROPORTIONS TO
FOUR, FIVE AND SIX-CHILD HOUSEHOLDS**

Number of Children	Espenshade Increase (As % of 3-Child Proportion)	RothbARTH Increase Computation	RothbARTH Multipliers
4	12.74%	$12.74\% \times .827^2 = 10.5\%$	1.105 x 3 child proportion
5	22.93%	$(22.93\% - 12.74\%) \times .827 = 8.4\%$	1.084 x 4 child proportion
6	31.42%	$(31.42\% - 22.93\%) \times .827 = 7.0\%$	1.070 x 5 child proportion

¹Development of Guidelines for Child Support Orders: Final Report, p. II-37.

²For one to three children, the RothbARTH parameters yield increases in child-rearing expenditures as a proportion of net income that average about 82.7 percent of the increase in proportions yielded by the Espenshade parameters.

Adjusting Income Brackets

The data Betson used for his computations were from the time period 1980 through 1986. The database included both nominal and constant dollar amounts, with the base period being May 1993. In order to develop a table of support proportions aligned to 1999 income ranges, Betson used a Consumer Price Index (CPI-U) inflator and applied it to the 1983 incomes on the database.

Computing Marginal Proportions

The table of support proportions shown in Table I-5 links the proportion of net income spent on one to six children to different annual net income ranges. The proportions, however, are meant to apply only at the midpoints of each income range. In order to obtain a smooth transition in support obligations between income ranges, marginal proportions were computed. This adjustment eliminates notches in support obligations that would otherwise be created as parents move from one income range to another.

For example, assume we have two, two-child households, one at the \$2,323-\$2,787 net monthly income range and the second at the next highest range (\$2,788-\$3,252). The proportion of net income spent on the two children in the lower income

household is estimated to be 33.88 percent. The comparable proportion in the higher income household is estimated to be 32.28 percent. If actual income in the first household were \$2,750, the total support obligation would be \$932 monthly ($\$2,750 \times .3338$). If actual income in the second household were \$2,800, the total monthly support obligation would be \$903 ($\$2,800 \times .3228$); \$28 less per year than the support obligation in the lower income household. The use of marginal proportions between the midpoints of income ranges eliminates this effect and creates a smooth increase in the total support obligation as household income increases.

The marginal proportions between income midpoints are established by computing the support obligation at the two midpoints and dividing the difference in the support obligation amounts by the income difference between the two midpoints. For example, the marginal proportion between the midpoints of the above income ranges, \$2,986 and \$3,446 net income for two-child households, would be computed in the following manner:

Monthly Net Income Ranges		
Income midpoints	\$2,555.66	\$3,019.52
Midpoint difference	\$464	
Support proportion	33.38%	32.283%
Support obligation	\$866	\$975
Obligation difference	\$109	
Marginal proportion	23.49%	

Using the example above of one two-child household with \$2,750 and another with \$2,800 of annual net income, support obligations using the marginal proportion approach results in a monthly support obligation for the lower income household of \$887 compared to \$896 for the higher income household.

Translating Gross to Net Income

Since the table of support proportions is defined in terms of net income, it can be applied regardless of how tax structures change. To use the table to develop a schedule of support obligations, however, requires that the tax structure be defined so that net income can be calculated. It would, of course, be possible to discard the support schedule and use the table of support proportions to compute a support



obligation for each individual household. This approach would be able to accommodate the unique tax situation of each household. Yet, it would also involve complexities in terms of the time required to gather all the relevant information and the staff to administer the process.

The support schedule defined in this report represents a general approach to computing support obligations that can be applied quickly and easily. As with other general approaches, however, it has limitations, the greatest being that it requires assumptions about how to measure gross income and how to estimate net income from a given gross income.

Federal and State Taxes and FICA

The assumptions made about gross income are that it is all taxable and that it is taxable at the same rate. That is, all income is treated as if it is earned income subject to federal and state withholding and FICA taxes. Tax rates prevailing in 1999 were used to convert gross income to net.

Using the employer schedule, taxes are computed assuming (1) all income is earned by the obligor (i.e. the tax rates for a single person are used); and (2) two withholding allowances, based on instructions in the employer tax guide. (The use of two withholding allowances simulates the effect of one standard deduction and one exemption allowed when filing personal income tax returns). Income tax and FICA rates defined in the 1999 employer schedule were used to estimate total taxes on a given gross income.

State income taxes are computed from state statute [A.R.S. § 43-1011 and A.R.S-1042]. The obligor is assumed to claim one exemption and one deduction.

Beginning in calendar year 1994, the Earned Income Tax Credit is available to single wage earners. The credit applies only to low income wage earners and only affects gross incomes up to about \$800 per month. Thus, its inclusion does not substantially affect net income, as shown in Appendix II.

Impact of Assumptions on Net Income

If anything, the generalized approach to computing net income from gross income underestimates total household net income. The reason is that accounting for the income of two parents and/or additional exemptions for children reduces total income taxes and thus increases net income. The result is that total support



obligations using the table of support proportions are usually higher when an attempt is made to accommodate the actual tax situation of individual households.

Table I-3
PARENTAL EXPENDITURES ON CHILDREN

Net Income Interval (1999 \$)	Consumption as a % of Net Income	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth Parameters)			Child Care \$ as a % of Consumption (per child)	Medical \$ as a % of Consumption
		One Child	Two Children	Three Children		
Less than \$11,154	330.0%	25.64%	37.82%	45.26%	.62%	1.66%
\$11,155 - \$16,730	150.6%	25.44%	37.48%	44.82%	.69%	1.34%
\$16,731 - \$22,308	126.5%	25.28%	37.20%	44.47%	.81%	2.11%
\$22,309 - \$27,885	108.5%	25.15%	36.99%	44.20%	.89%	2.35%
\$27,886 - \$33,461	101.3%	25.05%	36.83%	44.00%	1.06%	2.25%
\$33,462 - \$39,039	94.5%	24.99%	36.73%	43.87%	.86%	2.31%
\$39,040 - \$44,616	90.9%	24.94%	36.64%	43.76%	1.17%	2.04%
\$44,617 - \$50,194	84.8%	24.91%	36.59%	43.70%	1.15%	2.00%
\$50,195 - \$55,770	84.3%	24.85%	36.50%	43.58%	1.28%	2.07%
\$55,771 - \$66,925	80.3%	24.80%	36.41%	43.46%	1.21%	1.87%
\$66,926 - \$78,081	78.5%	24.72%	36.27%	43.30%	1.25%	2.11%
\$78,082 - \$89,313	75.6%	24.66%	36.18%	43.17%	1.14%	2.21%
\$89,314 - \$101,389	72.1%	24.62%	36.10%	43.07%	.99%	2.00%
\$100,390 - \$111,542	71.0%	24.56%	36.01%	42.96%	.76%	2.38%
\$111,543 +	64.8%	24.50%	35.90%	42.82%	.87%	1.90%

Table I-4
CHILD EXPENDITURES AS A PROPORTION OF NET INCOME
Based on Betson/Rothbarth Estimates

Net Income Range	EC/C (2 children)	CC/C	M/C	C/NI	EC*/NI
Less than \$11,154	37.82%	1.24%	0.63%	> 1.0	35.95%
\$11,155 - \$16,730	37.48%	1.38%	0.50%	> 1.0	35.60%
\$16,731 - \$22,308	37.20%	1.62%	0.78%	> 1.0	34.80%
\$22,309 - \$27,885	36.99%	1.78%	0.87%	> 1.0	34.34%
\$27,886 - \$33,461	36.83%	2.12%	0.83%	> 1.0	33.88%
\$33,462 - \$39,039	36.73%	1.72%	0.85%	.945	32.28%
\$39,040 - \$44,616	36.64%	2.34%	0.75%	.909	30.50%
\$44,617 - \$50,194	36.59%	2.30%	0.73%	.848	28.46%
\$50,195 - \$55,770	36.50%	2.56%	0.76%	.843	27.97%
\$55,771 - \$66,925	36.41%	2.42%	0.68%	.803	26.75%
\$66,926 - \$78,081	36.27%	2.50%	0.77%	.785	25.91%
\$78,082 - \$89,313	36.18%	2.28%	0.80%	.756	25.02%
\$89,314 - \$101,389	36.10%	1.98%	0.72%	.721	24.08%
\$100,390 - \$111,542	36.01%	1.53%	0.86%	.710	23.88%
\$111,543+	35.90%	1.74%	0.68%	.648	21.69%

EC/C = Expenditures on children as a proportion of consumption expenditures
 CC/C = Child care expenditures as a proportion of consumption expenditures
 M/C = Medical expenditures as a proportion of consumption expenditures
 C/NI = Consumption expenditures as a function of net income
 EC*/NI = Adjusted expenditures on children as a proportion of net income
 EC*/NI = (EC/C - CC/C - M/C) x C/NI

Table I-5
TABLE OF SUPPORT PROPORTIONS
 Rothbarth Parameters

Net Income Ranges	Number of Children					
	One	Two	Three	Four	Five	Six
Less than \$11,154	0.2459	0.3595	0.4265	0.4713	0.5109	0.5466
\$11,155 - \$16,730	0.2353	0.3560	0.4215	0.4658	0.5049	0.5402
\$16,731 - \$22,308	0.2394	0.3480	0.4110	0.4542	0.4923	0.5268
\$22,309 - \$27,885	0.2367	0.3434	0.4049	0.4474	0.4850	0.5190
\$27,886 - \$33,461	0.2343	0.3388	0.3983	0.4401	0.4771	0.5105
\$33,462 - \$39,039	0.2226	0.3228	0.3806	0.4206	0.4559	0.4878
\$39,040 - \$44,616	0.2114	0.3050	0.3578	0.3953	0.4285	0.4585
\$44,617 - \$50,194	0.1973	0.2846	0.3339	0.3690	0.4000	0.4280
\$50,195 - \$55,770	0.1944	0.2797	0.3274	0.3618	0.3922	0.4196
\$55,771 - \$66,925	0.1857	0.2675	0.3133	0.3462	0.3753	0.4016
\$66,926 - \$78,081	0.1801	0.2591	0.3033	0.3351	0.3633	0.3887
\$78,082 - \$89,313	0.1737	0.2502	0.2933	0.3241	0.3513	0.3759
\$89,314 - \$101,389	0.1668	0.2408	0.2829	0.3126	0.3389	0.3626
\$100,390 - \$111,542	0.1648	0.2388	0.2815	0.3111	0.3372	0.3608
\$111,543 +	0.1501	0.2169	0.2553	0.2821	0.3058	0.3272

