

IN THE SUPREME COURT OF THE STATE OF ARIZONA

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In the Matter of: )  
 )  
ADOPTION OF TECHNICAL ) Administrative Order  
REVISIONS TO THE ARIZONA ) No. 2011 - 46  
CHILD SUPPORT GUIDELINES )  
 )  
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\_\_\_\_\_ )

Pursuant to Arizona Revised Statutes § 25-320 (D), 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.

In November 2010, this Court entered Administrative Order No. 2010-116, which adopted the existing income shares model of child support guidelines that included a Basic Child Support Obligation Schedule updated with current economic data.

This Administrative Order adopts technical language changes to the guidelines which were necessary to provide clarification for programming a web-based child support calculator on the Supreme Court's publicly-accessible website. Additional revisions reflect federal tax code requirements related to the allocation of tax exemptions.

Now, therefore, pursuant to Article VI, Section 3, of the Arizona Constitution,

IT IS ORDERED that the attached changes to the guidelines shall be effective for all child support orders, whether original orders or modifications of previous orders, entered after May 31, 2011, except in cases of default or as otherwise agreed upon by the parties.

Dated this 4th day of May, 2011.

FOR THE COURT:

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REBECCA WHITE BERCH  
Chief Justice

## Appendix

### Changes to sections 8 and 27 of the Arizona child support guidelines

Additions are shown by underline; deletions are shown by ~~strikeout~~.

## **ARIZONA CHILD SUPPORT GUIDELINES**

**ADOPTED BY THE ARIZONA SUPREME COURT**

**EFFECTIVE JUNE 1, 2011**

**BACKGROUND.** [No change in text.]

**1. through 7.** [No change in text.]

### **8. 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 the parents' income falls exactly in between two combined adjusted gross income amounts, round up to the nearest combined adjusted income entry on the schedule of basic child support obligations.

EXAMPLE: The combined adjusted gross income of the parents' is \$8,125 which is exactly between \$8,100 and \$8,150. Round up to the nearest combined adjusted income entry of \$8,150 and use this amount as 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 children, taking into account such factors as the standard of living the children would have enjoyed if the parents and children were living together, the needs of the children 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.

**9. through 26.** [No change in text.]

27. **FEDERAL AND STATE 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~~ All the federal and state tax exemptions applicable to the minor children which as closely as possible approximates the percentages of child support being provided by each of the parents. shall be allocated between the parents as they agree, or, in the absence of their agreement, in a manner that allows each parent to claim allowable federal dependency exemptions proportionate to adjusted gross income in a reasonable pattern that can be repeated in no more than 5 years. This may be done by allocating claiming of the children or claiming of specific years. To implement this provision, the proportionate share of the combined adjusted gross income of both parents is rounded to the nearest fraction with a denominator no larger than 5 (i.e. 1/2, 1/3, 2/3, 1/4, 3/4, 1/5, 2/5, 3/5, 4/5). For illustrative purposes, assume father earns \$60,000 and mother earns \$40,000 of the combined adjusted gross income of \$100,000. Father's share of the combined income is 3/5. If father earned \$30,000 and mother earned \$20,000, then 3/5 would still be the fraction with a denominator of 5 or less that comes closest to father's share of the parents' combined adjusted gross income. The dependency exemption shall therefore be allocated utilizing this fraction. If it is determined that a party who is parent otherwise entitled to the dependency exemption based upon the above percentages will would not derive a no tax benefit from claiming the dependency exemption, it in any given tax year, then the entire exemption for that tax year, and not just the share indicated by the preceding sentence, should may be allocated to the other party. parent who would derive a tax benefit for that tax year. An Internal Revenue Service Form 8332 may need to be signed and filed with a parent's income tax return.

The court may deny the right to a present or future tax exemption when a history of non-payment of child support exists. The allocation of exemption shall may be conditioned upon payment by December 31 of the total court-ordered monthly 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 will need to execute the necessary Internal Revenue Service form (Form 8332) to transfer the exemption. If the noncustodial parent has paid the current child support, but has not paid the court-ordered arrearage payments, the noncustodial parent shall not be entitled to claim the exemption.

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.

EXAMPLE: Noncustodial parent's percentage of gross income is approximately 67% (2/3) and custodial parent's percentage is approximately 33% (1/3). All payments are current. If there are three children, the noncustodial parent would be entitled to claim the exemption for two children and the custodial parent would be entitled to claim the exemption for one child. 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.

**28. through 29.** [No change in text.]

**SCHEDULE OF BASIC CHILD SUPPORT OBLIGATION.** [No change.]

IN THE SUPREME COURT OF THE STATE OF ARIZONA

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In the Matter of: )  
 )  
ESTABLISHMENT OF THE ) Administrative Order  
COMMITTEE FOR THE ) No. 2008 - 22  
QUADRENNIAL REVIEW OF )  
THE CHILD SUPPORT GUIDELINES )  
\_\_\_\_\_ )

Pursuant to the Arizona Revised Statutes § 25-320 (D), 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.

In accordance with Arizona Code of Judicial Administration § 1-104, the Chief Justice may establish advisory committees to the Arizona Judicial Council to assist the council in carrying out its responsibilities. Therefore, pursuant to Article VI, Section 3, of the Arizona Constitution,

IT IS ORDERED that the Child Support Guidelines Review Committee is established to review the current statewide child support guidelines and make recommendations as provided below:

**1. Limited Purpose.**

PHASE I:

The Committee shall review updated information regarding economic data on the cost of raising children, and conduct case file review and analysis to determine if adjustments to the current child support schedule are needed. The Committee shall then report its recommendations for changes to clarify and/or simplify the guidelines.

PHASE II:

Contingent upon available funding as determined by the Administrative Director, the Committee shall investigate and report its findings and recommendations on the advantages and disadvantages of implementing a forward-looking method of calculating child support and its potential impact on the courts. Issues to be considered may include costs of implementation, training, and programming changes or costs associated with the development of a child support calculator.

**2. Membership and Term.**

The individuals listed on Appendix A are appointed as members of the Child Support Guidelines Review Committee beginning upon entry of this Order. The terms of the committee and

the members shall expire at the conclusion of the project, scheduled for June 2009.

### **3. Meetings.**

Committee meetings shall be scheduled at the discretion of the Committee Chair. Pursuant to Arizona Code of Judicial Administration § 1-202, all meetings shall comply with the public meeting policy of the Arizona Judicial Branch.

### **4. Administrative Support.**

The Administrative Office of the Courts shall provide staff for the Committee who may conduct or coordinate research as requested by the Committee.

### **5. Reports.**

The Committee shall prepare a preliminary report regarding its work under Phase I to the Child Support Committee, the Committee on Superior Court, and the Arizona Judicial Council on or before October 23, 2008. The Committee shall submit a final report to the Arizona Judicial Council at the June, 2009 meeting.

Dated this 26th day of February, 2008.

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RUTH V. MCGREGOR  
Chief Justice

Appendix A

**CHILD SUPPORT GUIDELINES REVIEW COMMITTEE**

*Chair*

Honorable Bruce Cohen  
Superior Court in Maricopa County

Rebecca Albrecht  
Bowman and Brooke LLP  
Maricopa County

David Horowitz  
Dodge, Anderson, Mablesen, Steiner, Jones &  
Horowitz  
Maricopa County

Robert Barrasso  
Attorney  
Pima County

Gloria Pearson  
University of Phoenix  
Maricopa County

Helen Davis  
The Cavanagh Law Firm P.A.  
Maricopa County

Commissioner Rhonda Repp  
Superior Court in Yavapai County

Ira Ellman  
Professor of Law  
Arizona State University

Commissioner Michala Ruechel  
Superior Court in Navajo County

Kim Gillespie  
Staff Attorney  
Arizona Attorney General

Honorable Sally Simmons  
Superior Court in Pima County

Cele Hancock  
Favour, Moore & Wilhelmsen P.A.  
Yavapai County

Honorable Kevin White  
Superior Court in Pinal County



# **Basis of an Updated Child Support Schedule for Arizona**

Submitted to:  
Arizona Supreme Court  
Administrative Office of the Courts  
Phoenix, Arizona

Submitted by:

**CPR**  

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*Center for*  

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**POLICY**  

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**RESEARCH**

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January 30, 2009

Points of view expressed in this document are those of the author and do not necessarily represent the official position of the Child Support Guidelines Review Committee, the Court, or the State.

# Table of Contents

<b>SECTION I: INTRODUCTION.....</b>	<b>1</b>
<b>Purpose of Report .....</b>	<b>1</b>
<b>Organization of Report .....</b>	<b>2</b>
<b>Federal Requirements.....</b>	<b>2</b>
<b>Guidelines Models .....</b>	<b>2</b>
Basis of Arizona Guidelines .....	4
<b>SECTION II: ESTIMATES OF CHILD REARING EXPENDITURES .....</b>	<b>6</b>
<b>Estimates of Child-Rearing Expenditures.....</b>	<b>6</b>
Overview of Methodologies .....	7
van der Gaag (1981) estimates.....	7
Espenshade (1984) estimates.....	7
Betson (1990) estimates.....	8
Betson (2001) estimates.....	8
Betson (2006) estimates.....	8
USDA estimates.....	10
Comparisons .....	10
<b>Data Sources of the Estimates .....</b>	<b>11</b>
Specific Consumption Items .....	12
<b>Usage of Estimates in State Guidelines.....</b>	<b>15</b>
Economic Estimates Considered by Arizona.....	18
<b>SECTION III: UPDATED OBLIGATION SCHEDULE .....</b>	<b>19</b>
<b>Overview of Steps Used to Develop Updated Obligation Schedule.....</b>	<b>19</b>
<b>Proposed Updated Schedule of Basic Support Obligations .....</b>	<b>20</b>
<b>Detailed Technical Steps and Additional Data .....</b>	<b>35</b>
Technical Steps Used to Develop Obligation Schedule.....	38
<b>SECTION IV: SCHEDULE COMPARISONS AND CONCLUSIONS.....</b>	<b>45</b>
<b>Comparisons .....</b>	<b>43</b>
<b>Case Examples.....</b>	<b>45</b>
Low-Income Obligees and Large Income Discrepancy .....	47
<b>Conclusion .....</b>	<b>52</b>

## APPENDIX A: SIDE-BY-SIDE COMPARISONS OF EXISTING TO UPDATED SCHEDULES

## REFERENCES

**EXHIBITS**

Exhibit 1: Principles of State Child Support Guidelines ..... 3

Exhibit 2: State Usage of Child Support Guidelines Models..... 5

Exhibit 3: Changes in Betson-Rothbarth Estimates over Time..... 9

Exhibit 4: Comparisons of Estimates of Child-Rearing Expenditures ..... 11

Exhibit 5: Partial List of Expenditures Items Considered ..... 12

Exhibit 6: Composition of Average Spending by Families ..... 13

Exhibit 7: Family Consumption and Income..... 20

Exhibit 8: Updated 2008 Schedule..... 20

Exhibit 9: Parental Expenditures on Children ..... 37

Exhibit 10: Table of Support Proportions..... 40

Exhibit 11: Illustration of the Hidden Net Income Column ..... 41

Exhibit 12: Comparison of the Economic Basis of the Existing and Updated Schedules ..... 43

Exhibit 13: Summary of Changes..... 45

Exhibit 14: Case Example: Minimum Wage ..... 45

Exhibit 15: Case Example: Average Incomes ..... 47

Exhibit 16: Case Example: High Incomes..... 47

Exhibit 17: Case Example: Low-Income Obligee and Large Income Discrepancy ..... 48

Exhibit 18: Comparison of Order Amounts under Arizona Table A to Other States..... 50

Exhibit 19: Basis of Parenting Time Table A..... 51

Exhibit 20: Comparison of Existing to Proposed Schedule: One Child ..... 51

Exhibit 21: Comparison of Existing to Proposed Schedule: Two Children..... 52

Exhibit 22: Comparison of Existing to Proposed Schedule: Three Children..... 52

## Section I: Introduction

### PURPOSE OF REPORT

Child support contributes to the financial well-being of many Arizona children. In 2007, the Census reported that there are 1,670,555 children living in Arizona and 541,963 of those children live with only one parent.<sup>1</sup> This amounts to one out of three children living with only one parent. Most of these children are eligible for child support. An unknown number of Arizona children living in other situations are also eligible for child support. One of their parents may have remarried and they now live with a step-parent or they live with foster parents or in other situations without both of their parents. The Arizona Department of Economic Security, Division of Child Support Enforcement (DCSE) collects over \$300 million in child support annually for many of these children. An unknown amount of additional support is paid to non-DCSE cases.

In Arizona, child support orders are set using the child support guidelines (Arizona Supreme Court Administrative Order No. 2004-29). The core of the guidelines calculation is a lookup schedule of basic obligations for a range of incomes and number of children. The basic obligations reflect economic data on the costs of raising children. The obligated parent's pro rata share of the basic obligation forms the basis of the award amount. To determine the final obligation amount, the guidelines provide for additional adjustments such as parenting time, health insurance, child care expenses, and other factors.

The existing Arizona guidelines schedule is based on economic data available in 2002. This report develops and documents an updated Arizona child support schedule using the most current economic data available and the same assumptions underlying the existing schedule. It is being developed as part of the 2008-09 Arizona child support guidelines review. State statute and federal regulation require a periodic review of the guidelines.<sup>2</sup> As part of the federal requirement, states must consider economic data on the cost of raising children.

The Arizona Administrative Office of the Court (AOC) contracted with Center for Policy Research (CPR) to prepare the updated schedule. The schedule will be reviewed by the Child Support Guidelines Review Committee, whom the Court has charged with developing recommendations for changes to clarify and simplify the guidelines. The AOC provides more information about the Committee's deliberations and considerations at its website: <http://www.supreme.state.az.us/csgrc/> Arizona is also considering other guidelines models, the principles of those models, and other information. This report does not address these other considerations. This report also does not considered other factors in the order calculation that are outside the schedule such as the timesharing adjustment and the self support reserve. These issues are outside the scope of CPR's contracted assistance. Nonetheless, to help the Committee address its concern about the guidelines amounts in cases involving a low-income obligee and higher income obligor, CPR provides an example and pinpoints the problem to the existing parenting-time adjustment.