**APPENDIX II:
GROSS-TO-NET INCOME
CONVERSION TABLE**





6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
525.00 - 574.99	0.00	17.80	2.15	42.08	26.43	523.57
575.00 - 624.99	0.00	17.80	3.59	45.90	31.69	568.31
625.00 - 674.99	0.00	14.08	5.02	49.73	40.67	609.33
675.00 - 724.99	3.10	10.25	6.46	53.55	52.86	647.14
725.00 - 774.99	10.60	6.41	7.89	57.38	69.46	680.54
775.00 - 824.99	18.10	2.90	9.33	61.20	85.73	714.27
825.00 - 874.99	25.60		10.76	65.03	101.39	748.61
875.00 - 924.99	33.10		12.20	68.85	114.15	785.85
925.00 - 974.99	40.60		13.63	72.68	126.91	823.09
975.00 - 1024.99	48.10		15.07	76.50	139.67	860.33
1025.00 - 1074.99	55.60		16.50	80.33	152.43	897.57
1075.00 - 1124.99	63.10		17.94	84.15	165.19	934.81
1125.00 - 1174.99	70.60		19.37	87.98	177.95	972.05
1175.00 - 1224.99	78.10		20.81	91.80	190.71	1009.29
1225.00 - 1274.99	85.60		22.24	95.63	203.47	1046.53
1275.00 - 1324.99	93.10		23.68	99.45	216.23	1083.77
1325.00 - 1374.99	100.60		51.92	103.28	255.79	1094.21
1375.00 - 1424.99	108.10		53.52	107.10	268.72	1131.28
1425.00 - 1474.99	115.60		55.12	110.93	281.64	1168.36
1475.00 - 1524.99	123.10		56.72	114.75	294.57	1205.43
1525.00 - 1574.99	130.60		58.32	118.58	307.49	1242.51
1575.00 - 1624.99	138.10		59.92	122.40	320.42	1279.58
1625.00 - 1674.99	145.60		61.52	126.23	333.34	1316.66
1675.00 - 1724.99	153.10		63.12	130.05	346.27	1353.73
1725.00 - 1774.99	160.60		64.72	133.88	359.19	1390.81
1775.00 - 1824.99	168.10		66.32	137.70	372.12	1427.88
1825.00 - 1874.99	175.60		67.92	141.53	385.04	1464.96
1875.00 - 1924.99	183.10		69.52	145.35	397.97	1502.03
1925.00 - 1974.99	190.60		71.12	149.18	410.89	1539.11
1975.00 - 2024.99	198.10		72.72	153.00	423.82	1576.18
2025.00 - 2074.99	205.60		74.32	156.83	436.74	1613.26
2075.00 - 2124.99	213.10		75.92	160.65	449.67	1650.33
2125.00 - 2174.99	220.60		77.52	164.48	462.59	1687.41
2175.00 - 2224.99	228.10		79.12	168.30	475.52	1724.48
2225.00 - 2274.99	235.60		80.72	172.13	488.44	1761.56
2275.00 - 2324.99	243.10		82.32	175.95	501.37	1798.63
2325.00 - 2374.99	250.60		83.92	179.78	514.29	1835.71
2375.00 - 2424.99	258.10		85.52	183.60	527.22	1872.78
2425.00 - 2474.99	265.60		87.12	187.43	540.14	1909.86
2475.00 - 2524.99	273.10		88.72	191.25	553.07	1946.93

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
2525.00 - 2574.99	280.60		90.32	195.08	565.99	1984.01
2575.00 - 2624.99	288.10		143.40	198.90	630.39	1969.61
2625.00 - 2674.99	295.60		145.27	202.73	643.59	2006.41
2675.00 - 2724.99	298.76		147.14	206.55	652.45	2047.55
2725.00 - 2774.99	312.76		149.01	210.38	672.14	2077.86
2775.00 - 2824.99	326.76		150.88	214.20	691.84	2108.16
2825.00 - 2874.99	340.76		152.75	218.03	711.53	2138.47
2875.00 - 2924.99	354.76		154.62	221.85	731.23	2168.77
2925.00 - 2974.99	368.76		156.49	225.68	750.92	2199.08
2975.00 - 3024.99	382.76		158.36	229.50	770.62	2229.38
3025.00 - 3074.99	396.76		160.23	233.33	790.31	2259.69
3075.00 - 3124.99	410.76		162.10	237.15	810.01	2289.99
3125.00 - 3174.99	424.76		163.97	240.98	829.70	2320.30
3175.00 - 3224.99	438.76		165.84	244.80	849.40	2350.60
3225.00 - 3274.99	452.76		167.71	248.63	869.09	2380.91
3275.00 - 3324.99	466.76		169.58	252.45	888.79	2411.21
3325.00 - 3374.99	480.76		171.45	256.28	908.48	2441.52
3375.00 - 3424.99	494.76		173.32	260.10	928.18	2471.82
3425.00 - 3474.99	508.76		175.19	263.93	947.87	2502.13
3475.00 - 3524.99	522.76		177.06	267.75	967.57	2532.43
3525.00 - 3574.99	536.76		178.93	271.58	987.26	2562.74
3575.00 - 3624.99	550.76		180.80	275.40	1006.96	2593.04
3625.00 - 3674.99	564.76		182.67	279.23	1026.65	2623.35
3675.00 - 3724.99	578.76		184.54	283.05	1046.35	2653.65
3725.00 - 3774.99	592.76		186.41	286.88	1066.04	2683.96
3775.00 - 3824.99	606.76		188.28	290.70	1085.74	2714.26
3825.00 - 3874.99	620.76		190.15	294.53	1105.43	2744.57
3875.00 - 3924.99	634.76		192.02	298.35	1125.13	2774.87
3925.00 - 3974.99	648.76		193.89	302.18	1144.82	2805.18
3975.00 - 4024.99	662.76		195.76	306.00	1164.52	2835.48
4025.00 - 4074.99	676.76		197.63	309.83	1184.21	2865.79
4075.00 - 4124.99	690.76		199.50	313.65	1203.91	2896.09
4125.00 - 4174.99	704.76		201.37	317.48	1223.60	2926.40
4175.00 - 4224.99	718.76		203.24	321.30	1243.30	2956.70
4225.00 - 4274.99	732.76		205.11	325.13	1262.99	2987.01
4275.00 - 4324.99	746.76		206.98	328.95	1282.69	3017.31
4325.00 - 4374.99	760.76		208.85	332.78	1302.38	3047.62
4375.00 - 4424.99	774.76		210.72	336.60	1322.08	3077.92
4425.00 - 4474.99	788.76		212.59	340.43	1341.77	3108.23
4475.00 - 4524.99	802.76		214.46	344.25	1361.47	3138.53

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
4525.00 - 4574.99	816.76		216.33	348.08	1381.16	3168.84
4575.00 - 4624.99	830.76		218.20	351.90	1400.86	3199.14
4625.00 - 4674.99	844.76		338.89	355.73	1539.38	3110.62
4675.00 - 4724.99	858.76		341.25	359.55	1559.56	3140.44
4725.00 - 4774.99	872.76		343.61	363.38	1579.75	3170.25
4775.00 - 4824.99	886.76		345.97	367.20	1599.93	3200.07
4825.00 - 4874.99	900.76		348.33	371.03	1620.12	3229.88
4875.00 - 4924.99	914.76		350.69	374.85	1640.30	3259.70
4925.00 - 4974.99	928.76		353.05	378.68	1660.49	3289.51
4975.00 - 5024.99	942.76		355.41	382.50	1680.67	3319.33
5025.00 - 5074.99	956.76		357.77	386.33	1700.86	3349.14
5075.00 - 5124.99	970.76		360.13	390.15	1721.04	3378.96
5125.00 - 5174.99	984.76		362.49	393.98	1741.23	3408.77
5175.00 - 5224.99	998.76		364.85	397.80	1761.41	3438.59
5225.00 - 5274.99	1012.76		367.21	401.63	1781.60	3468.40
5275.00 - 5324.99	1026.76		369.57	405.45	1801.78	3498.22
5325.00 - 5374.99	1041.26		371.93	409.28	1822.47	3527.53
5375.00 - 5424.99	1056.76		374.29	413.10	1844.15	3555.85
5425.00 - 5474.99	1072.26		376.65	416.93	1865.84	3584.16
5475.00 - 5524.99	1087.76		379.01	420.75	1887.52	3612.48
5525.00 - 5574.99	1103.26		381.37	424.58	1909.21	3640.79
5575.00 - 5624.99	1118.76		383.73	428.40	1930.89	3669.11
5625.00 - 5674.99	1134.26		386.09	432.23	1952.58	3697.42
5675.00 - 5724.99	1149.76		388.45	436.05	1974.26	3725.74
5725.00 - 5774.99	1165.26		390.81	439.88	1995.95	3754.05
5775.00 - 5824.99	1180.76		393.17	443.70	2017.63	3782.37
5825.00 - 5874.99	1196.26		395.53	447.53	2039.32	3810.68
5875.00 - 5924.99	1211.76		397.89	451.35	2061.00	3839.00
5925.00 - 5974.99	1227.26		400.25	455.18	2082.69	3867.31
5975.00 - 6024.99	1242.76		402.61	459.00	2104.37	3895.63
6025.00 - 6074.99	1258.26		404.97	462.83	2126.06	3923.94
6075.00 - 6124.99	1273.76		407.33	463.56	2144.65	3955.35
6125.00 - 6174.99	1289.26		409.69	464.28	2163.23	3986.77
6175.00 - 6224.99	1304.76		412.05	465.01	2181.82	4018.18
6225.00 - 6274.99	1320.26		414.41	465.73	2200.40	4049.60
6275.00 - 6324.99	1335.76		416.77	466.46	2218.99	4081.01
6325.00 - 6374.99	1351.26		419.13	467.18	2237.57	4112.43
6375.00 - 6424.99	1366.76		421.49	467.91	2256.16	4143.84
6425.00 - 6474.99	1382.26		423.85	468.63	2274.74	4175.26
6475.00 - 6524.99	1397.76		426.21	469.36	2293.33	4206.67

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
6525.00 - 6574.99	1413.26		428.57	470.08	2311.91	4238.09
6575.00 - 6624.99	1428.76		430.93	470.81	2330.50	4269.50
6625.00 - 6674.99	1444.26		433.29	471.53	2349.08	4300.92
6675.00 - 6724.99	1459.76		435.65	472.26	2367.67	4332.33
6725.00 - 6774.99	1475.26		438.01	472.98	2386.25	4363.75
6775.00 - 6824.99	1490.76		440.37	473.71	2404.84	4395.16
6825.00 - 6874.99	1506.26		442.73	474.43	2423.42	4426.58
6875.00 - 6924.99	1521.76		445.09	475.16	2442.01	4457.99
6925.00 - 6974.99	1537.26		447.45	475.88	2460.59	4489.41
6975.00 - 7024.99	1552.76		449.81	476.61	2479.18	4520.82
7025.00 - 7074.99	1568.26		452.17	477.33	2497.76	4552.24
7075.00 - 7124.99	1583.76		454.53	478.06	2516.35	4583.65
7125.00 - 7174.99	1599.26		456.89	478.78	2534.93	4615.07
7175.00 - 7224.99	1614.76		459.25	479.51	2553.52	4646.48
7225.00 - 7274.99	1630.26		461.61	480.23	2572.10	4677.90
7275.00 - 7324.99	1645.76		463.97	480.96	2590.69	4709.31
7325.00 - 7374.99	1661.26		466.33	481.68	2609.27	4740.73
7375.00 - 7424.99	1676.76		468.69	482.41	2627.86	4772.14
7425.00 - 7474.99	1692.26		471.05	483.13	2646.44	4803.56
7475.00 - 7524.99	1707.76		473.41	483.86	2665.03	4834.97
7525.00 - 7574.99	1723.26		475.77	484.58	2683.61	4866.39
7575.00 - 7624.99	1738.76		478.13	485.31	2702.20	4897.80
7625.00 - 7674.99	1754.26		480.49	486.03	2720.78	4929.22
7675.00 - 7724.99	1769.76		482.85	486.76	2739.37	4960.63
7725.00 - 7774.99	1785.26		485.21	487.48	2757.95	4992.05
7775.00 - 7824.99	1800.76		487.57	488.21	2776.54	5023.46
7825.00 - 7874.99	1816.26		489.93	488.93	2795.12	5054.88
7875.00 - 7924.99	1831.76		492.29	489.66	2813.71	5086.29
7925.00 - 7974.99	1847.26		494.65	490.38	2832.29	5117.71
7975.00 - 8024.99	1862.76		497.01	491.11	2850.88	5149.12
8025.00 - 8074.99	1878.26		499.37	491.83	2869.46	5180.54
8075.00 - 8124.99	1893.76		501.73	492.56	2888.05	5211.95
8125.00 - 8174.99	1909.26		504.09	493.28	2906.63	5243.37
8175.00 - 8224.99	1924.76		506.45	494.01	2925.22	5274.78
8225.00 - 8274.99	1940.26		508.81	494.73	2943.80	5306.20
8275.00 - 8324.99	1955.76		511.17	495.46	2962.39	5337.61
8325.00 - 8374.99	1971.26		513.53	496.18	2980.97	5369.03
8375.00 - 8424.99	1986.76		515.89	496.91	2999.56	5400.44
8425.00 - 8474.99	2002.26		518.25	497.63	3018.14	5431.86
8475.00 - 8524.99	2017.76		520.61	498.36	3036.73	5463.27

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona StateTax	FICA	Total Taxes	Net Monthly Income
8525.00 - 8574.99	2033.26		522.97	499.08	3055.31	5494.69
8575.00 - 8624.99	2048.76		525.33	499.81	3073.90	5526.10
8625.00 - 8674.99	2064.26		527.69	500.53	3092.48	5557.52
8675.00 - 8724.99	2079.76		530.05	501.26	3111.07	5588.93
8725.00 - 8774.99	2095.26		532.41	501.98	3129.65	5620.35
8775.00 - 8824.99	2110.76		534.77	502.71	3148.24	5651.76
8825.00 - 8874.99	2126.26		537.13	503.43	3166.82	5683.18
8875.00 - 8924.99	2141.76		539.49	504.16	3185.41	5714.59
8925.00 - 8974.99	2157.26		541.85	504.88	3203.99	5746.01
8975.00 - 9024.99	2172.76		544.21	505.61	3222.58	5777.42
9025.00 - 9074.99	2188.26		546.57	506.33	3241.16	5808.84
9075.00 - 9124.99	2203.76		548.93	507.06	3259.75	5840.25
9125.00 - 9174.99	2219.26		551.29	507.78	3278.33	5871.67
9175.00 - 9224.99	2234.76		553.65	508.51	3296.92	5903.08
9225.00 - 9274.99	2250.26		556.01	509.23	3315.50	5934.50
9275.00 - 9324.99	2265.76		558.37	509.96	3334.09	5965.91
9325.00 - 9374.99	2281.26		560.73	510.68	3352.67	5997.33
9375.00 - 9424.99	2296.76		563.09	511.41	3371.26	6028.74
9425.00 - 9474.99	2312.26		565.45	512.13	3389.84	6060.16
9475.00 - 9524.99	2327.76		567.81	512.86	3408.43	6091.57
9525.00 - 9574.99	2343.26		570.17	513.58	3427.01	6122.99
9575.00 - 9624.99	2358.76		572.53	514.31	3445.60	6154.40
9625.00 - 9674.99	2374.26		574.89	515.03	3464.18	6185.82
9675.00 - 9724.99	2389.76		577.25	515.76	3482.77	6217.23
9725.00 - 9774.99	2405.26		579.61	516.48	3501.35	6248.65
9775.00 - 9824.99	2420.76		581.97	517.21	3519.94	6280.06
9825.00 - 9874.99	2436.26		584.33	517.93	3538.52	6311.48
9875.00 - 9924.99	2451.76		586.69	518.66	3557.11	6342.89
9925.00 - 9974.99	2467.26		589.05	519.38	3575.69	6374.31
9975.00 - 10024.99	2482.76		591.41	520.11	3594.28	6405.72
10025.00 - 10074.99	2498.26		593.77	520.83	3612.86	6437.14
10075.00 - 10124.99	2513.76		596.13	521.56	3631.45	6468.55
10125.00 - 10174.99	2529.26		598.49	522.28	3650.03	6499.97
10175.00 - 10224.99	2544.76		600.85	523.01	3668.62	6531.38
10225.00 - 10274.99	2560.26		603.21	523.73	3687.20	6562.80
10275.00 - 10324.99	2575.76		605.57	524.46	3705.79	6594.21
10325.00 - 10374.99	2591.26		607.93	525.18	3724.37	6625.63
10375.00 - 10424.99	2606.76		610.29	525.91	3742.96	6657.04
10425.00 - 10474.99	2622.26		612.65	526.63	3761.54	6688.46
10475.00 - 10524.99	2637.76		615.01	527.36	3780.13	6719.87

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
10525.00 - 10574.99	2653.26		617.37	528.08	3798.71	6751.29
10575.00 - 10624.99	2668.76		619.73	528.81	3817.30	6782.70
10625.00 - 10674.99	2684.26		622.09	529.53	3835.88	6814.12
10675.00 - 10724.99	2699.76		624.45	530.26	3854.47	6845.53
10725.00 - 10774.99	2715.26		626.81	530.98	3873.05	6876.95
10775.00 - 10824.99	2730.76		629.17	531.71	3891.64	6908.36
10825.00 - 10874.99	2746.26		631.53	532.43	3910.22	6939.78
10875.00 - 10924.99	2761.76		633.89	533.16	3928.81	6971.19
10925.00 - 10974.99	2777.26		636.25	533.88	3947.39	7002.61
10975.00 - 11024.99	2792.76		638.61	534.61	3965.98	7034.02
11025.00 - 11074.99	2808.26		640.97	535.33	3984.56	7065.44
11075.00 - 11124.99	2823.76		643.33	536.06	4003.15	7096.85
11125.00 - 11174.99	2839.26		645.69	536.78	4021.73	7128.27
11175.00 - 11224.99	2854.76		648.05	537.51	4040.32	7159.68
11225.00 - 11274.99	2870.26		650.41	538.23	4058.90	7191.10
11275.00 - 11324.99	2885.76		652.77	538.96	4077.49	7222.51
11325.00 - 11374.99	2901.26		655.13	539.68	4096.07	7253.93
11375.00 - 11424.99	2916.76		657.49	540.41	4114.66	7285.34
11425.00 - 11474.99	2932.70		659.85	541.13	4133.68	7316.32
11475.00 - 11524.99	2950.70		662.21	541.86	4154.76	7345.24
11525.00 - 11574.99	2968.70		664.57	542.58	4175.85	7374.15
11575.00 - 11624.99	2986.70		666.93	543.31	4196.93	7403.07
11625.00 - 11674.99	3004.70		669.29	544.03	4218.02	7431.98
11675.00 - 11724.99	3022.70		671.65	544.76	4239.10	7460.90
11725.00 - 11774.99	3040.70		674.01	545.48	4260.19	7489.81
11775.00 - 11824.99	3058.70		676.37	546.21	4281.27	7518.73
11825.00 - 11874.99	3076.70		678.73	546.93	4302.36	7547.64
11875.00 - 11924.99	3094.70		681.09	547.66	4323.44	7576.56
11925.00 - 11974.99	3112.70		683.45	548.38	4344.53	7605.47
11975.00 - 12024.99	3130.70		685.81	549.11	4365.61	7634.39
12025.00 - 12074.99	3148.70		688.17	549.83	4386.70	7663.30
12075.00 - 12124.99	3166.70		690.53	550.56	4407.78	7692.22
12125.00 - 12174.99	3184.70		692.89	551.28	4428.87	7721.13
12175.00 - 12224.99	3202.70		695.25	552.01	4449.95	7750.05
12225.00 - 12274.99	3220.70		697.61	552.73	4471.04	7778.96
12275.00 - 12324.99	3238.70		699.97	553.46	4492.12	7807.88
12325.00 - 12374.99	3256.70		702.33	554.18	4513.21	7836.79
12375.00 - 12424.99	3274.70		704.69	554.91	4534.29	7865.71
12425.00 - 12474.99	3292.70		707.05	555.63	4555.38	7894.62
12475.00 - 12524.99	3310.70		709.41	556.36	4576.46	7923.54