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<sup>1</sup> U.S. Census American Community Survey (2007). Downloaded from <http://factfinder.census.gov> on November 25, 2008.

<sup>2</sup> Arizona Revised Statutes § 25-320(D) and Title 45, Public Welfare, CFR §302.56.

## ORGANIZATION OF REPORT

The report is organized into four sections.

- Section I provides an introduction. This includes the purpose of the report, a summary of federal regulations pertaining to state child support guidelines, and an overview of the Arizona child support guidelines relative to other state guidelines.
- Section II reviews estimates of child-rearing expenditures. It reviews those underlying state child support guidelines.
- Section III contains the updated schedule. The 2008 updated schedule is in Exhibit 8. This section also outlines the data and steps used to develop the updated schedule.
- Section IV compares the amounts under the new and updated schedule. It also summarizes the changes in the economic factors underlying the schedule. In addition, it documents the underlying basis of the Arizona timesharing adjustment and how it contributes to inadequate order amounts.

Side-by-side comparisons of the new and updated schedule are provided in Appendix A.

## FEDERAL REQUIREMENTS

Federal law has required state advisory child support guidelines since 1987.<sup>3</sup> The Family Support Act of 1988 expanded the requirement. As of 1989, each state must have one guideline that is to be applied presumptively rather than on an advisory basis.<sup>4</sup> It also requires each state to establish deviation criteria that allow for the rebuttal of the state's presumptive guideline. The state-determined criteria must take into consideration the best interests of the child.

Federal regulation requires states to review their child support guidelines at least once every four years [45 CFR §302.56]. As part of that review, states must consider economic data on the costs of raising children and examine case file data to analyze the application and deviation from the guideline. Another report by CPR summarizes the findings from the analysis of case file data including the guidelines deviation rate.<sup>5</sup>

## GUIDELINES MODELS

States have discretion in the guidelines models that they use. Yet, according to federal requirements, they must:

- Be based on specific descriptive and numeric criteria;
- Take all earnings and income of the noncustodial parent into consideration; and
- Provide for the child(ren)'s health care needs.

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<sup>3</sup>Advisory statewide guidelines were required as part of Child Support Enforcement Amendments of 1984 [P.L. No. 98-378].

<sup>4</sup>Presumptive guidelines were required as part of the Family Support Act of 1988 [P.L. No. 100-485].

<sup>5</sup> Venohr and Kaunelis (2008), *Arizona Child Support Guidelines Review: Analysis of Case File Data*. The report is available at the Court's website:  
<http://www.supreme.state.az.us/csgrc/14.%20AZ%202008%20case%20file%20review%20revised%2012-02-08.pdf>

Most states, including Arizona, base their guidelines on the Income Shares Model, which was developed through the 1984-87 National Child Support Guidelines Project.<sup>6</sup> Convened by the federal Office of Child Support Enforcement at the request of Congress, the Project made recommendations for the development of state guidelines. Prior to the 1987 requirement, few states had statewide guidelines. Further, many early guidelines reflected welfare cash benefits rather than what middle and higher income families spend on child rearing.

### Income Shares Model

The Income Shares model was developed to embody the principles of state child support guidelines identified by the Guidelines Project's Advisory Panel. (Those principles are shown in Exhibit 1.) It also incorporates economic data on actual child-rearing expenditures. The Income Shares guidelines model is based on the premise that the child should be entitled to the same level of expenditures that the child would have received had the parents lived together and combined financial resources. As a consequence, the core of the Income Shares model is a measurement of how much families spend on child rearing. In turn, that amount is often adjusted in a guidelines worksheet for different situations such as parenting-time arrangements, children from other relationships, and other factors.

<b>Exhibit 1: Summary of the State Guidelines Principles Identified by 1984-87 Child Support Guidelines Project Advisory Panel</b>	
1.	Both parents should share in the financial support of their children. The responsibility should be divided in proportion to their available income.
2.	The subsistence needs of each parent should be considered, but in virtually no case should the obligation be set at zero.
3.	Child support must cover a child's basic needs as a first priority; but, to the extent either parent enjoys a higher standard of living, the child is also entitled to share in that higher standard of living.
4.	Each child of a given parent has a right to a share of that parent's income. (In other words, when a parent has other children besides the children for whom support is being determined, an adjustment may be appropriate.)
5.	The guidelines should not treat children of separated, divorced, and never-married parents differently.
6.	The guidelines should not assume whether the mother or father is the custodial parent.
7.	The guidelines should not create economic disincentives to remarry or work. (An economic disincentive to remarry could exist if the guidelines considered a new spouse's income. An economic disincentive to work can be maintained by imputing income to a parent who is voluntarily unemployed or underemployed.)
8.	The guidelines should consider the involvement of both parents in the child's upbringing. It should take into consideration the financial support provided by parents in shared physical custody or extended visitation arrangements. Yet, this does not necessarily obviate the child support obligation in 50/50% timesharing arrangements.

The premise of the Incomes Shares model applies to children of previously married parents as well as never-married parents. Children should not be forced to live in poverty because of their parents' decisions to separate, divorce or not marry. Children of disrupted families, regardless of the reason for the disruption, should be afforded the same financial opportunities as children of intact families with similar incomes.

<sup>6</sup> National Center for State Courts (1987). *Development of Guidelines for Child Support Orders, Final Report*. Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, Virginia.

Another major premise of the Income Shares model is that both parents are financially responsible for their children. To this end, the average amount expended on children is prorated between the parents. The obligated parent's share becomes the basis of the child support award. There may be other adjustments for physical custody or other factors.

### **Other Guidelines Models**

*Melson Formula.* Judge Melson of Delaware developed the Melson formula. It first considers the basic needs of the children and each parent. If the obligated parent's income is more than sufficient to cover his or her share of the basic needs of the children and his or her basic needs, an additional percentage of that parent's remaining income is assigned to child support.

*Percentage-of-Obligor Model.* The percentage-of-obligor income guidelines model is the simplest and oldest guidelines model. It assigns a flat or sliding-scale percentage of obligor income to support. It does not consider the obligee's income in the calculation.

*Guidelines Models Not in Use.* In recent years, various groups have introduced a few new guidelines models (i.e., The Children's Right Council first introduced a version of the Cost Shares model, the American Law Institute introduced its guidelines concept); yet, no state has adopted them.<sup>7</sup>

### **State Usage of Guidelines Models**

As shown in Exhibit 2, there are 38 states that currently rely on the Income Shares model; 10 states that use a percentage-of-obligor income guidelines model; and, three states that rely on the Melson formula.

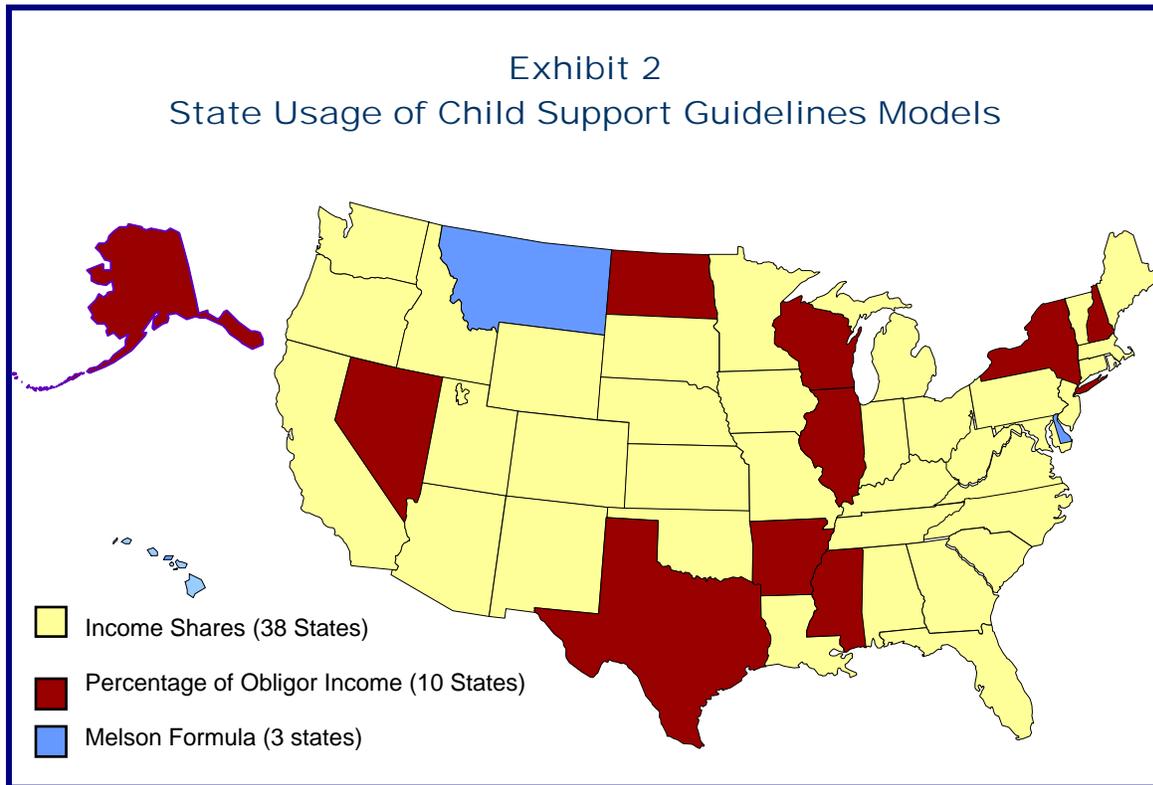
Until recently, few states have changed guidelines models. However, beginning in 2005, several states adopted Income Shares. Tennessee, Georgia and Minnesota moved from the percentage-of-obligor model to Income Shares guidelines. The District of Columbia and Massachusetts also recently switched to an Income-Shares approach: the District switched in April 2007 and Massachusetts switched in January 2009. Prior to the change, the District and Massachusetts relied on a similar guidelines formula. It considered only the obligor's income until the custodial parent's income exceeded a particular threshold (\$20,000 per year net child care expenses in Massachusetts); then, once that threshold was exceeded, the obligation was reduced by a percentage of the custodial parent's income.

### **Basis of Arizona's Guidelines**

Arizona has based its guidelines on the Income Shares model since the late 1980s. Its first version relied on a prototype Income Shares model developed through the National Child Support Guidelines project. Subsequently, Arizona has updated its schedule several times for new economic data, as well as considered other guidelines models.

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<sup>7</sup> For more information on these guidelines models, see the 1999 Child Support Symposium published by *Family Law Quarterly* (Spring 1999) and Beld and Biernat (2003).



## Section II: Estimates of Child-Rearing Expenditures and Expenditures Data

The purpose of this section is to describe the estimates of child-rearing expenditures. The estimates are first summarized. This is followed by a discussion of the data source used to produce the various estimates. Finally, this section concludes with a discussion of the usage of these estimates in state guidelines.

### ESTIMATES OF CHILD-REARING EXPENDITURES

Most state child support guidelines based on economic data rely on one of the following studies on the costs of raising children:

- Jacques van der Gaag (1981). *On Measuring the Cost of Children*. Discussion Paper 663-81. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.
- Thomas J. Espenshade (1984), *Investing in Children: New Estimates of Parental Expenditures*, Urban Institute Press: Washington, D.C. (1984).
- David M. Betson (1990), *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, Madison, Wisconsin (1990).
- David M. Betson, (2008) "Chapter 5: Parental Expenditures on Children," in Judicial Council of California, *Review of Statewide Uniform Child Support Guidelines*, San Francisco, California (2001). Available at URL: <http://www.courtinfo.ca.gov/programs/cfcc/1058files2001/CH5.PDF>
- David M. Betson (2006). "Appendix I: New Estimates of Child-Rearing Costs in PSI, *State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations*, Report to State of Oregon, Policy Studies Inc., Denver Colorado. Available at URL: [http://www.dcs.state.or.us/oregon\\_admin\\_rules/psi\\_guidelines\\_review\\_2007.pdf](http://www.dcs.state.or.us/oregon_admin_rules/psi_guidelines_review_2007.pdf)
- Mark Lino (2008), *Expenditures on Children by Families: 2007 Annual Report*, U.S. Department of Agriculture, Center for Nutrition and Policy Promotion. Miscellaneous Publication No. 1528-2007. Available at URL: <http://www.cnpp.usda.gov/ExpendituresonChildrenbyFamilies.htm>

The studies rely on various methodologies to estimate the costs of raising children and different data years.

## Overview of Methodologies

Most of the above studies measure average child-rearing expenditures.<sup>8</sup> They typically are measured from examining expenditures data from several thousand families participating in the Consumer Expenditures Survey (CES), the nation's largest and most comprehensive survey of household expenditures.<sup>9</sup>

Not all economists arrive at the same estimate of child-rearing expenditures. Moreover, economists do not agree on which estimate best reflects actual child-rearing expenditures. Part of the problem is that there is no perfect methodology for separating the children's share of family expenditures from the parents' share. To illustrate this, consider family expenditures for electricity used in the home. The children's share of electricity is not obviously separable from the parents' share by examining the electricity bill.

The most common methodology for separating child and adult expenditures is a marginal cost approach, which compares expenditures between two equally well-off families: (a) married couples with children, and (b) married couples of child-rearing age without children. The difference in expenditures between these two families is deemed to be child-rearing expenditures. The Engel and Rothbarth methodologies, named by the economists who developed them, are both forms of the marginal cost approach. The Engel methodology uses expenditures on food, while the Rothbarth methodology relies on expenditures for adult goods (specifically, adult clothes in the Rothbarth estimates that form the basis of state guidelines) to determine equally well-off families. Most economists believe that the Engel estimator overstates actual child-rearing expenditures and the Rothbarth estimator understates actual child-rearing expenditures.

### van der Gaag (1981) Estimates

In his study, van der Gaag concluded that a couple that adds one child to the household needs 25 percent more gross income in order to maintain the standard of living they enjoyed when they had no children. Wisconsin used van der Gaag's estimates to develop its child support table, although adjusted this percentage to account for taxes and other factors. Since then, several states adopted Wisconsin's flat percentage of obligor gross income as their guidelines formula.