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
12525.00 - 12574.99	3328.70		711.77	557.08	4597.55	7952.45
12575.00 - 12624.99	3346.70		714.13	557.81	4618.63	7981.37
12625.00 - 12674.99	3364.70		716.49	558.53	4639.72	8010.28
12675.00 - 12724.99	3382.70		718.85	559.26	4660.80	8039.20
12725.00 - 12774.99	3400.70		721.21	559.98	4681.89	8068.11
12775.00 - 12824.99	3418.70		723.57	560.71	4702.97	8097.03
12825.00 - 12874.99	3436.70		725.93	561.43	4724.06	8125.94
12875.00 - 12924.99	3454.70		728.29	562.16	4745.14	8154.86
12925.00 - 12974.99	3472.70		730.65	562.88	4766.23	8183.77
12975.00 - 13024.99	3490.70		1166.43	563.61	5220.73	7779.27
13025.00 - 13074.99	3508.70		1168.95	564.33	5241.98	7808.02
13075.00 - 13124.99	3526.70		1171.47	565.06	5263.22	7836.78
13125.00 - 13174.99	3544.70		1173.99	565.78	5284.47	7865.53
13175.00 - 13224.99	3562.70		1176.51	566.51	5305.71	7894.29
13225.00 - 13274.99	3580.70		1179.03	567.23	5326.96	7923.04
13275.00 - 13324.99	3598.70		1181.55	567.96	5348.20	7951.80
13325.00 - 13374.99	3616.70		1184.07	568.68	5369.45	7980.55
13375.00 - 13424.99	3634.70		1186.59	569.41	5390.69	8009.31
13425.00 - 13474.99	3652.70		1189.11	570.13	5411.94	8038.06
13475.00 - 13524.99	3670.70		1191.63	570.86	5433.18	8066.82
13525.00 - 13574.99	3688.70		1194.15	571.58	5454.43	8095.57
13575.00 - 13624.99	3706.70		1196.67	572.31	5475.67	8124.33
13625.00 - 13674.99	3724.70		1199.19	573.03	5496.92	8153.08
13675.00 - 13724.99	3742.70		1201.71	573.76	5518.16	8181.84
13725.00 - 13774.99	3760.70		1204.23	574.48	5539.41	8210.59
13775.00 - 13824.99	3778.70		1206.75	575.21	5560.65	8239.35
13825.00 - 13874.99	3796.70		1209.27	575.93	5581.90	8268.10
13875.00 - 13924.99	3814.70		1211.79	576.66	5603.14	8296.86
13925.00 - 13974.99	3832.70		1214.31	577.38	5624.39	8325.61
13975.00 - 14024.99	3850.70		1216.83	578.11	5645.63	8354.37
14025.00 - 14074.99	3868.70		1219.35	578.83	5666.88	8383.12
14075.00 - 14124.99	3886.70		1221.87	579.56	5688.12	8411.88
14125.00 - 14174.99	3904.70		1224.39	580.28	5709.37	8440.63
14175.00 - 14224.99	3922.70		1226.91	581.01	5730.61	8469.39
14225.00 - 14274.99	3940.70		1229.43	581.73	5751.86	8498.14
14275.00 - 14324.99	3958.70		1231.95	582.46	5773.10	8526.90
14325.00 - 14374.99	3976.70		1234.47	583.18	5794.35	8555.65
14375.00 - 14424.99	3994.70		1236.99	583.91	5815.59	8584.41
14425.00 - 14474.99	4012.70		1239.51	584.63	5836.84	8613.16
14475.00 - 14524.99	4030.70		1242.03	585.36	5858.08	8641.92

6/1/99

Arizona
1999 FEDERAL AND STATE TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range	Federal Tax	EITC	Arizona State Tax	FICA	Total Taxes	Net Monthly Income
14525.00 - 14574.99	4048.70		1244.55	586.08	5879.33	8670.67
14575.00 - 14624.99	4066.70		1247.07	586.81	5900.57	8699.43
14625.00 - 14674.99	4084.70		1249.59	587.53	5921.82	8728.18
14675.00 - 14724.99	4102.70		1252.11	588.26	5943.06	8756.94
14725.00 - 14774.99	4120.70		1254.63	588.98	5964.31	8785.69
14775.00 - 14824.99	4138.70		1257.15	589.71	5985.55	8814.45
14825.00 - 14874.99	4156.70		1259.67	590.43	6006.80	8843.20
14875.00 - 14924.99	4174.70		1262.19	591.16	6028.04	8871.96
14925.00 - 14974.99	4192.70		1264.71	591.88	6049.29	8900.71
14975.00 - 15024.99	4210.70		1267.23	592.61	6070.53	8929.47

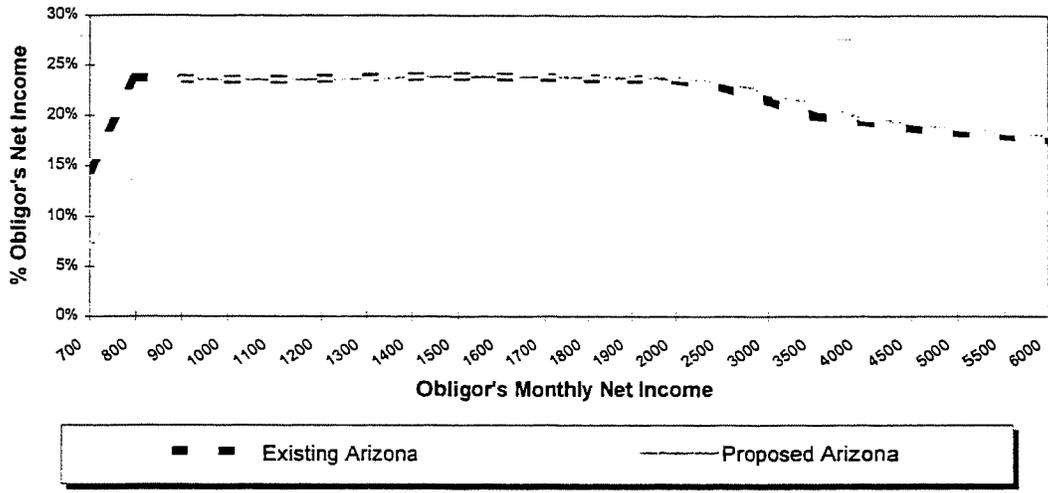
APPENDIX III:
SCHEDULE COMPARISONS
One and Three Children





Child Support Formulas - One Child

Obligee's Income = \$0

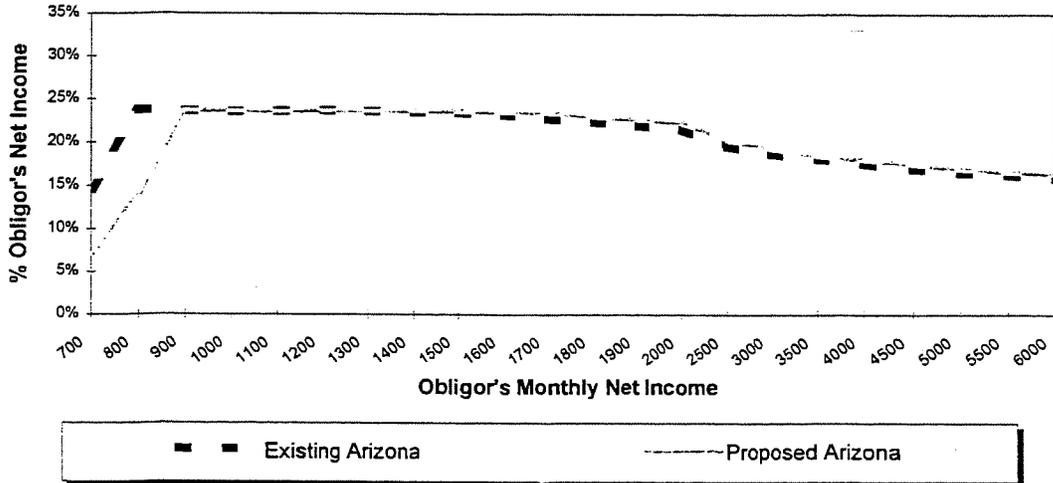


CHILD SUPPORT FORMULAS - ONE CHILD

Obligee's Income = \$0

Support Due (\$\$ per month)			% of Obligor's Net Income		
Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona	Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	102	50	700	15%	7%
800	190	113	800	24%	14%
900	213	213	900	24%	24%
1000	236	236	1000	24%	24%
1100	259	259	1100	24%	24%
1200	284	284	1200	24%	24%
1300	309	308	1300	24%	24%
1400	334	334	1400	24%	24%
1500	359	359	1500	24%	24%
1600	382	383	1600	24%	24%
1700	404	406	1700	24%	24%
1800	427	429	1800	24%	24%
1900	450	452	1900	24%	24%
2000	472	474	2000	24%	24%
2500	572	586	2500	23%	23%
3000	646	669	3000	22%	22%
3500	700	738	3500	20%	21%
4000	778	788	4000	19%	20%
4500	844	869	4500	19%	19%
5000	916	935	5000	18%	19%
5500	990	1007	5500	18%	18%
6000	1056	1082	6000	18%	18%