### Espenshade (1984) Estimates

Most states, including Arizona, relied on Espenshade's measurements when they first developed child support guidelines in the 1980s because his was the most authoritative study available at the time. It formed the basis of the prototype Income Shares model developed through the 1984-87 National Child Support Guidelines Project.<sup>10</sup> Using the Engel method-

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<sup>8</sup> An alternative measurement may be the "costs" of child rearing. Cost studies often measure or reflect the costs of the child's basic needs, such as the federal poverty level. However, measurements of child-rearing expenditures that range in family size and income are more helpful for forming state guidelines since most states premise their guidelines on the precept that child support should not be limited to amounts that cover the child's basic needs; rather, the child should share in the standard of living that can be afforded by the parent(s).

<sup>9</sup> The CES is conducted by the Bureau of Labor Statistics (BLS). More information about the CES can be found at the BLS website: <http://www.bls.gov/cex/>. In addition, CES information that is relevant to child support is discussed later in this section.

<sup>10</sup> National Center for State Courts (1987).

ology, Espenshade found that families spend about \$58,000 to \$138,000 (in 1981 dollars, hence over twice as much in 2008 dollars) to raise a child from birth to age 18 years.

### Betson's Three Studies

In the past 18 years, Betson has conducted three studies estimating child-rearing expenditures. Each study uses more recent data.

**Betson (1990) Estimates.** Betson applied five different methodologies to estimate child-rearing expenditures using 1980-86 CES data.<sup>11</sup> This study was conducted for the U.S. Department of Health and Human Services to fulfill a Congressional requirement to provide information useful for the development and review of state guidelines. He concluded that estimates using the Rothbarth methodology were the most robust, and hence recommended their use for state guidelines. He rejected his estimates using the Engel methodology, which was used by Espenshade, because they approached implausibly high levels. Betson's application of the Rothbarth estimator finds that the average percentages of total household expenditures devoted to children in intact families are: (a) 24 percent for one child, (b) 34 percent for two children, and (c) 39 percent for three children. Betson's application of the Engel estimator finds that the average percentages of total expenditures devoted to children in intact families are: (a) 33 percent for one child, (b) 39 percent for two children, and (c) 49 percent for three children.

**Betson (2001) Estimates.** In 2001, Betson updated his 1990 estimates based on the Rothbarth and Engel methodologies using more recent data (1996-98, initially, but later expanded it to include 1996-99). This study was conducted through the States of Michigan and California and the University of Wisconsin Institute for Research on Poverty. The only difference between the 2001 and earlier estimates was in the years the data were gathered. The source of data (CES), the estimation methodologies, and the assumptions Betson used to develop the estimates did not change. These estimates form the basis of many state child support guidelines including the current Arizona schedule. Using the more current data, Betson's application of the Rothbarth estimator found that the average percentages of total household expenditures devoted to children in intact families are: (a) 26 percent for one child, (b) 36 percent for two children; and (c) 42 percent for three children. Betson's application of the Engel estimator found that the average percentages of total expenditures devoted to children in intact families are: (a) 32 percent for one child, (b) 46 percent for two children, and (c) 58 percent for three children.

**Betson (2006) Estimates.** In 2006, Betson updated his 2001 estimates using the Rothbarth methodology with data from 1998 through the first quarter of 2004 for the state of Oregon. The 2004 survey was the most recent data available from the CES at that time. Betson did not update the estimates using the Engel methodology or other approaches. The Oregon table at the time was based on the Betson-Rothbarth estimates relying on survey data collected in 1996-99 and Oregon only wanted to use updated survey data. (A more complete discussion of Betson's findings using the updated data is available in the 2006 Oregon guidelines review report.)

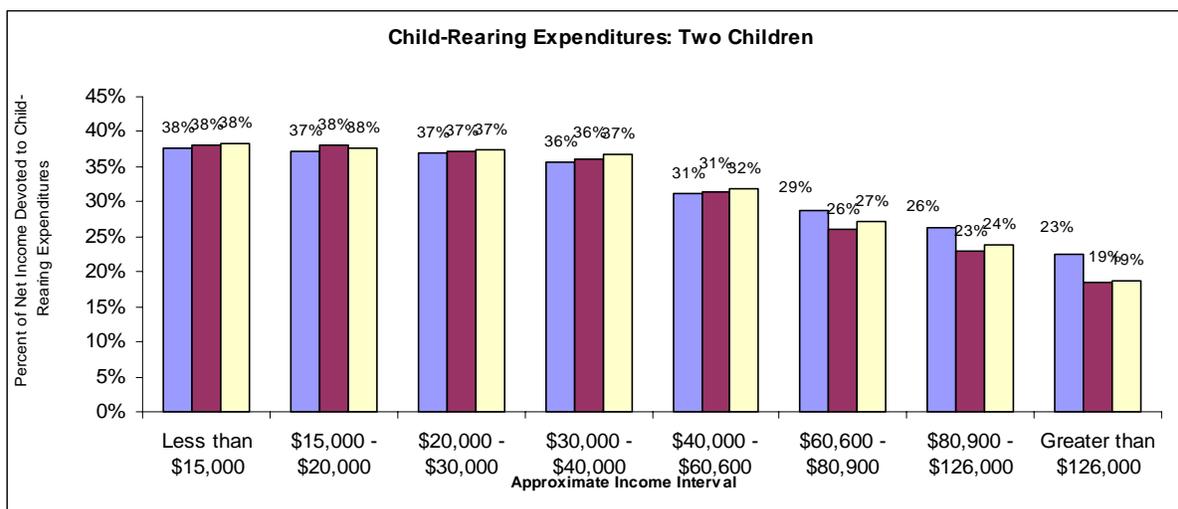
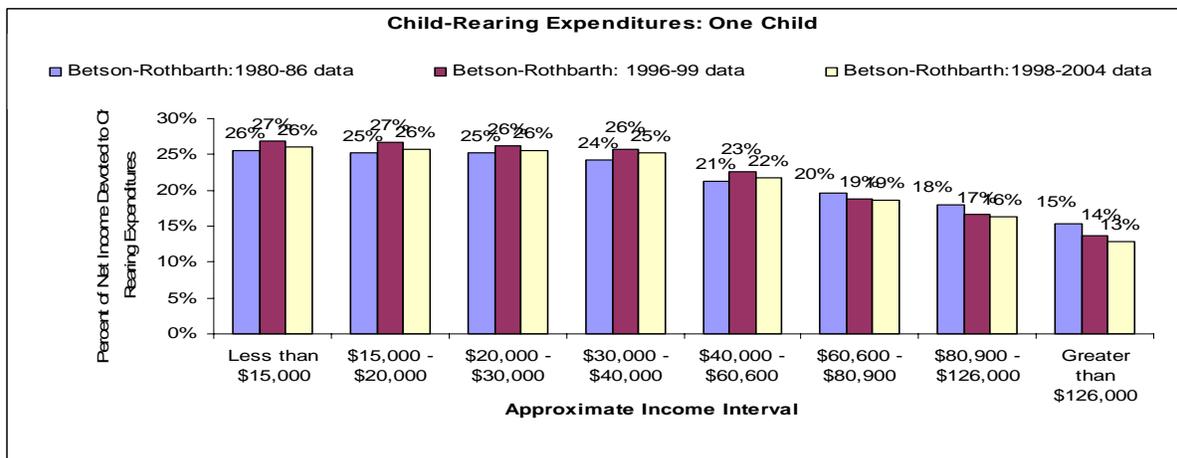
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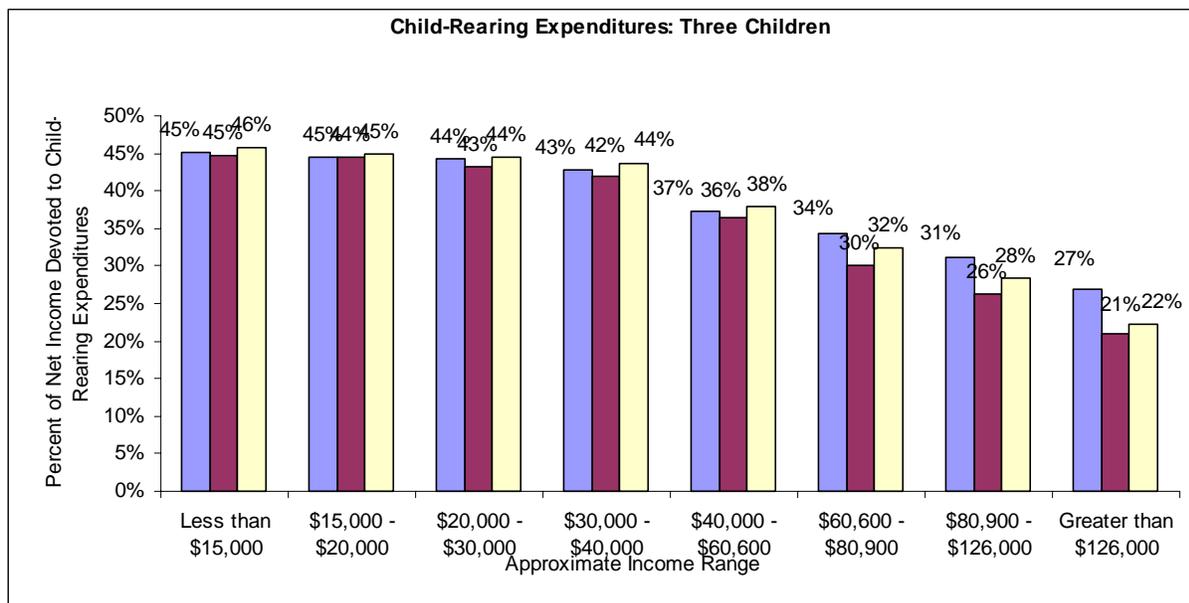
<sup>11</sup> The five approaches were (1) Engel, (2) Rothbarth, (3) ISO-PROP, (4) Barten-Gorman, and (5) per capita (i.e., average cost approach, similar to the USDA approach).

For this set of estimates, Betson relied on data from a wide range of years for two reasons. First, it increased the sample size, hence the reliability of the estimate. Secondly, it spanned several economic cycles: the high growth of the late 1990s; the short recession in 2002; and the stable economic growth afterwards. Similar to the 2001 update, he applied the same assumptions and method, but he used more recent data. His findings showed that the child-rearing expenditures as a proportion of total household expenditures are, on average: (a) 25 percent for one child, (b) 37 percent for two children, and (c) 44 percent for three children. Over three data periods, the analysis shows that the proportion of household expenditures devoted to children has increased, albeit somewhat less for families with one child (from 24 percent using 1980-86 data to 25 percent using 1998-2004 data) than for families with three children (39 percent to 44 percent).

Exhibit 3 compares the three sets of Betson-Rothbarth estimates for a range of net income. It shows little change over time.

Exhibit 3  
Comparison of Measurements of Child-Rearing Costs  
Developed by Using the Rothbarth Estimator over Time





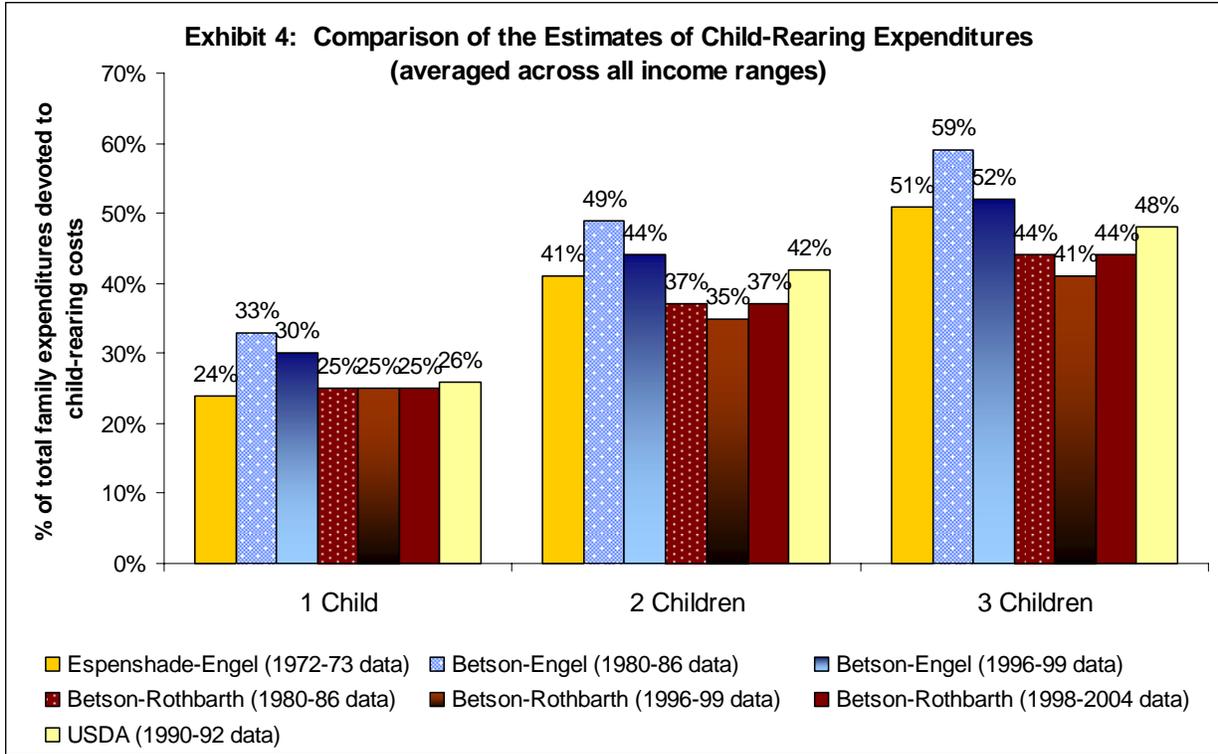
### USDA (2007 estimates)

The USDA estimates child-rearing expenditures individually for several expenditure categories (e.g., food, transportation, housing); then, adds them to develop a total. For some expenditure categories (e.g., housing), the USDA uses a per capita approach to estimate the child's share of the costs. That is, the USDA divide the expenditures for that particular good by the number of family members. Most economists believe this approach overstates the child's actual share of expenditures. The USDA updates its estimates every year for changes in the price level; however, the database for the current estimates is CES data from 1990-92. The USDA estimates expenditures for one child in a two-child family to be between \$7,830 and \$17,500 per year, depending on the age of the child and the income of the parents.

### Comparisons

Exhibit 4 compares the estimates of child-rearing expenditures by the number of children. It shows that those estimated with the Engel methodology result in higher amounts on average than those estimated with the Rothbarth methodology. It also shows that the USDA estimates generally fall between the two methodologies.<sup>12</sup>

<sup>12</sup>The USDA estimates are based on gross income. The family-expenditures equivalent of the gross-income estimate, which is cited in Lino (2007), comes from a much older study. We do not know what tax and expenditures assumptions were made in the conversion. When we convert current USDA estimates from gross income to family expenditures using prevailing tax rates and expenditures data, we find that the USDA estimates are generally higher than the Engel estimates.



We note two caveats to Exhibit 4. First, it compares the average percentage of total family expenditures devoted to child-rearing expenditures, while the Arizona child support schedule relates to “gross income” rather than “total family expenditures.” Gross income and total family expenditures differ because of two factors: first, income taxes and some families spend more or less than their after-tax incomes. Later in this report, we convert these measurements back to gross income. Second, Exhibit 4 reflects “average” child-rearing expenditures across all income ranges, so it does not reflect how the estimates change when there is more income. Most economists find that the percentage of total family expenditures devoted to child-rearing expenditures declines as income increases.

### DATA SOURCE OF THE ESTIMATES

With the exception of van der Gaag, all of the economists estimated child-rearing expenditures from the Consumers Expenditures Survey (CES) that is administered by the Bureau of Labor Statistics (BLS).<sup>13</sup> Economists use the CES because it is the most comprehensive and detailed survey conducted on household expenditures and consists of a large sample. The CES surveys about 6,000 households per quarter on expenditures, income, and household characteristics (e.g., family size). Households remain in the survey for five consecutive quarters, with households rotating in and out each quarter. Most economists use at least three quarters or a year of expenditures data for a surveyed family. This means that family expenditures are averaged for about a year rather than over a quarter, which may not be as reflective of typical family expenditures.

<sup>13</sup> van der Gaag’s study is more of a literature review of the evidence of child-rearing expenditures that existed in the early 1970s.

The BLS designed the CES to produce a nationally representative sample and samples representative of the four regions (Midwest, Northeast, South, and West). The sample sizes for each state, however, are not large enough to estimate child-rearing costs for families within a state. We know of no state that has seriously contemplated replicating the CES at the state level. The costs and time requirements make it prohibitive.

### Specific Consumption Items

The CES asks households about expenditures on over a hundred detailed items. Exhibit 5 shows the major categories of expenditures captured by the CES. The CES focuses on **current** consumption. It includes the purchase price and sales tax on all goods purchased within the survey period.

<b>Exhibit 5</b> <b>Partial List of Expenditures Items Considered in the BLS,</b> <b>the Data Source Used to Estimate Child-Rearing Expenditures</b>	
Housing	Rent paid for dwellings, rent received as pay, parking fees, maintenance, and other expenses for rented dwellings; and interest on mortgages, interest on home equity loans and lines of credit, property taxes and insurance, refinancing and prepayment charges, ground rent, expenses for property management and security, homeowners' insurance, fire insurance and extended coverage, expenses for repairs and maintenance contracted out, and expenses of materials for owner-performed repairs and maintenance for dwellings used or maintained by the consumer unit. Also includes utilities, cleaning supplies, household textiles, furniture, major and small appliances and other miscellaneous household equipment (tools, plants, decorative items).
Food	Food at home purchased at grocery or other food stores as well as meals, including tips, purchased away from home (e.g., full service and fast food restaurant, vending machines).
Transportation	Vehicle finance charges, gasoline and motor oil, maintenance and repairs, vehicle insurance, public transportation, leases, parking fees and other transportation expenditures.
Entertainment	Admission to sporting events, movies, concerts, health clubs, recreational lessons, television/radio/sound equipment, pets, toys, hobbies and other entertainment equipment and services.
Apparel	Apparel, footwear, uniforms, diapers, alterations and repairs, dry cleaning, sent-out laundry, watches and jewelry.
Other	Personal care products, reading materials, education fees, banking fees, interest paid on lines of credit, and other expenses.

### Mortgage Payments

The CES does not include mortgage principal payment as part of current expenditures. However, the CES includes payment of the mortgage interest, rent among households dwelling in apartments, utilities, property taxes, and other housing expenses as indicated in the above table. As shown in Exhibit 6, even with the exclusion of the mortgage principal payments, these housing items comprise the largest share of total family expenditures. Housing expenses contribute to over a third of family expenditures.<sup>14</sup>

For purposes of developing child support schedules, states have found it beneficial that the CES excludes mortgage principal payments. In most situations, any home equity that exists is considered as part of the property settlement during the divorce.

<sup>14</sup> Mortgage principal payments comprise about 5 percent of average after-tax income among two-parent families with children less than 18 years old. Calculated from BLS, *Table 5. Composition of consumer unit: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2007*. Downloaded from <http://www.bls.gov/cex/tables.htm> on December 1, 2008.

### Finance Charges

The CES does not capture finance charges (with the exception of finance charges for homes and vehicles). Specifically, it does not reflect any interest charges for items paid by credit card. It also does not capture interest charges for installment plans used to pay for furniture, household appliances, televisions and other electronics. Nonetheless, data from the Federal Reserve Board's Consumer Finance Survey (CFS) suggest that the finance charges not included in the CES are nominal.<sup>15</sup> Almost half (46%) of families make fixed installment payments on automobiles loans; student loans; and, loans for furniture, appliances and other durable goods. Automobile loans, which are included in the CES, comprise many of these loans. Finance charges for household appliances, televisions, and other electronics are relatively insignificant when compared to finance charges on automobiles, which absorb less than one percent of family expenditures, on average.<sup>16</sup>

For the purpose of developing child support schedules, it would be ideal to capture these excluded finance charges for furniture and other items consumed by children. Yet, any bias created from excluding them is likely to be negligible because they appear to be nominal.

<b>Exhibit 6</b>				
<b>Composition of Average Spending by Families</b>				
<b>(adopted from Betson 2006)</b>				
<b>Expenditure Category</b>	<b>Childless Couple</b>	<b>Family with One Child</b>	<b>Family with Two Children</b>	<b>Family with Three or More Children</b>
Total Annual Expenditures	\$44,728	\$46,140	\$49,834	\$48,341
<b>Budget Share (Percentage of Total Expenditures)</b>				
Food	16.0%	16.7%	17.2%	19.5%
Housing	36.6%	38.2%	38.3%	37.6%
Apparel	3.6%	4.1%	4.3%	4.6%
Transportation	21.7%	21.8%	21.0%	19.7%
Entertainment	6.0%	5.6%	6.3%	6.1%
Health Care	6.0%	5.3%	5.0%	4.8%
Personnel Care	0.9%	0.8%	0.8%	0.8%
Reading	0.5%	0.4%	0.4%	0.3%
Education	1.2%	1.5%	1.4%	1.4%
Personal Insurance	1.6%	1.2%	1.3%	1.1%
Miscellaneous	5.8%	4.3%	7.5%	3.5%

### Transportation and Vehicle Payments

As shown in Exhibit 6, transportation expenses account for about one-fifth of total family expenditures. In the category of "transportation," the CES includes net vehicle outlays; vehicle finance charges; gasoline and motor oil; maintenance and repairs; vehicle insurance; public transportation expenses; and vehicle rentals, leases, licenses and other charges. The net vehicle outlay is the purchase price of a vehicle less the trade-in value. It accounts for

<sup>15</sup> Brian Bucks, et al. "Recent Changes in U.S. Family Finances: Evidence from the 2002 and 2004 Survey of Consumer Finances," *Federal Reserve Bulletin*.

<sup>16</sup> Bureau of Labor Statistics. *Table 49. Composition of consumer unit: Shares of average annual expenditures and sources of income, Consumer Expenditure Survey, 2007* Downloaded on December 1, 2008 from <http://www.bls.gov/cex/#tables>.

about 40 percent of all transportation expenses among families with children in the CES, which is seven percent of total household expenditures.<sup>17</sup>

In developing estimates of child-rearing expenditures, Betson excludes net vehicle outlays because it does not reflect that the vehicle can be sold again later after the survey period. In contrast, the USDA starts its estimates with all transportation expenses including net vehicle outlays. There are some advantages and disadvantages to Betson's approach. Like home equity, vehicles are part of the property settlement in a divorce. Nonetheless, the ideal would be to include a value that reflects depreciation of the vehicle over time.

### Other Adjustments to the CES

Betson also excludes other expenditures items captured by the CES because they are obviously not child-rearing expenses. Specifically, he excludes contributions by family members to social security and private pension plans; and, cash contributions made to members outside the surveyed household. The USDA also excludes these expenses from its estimates of child-rearing expenditures.

### Net Income

Gross and net incomes are reported by families participating in the CES. The difference between gross and net income is taxes. In fact, the CES uses the terms "income before taxes" and "income after taxes" instead of gross and net income. Income before taxes is the total money earnings and selected money receipt. It includes wages and salary, self-employment income, Social Security benefits, pensions income, rental income, unemployment compensation, workers' compensation, veterans' benefits, public assistance, and other sources of income. Income and taxes are based on self-reports and not checked against actual records.

The BLS has concerns that income may be under-reported in the CES. Although underreporting of income is a problem inherent to surveys, the BLS is particularly concerned because expenditures exceed income among low-income households participating in the CES. The BLS does not know whether the cause is underreporting of income or that low-income households are actually spending more than their incomes because of an unemployment spell, being a student, or otherwise withdrawing from their savings. In an effort to improve income information, the BLS added and revised income questions in 2001, but there are no apparent differences resulting from these changes yet.

### The Relationship of Expenditures to Income

Beside mortgage principal payments, the BLS also does not include changes in net assets or liabilities as income or expenditures. In all, the BLS makes it clear that reconciling differences between income and expenditures nor precisely measuring income are not part of the core mission of the CES. Rather, the core mission is to measure and track expenditures. The BLS recognizes that at some low-income levels, the CES shows that total expenditures exceed after-tax incomes; and, at very high incomes, the CES shows total expenditures are

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<sup>17</sup> Bureau of Labor Statistics, *Table 5: Composition of consumer unit: Average annual expenditures and characteristics, Consumer Expenditures Survey 2007*. Downloaded on December 1, 2008 from <http://www.bls.gov/cex/#tables>

considerably less than after-tax incomes. However, the BLS does not try to explain these differences.

In developing child support schedules, a long-standing assumption has been that at higher incomes the difference between after-tax income and expenditures is a form of “savings.” This includes traditional savings (i.e., deposits into a bank account) and other contributions to family wealth such as mortgage principal payments. For example, according to the most recent CES, high-income households (i.e., households with incomes over \$150,000 per year), the ratio of expenditures to after-tax income is 55 percent.<sup>18</sup> This suggests a considerable amount of “savings.”

A high level of “savings” seems to contradict reports about the national savings rate being low. However, economists calculate the national savings rate using a different methodology.<sup>19</sup> Some of the differences concern the treatment of housing and medical expenses. When calculating the national savings rate, economists define savings to be the difference between disposable income and consumption. In defining consumption, economists impute the rental value of housing to homeowners even though the rental value may exceed the mortgage payment. Similarly, economists impute the value of all medical services received even though there was insurance coverage and the family incurred no out-of-pocket expense. These imputed values increase consumption considerably; hence, reduce the national savings rate. In fact, the escalating cost of health services contributes significantly to the declining national savings rate.<sup>20</sup>

## USAGE OF ESTIMATES IN STATE GUIDELINES

States rely on various estimates of child-rearing expenditures as the basis of their guidelines. Some states rely on whatever was the most current estimate available at the time they developed or last revised their guidelines and have not updated as new estimates became available. Still other states made a deliberate choice to use one estimate over another. Often, these states chose the estimator based on which one produced guidelines amounts that differed the least from their current amounts.

Based on our current knowledge, we have counted the number of state guidelines by their economic basis. We note that many states modified the estimates or combined them with other information to arrive at their guidelines amounts. Consequently, even though some state guidelines share the same estimates, their guidelines amounts may differ. Another caveat to our counts is that some states recently have changed their guidelines or have adopted new guidelines that are not yet promulgated.

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<sup>18</sup> Calculated from BLS, *Table 2301. Higher income before taxes: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2007*. Downloaded on December 1, 2008 from: <http://www.bls.gov/cex/tables.htm>

<sup>19</sup> More information about this difference can be found in California’s guidelines review report (Judicial Council, 2006).

<sup>20</sup> *Ibid.*

- The van der Gaag (1981) estimates form the basis of five state guidelines (i.e., California, Idaho, Nevada, New York, Wisconsin.) Most states that rely or have relied on the van der Gaag estimates use a flat percentage of obligor gross income to compute the child support obligation; that is, there is no consideration of the custodial parent's income. (California and Idaho are exceptions.)
- The Espenshade (1984) estimates forms the basis of about seven state guidelines. Most of these states have never updated their child support schedule. A notable exception is Michigan, which uses Espenshade's estimates for older children as the basis of its guidelines. Michigan updates Espenshade's estimates almost annually for changes in the price level.
- The Betson-Rothbarth (1990) estimates form the basis of about eight state guidelines. Many states that updated their guidelines beginning in the mid-1990s, including Arizona, relied on these estimates. Colorado, a state neighboring Arizona, still relies on these estimates.
- The Betson-Rothbarth (2001) estimates form the basis of about twelve state guidelines including Arizona. Many states that updated their guidelines at least twice since the mid-1990s rely on the second set of Betson-Rothbarth estimates.
- The Betson-Rothbarth (2006) estimates form the basis of six state guidelines (i.e., Arkansas, Louisiana, North Carolina, New Mexico, Oregon, and Rhode Island). Schedules based on these estimates have also been recommended or adopted in a few other states but have not yet been promulgated.
- The average of the Betson-Rothbarth and the Betson-Engel (2001) estimates form the basis of Georgia guidelines.
- Lino's USDA estimates form the basis of the Minnesota guidelines.<sup>21</sup> Minnesota is the only state to rely on the USDA estimates.
- Kansas bases its guidelines on per capita estimates of child-rearing expenditures that are adjusted for routine parenting time (also called the "dissolution factor").