Child Support Formulas - One Child
Obligee's Income = 50% of Obligor's Income



CHILD SUPPORT FORMULAS - ONE CHILD
Obligee's Income = 50% of Obligor's Income

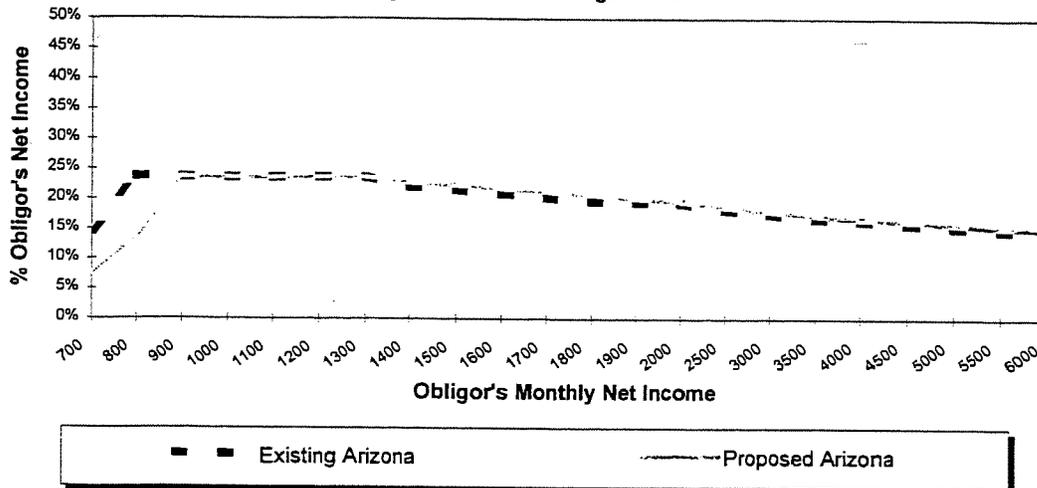
Support Due (\$\$ per month)

% of Obligor's Net Income

Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	102	50
800	190	113
900	213	213
1000	236	236
1100	259	259
1200	284	284
1300	307	308
1400	330	331
1500	352	354
1600	371	376
1700	387	398
1800	403	414
1900	417	430
2000	431	446
2500	490	507
3000	562	580
3500	635	647
4000	704	721
4500	765	788
5000	830	848
5500	897	913
6000	951	982

Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	15%	7%
800	24%	14%
900	24%	24%
1000	24%	24%
1100	24%	24%
1200	24%	24%
1300	24%	24%
1400	24%	24%
1500	23%	24%
1600	23%	23%
1700	23%	23%
1800	22%	23%
1900	22%	23%
2000	22%	22%
2500	20%	20%
3000	19%	19%
3500	18%	18%
4000	18%	18%
4500	17%	18%
5000	17%	17%
5500	16%	17%
6000	16%	16%

Child Support Formulas - One Child
 Oblige's Income = Obligor's Income

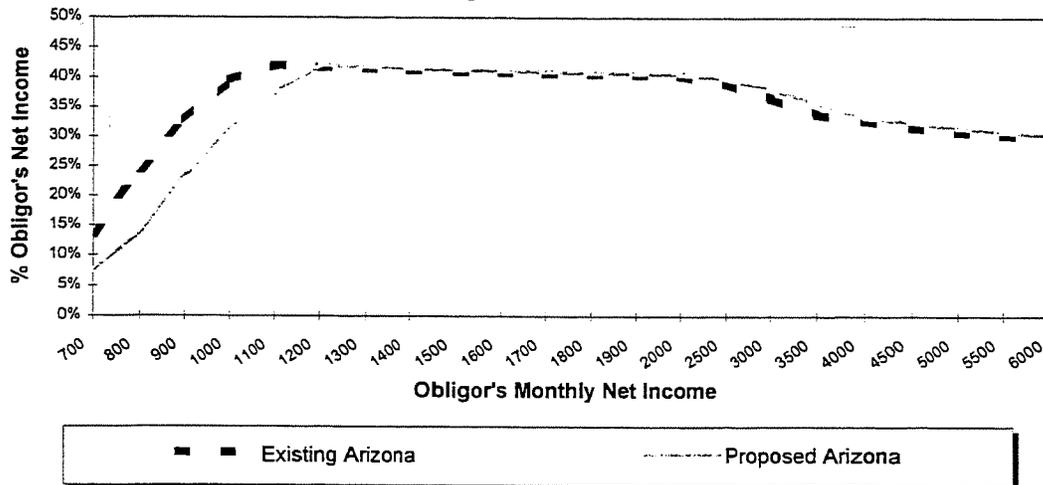


CHILD SUPPORT FORMULAS - ONE CHILD
 Oblige's Income = Obligor's Income

Support Due (\$\$ per month)			% of Obligor's Net Income		
Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona	Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	102	50	700	15%	7%
800	190	113	800	24%	14%
900	213	213	900	24%	24%
1000	236	236	1000	24%	24%
1100	259	259	1100	24%	24%
1200	284	284	1200	24%	24%
1300	307	308	1300	24%	24%
1400	309	319	1400	22%	23%
1500	323	335	1500	22%	22%
1600	336	349	1600	21%	22%
1700	345	363	1700	20%	21%
1800	355	374	1800	20%	21%
1900	372	383	1900	20%	20%
2000	389	394	2000	19%	20%
2500	458	467	2500	18%	19%
3000	528	541	3000	18%	18%
3500	588	607	3500	17%	17%
4000	659	666	4000	16%	17%
4500	713	737	4500	16%	16%
5000	767	790	5000	15%	16%
5500	820	843	5500	15%	15%
6000	873	897	6000	15%	15%

Child Support Formulas - Three Children

Obligee's Income = \$0



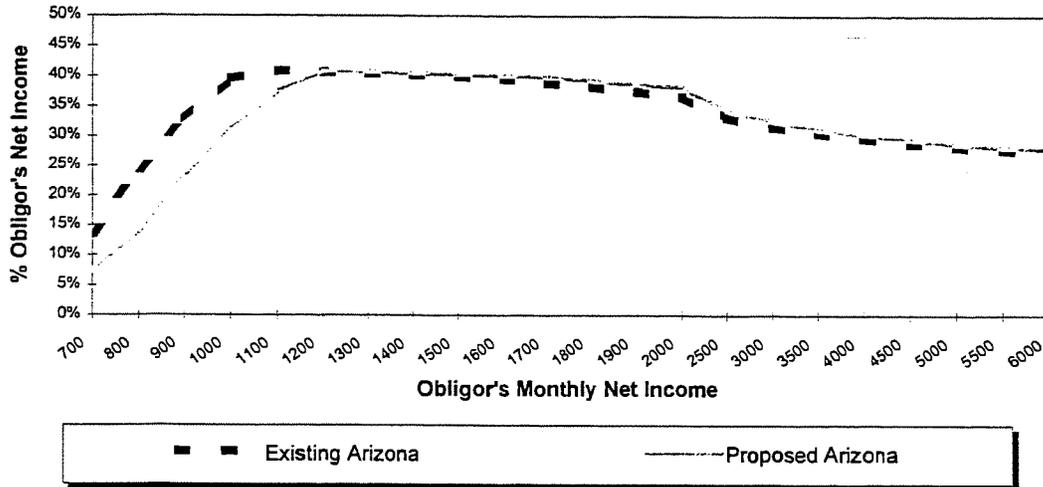
CHILD SUPPORT FORMULAS - THREE CHILDREN

Obligee's Income = \$0

Support Due (\$\$ per month)			% of Obligor's Net Income		
Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona	Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	95	50	700	14%	7%
800	195	113	800	24%	14%
900	295	213	900	33%	24%
1000	395	313	1000	40%	31%
1100	462	413	1100	42%	38%
1200	500	504	1200	42%	42%
1300	539	543	1300	41%	42%
1400	577	581	1400	41%	42%
1500	616	620	1500	41%	41%
1600	654	658	1600	41%	41%
1700	693	697	1700	41%	41%
1800	731	735	1800	41%	41%
1900	769	773	1900	40%	41%
2000	806	812	2000	40%	41%
2500	975	997	2500	39%	40%
3000	1098	1144	3000	37%	38%
3500	1184	1249	3500	34%	36%
4000	1310	1333	4000	33%	33%
4500	1422	1454	4500	32%	33%
5000	1543	1576	5000	31%	32%
5500	1667	1698	5500	30%	31%
6000	1781	1822	6000	30%	30%

Child Support Formulas - Three Children

Obligee's Income = 50% of Obligor's Income



CHILD SUPPORT FORMULAS - THREE CHILDREN

Obligee's Income = 50% of Obligor's Income

Support Due (\$\$ per month)

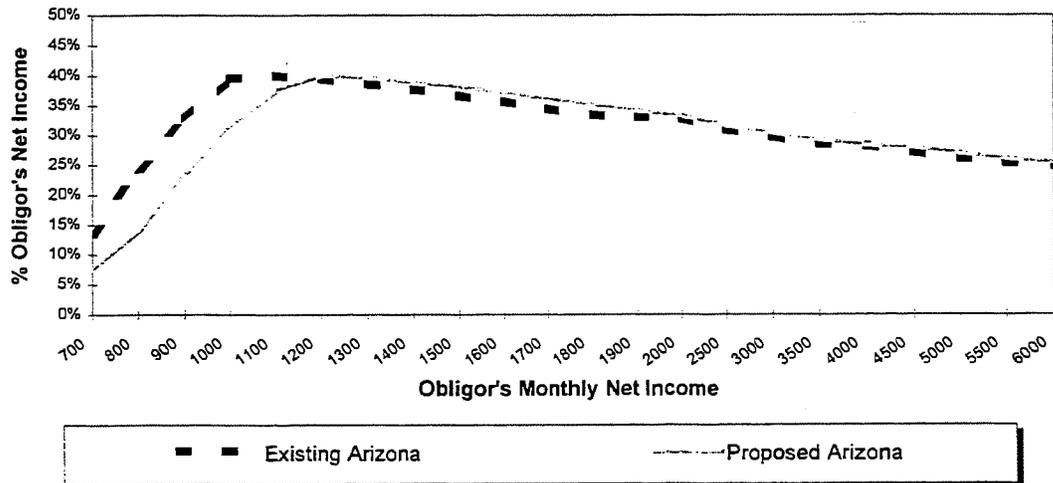
% of Obligor's Net Income

Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	95	50
800	195	113
900	295	213
1000	395	313
1100	449	413
1200	487	490
1300	525	528
1400	562	567
1500	599	604
1600	631	640
1700	660	677
1800	688	706
1900	711	734
2000	732	763
2500	828	859
3000	948	976
3500	1070	1091
4000	1188	1215
4500	1295	1329
5000	1412	1435
5500	1532	1553
6000	1621	1677

Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	14%	7%
800	24%	14%
900	33%	24%
1000	40%	31%
1100	41%	38%
1200	41%	41%
1300	40%	41%
1400	40%	40%
1500	40%	40%
1600	39%	40%
1700	39%	40%
1800	38%	39%
1900	37%	39%
2000	37%	38%
2500	33%	34%
3000	32%	33%
3500	31%	31%
4000	30%	30%
4500	29%	30%
5000	28%	29%
5500	28%	28%
6000	27%	28%

Child Support Formulas - Three Children

Obligee's Income = Obligor's Income



CHILD SUPPORT FORMULAS - THREE CHILDREN

Obligee's Income = Obligor's Income

Support Due (\$\$ per month)			% of Obligor's Net Income		
Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona	Obligor's Net Monthly Income	Existing Arizona	Proposed Arizona
700	95	50	700	14%	7%
800	195	113	800	24%	14%
900	295	213	900	33%	24%
1000	395	313	1000	40%	31%
1100	440	413	1100	40%	38%
1200	473	480	1200	39%	40%
1300	502	515	1300	39%	40%
1400	528	544	1400	38%	39%
1500	549	572	1500	37%	38%
1600	569	594	1600	36%	37%
1700	584	615	1700	34%	36%
1800	601	632	1800	33%	35%
1900	628	648	1900	33%	34%
2000	655	666	2000	33%	33%
2500	772	788	2500	31%	32%
3000	891	911	3000	30%	30%
3500	997	1025	3500	28%	29%
4000	1126	1131	4000	28%	28%
4500	1216	1258	4500	27%	28%
5000	1305	1347	5000	26%	27%
5500	1394	1436	5500	25%	26%
6000	1483	1525	6000	25%	25%

APPENDIX IV:
GROSS SCHEDULE COMPARISONS
One, Two and Three Children





Comparison of Existing to Proposed Schedule

Monthly Combined Available Income	One Child				Two Children				Three Children			
	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)
650	145	147	3	2%	215	218	3	2%	255	259	4	2%
700	152	156	4	2%	227	232	5	2%	269	274	6	2%
750	160	164	4	2%	239	243	5	2%	283	288	6	2%
800	168	171	3	2%	252	255	4	1%	298	303	4	1%
850	177	179	2	1%	265	267	3	1%	314	317	3	1%
900	185	188	2	1%	278	281	3	1%	329	333	3	1%
950	194	196	2	1%	291	294	3	1%	345	348	3	1%
1000	202	205	2	1%	304	307	3	1%	360	364	3	1%
1050	211	213	2	1%	317	320	3	1%	376	379	3	1%
1100	219	222	2	1%	331	333	3	1%	392	395	3	1%
1150	228	230	2	1%	344	346	3	1%	407	410	3	1%
1200	236	239	2	1%	357	360	3	1%	423	426	3	1%
1250	245	247	2	1%	370	373	2	1%	439	442	3	1%
1300	254	256	2	1%	383	386	3	1%	453	457	4	1%
1350	262	258	-4	-2%	394	390	-4	-1%	466	461	-5	-1%
1400	271	266	-5	-2%	406	403	-3	-1%	480	477	-3	-1%
1450	281	275	-6	-2%	418	416	-2	-1%	495	492	-2	0%
1500	290	284	-6	-2%	430	428	-2	-1%	509	507	-2	0%
1550	299	294	-6	-2%	442	440	-2	-1%	523	521	-2	0%
1600	308	303	-5	-2%	454	452	-2	0%	537	535	-2	0%
1650	317	312	-5	-2%	467	464	-2	0%	551	549	-2	0%
1700	327	321	-5	-2%	479	477	-2	0%	566	564	-2	0%
1750	336	331	-5	-2%	491	489	-2	0%	580	578	-2	0%
1800	345	340	-5	-2%	503	501	-2	0%	594	592	-2	0%
1850	354	349	-5	-1%	515	513	-2	0%	608	606	-2	0%
1900	363	358	-4	-1%	527	525	-2	0%	622	621	-2	0%
1950	371	368	-4	-1%	539	537	-2	0%	637	635	-2	0%
2000	379	377	-3	-1%	551	549	-2	0%	651	649	-2	0%
2050	388	386	-2	0%	563	562	-2	0%	665	663	-1	0%
2100	396	395	-1	0%	575	574	-2	0%	679	678	-1	0%
2150	405	403	-1	0%	587	586	-2	0%	693	692	-1	0%
2200	413	412	-1	0%	600	598	-2	0%	707	706	-1	0%
2250	421	420	-1	0%	612	610	-1	0%	721	720	-1	0%
2300	430	429	-1	0%	624	622	-1	0%	736	734	-1	0%
2350	438	437	-1	0%	636	635	-1	0%	750	749	-1	0%
2400	447	445	-1	0%	648	647	-1	0%	764	763	-1	0%
2450	455	454	-1	0%	660	659	-1	0%	778	777	-1	0%
2500	463	462	0	0%	671	671	0	0%	790	791	1	0%
2550	469	471	1	0%	680	683	3	0%	802	806	4	0%
2600	476	467	-9	-2%	690	678	-11	-2%	813	800	-13	-2%
2650	483	476	-7	-1%	699	690	-9	-1%	824	814	-9	-1%
2700	489	485	-4	-1%	709	704	-5	-1%	835	830	-5	-1%
2750	496	492	-4	-1%	719	714	-5	-1%	846	842	-4	-1%
2800	503	499	-4	-1%	728	724	-5	-1%	857	853	-4	0%
2850	510	506	-4	-1%	738	733	-5	-1%	868	864	-4	0%
2900	516	512	-4	-1%	747	743	-4	-1%	879	875	-4	0%
2950	523	519	-4	-1%	757	752	-5	-1%	890	886	-4	0%
3000	530	526	-4	-1%	766	762	-4	-1%	901	898	-3	0%
3050	536	533	-3	-1%	776	772	-4	-1%	912	909	-3	0%
3100	543	539	-4	-1%	785	781	-4	-1%	923	920	-3	0%
3150	548	546	-2	0%	793	791	-2	0%	932	931	-1	0%

Comparison of Existing to Proposed Schedule

Monthly Combined Available Income	One Child				Two Children				Three Children			
	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)
3200	553	553	0	0%	800	801	1	0%	941	942	2	0%
3250	558	560	2	0%	807	810	3	0%	949	953	4	0%
3300	562	566	4	1%	814	820	6	1%	958	965	7	1%
3350	567	573	6	1%	821	830	8	1%	966	976	10	1%
3400	572	580	8	1%	828	839	11	1%	975	987	12	1%
3450	577	587	10	2%	835	849	14	2%	983	998	15	2%
3500	581	594	12	2%	842	858	16	2%	992	1009	17	2%
3550	586	600	14	2%	849	868	18	2%	1000	1020	20	2%
3600	591	605	14	2%	856	875	18	2%	1009	1029	20	2%
3650	596	610	14	2%	863	882	18	2%	1017	1037	20	2%
3700	601	614	14	2%	871	889	18	2%	1026	1046	20	2%
3750	605	619	14	2%	878	896	19	2%	1034	1054	20	2%
3800	610	624	14	2%	885	903	19	2%	1043	1063	20	2%
3850	614	629	15	2%	890	910	20	2%	1049	1072	22	2%
3900	618	634	15	2%	896	917	21	2%	1056	1080	24	2%
3950	623	638	16	3%	902	925	23	3%	1062	1089	27	3%
4000	627	643	16	3%	907	932	24	3%	1068	1097	29	3%
4050	631	648	17	3%	913	939	26	3%	1075	1106	31	3%
4100	635	653	18	3%	919	946	27	3%	1081	1114	34	3%
4150	639	658	18	3%	924	953	29	3%	1087	1123	36	3%
4200	644	662	19	3%	930	960	30	3%	1093	1132	38	3%
4250	648	667	19	3%	936	967	31	3%	1100	1140	40	4%
4300	652	672	20	3%	942	974	33	3%	1106	1149	43	4%
4350	656	676	20	3%	947	980	33	3%	1112	1155	43	4%
4400	660	680	20	3%	953	986	33	3%	1119	1162	43	4%
4450	664	685	20	3%	959	992	33	3%	1125	1168	43	4%
4500	669	689	20	3%	964	997	33	3%	1131	1174	43	4%
4550	671	693	22	3%	969	1003	34	4%	1136	1181	44	4%
4600	674	697	23	3%	973	1009	36	4%	1141	1187	46	4%
4650	677	685	8	1%	976	992	16	2%	1146	1168	23	2%
4700	679	689	10	1%	980	998	17	2%	1150	1175	25	2%
4750	682	693	11	2%	984	1003	19	2%	1155	1181	26	2%
4800	685	697	13	2%	988	1009	21	2%	1159	1187	28	2%
4850	687	701	14	2%	992	1015	23	2%	1163	1193	30	3%
4900	690	706	16	2%	995	1020	25	3%	1168	1200	32	3%
4950	692	710	17	3%	999	1026	27	3%	1172	1206	34	3%
5000	695	714	19	3%	1003	1032	29	3%	1176	1212	36	3%
5050	697	718	21	3%	1006	1037	31	3%	1181	1218	38	3%
5100	700	722	22	3%	1010	1043	33	3%	1185	1225	39	3%
5150	703	726	24	3%	1014	1048	34	3%	1190	1231	41	3%
5200	706	731	25	4%	1018	1054	36	4%	1195	1237	42	4%
5250	710	735	25	4%	1024	1060	36	4%	1201	1243	42	4%
5300	715	738	23	3%	1031	1065	34	3%	1209	1249	40	3%
5350	720	741	20	3%	1039	1069	30	3%	1218	1254	36	3%
5400	726	743	18	2%	1046	1072	26	3%	1226	1258	32	3%
5450	731	746	15	2%	1054	1076	23	2%	1235	1262	28	2%
5500	736	748	12	2%	1061	1080	19	2%	1243	1267	23	2%
5550	742	751	9	1%	1068	1084	15	1%	1252	1271	19	2%
5600	747	754	7	1%	1076	1087	11	1%	1260	1276	15	1%
5650	752	756	4	1%	1083	1091	8	1%	1269	1280	11	1%
5700	757	759	1	0%	1091	1095	4	0%	1277	1284	7	1%