The above list accounts for the economic basis of about 39 state guidelines. In the remaining states, the economic basis is unknown or the basis is a combination of factors including previous county guidelines amounts and guidelines amounts in bordering states among others.

*State-Specific Data.* We know of no state that uses state-specific data as the basis of its guidelines formula.<sup>22</sup>

*Estimates for Single-Parent Families.* We also know of no state that relies on expenditures in single-parent families as the basis of its guidelines formula. States that have considered expenditures in single-parent families typically reject those estimates because they often result in near-poverty amounts, are not available for high incomes (because too few single-parent families have high incomes), and are not consistent with the premise that the child should share the standard of living that the parent(s) can afford.

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<sup>21</sup> We do not know the year of the USDA study that forms the basis of the Minnesota schedule.

<sup>22</sup> Some states have attempted to estimate child-rearing costs for their state but have not used the study findings to develop their guidelines.

## Switch from Espenshade-Engel to Betson-Rothbarth Estimates

When most states were first adopting guidelines, the Espenshade estimates were the most current and credible estimates of child-rearing expenditures available. About twenty states including Arizona originally based their guidelines on the Espenshade estimates. Many states that updated their guidelines after 1990 switched to the Rothbarth estimates for several reasons. They are based on more current data. Betson recommended the Rothbarth estimate for state guidelines above the other four estimates he developed. Other economists with expertise in child-rearing expenditures have also recommended it (Barnow, 1994).<sup>23</sup> Another reason that states switched was that the new Rothbarth estimates produced less price-sticker shock than the new Engel estimates would.

## Use of Other Estimates

Several states have seriously considered the Betson-Engel and USDA estimates when reviewing their guidelines formulas. States that consider the Betson-Engel estimates typically adapt the Lewin/ICF (1990) framework for analyzing the appropriateness of their schedule amount by comparing their guidelines amounts to the most recent Rothbarth and Engel estimates. Since Lewin/ICF found that the Rothbarth and Engel estimators formed the lower and upper bounds of credible estimates, they concluded that any amount in between these estimates is an appropriate guidelines amount.<sup>24</sup>

Starting with this framework, one state, Georgia, eventually adopted a schedule based on the average of the Betson-Engel and Betson-Rothbarth estimates. The decision-makers assumed that the average would be the closest to actual child-rearing expenditures. Further, the average produced amounts more similar to the existing Georgia's guidelines amounts than the pure Betson-Rothbarth estimates did at the time.

Minnesota is the only state known to use the USDA estimates. Other state guidelines committees (e.g., Ohio) have recommended an updated schedule based on the USDA estimates but the proposed legislation containing the USDA-based schedule was not passed.

## Adjustments to the Betson-Rothbarth Estimates

Most state guidelines schedules incorporate adjustments to the Betson-Rothbarth estimates.

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<sup>23</sup> Barnow (1994) wrote, "The Rothbarth estimator then emerges as the closest to a consensus estimator, although, as noted above, it may well underestimate expenditures on children. States should bear in mind the potential bias of the Rothbarth estimator, and they may wish to consider increasing the Rothbarth figures slightly to account for the bias."

<sup>24</sup> When using this approach in 1990, Lewin found that most state guidelines were within the range of the estimates. Only eight state guidelines contained amounts below the low estimate and no state guidelines contained amounts above the high estimate. A subsequent study (Venohr and Griffith, 2005) partially updated the Lewin study. It found that the number of state guidelines containing amounts below the low estimate increased to 22 states. They attributed this to states not updating their schedules.

- Most states adjust the estimates to reflect current price levels.
- Many states with gross-income based guidelines adjust the estimates that relate to after-tax income to amounts that relate to gross income. States vary in their tax assumptions used to convert net to gross income.
- Many states adjust the Betson-Rothbarth estimates at low incomes to include a self support reserve.
- Some states with above- or below-average income realign the Betson-Rothbarth estimates, which are based on national data, to the income of their state (e.g., Connecticut).
- The District of Columbia applies the Betson-Rothbarth estimates to all after-tax income including what an intact family would spend on mortgage principal and “savings.”
- Rhode Island bases its schedule on the Betson-Rothbarth estimates with a modest upward adjustment to account for Rhode Island’s relatively high housing costs.
- In the Louisiana schedule, the Betson-Rothbarth estimates have been adjusted to incorporate a “dissolution factor” similar to the Kansas schedule. The dissolution factor acknowledges the obligated parent makes direct child-rearing expenditures when the child is in his or her care (i.e., during standard visitation).
- New Mexico split the difference between its existing and updated schedules when it last updated.

### Economic Estimates Considered by Arizona

As mentioned earlier, Arizona switched from the Espenshade-Engel estimates to the Betson-Rothbarth estimates in the mid-1990s. At that time, Arizona checked the Betson-Rothbarth estimates, which were the first set of Betson-Rothbarth estimates, against Engel estimates produced by Professor James Shockey, University of Arizona.<sup>25</sup> Subsequently, Arizona updated its schedule using the second set of Betson-Rothbarth estimates in 2004. They form the basis of the existing Arizona schedule.

Arizona contracted with CPR to prepare an updated schedule based on the most recent Betson-Rothbarth estimates. Arizona did not contract with CPR to prepare multiple schedules based on other estimates or alternative assumptions.

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<sup>25</sup> Shockey, J. W. (1995) *Determining the Cost of Raising Children in Nonintact Arizona Households*, Report to Arizona Judicial Council, University of Arizona Department of Sociology.

## Section III

### Updated Schedule & Technical Steps

The core economic data used to develop an updated schedule consist of the following.

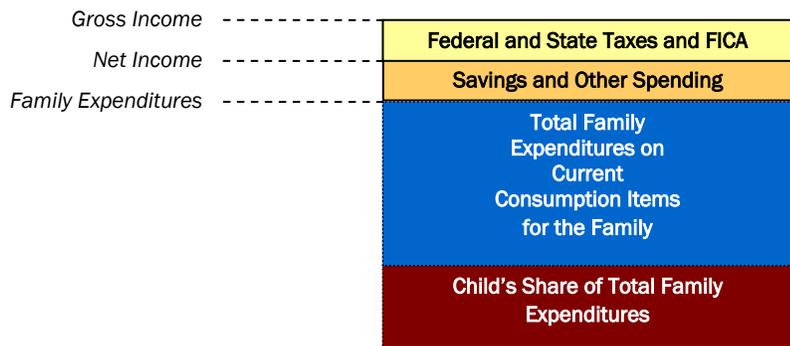
- The Betson-Rothbarth estimates of child-rearing expenditures derived from expenditures data collected from the 1998-2004 Consumer Expenditures Survey (CES). As discussed in the previous section, these estimates are updates to the estimates that form the basis of the current Arizona schedule.
- The 2008 Consumer Price Index published by the Bureau of Labor Statistics.
- Spending and income patterns of families participating in the 1998-2004 CES.
- Federal and State tax rates prevailing in 2008.

#### OVERVIEW OF STEPS USED TO UPDATE SCHEDULE

The estimates of child-rearing expenditures are just a starting point to developing the schedule. The steps used to update the Arizona schedule are outlined below.

1. *Adjust estimates of child-rearing expenditures to current price levels.* Betson developed his new estimates using July 2005 price levels. They are updated to October 2008 price levels using changes in the Consumer Price Index developed by the U.S. Bureau of Labor Statistics.
2. *Subtract child care expenses; health insurance premiums; and extraordinary, uninsured health care expenses from estimates of child-rearing expenditures.* This step is necessary because the actual amounts of these expenses are considered elsewhere in the guidelines.
3. *Extend the estimates of child-rearing expenditures to cover four and more children.* There are an insufficient number of families with four or more children in the survey. Hence, the estimates are extended to four and more children using economic equivalence scales. These scales were developed by the National Research Council, a blue-ribbon panel of academics studying poverty and family income, after extensive research.
4. *Relate the estimates of child-rearing expenditures to net incomes.* The Betson-Rothbarth estimates of child-rearing expenditures are expressed as a percentage of total family expenditures. If a family spends all of its after-tax income, then family expenditures and after-tax income are equal and no additional adjustment is necessary. However, as illustrated in Exhibit 7, some families may not spend all of their disposable income on current consumption items. Hence, the estimates of child-rearing expenditures are adjusted to reflect net incomes.

Exhibit 7  
Family Consumption and Income



5. *Calculate marginal percentages.* This step is necessary to gradually phase-in the estimates of child-rearing expenditures between income ranges similar to how a tax table phases in different tax rates between income ranges. Otherwise, there would be sudden changes in amounts as the table moved from income range to the next income range.
6. *Back out the estimates of child-rearing expenditures to gross incomes.* The Arizona table considers the parents' gross incomes. Betson's estimates are backed out to net income in Step 4. In this step, they are backed out to gross income using the 2008 federal and Arizona income tax rates and FICA. Exhibit 7 also illustrates the need for this step.
7. *Update the income thresholds for federal childcare tax credit.* The current Arizona guidelines provide that the court may adjust child care costs factored into the calculation of the support award for the federal childcare tax credit. The adjustment is only made when the custodial parent's income is sufficient to have tax liability to which the credit applies. The guidelines provides a table noting these income thresholds. Although the table is outside the schedule, it is updated to 2008 levels in this report.

More detailed information about these steps and the data assumptions associated with each step can be found at the end of this section.

UPDATED SCHEDULE

Exhibit 8 contains updated schedule based on the above assumptions and steps.

Exhibit 8 Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
750	184	269	320	357	393	427
800	194	284	337	377	414	450

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
850	203	297	353	394	433	471
900	212	310	368	411	452	492
950	221	323	383	428	471	512
1000	230	336	399	445	490	532
1050	240	350	415	464	510	555
1100	250	365	432	483	531	577
1150	260	379	449	502	552	600
1200	270	393	466	520	573	622
1250	279	406	481	538	591	643
1300	289	421	498	556	612	665
1350	299	435	515	575	632	687
1400	308	449	531	593	653	710
1450	318	463	548	612	673	732
1500	327	476	563	629	692	752
1550	336	489	579	646	711	773
1600	346	503	594	664	730	794
1650	355	516	610	681	749	814
1700	364	529	625	698	768	835
1750	373	542	641	716	787	856
1800	382	555	656	733	806	876
1850	391	568	672	750	825	897
1900	400	582	687	767	844	918
1950	409	595	702	784	863	938
2000	418	607	717	801	881	958
2050	427	620	732	818	899	978
2100	436	633	747	834	918	997
2150	445	646	762	851	936	1017
2200	454	658	777	867	954	1037
2250	463	671	791	884	972	1057
2300	471	684	806	901	991	1077
2350	480	697	821	917	1009	1097
2400	489	709	836	934	1027	1117
2450	498	722	851	950	1045	1136
2500	507	735	866	967	1064	1156
2550	516	747	881	984	1082	1176
2600	525	760	895	1000	1100	1196
2650	534	773	910	1017	1119	1216
2700	542	786	925	1033	1137	1236
2750	551	798	940	1050	1155	1256
2800	560	811	955	1067	1173	1275

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
2850	569	824	970	1083	1192	1295
2900	578	837	985	1101	1211	1316
2950	587	850	1001	1118	1230	1337
3000	596	863	1016	1135	1249	1357
3050	605	876	1032	1153	1268	1378
3100	614	889	1047	1170	1287	1399
3150	623	902	1063	1187	1306	1420
3200	632	916	1078	1205	1325	1440
3250	641	929	1094	1222	1344	1461
3300	650	942	1109	1239	1363	1482
3350	659	955	1125	1257	1382	1503
3400	668	968	1141	1274	1401	1523
3450	676	980	1154	1289	1418	1542
3500	684	991	1167	1304	1434	1559
3550	692	1002	1180	1318	1450	1576
3600	699	1013	1193	1333	1466	1594
3650	707	1024	1206	1348	1482	1611
3700	714	1035	1219	1362	1498	1629
3750	722	1046	1232	1377	1514	1646
3800	730	1057	1246	1391	1530	1664
3850	737	1068	1259	1406	1546	1681
3900	743	1075	1267	1416	1557	1693
3950	748	1083	1275	1425	1567	1703
4000	753	1090	1283	1434	1577	1714
4050	758	1097	1292	1443	1587	1725
4100	763	1104	1300	1452	1597	1736
4150	768	1111	1308	1461	1607	1747
4200	773	1118	1316	1470	1617	1757
4250	778	1125	1324	1479	1627	1768
4300	783	1132	1332	1488	1637	1779
4350	789	1140	1340	1497	1647	1790
4400	794	1147	1348	1506	1656	1801
4450	799	1154	1356	1515	1666	1811
4500	804	1161	1364	1524	1676	1822
4550	809	1168	1372	1533	1686	1833
4600	814	1175	1381	1542	1696	1844
4650	819	1182	1389	1551	1706	1855
4700	824	1190	1397	1560	1716	1865
4750	829	1197	1405	1569	1726	1876
4800	835	1204	1413	1578	1736	1887

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
4850	840	1211	1421	1587	1746	1898
4900	845	1218	1429	1596	1756	1909
4950	850	1225	1437	1605	1766	1919
5000	854	1231	1444	1613	1774	1928
5050	858	1236	1450	1619	1781	1936
5100	861	1241	1456	1626	1789	1944
5150	865	1247	1462	1633	1796	1952
5200	869	1252	1468	1640	1804	1961
5250	872	1257	1474	1646	1811	1969
5300	876	1262	1480	1653	1819	1977
5350	880	1268	1486	1660	1826	1985
5400	884	1273	1492	1667	1833	1993
5450	887	1278	1498	1673	1841	2001
5500	891	1283	1504	1680	1848	2009
5550	895	1289	1510	1687	1856	2017
5600	898	1294	1516	1694	1863	2025
5650	902	1299	1522	1701	1871	2033
5700	906	1304	1528	1707	1878	2041
5750	909	1310	1534	1714	1885	2049
5800	913	1315	1541	1721	1893	2058
5850	917	1320	1547	1728	1900	2066
5900	921	1325	1553	1734	1908	2074
5950	924	1330	1559	1741	1915	2082
6000	928	1336	1565	1748	1923	2090
6050	932	1341	1571	1755	1930	2098
6100	935	1345	1576	1760	1936	2104
6150	938	1349	1580	1765	1941	2110
6200	941	1353	1584	1769	1946	2115
6250	943	1357	1588	1774	1951	2121
6300	946	1361	1592	1778	1956	2126
6350	949	1364	1596	1783	1961	2132
6400	952	1368	1600	1787	1966	2137
6450	955	1372	1604	1792	1971	2142
6500	958	1376	1608	1796	1976	2148
6550	961	1380	1612	1801	1981	2153
6600	964	1383	1616	1805	1986	2159
6650	966	1387	1620	1810	1991	2164
6700	969	1391	1624	1814	1996	2169
6750	972	1395	1628	1819	2001	2175
6800	975	1399	1632	1823	2006	2180

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
6850	978	1402	1637	1828	2011	2186
6900	981	1406	1641	1833	2016	2191
6950	984	1410	1645	1837	2021	2197
7000	987	1414	1649	1842	2026	2202
7050	990	1418	1653	1846	2031	2207
7100	992	1422	1657	1851	2036	2213
7150	995	1425	1661	1855	2041	2218
7200	997	1428	1664	1859	2044	2222
7250	999	1430	1666	1861	2047	2225
7300	1000	1432	1667	1863	2049	2227
7350	1002	1433	1669	1864	2051	2229
7400	1003	1435	1671	1866	2053	2232
7450	1004	1437	1673	1868	2055	2234
7500	1006	1439	1674	1870	2057	2236
7550	1007	1440	1676	1872	2059	2239
7600	1009	1442	1678	1874	2062	2241
7650	1010	1444	1680	1876	2064	2243
7700	1011	1446	1681	1878	2066	2246
7750	1013	1447	1683	1880	2068	2248
7800	1014	1449	1685	1882	2070	2250
7850	1016	1451	1687	1884	2072	2253
7900	1017	1453	1688	1886	2074	2255
7950	1018	1454	1690	1888	2077	2257
8000	1020	1456	1692	1890	2079	2260
8050	1021	1458	1694	1892	2081	2262
8100	1023	1460	1695	1894	2083	2264
8150	1024	1461	1697	1896	2085	2267
8200	1025	1463	1699	1898	2087	2269
8250	1027	1465	1701	1900	2089	2271
8300	1028	1467	1702	1901	2092	2274
8350	1030	1469	1705	1905	2095	2277
8400	1035	1476	1713	1914	2105	2288
8450	1041	1484	1722	1923	2116	2300
8500	1046	1491	1730	1933	2126	2311
8550	1051	1498	1739	1942	2136	2322
8600	1056	1506	1747	1952	2147	2333
8650	1061	1513	1756	1961	2157	2345
8700	1067	1520	1764	1970	2167	2356
8750	1072	1528	1772	1980	2178	2367
8800	1077	1535	1781	1989	2188	2379

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
8850	1082	1542	1789	1999	2198	2390
8900	1087	1550	1798	2008	2209	2401
8950	1093	1557	1806	2017	2219	2412
9000	1098	1564	1815	2027	2230	2424
9050	1103	1572	1823	2036	2240	2435
9100	1106	1577	1829	2043	2247	2442
9150	1110	1581	1834	2049	2254	2450
9200	1113	1586	1840	2055	2260	2457
9250	1116	1591	1845	2061	2267	2464
9300	1120	1596	1851	2067	2274	2472
9350	1123	1600	1856	2073	2281	2479
9400	1126	1605	1862	2080	2287	2486
9450	1130	1610	1867	2086	2294	2494
9500	1133	1614	1873	2092	2301	2501
9550	1136	1619	1878	2098	2308	2509
9600	1140	1624	1884	2104	2315	2516
9650	1143	1629	1889	2110	2321	2523
9700	1146	1633	1895	2116	2328	2531
9750	1150	1638	1900	2123	2335	2538
9800	1153	1643	1906	2129	2342	2545
9850	1156	1648	1911	2135	2348	2553
9900	1160	1652	1917	2141	2355	2560
9950	1163	1657	1922	2147	2362	2567
10000	1166	1662	1928	2153	2369	2575
10050	1170	1667	1933	2160	2376	2582
10100	1173	1671	1939	2166	2382	2590
10150	1176	1675	1943	2171	2388	2595
10200	1178	1679	1947	2175	2393	2601
10250	1181	1682	1951	2180	2397	2606
10300	1183	1686	1955	2184	2402	2611
10350	1186	1689	1959	2188	2407	2617
10400	1188	1693	1963	2193	2412	2622
10450	1191	1696	1967	2197	2417	2627
10500	1193	1700	1971	2202	2422	2633
10550	1196	1703	1975	2206	2427	2638
10600	1199	1707	1979	2211	2432	2643
10650	1201	1710	1983	2215	2436	2648
10700	1204	1714	1987	2219	2441	2654
10750	1206	1717	1991	2224	2446	2659
10800	1209	1721	1995	2228	2451	2664

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
10850	1211	1725	1999	2233	2456	2670
10900	1214	1728	2003	2237	2461	2675
10950	1216	1732	2007	2242	2466	2680
11000	1219	1735	2011	2246	2471	2686
11050	1222	1739	2015	2250	2475	2691
11100	1224	1742	2019	2255	2480	2696
11150	1227	1746	2023	2259	2485	2701
11200	1229	1749	2027	2264	2490	2707
11250	1232	1753	2031	2268	2495	2712
11300	1234	1756	2035	2273	2500	2717
11350	1237	1760	2039	2277	2505	2723
11400	1239	1763	2042	2281	2510	2728
11450	1242	1767	2046	2286	2514	2733
11500	1245	1770	2050	2290	2519	2739
11550	1247	1774	2055	2295	2525	2744
11600	1250	1778	2059	2300	2530	2751
11650	1253	1782	2064	2306	2536	2757
11700	1256	1786	2069	2311	2542	2763
11750	1259	1790	2074	2316	2548	2769
11800	1262	1795	2078	2321	2554	2776
11850	1264	1799	2083	2327	2559	2782
11900	1267	1803	2088	2332	2565	2788
11950	1270	1807	2092	2337	2571	2795
12000	1273	1811	2097	2342	2577	2801
12050	1276	1815	2102	2348	2583	2807
12100	1279	1819	2107	2353	2588	2814
12150	1282	1823	2111	2358	2594	2820
12200	1285	1827	2116	2364	2600	2826
12250	1287	1831	2121	2369	2606	2832
12300	1290	1835	2125	2374	2612	2839
12350	1293	1839	2130	2379	2617	2845
12400	1296	1843	2135	2385	2623	2851
12450	1299	1848	2140	2390	2629	2858
12500	1302	1852	2144	2395	2635	2864
12550	1305	1856	2149	2400	2640	2870
12600	1307	1860	2154	2406	2646	2877
12650	1310	1864	2158	2411	2652	2883
12700	1313	1868	2163	2416	2658	2889
12750	1316	1872	2168	2422	2664	2895
12800	1319	1876	2173	2427	2669	2902

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
12850	1322	1880	2177	2432	2675	2908
12900	1325	1884	2182	2437	2681	2914
12950	1327	1888	2187	2443	2687	2921
13000	1330	1892	2191	2448	2693	2927
13050	1333	1896	2196	2453	2698	2933
13100	1336	1901	2201	2458	2704	2940
13150	1339	1905	2206	2464	2710	2946
13200	1342	1909	2210	2469	2716	2952
13250	1345	1913	2215	2474	2722	2958
13300	1348	1917	2220	2479	2727	2965
13350	1350	1921	2224	2485	2733	2971
13400	1353	1925	2229	2490	2739	2977
13450	1356	1929	2234	2495	2745	2984
13500	1359	1933	2239	2501	2751	2990
13550	1362	1937	2243	2506	2756	2996
13600	1365	1941	2248	2511	2762	3002
13650	1368	1945	2253	2516	2768	3009
13700	1370	1950	2257	2522	2774	3015
13750	1373	1954	2262	2527	2780	3021
13800	1376	1958	2267	2532	2785	3028
13850	1379	1962	2272	2537	2791	3034
13900	1382	1966	2276	2543	2797	3040
13950	1385	1970	2281	2548	2803	3047
14000	1388	1974	2286	2553	2809	3053
14050	1391	1978	2290	2558	2814	3059
14100	1393	1982	2295	2564	2820	3065
14150	1396	1986	2300	2569	2826	3072
14200	1399	1990	2305	2574	2832	3078
14250	1402	1994	2309	2580	2838	3084
14300	1405	1998	2314	2585	2843	3091
14350	1408	2003	2319	2590	2849	3097
14400	1411	2006	2323	2595	2854	3103
14450	1413	2010	2327	2600	2860	3108
14500	1416	2014	2331	2604	2864	3114
14550	1418	2017	2335	2608	2869	3119
14600	1421	2021	2339	2612	2874	3124
14650	1424	2024	2343	2617	2878	3129
14700	1426	2027	2346	2621	2883	3134
14750	1429	2031	2350	2625	2888	3139
14800	1431	2034	2354	2630	2892	3144

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
14850	1434	2038	2358	2634	2897	3149
14900	1436	2041	2362	2638	2902	3154
14950	1439	2045	2366	2642	2907	3159
15000	1441	2048	2369	2647	2911	3165
15050	1444	2051	2373	2651	2916	3170
15100	1446	2055	2377	2655	2921	3175
15150	1449	2058	2381	2659	2925	3180
15200	1452	2062	2385	2664	2930	3185
15250	1454	2065	2388	2668	2935	3190
15300	1457	2069	2392	2672	2939	3195
15350	1459	2072	2396	2676	2944	3200
15400	1462	2076	2400	2681	2949	3205
15450	1464	2079	2404	2685	2953	3210
15500	1467	2082	2408	2689	2958	3216
15550	1469	2086	2411	2693	2963	3221
15600	1472	2089	2415	2698	2968	3226
15650	1474	2093	2419	2702	2972	3231
15700	1477	2096	2423	2706	2977	3236
15750	1480	2100	2427	2711	2982	3241
15800	1482	2103	2430	2715	2986	3246
15850	1485	2107	2434	2719	2991	3251
15900	1487	2110	2438	2723	2996	3256
15950	1490	2113	2442	2728	3000	3261
16000	1492	2117	2446	2732	3005	3266
16050	1495	2120	2450	2736	3010	3272
16100	1497	2124	2453	2740	3014	3277
16150	1500	2127	2457	2745	3019	3282
16200	1502	2131	2461	2749	3024	3287
16250	1505	2134	2465	2753	3029	3292
16300	1508	2137	2469	2757	3033	3297
16350	1510	2141	2473	2763	3039	3303
16400	1513	2145	2478	2768	3045	3309
16450	1516	2149	2483	2773	3050	3316
16500	1519	2154	2487	2778	3056	3322
16550	1522	2158	2492	2783	3062	3328
16600	1524	2162	2496	2788	3067	3334
16650	1527	2166	2501	2794	3073	3340
16700	1530	2170	2506	2799	3079	3347
16750	1533	2174	2510	2804	3084	3353
16800	1536	2178	2515	2809	3090	3359

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
16850	1539	2182	2520	2814	3096	3365
16900	1541	2186	2524	2819	3101	3371
16950	1544	2190	2529	2825	3107	3377
17000	1547	2194	2533	2830	3113	3384
17050	1550	2198	2538	2835	3118	3390
17100	1553	2202	2543	2840	3124	3396
17150	1555	2206	2547	2845	3130	3402
17200	1558	2210	2552	2850	3136	3408
17250	1561	2214	2557	2856	3141	3415
17300	1564	2218	2561	2861	3147	3421
17350	1567	2222	2566	2866	3153	3427
17400	1569	2226	2570	2871	3158	3433
17450	1572	2230	2575	2876	3164	3439
17500	1575	2234	2580	2882	3170	3445
17550	1578	2238	2584	2887	3175	3452
17600	1581	2242	2589	2892	3181	3458
17650	1584	2246	2594	2897	3187	3464
17700	1586	2250	2598	2902	3192	3470
17750	1589	2254	2603	2907	3198	3476
17800	1592	2258	2607	2913	3204	3482
17850	1595	2262	2612	2918	3209	3489
17900	1598	2266	2617	2923	3215	3495
17950	1600	2270	2621	2928	3221	3501
18000	1603	2274	2626	2933	3227	3507
18050	1606	2278	2631	2938	3232	3513
18100	1609	2282	2635	2944	3238	3520
18150	1612	2286	2640	2949	3244	3526
18200	1614	2290	2644	2954	3249	3532
18250	1617	2294	2649	2959	3255	3538
18300	1620	2298	2654	2964	3261	3544
18350	1623	2302	2658	2969	3266	3550
18400	1626	2306	2663	2975	3272	3557
18450	1629	2310	2668	2980	3278	3563
18500	1631	2314	2672	2985	3283	3569
18550	1634	2318	2677	2990	3289	3575
18600	1637	2322	2681	2995	3295	3581
18650	1640	2326	2686	3000	3300	3588
18700	1643	2330	2691	3006	3306	3594
18750	1645	2334	2695	3011	3312	3600
18800	1648	2338	2700	3016	3317	3606