Comparison of Existing to Proposed Schedule

Monthly Combined Available Income	One Child				Two Children				Three Children			
	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)
5750	763	761	-1	0%	1098	1098	0	0%	1286	1289	3	0%
5800	768	764	-4	-1%	1106	1102	-3	0%	1294	1293	-1	0%
5850	773	766	-7	-1%	1113	1106	-7	-1%	1303	1298	-5	0%
5900	779	769	-10	-1%	1120	1110	-11	-1%	1311	1302	-9	-1%
5950	783	772	-11	-1%	1126	1113	-13	-1%	1318	1306	-12	-1%
6000	787	774	-13	-2%	1132	1117	-15	-1%	1325	1311	-15	-1%
6050	791	777	-14	-2%	1138	1121	-17	-2%	1332	1315	-17	-1%
6100	795	780	-15	-2%	1144	1125	-19	-2%	1339	1320	-19	-1%
6150	799	786	-14	-2%	1150	1133	-17	-1%	1346	1329	-17	-1%
6200	803	791	-12	-2%	1156	1140	-15	-1%	1353	1338	-16	-1%
6250	807	796	-11	-1%	1162	1148	-14	-1%	1360	1346	-14	-1%
6300	811	802	-10	-1%	1168	1155	-12	-1%	1367	1355	-13	-1%
6350	815	807	-9	-1%	1174	1163	-11	-1%	1374	1363	-11	-1%
6400	820	812	-7	-1%	1180	1170	-9	-1%	1381	1372	-10	-1%
6450	824	818	-6	-1%	1185	1178	-7	-1%	1388	1380	-8	-1%
6500	828	823	-5	-1%	1191	1185	-6	0%	1395	1389	-6	0%
6550	832	828	-4	0%	1197	1193	-4	0%	1402	1397	-5	0%
6600	836	834	-2	0%	1203	1200	-3	0%	1409	1406	-3	0%
6650	840	839	-1	0%	1209	1208	-1	0%	1416	1414	-2	0%
6700	844	844	0	0%	1215	1215	0	0%	1423	1423	0	0%
6750	848	850	1	0%	1221	1223	2	0%	1430	1432	1	0%
6800	852	855	3	0%	1227	1230	4	0%	1437	1440	3	0%
6850	856	860	4	0%	1233	1237	4	0%	1444	1448	4	0%
6900	860	864	4	0%	1239	1243	4	0%	1451	1455	4	0%
6950	865	868	3	0%	1245	1249	4	0%	1459	1462	4	0%
7000	869	872	3	0%	1252	1255	3	0%	1466	1469	3	0%
7050	874	876	2	0%	1259	1261	2	0%	1474	1476	2	0%
7100	879	880	2	0%	1265	1267	2	0%	1482	1483	2	0%
7150	883	884	1	0%	1272	1273	1	0%	1489	1490	1	0%
7200	888	889	1	0%	1279	1279	0	0%	1497	1497	0	0%
7250	893	893	0	0%	1285	1285	0	0%	1505	1504	-1	0%
7300	897	897	0	0%	1292	1291	-1	0%	1513	1511	-1	0%
7350	902	901	-1	0%	1298	1297	-2	0%	1520	1518	-2	0%
7400	907	905	-1	0%	1305	1303	-2	0%	1528	1525	-3	0%
7450	911	909	-2	0%	1312	1309	-3	0%	1536	1532	-3	0%
7500	916	913	-3	0%	1318	1315	-4	0%	1544	1540	-4	0%
7550	921	917	-3	0%	1325	1320	-5	0%	1551	1547	-5	0%
7600	925	921	-4	0%	1332	1326	-5	0%	1559	1554	-6	0%
7650	930	926	-4	0%	1338	1332	-6	0%	1567	1561	-6	0%
7700	934	930	-5	-1%	1345	1338	-7	0%	1575	1568	-7	0%
7750	939	934	-5	-1%	1352	1344	-7	-1%	1582	1575	-8	0%
7800	944	938	-6	-1%	1358	1350	-8	-1%	1590	1582	-8	-1%
7850	948	942	-6	-1%	1365	1356	-9	-1%	1598	1589	-9	-1%
7900	953	946	-7	-1%	1371	1362	-9	-1%	1606	1596	-10	-1%
7950	958	950	-8	-1%	1378	1369	-9	-1%	1613	1603	-10	-1%
8000	962	955	-8	-1%	1385	1375	-9	-1%	1621	1611	-10	-1%
8050	967	960	-8	-1%	1391	1382	-9	-1%	1629	1619	-10	-1%
8100	972	964	-8	-1%	1398	1389	-9	-1%	1636	1626	-10	-1%
8150	976	969	-8	-1%	1405	1395	-9	-1%	1644	1634	-10	-1%
8200	981	974	-7	-1%	1411	1402	-9	-1%	1652	1642	-10	-1%
8250	986	978	-7	-1%	1418	1409	-9	-1%	1660	1650	-10	-1%

Comparison of Existing to Proposed Schedule

Monthly Combined Available Income	One Child				Two Children				Three Children			
	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)
8300	990	983	-7	-1%	1424	1416	-9	-1%	1667	1658	-10	-1%
8350	994	988	-6	-1%	1430	1422	-8	-1%	1674	1665	-9	-1%
8400	998	992	-6	-1%	1436	1429	-7	-1%	1682	1673	-8	0%
8450	1002	997	-5	-1%	1442	1436	-7	0%	1689	1681	-8	0%
8500	1006	1002	-5	0%	1448	1442	-6	0%	1696	1689	-7	0%
8550	1010	1007	-4	0%	1454	1449	-5	0%	1703	1697	-6	0%
8600	1015	1011	-3	0%	1460	1456	-5	0%	1710	1704	-6	0%
8650	1019	1016	-3	0%	1466	1462	-4	0%	1717	1712	-5	0%
8700	1023	1021	-2	0%	1472	1469	-3	0%	1724	1720	-4	0%
8750	1027	1025	-2	0%	1478	1476	-3	0%	1731	1728	-4	0%
8800	1031	1030	-1	0%	1484	1482	-2	0%	1738	1736	-3	0%
8850	1035	1035	0	0%	1490	1489	-1	0%	1746	1743	-2	0%
8900	1039	1039	0	0%	1496	1496	-1	0%	1753	1751	-2	0%
8950	1043	1044	1	0%	1502	1503	0	0%	1760	1759	-1	0%
9000	1047	1049	1	0%	1508	1509	1	0%	1767	1767	0	0%
9050	1052	1054	2	0%	1514	1516	2	0%	1774	1775	1	0%
9100	1056	1058	3	0%	1520	1523	2	0%	1781	1782	1	0%
9150	1060	1063	3	0%	1526	1529	3	0%	1788	1790	2	0%
9200	1064	1068	4	0%	1532	1536	4	0%	1795	1798	3	0%
9250	1068	1072	4	0%	1538	1543	4	0%	1802	1806	3	0%
9300	1072	1077	5	0%	1544	1549	5	0%	1810	1814	4	0%
9350	1076	1082	6	1%	1550	1556	6	0%	1817	1821	5	0%
9400	1080	1086	6	1%	1556	1563	6	0%	1824	1829	5	0%
9450	1084	1091	6	1%	1562	1569	7	0%	1831	1837	6	0%
9500	1089	1095	6	1%	1568	1575	7	0%	1838	1844	6	0%
9550	1093	1099	6	1%	1574	1581	7	0%	1845	1851	6	0%
9600	1097	1103	6	1%	1580	1587	7	0%	1852	1858	6	0%
9650	1101	1107	6	1%	1586	1593	7	0%	1859	1865	6	0%
9700	1105	1111	7	1%	1591	1599	8	1%	1866	1873	7	0%
9750	1108	1115	7	1%	1596	1605	9	1%	1872	1880	8	0%
9800	1112	1120	8	1%	1602	1611	10	1%	1878	1887	9	0%
9850	1115	1124	8	1%	1607	1617	10	1%	1885	1894	9	0%
9900	1119	1128	9	1%	1612	1623	11	1%	1891	1901	10	1%
9950	1123	1132	9	1%	1618	1630	12	1%	1897	1908	11	1%
10000	1126	1136	10	1%	1623	1636	13	1%	1904	1916	12	1%
10050	1130	1140	11	1%	1628	1642	13	1%	1910	1923	13	1%
10100	1133	1144	11	1%	1634	1648	14	1%	1917	1930	13	1%
10150	1137	1148	12	1%	1639	1654	15	1%	1923	1937	14	1%
10200	1140	1153	12	1%	1644	1660	16	1%	1929	1944	15	1%
10250	1144	1157	13	1%	1649	1666	16	1%	1936	1951	16	1%
10300	1148	1161	13	1%	1655	1672	17	1%	1942	1959	16	1%
10350	1151	1165	14	1%	1660	1678	18	1%	1949	1966	17	1%
10400	1155	1169	15	1%	1665	1684	19	1%	1955	1973	18	1%
10450	1158	1173	15	1%	1670	1690	20	1%	1960	1980	20	1%
10500	1161	1177	16	1%	1675	1696	21	1%	1966	1987	21	1%
10550	1165	1182	17	1%	1680	1702	23	1%	1972	1994	22	1%
10600	1168	1186	18	2%	1685	1708	24	1%	1978	2002	24	1%
10650	1171	1190	19	2%	1689	1714	25	1%	1984	2009	25	1%
10700	1174	1194	20	2%	1694	1720	26	2%	1990	2016	26	1%
10750	1178	1198	20	2%	1699	1726	27	2%	1996	2023	27	1%
10800	1181	1202	21	2%	1704	1732	28	2%	2002	2030	29	1%