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
18850	1651	2342	2705	3021	3323	3612
18900	1654	2346	2709	3026	3329	3618
18950	1657	2350	2714	3031	3335	3625
19000	1660	2354	2718	3037	3340	3631
19050	1662	2358	2723	3042	3346	3637
19100	1665	2362	2728	3047	3352	3643
19150	1668	2366	2732	3052	3357	3649
19200	1671	2370	2737	3057	3363	3656
19250	1674	2374	2742	3062	3369	3662
19300	1676	2378	2746	3068	3374	3668
19350	1679	2382	2751	3073	3380	3674
19400	1682	2386	2756	3078	3386	3680
19450	1684	2389	2759	3082	3390	3685
19500	1686	2392	2762	3086	3394	3690
19550	1689	2395	2766	3089	3398	3694
19600	1691	2398	2769	3093	3402	3698
19650	1693	2401	2772	3097	3406	3703
19700	1695	2403	2776	3100	3410	3707
19750	1697	2406	2779	3104	3414	3711
19800	1699	2409	2782	3108	3418	3716
19850	1701	2412	2785	3111	3422	3720
19900	1703	2415	2789	3115	3426	3724
19950	1705	2418	2792	3119	3430	3729
20000	1708	2421	2795	3122	3434	3733
20050	1710	2424	2798	3126	3438	3738
20100	1712	2427	2802	3129	3442	3742
20150	1714	2430	2805	3133	3446	3746
20200	1716	2433	2808	3137	3450	3751
20250	1718	2435	2811	3140	3454	3755
20300	1720	2438	2815	3144	3458	3759
20350	1722	2441	2818	3148	3462	3764
20400	1724	2444	2821	3151	3467	3768
20450	1726	2447	2825	3155	3471	3772
20500	1729	2450	2828	3159	3475	3777
20550	1731	2453	2831	3162	3479	3781
20600	1733	2456	2834	3166	3483	3786
20650	1735	2459	2838	3170	3487	3790
20700	1737	2462	2841	3173	3491	3794
20750	1739	2465	2844	3177	3495	3799
20800	1741	2467	2847	3181	3499	3803

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
20850	1743	2470	2851	3184	3503	3807
20900	1745	2473	2854	3188	3507	3812
20950	1748	2476	2857	3192	3511	3816
21000	1750	2479	2860	3195	3515	3820
21050	1752	2482	2864	3199	3519	3825
21100	1754	2485	2867	3202	3523	3829
21150	1756	2488	2870	3206	3527	3834
21200	1758	2491	2874	3210	3531	3838
21250	1760	2494	2877	3213	3535	3842
21300	1762	2496	2880	3217	3539	3847
21350	1764	2499	2883	3221	3543	3851
21400	1766	2502	2887	3224	3547	3855
21450	1769	2505	2890	3228	3551	3860
21500	1771	2508	2893	3232	3555	3864
21550	1773	2511	2896	3235	3559	3868
21600	1775	2514	2900	3239	3563	3873
21650	1777	2517	2903	3243	3567	3877
21700	1779	2520	2906	3246	3571	3882
21750	1781	2523	2910	3250	3575	3886
21800	1783	2526	2913	3254	3579	3890
21850	1785	2528	2916	3257	3583	3895
21900	1788	2531	2919	3261	3587	3899
21950	1790	2534	2923	3265	3591	3903
22000	1792	2537	2926	3268	3595	3908
22050	1794	2540	2929	3272	3599	3912
22100	1796	2543	2932	3275	3603	3916
22150	1798	2546	2936	3279	3607	3921
22200	1800	2549	2939	3283	3611	3925
22250	1802	2552	2942	3286	3615	3930
22300	1804	2555	2945	3290	3619	3934
22350	1806	2558	2949	3294	3623	3938
22400	1809	2560	2952	3297	3627	3943
22450	1811	2563	2955	3301	3631	3947
22500	1813	2566	2959	3305	3635	3951
22550	1815	2569	2962	3308	3639	3956
22600	1817	2572	2965	3312	3643	3960
22650	1819	2575	2968	3316	3647	3964
22700	1821	2578	2972	3319	3651	3969
22750	1823	2581	2975	3323	3655	3973
22800	1825	2584	2978	3327	3659	3978

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
22850	1828	2587	2981	3330	3663	3982
22900	1830	2590	2985	3334	3667	3986
22950	1832	2592	2988	3338	3671	3991
23000	1834	2595	2991	3341	3675	3995
23050	1836	2598	2994	3345	3679	3999
23100	1838	2601	2998	3348	3683	4004
23150	1840	2604	3001	3352	3687	4008
23200	1842	2607	3004	3356	3691	4012
23250	1844	2610	3008	3359	3695	4017
23300	1846	2613	3011	3363	3699	4021
23350	1849	2616	3014	3367	3703	4026
23400	1851	2619	3017	3370	3707	4030
23450	1853	2622	3021	3374	3711	4034
23500	1855	2624	3024	3378	3715	4039
23550	1857	2627	3027	3381	3719	4043
23600	1859	2630	3030	3385	3723	4047
23650	1861	2633	3034	3389	3727	4052
23700	1863	2636	3037	3392	3731	4056
23750	1865	2639	3040	3396	3735	4060
23800	1868	2642	3043	3400	3740	4065
23850	1870	2645	3047	3403	3744	4069
23900	1872	2648	3050	3407	3748	4074
23950	1874	2651	3053	3411	3752	4078
24000	1876	2653	3057	3414	3756	4082
24050	1878	2656	3060	3418	3760	4087
24100	1880	2659	3063	3421	3764	4091
24150	1882	2662	3066	3425	3768	4095
24200	1884	2665	3070	3429	3772	4100
24250	1886	2668	3073	3432	3776	4104
24300	1889	2671	3076	3436	3780	4108
24350	1891	2674	3079	3440	3784	4113
24400	1893	2677	3083	3443	3788	4117
24450	1895	2680	3086	3447	3792	4122
24500	1897	2683	3089	3451	3796	4126
24550	1899	2685	3092	3454	3800	4130
24600	1901	2688	3096	3458	3804	4135
24650	1903	2691	3099	3462	3808	4139
24700	1905	2694	3102	3465	3812	4143
24750	1908	2697	3106	3469	3816	4148
24800	1910	2700	3109	3473	3820	4152

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
24850	1912	2703	3112	3476	3824	4156
24900	1914	2706	3115	3480	3828	4161
24950	1916	2709	3119	3484	3832	4165
25000	1918	2712	3122	3487	3836	4170
25050	1920	2715	3125	3491	3840	4174
25100	1922	2717	3128	3494	3844	4178
25150	1924	2720	3132	3498	3848	4183
25200	1926	2723	3135	3502	3852	4187
25250	1929	2726	3138	3505	3856	4191
25300	1931	2729	3141	3509	3860	4196
25350	1933	2732	3145	3513	3864	4200
25400	1935	2735	3148	3516	3868	4205
25450	1937	2738	3151	3520	3872	4209
25500	1939	2741	3155	3524	3876	4213
25550	1941	2744	3158	3527	3880	4218
25600	1943	2747	3161	3531	3884	4222
25650	1945	2749	3164	3535	3888	4226
25700	1948	2752	3168	3538	3892	4231
25750	1950	2755	3171	3542	3896	4235
25800	1952	2758	3174	3546	3900	4239
25850	1954	2761	3177	3549	3904	4244
25900	1956	2764	3181	3553	3908	4248
25950	1958	2767	3184	3557	3912	4253
26000	1960	2770	3187	3560	3916	4257
26050	1962	2773	3191	3564	3920	4261
26100	1964	2776	3194	3567	3924	4266
26150	1966	2778	3197	3571	3928	4270
26200	1969	2781	3200	3575	3932	4274
26250	1971	2784	3204	3578	3936	4279
26300	1973	2787	3207	3582	3940	4283
26350	1975	2790	3210	3586	3944	4287
26400	1977	2793	3213	3589	3948	4292
26450	1979	2796	3217	3593	3952	4296
26500	1981	2799	3220	3597	3956	4301
26550	1983	2802	3223	3600	3960	4305
26600	1985	2805	3226	3604	3964	4309
26650	1988	2808	3230	3608	3968	4314
26700	1990	2810	3233	3611	3972	4318
26750	1992	2813	3236	3615	3976	4322
26800	1994	2816	3240	3619	3980	4327

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
26850	1996	2819	3243	3622	3984	4331
26900	1998	2822	3246	3626	3988	4335
26950	2000	2825	3249	3629	3992	4340
27000	2002	2828	3253	3633	3996	4344
27050	2004	2831	3256	3637	4000	4349
27100	2006	2834	3259	3640	4004	4353
27150	2009	2837	3262	3644	4009	4357
27200	2011	2840	3266	3648	4013	4362
27250	2013	2842	3269	3651	4017	4366
27300	2015	2845	3272	3655	4021	4370
27350	2017	2848	3275	3659	4025	4375
27400	2019	2851	3279	3662	4029	4379
27450	2021	2854	3282	3666	4033	4383
27500	2023	2857	3285	3670	4037	4388
27550	2025	2860	3289	3673	4041	4392
27600	2028	2863	3292	3677	4045	4397
27650	2030	2866	3295	3681	4049	4401
27700	2032	2869	3298	3684	4053	4405
27750	2034	2872	3302	3688	4057	4410
27800	2036	2874	3305	3692	4061	4414
27850	2038	2877	3308	3695	4065	4418
27900	2040	2880	3311	3699	4069	4423
27950	2042	2883	3315	3702	4073	4427
28000	2044	2886	3318	3706	4077	4431
28050	2046	2889	3321	3710	4081	4436
28100	2049	2892	3324	3713	4085	4440
28150	2051	2895	3328	3717	4089	4445
28200	2053	2898	3331	3721	4093	4449
28250	2055	2901	3334	3724	4097	4453
28300	2057	2903	3338	3728	4101	4458
28350	2059	2906	3341	3732	4105	4462
28400	2061	2909	3344	3735	4109	4466
28450	2063	2912	3347	3739	4113	4471
28500	2065	2915	3351	3743	4117	4475
28550	2068	2918	3354	3746	4121	4479
28600	2070	2921	3357	3750	4125	4484
28650	2072	2924	3360	3754	4129	4488
28700	2074	2927	3364	3757	4133	4493
28750	2076	2930	3367	3761	4137	4497
28800	2078	2933	3370	3765	4141	4501

Exhibit 8						
Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
28850	2080	2935	3373	3768	4145	4506
28900	2082	2938	3377	3772	4149	4510
28950	2084	2941	3380	3775	4153	4514
29000	2086	2944	3383	3779	4157	4519
29050	2089	2947	3387	3783	4161	4523
29100	2091	2950	3390	3786	4165	4527
29150	2093	2953	3393	3790	4169	4532
29200	2095	2956	3396	3794	4173	4536
29250	2097	2959	3400	3797	4177	4541
29300	2099	2962	3403	3801	4181	4545
29350	2101	2965	3406	3805	4185	4549
29400	2103	2967	3409	3808	4189	4554
29450	2105	2970	3413	3812	4193	4558
29500	2108	2973	3416	3816	4197	4562
29550	2110	2976	3419	3819	4201	4567
29600	2112	2979	3423	3823	4205	4571
29650	2114	2982	3426	3827	4209	4575
29700	2116	2985	3429	3830	4213	4580
29750	2118	2988	3432	3834	4217	4584
29800	2120	2991	3436	3838	4221	4589
29850	2122	2994	3439	3841	4225	4593
29900	2124	2997	3442	3845	4229	4597
29950	2126	2999	3445	3848	4233	4602
30000	2129	3002	3449	3852	4237	4606

## DETAILED TECHNICAL STEPS AND ADDITIONAL DATA

There are six technical steps used to derive the updated schedule, from the numbers Betson provided, which are shown in Exhibit 9.<sup>26</sup> Specifically, Exhibit 9 shows the raw numbers from the 1998-2004 data used in critical steps: the percentage of total expenditures devoted to child-rearing expenditures for one, two and three children; the percentage of total expenditures devoted to child care expenses; the percentage of total expenditures devoted to extraordinary, uninsured health care expenses; and expenditures to net income ratios.

### Child Care Expenses

Actual child care expenses are to be considered in the worksheet, so they are removed from the Betson-Rothbarth measurements when developing the schedule.

<sup>26</sup>A seventh technical step updates the income thresholds for applying the childcare tax credit, which is outside the schedule.

Betson's measurements of child care expenses, which are shown in Exhibit 9, represent the average percentage of total expenditures devoted to child care expenses across all families regardless of whether the family incurs any child care expenses. If only those families with child care expenses were included, the percentages would be much higher. The percentage across all families is necessary to back out child care expenses from total child-rearing expenses since the total is derived for all families.

One limitation pertaining to child care expenses is that "necessary" child care expenses (e.g., those incurred to allow someone to work) cannot be distinguished from "discretionary" child care expenses. Ideally, only work-related child care expenses would be subtracted because most state guidelines only factor work-related child care expenses in the worksheet. State guidelines may consider child care expenses associated with a parent's job search or education aimed at increasing his or her earnings. Since they cannot be distinguished, however, work-related child care expenses may be somewhat overstated and too much may be subtracted from the estimates. In turn, this would cause the amounts in the obligation schedule to be somewhat less than if work-related and discretionary child care expenses could be separated. Nonetheless, since most child care expenses are work-related, discretionary child care expenses are likely to compose an infinitesimal share of total expenditures. As a consequence, the magnitude of any bias is likely to be negligible.

#### **Health Care Expenses**

Like child care expenses, actual health care expenses for the children (i.e., insurance coverage and extraordinary, uninsured medical expenses) are to be considered in the worksheet, so they are removed from the Betson-Rothbarth measurements when developing the schedule. Only the child's ordinary, uninsured medical expenses (e.g., bandages, over-the-counter medicines) are considered in the schedule. Ordinary medical expenses are limited to \$250 per child per year up to \$750 for three children and about \$75 for each additional child above three children. This amount approximates average out-of-pocket health care costs per child.<sup>27</sup>

In the CES, health care expenses consider all out-of-pocket health-related expenses. This includes both prescription and over-the-counter medicines (e.g., aspirin); the employee's share of health insurance premiums, co-pays, and deductibles; orthodontia; and, other health-related expenses. Health care expenses on children cannot be distinguished from expenses on adult household members, so it is assumed that the child's share is the same as the child's share of total household expenditures. If the child's health care expenses actually cost more, on average, this will result in downward biases to the amounts in the obligation schedule because too little is subtracted from the estimates than the actual amount expended on the child's health care. Conversely, if the child's health care expenses actually cost less, on average, this will result in upward biases to the amounts in the obligation schedule. Nonetheless, if any bias exists, the amount is likely to be very small because uninsured health care expenses only compose a small portion of total expenditures.

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<sup>27</sup> McCormick, R. Weinick, A. Elixhauser, et al. (2001) estimated it to be about \$250 using 2000 data. A study by Simpson et al. (2005) using 2001 data estimates out-of-pocket expenditures per child per year to be about \$100 to \$300 depending on family income. This includes office-based visits, prescribed medicine, and utilized hospital services. This does not include over-the-counter medicines, bandages, and similar expenses.