Comparison of Existing to Proposed Schedule

Monthly Combined Available Income	One Child				Two Children				Three Children			
	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)
10850	1184	1206	22	2%	1709	1739	30	2%	2007	2038	30	1%
10900	1188	1211	23	2%	1714	1745	31	2%	2013	2045	31	2%
10950	1191	1215	24	2%	1719	1750	31	2%	2019	2051	32	2%
11000	1194	1218	24	2%	1724	1755	31	2%	2025	2058	32	2%
11050	1198	1222	24	2%	1729	1760	31	2%	2031	2064	33	2%
11100	1202	1225	24	2%	1735	1766	30	2%	2039	2070	31	2%
11150	1206	1229	23	2%	1742	1771	29	2%	2047	2077	30	1%
11200	1210	1233	22	2%	1748	1776	28	2%	2055	2083	29	1%
11250	1215	1236	22	2%	1754	1782	27	2%	2062	2090	27	1%
11300	1219	1240	21	2%	1761	1787	26	1%	2070	2096	26	1%
11350	1223	1244	20	2%	1767	1792	25	1%	2078	2103	25	1%
11400	1227	1247	20	2%	1773	1798	24	1%	2086	2109	24	1%
11450	1232	1251	19	2%	1780	1803	23	1%	2093	2115	22	1%
11500	1236	1254	18	1%	1786	1808	22	1%	2101	2121	20	1%
11550	1240	1257	17	1%	1792	1813	20	1%	2109	2127	19	1%
11600	1244	1261	16	1%	1799	1818	19	1%	2116	2133	17	1%
11650	1248	1264	16	1%	1805	1823	17	1%	2124	2139	15	1%
11700	1253	1267	15	1%	1812	1827	16	1%	2132	2145	13	1%
11750	1257	1271	14	1%	1818	1832	15	1%	2140	2151	11	1%
11800	1261	1274	13	1%	1824	1837	13	1%	2147	2157	10	0%
11850	1265	1277	12	1%	1831	1842	12	1%	2155	2163	8	0%
11900	1270	1281	11	1%	1837	1847	10	1%	2163	2169	6	0%
11950	1274	1284	10	1%	1843	1852	9	0%	2171	2175	4	0%
12000	1278	1287	9	1%	1850	1857	7	0%	2178	2181	2	0%
12050	1282	1291	8	1%	1856	1862	6	0%	2186	2187	1	0%
12100	1287	1294	7	1%	1862	1867	4	0%	2194	2192	-1	0%
12150	1291	1297	7	1%	1869	1872	3	0%	2201	2198	-3	0%
12200	1295	1301	6	0%	1875	1877	2	0%	2209	2204	-5	0%
12250	1299	1304	5	0%	1881	1882	0	0%	2217	2210	-7	0%
12300	1304	1307	4	0%	1888	1886	-1	0%	2225	2216	-8	0%
12350	1308	1311	3	0%	1894	1891	-3	0%	2232	2222	-10	0%
12400	1312	1314	2	0%	1900	1896	-4	0%	2240	2228	-12	-1%
12450	1316	1317	1	0%	1907	1901	-6	0%	2248	2234	-14	-1%
12500	1321	1321	0	0%	1913	1908	-6	0%	2256	2241	-15	-1%
12550	1324	1325	2	0%	1918	1914	-4	0%	2261	2249	-12	-1%
12600	1327	1330	3	0%	1923	1920	-2	0%	2266	2257	-9	0%
12650	1330	1334	4	0%	1927	1927	0	0%	2271	2265	-7	0%
12700	1333	1338	5	0%	1931	1933	2	0%	2277	2272	-4	0%
12750	1336	1343	6	0%	1936	1940	4	0%	2282	2280	-1	0%
12800	1339	1347	8	1%	1940	1946	6	0%	2287	2288	1	0%
12850	1342	1351	9	1%	1945	1952	8	0%	2292	2296	4	0%
12900	1345	1355	10	1%	1949	1959	10	1%	2297	2304	7	0%
12950	1348	1360	11	1%	1953	1965	12	1%	2302	2311	9	0%
13000	1360	1304	-56	-4%	1970	1882	-89	-5%	2322	2210	-112	-5%
13050	1364	1307	-56	-4%	1975	1886	-88	-4%	2327	2216	-111	-5%
13100	1367	1311	-56	-4%	1979	1891	-88	-4%	2333	2222	-110	-5%
13150	1370	1314	-56	-4%	1984	1896	-88	-4%	2338	2228	-110	-5%
13200	1373	1317	-56	-4%	1988	1901	-87	-4%	2343	2234	-109	-5%
13250	1376	1321	-55	-4%	1993	1907	-85	-4%	2348	2241	-107	-5%
13300	1379	1325	-54	-4%	1997	1914	-83	-4%	2353	2249	-104	-4%
13350	1382	1330	-53	-4%	2002	1920	-82	-4%	2359	2257	-102	-4%

Comparison of Existing to Proposed Schedule

Monthly Combined Available Income	One Child				Two Children				Three Children			
	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)	Existing	Proposed	Difference (dollars)	Difference (percentage)
13400	1385	1334	-51	-4%	2006	1927	-80	-4%	2364	2264	-99	-4%
13450	1388	1338	-50	-4%	2011	1933	-78	-4%	2369	2272	-97	-4%
13500	1392	1342	-49	-4%	2015	1939	-76	-4%	2374	2280	-94	-4%
13550	1395	1347	-48	-3%	2020	1946	-74	-4%	2379	2288	-92	-4%
13600	1398	1351	-47	-3%	2024	1952	-72	-4%	2384	2295	-89	-4%
13650	1401	1355	-46	-3%	2028	1958	-70	-3%	2390	2303	-87	-4%
13700	1404	1359	-45	-3%	2033	1965	-68	-3%	2395	2311	-84	-4%
13750	1407	1364	-44	-3%	2037	1971	-66	-3%	2400	2319	-81	-3%
13800	1410	1368	-42	-3%	2042	1977	-64	-3%	2405	2326	-79	-3%
13850	1413	1372	-41	-3%	2046	1984	-62	-3%	2410	2334	-76	-3%
13900	1416	1376	-40	-3%	2051	1990	-61	-3%	2416	2342	-74	-3%
13950	1420	1381	-39	-3%	2055	1997	-59	-3%	2421	2350	-71	-3%
14000	1423	1385	-38	-3%	2060	2003	-57	-3%	2426	2357	-69	-3%
14050	1426	1389	-37	-3%	2064	2009	-55	-3%	2431	2365	-66	-3%
14100	1429	1393	-36	-2%	2069	2016	-53	-3%	2436	2373	-64	-3%
14150	1432	1398	-34	-2%	2073	2022	-51	-2%	2442	2381	-61	-2%
14200	1435	1402	-33	-2%	2077	2028	-49	-2%	2447	2388	-58	-2%
14250	1438	1406	-32	-2%	2082	2035	-47	-2%	2452	2396	-56	-2%
14300	1441	1410	-31	-2%	2086	2041	-45	-2%	2457	2404	-53	-2%
14350	1445	1415	-30	-2%	2091	2047	-43	-2%	2462	2412	-51	-2%
14400	1448	1419	-29	-2%	2095	2054	-41	-2%	2468	2419	-48	-2%
14450	1451	1423	-28	-2%	2100	2060	-40	-2%	2473	2427	-46	-2%
14500	1454	1427	-27	-2%	2104	2067	-38	-2%	2478	2435	-43	-2%
14550	1457	1432	-25	-2%	2109	2073	-36	-2%	2483	2443	-41	-2%
14600	1460	1436	-24	-2%	2113	2079	-34	-2%	2488	2450	-38	-2%
14650	1463	1440	-23	-2%	2118	2086	-32	-2%	2494	2458	-35	-1%
14700	1466	1444	-22	-2%	2122	2092	-30	-1%	2499	2466	-33	-1%
14750	1469	1449	-21	-1%	2126	2098	-28	-1%	2504	2474	-30	-1%
14800	1473	1453	-20	-1%	2131	2105	-26	-1%	2509	2481	-28	-1%
14850	1476	1457	-19	-1%	2135	2111	-25	-1%	2514	2488	-26	-1%
14900	1479	1460	-19	-1%	2140	2115	-25	-1%	2520	2493	-26	-1%
14950	1482	1463	-19	-1%	2144	2119	-25	-1%	2525	2498	-26	-1%
15000	1485	1466	-19	-1%	2149	2124	-25	-1%	2530	2503	-27	-1%
average	919	918	-1	0%	1328	1326	-2	0%	1561	1557	-3	0%
minimum	145	147	-56	-4%	215	218	-89	-5%	255	259	-112	-5%
maximum	1485	1466	25	4%	2149	2124	36	4%	2530	2503	46	4%