**Exhibit 9  
Parental Expenditures on Children**

Annual Net Income Ranges (July 2005 dollars)	Number of Observations	Current Consumption as a % of Net Income	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth 1998-2004 data)			Child Care \$ as a % of Consumption (per child)	Medical \$ as a % of Consumption
			1 Child	2 Children	3 Children		
Less than \$15,000	193	3.056	26.12	38.36	45.73	0.17	0.54
\$15,001 – \$20,000	171	1.435	25.73	37.70	44.89	0.57	0.40
\$20,001 - \$30,000	491	1.199	25.54	37.49	44.63	0.75	0.38
\$30,001 - \$35,000	293	0.999	25.42	37.39	44.50	0.63	0.69
\$35,001 – \$45,000	686	0.950	25.34	37.03	44.03	0.91	0.66
\$45,001 – \$50,000	338	0.882	25.28	36.94	43.92	0.98	0.74
\$50,001 - \$60,000	686	0.825	25.23	36.87	43.83	1.29	0.68
\$60,001 - \$65,000	336	0.757	25.21	36.83	43.78	1.52	0.52
\$65,001 – \$70,000	248	0.754	25.17	36.76	43.69	1.54	0.65
\$70,001 - \$80,000	544	0.723	25.14	36.70	43.61	1.51	0.83
\$80,001 - \$100,000	824	0.680	25.07	36.59	43.47	1.59	0.54
\$100,001 - \$110,000	270	0.624	25.03	36.52	43.37	1.57	0.75
\$110,001 - \$125,000	255	0.601	24.99	36.44	43.28	1.72	0.63
\$125,001 - \$150,000	244	0.575	24.92	36.33	43.13	1.68	0.78
More than \$150,000	357	0.482	24.73	36.01	42.71	1.96	0.75

## Detailed Technical Steps

### **Step 1: Update Betson's estimates to current price levels**

Betson's most recent estimates are expressed as a percentage of total family expenditures for incomes in July 2005 dollars. The incomes are updated to 2008 price levels by using the Consumer Price Index published by the U.S. Bureau of Labor Statistics for October 2008.

### **Step 2: Subtract child care expenses; health insurance premiums; and extraordinary, uninsured health care expenses**

The average percentage of total family expenditures attributable to child care expenses is now subtracted from the average percentage of total expenditures devoted to child-rearing expenditures for each income range. The child's share of out-of-pocket health care expenses is determined by multiplying the percentage of total expenditures devoted to the child by the percentage of total family expenditures devoted to health care expenses for each income range. It is also subtracted from the average percentage of total expenditures devoted to child-rearing expenditures. All of these percentages are shown in Exhibit 9. To illustrate this adjustment, look at the one-child expenditures for a family with \$100,000 annual income in 2005. The average family of that income spends 25.07 percent of the total family expenditures on the one child and 1.59 percent of expenditures is devoted to child care expenses and 0.54 percent is the amount of medical expenses after consideration of health insurance and ordinary medical expenses.<sup>28</sup> Hence, the adjusted amount is 25.07 percent minus 1.59 percent minus 0.14 (0.54 percent multiplied by 25.07 percent). The remainder is 23.34 percent.

### **Step 3: Extend percentages to six children**

Betson's estimates only cover one, two and three children. The number of families in the CES with four or more children is insufficient to produce reliable estimates. The National Research Council's equivalence scale, as shown below, is used to extend the three-child estimate to four and more children.<sup>29</sup>

$$= (\text{Number of adults} + 0.7 \times \text{number of children})^{0.7}$$

Application of the equivalence schedule implies that expenditures on four children are 11.7 percent more than the expenditures for three children, expenditures on five children are 10.0 percent more than the expenditures for four children, and expenditures for six children are 8.7 percent more than expenditures for five children.

### **Step 4: Relate the estimates of child-rearing expenditures to incomes**

The results from the above steps are child-rearing expenditures that are expressed as a percentage of total family expenditures. In this step, they are converted to a percentage of net income using the average ratio of expenditures to net income for a particular income range. The average is from the same families included in the data that Betson used to

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<sup>28</sup> As previously discussed, the child care expenses are averaged across families that incur and do incur child care expenses. If only families that incur child care expenses were included, the percentage would be much higher. Families with older children, one working parent, relative care and other situations will not incur child care expenses. These families must be considered also.

<sup>29</sup> Citro and Michael (1995).

estimate child-rearing expenditures. (These percentages are shown in Exhibit 9.) To illustrate this adjustment, continue with our example from Step 2, which considers one child from a family with \$100,000 in annual net income. Exhibit 9 shows that families with \$100,000 in annual income (2005 dollars) spend 68 percent of their net income on current expenditures items, which is \$68,000 per year. In turn, a family spends a proportion of that on child-rearing expenditures.

Another way to express this, which is more useful for the development of guidelines, is the percentage of net income devoted to child-rearing expenditures. Continuing with our example, this is derived by multiplying the amount from Step 2 (23.34%) by the consumption ratio (68%). This results in the percentage of net income devoted to child-rearing expenditures without child care, health insurance premiums and uninsured, extraordinary medical expenses (15.87%).

The consumption rate used in this calculation is capped at 100 percent. This effectively assumes that families should not be required to spend more than their income. However, the actual data finds that on average families with incomes below about \$30,000 net per year spend more than their income.

#### **Step 5: Calculate marginal percentages**

At this point, we now have percentages of net income attributable to child-rearing expenditures for one to six children that do not include child care expenses, health insurance premiums, or uninsured, extraordinary medical expenses for several income ranges. To gradually phase between income ranges, we create marginal percentages by taking the ratio of (a) the difference in the base support amount between one income bracket and the next bracket and (b) the difference in the monthly net income between the same income brackets. Base support is calculated by applying the percentage of net income attributable to child-rearing expenditures to the midpoint of each income range. The results for one through three children are shown in Exhibit 10. The amounts for four or more children are calculated using the multipliers shown in the previous step.

The table of proportions shown in Exhibit 10 functions much like a tax schedule. The midpoint percentage is applied to the net income shown in Exhibit 10. The marginal percentage is applied to any net income above that amount and less than the amount of the net income in the next row. For example, if there is \$2,000 in net monthly income and one child, 25.06 percent is applied to the first \$1,616 in net income and 23.84 percent is applied to the remainder (\$384 = \$2,000 - \$1,616). The result is \$497, which is the sum of \$405 ( $\$405 = 25.06\% \times \$1,616$ ) and \$92 ( $\$92 = \$384 \times 23.84\%$ ).

#### **Step 6: Back out to gross income**

The results from Step 5 are child-rearing expenditures that are still expressed as a percentage of after-tax income. In this step, they are backed out to gross income using current tax rates. To be clear, the basic obligation is calculated for net incomes first from the table of support proportions shown in Exhibit 10, then backed out to gross income. Specifically, there is a hidden column for the net income equivalent to gross income in the schedule to which the Exhibit 10 table of proportions are applied. Exhibit 11 shows an excerpt of the

hidden column to help illustrate how an obligation table based on gross income is developed.

Exhibit 10 TABLE OF SUPPORT PROPORTIONS						
Midpoint of Monthly Net Income Range	1 Child		2 Children		3 Children	
	Midpoint	Marginal	Midpoint	Marginal	Midpoint	Marginal
693	0.2581	0.2449	0.3781	0.3536	0.4497	0.4152
1616	0.2506	0.2384	0.3641	0.3419	0.4300	0.3992
2309	0.2469	0.2425	0.3574	0.3520	0.4208	0.4167
3002	0.2459	0.1632	0.3562	0.2280	0.4198	0.2584
3695	0.2304	0.1182	0.3321	0.1673	0.3896	0.1933
4387	0.2127	0.0920	0.3061	0.1217	0.3586	0.1297
5080	0.1962	0.0473	0.2810	0.0591	0.3274	0.0591
5773	0.1783	0.1594	0.2543	0.2247	0.2952	0.2584
6235	0.1769	0.1020	0.2521	0.1452	0.2924	0.1691
6927	0.1694	0.0783	0.2415	0.1081	0.2801	0.1217
7851	0.1587	0.0878	0.2258	0.1250	0.2615	0.1446
9698	0.1452	0.0859	0.2066	0.1160	0.2392	0.1288
10853	0.1389	0.0949	0.1970	0.1351	0.2275	0.1561
12700	0.1325	0.0710	0.1879	0.0981	0.2171	0.1102
20642	0.1089		0.1534		0.1760	

### Tax Assumptions

All income is assumed to be 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 tax formulas. Tax rates prevailing in 2008 were used to convert gross income based on federal and State employer withholding tax formulas.<sup>30</sup> Taxes are computed assuming (a) all income is taxed at the rate of a single individual;<sup>31</sup> and, (b) two federal withholding allowances (one for a single exemption and one to simulate the standard deduction), based on IRS instructions.

### Limitations to the Tax Assumption

One concern about this tax assumption is that it does not mimic the after-tax income available to an intact family. An intact family is likely to have more after-tax income than a single individual because the intact family claims more dependents and may be eligible for the child tax credit or the earned income tax credit (EITC). This translates to more after-tax income available for child support and a higher child support schedule.

<sup>30</sup> The Federal and FICA tax withholding formulas are provided in IRS (2008) *Circular E; Employer's Tax Guide*. The minimum State withholding percentages are: 10 percent of the federal tax withheld if annual income is less than \$15,000 and 19 percent of the federal tax withheld if annual income is \$15,000 or more. The State information is from the Arizona Department of Revenue (2008). *Arizona Withholding Tax Basics*.

<http://www.revenue.state.az.us/Withholding/menu.htm> Downloaded November 12, 2008 and Arizona Department of Revenue (2008) *Form A-4 Employee's Arizona Withholding Percentage Election*.

<sup>31</sup> The IRS employer withholding formula is the same for single persons as it is for heads of household.

Another concern is whether it is appropriate to include the EITC. The employer withholding formula does not advance the Federal child tax credit and the full EITC, so it is not considered in the updated schedule. One reason that only part of the EITC is advanced is so that low-income families are not put in the precarious position of owing federal taxes when filing their tax return. Many states specifically exclude the EITC from income used to determine support because it is means-tested income.<sup>32</sup>

Exhibit 11 Illustration of the Hidden Net Income Column in an Obligation Schedule					
Net Equivalent to Gross Income (Hidden Column)	Combined Adjusted Gross Income	One Child	Two Children	Three Children	
3092	4000	753	1090	1283	
3123	4050	758	1097	1292	
3154	4100	763	1104	1300	
3186	4150	768	1111	1308	
3217	4200	773	1118	1316	
3248	4250	778	1125	1324	
3279	4300	783	1132	1332	
3311	4350	789	1140	1340	
3342	4400	794	1147	1348	
3373	4450	799	1154	1356	
3405	4500	804	1161	1364	

Other concerns pertain to the head-of-household filing status and child tax credit. The IRS does not discern between single and head-of-household filing status in its employer withholding formula, nor does it advance the child tax credit. Further, typical income ranges of single-parent families make them ineligible or only partially eligible for the child tax credit. If the parent is working, the family is likely to be eligible for the EITC, which phases out at about \$30,000 gross per year. Without taxable income, there is nothing to which a tax credit can be applied. Finally, most Income Shares guidelines adjust for the childcare tax credit (calculated from IRS Form 2441) in the calculation of work-related child care expenses, rather than in the conversion of gross to net income.

### Step 7: Update income thresholds for child care tax credit

The final step actually does not apply to the schedule; rather, it updates the income thresholds provided in the guidelines for which there is sufficient income for the federal child care tax credit to apply. The guidelines provide that the court can add child care expenses less the federal childcare tax credit to the basic obligation, as well as a simplified formula to calculate the childcare tax credit. We do not recommend changes to the simplified formula because the maximum childcare tax credits at incomes where there is a tax liability, \$50 for one child and \$100 for two or more children, have not changed.<sup>33</sup>

<sup>32</sup> For examples, see the Michigan and Wyoming child support guidelines.

<sup>33</sup> They are deducted from IRS Form 2441: Child and Dependent Care Expenses. According to the IRS, the tax credit can be applied for annual child care expenses up to \$3,000 for one child and \$6,000 for two or more children. (The monthly equivalents are \$250 and \$500, respectively). The minimum credit is 20 percent, which amounts to \$50 per month for one child and \$100 per month for two children.

However, we recommend changes to the income thresholds for which there is sufficient tax liability to benefit from the federal childcare tax credit. The 2008 income thresholds are:

- \$1,750 for a custodial parent with one child;
- \$2,550 for a custodial parent with two children;
- \$2,850 for a custodial parent with three children;
- \$3,150 for a custodial parent with four children;
- \$3,450 for a custodial parent with five children; and
- \$3,700 for a custodial parent with six children.

These thresholds reflect gross incomes that produce a tax liability equivalent to the maximum child care credit. For example, a taxpayer filing as a head of household with one child would have about \$50 in federal tax liability when his or her gross income is \$1,750 per month.

The income thresholds differ considerably from the previous amounts because they consider tax liability prior to the application of the Earned Income Tax Credit (EITC), which is consistent with the IRS application.<sup>34</sup> Specifically, the IRS also applies the childcare tax credit prior to the EITC. (The previous amounts erroneously considered tax liability after application of the EITC.)

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<sup>34</sup> The previous income thresholds were: \$2,100 for one child; \$2,600 for two children; \$2,700 for three children; \$2,800 for four children; \$3,050 for five children; and \$3,300 for six children.

## Section IV

# Comparisons and Conclusions

The Arizona child support schedule is updated in this report using the most current economic data available in 2008. The schedule is based on the same assumptions as the existing schedule; that is:

- The schedule does not include expenditures on child care; extraordinary, uninsured medical expenses, and children's share of health insurance costs;
- The schedule includes expenditures on ordinary medical care (e.g., bandages, over-the-counter medicines);
- The schedule is based on economic data that represent average child-rearing expenditures from ages 0 through 18 years old; and
- The obligated parent's direct expenditures on the children while they are in his or her care (e.g., during scheduled visitation or physical custody) are not considered in the schedule.

## COMPARISONS

Exhibit 12 summarizes the data underlying the current and updated schedules. Arizona's current schedule is generally based on 2002 economic data. The proposed, updated schedule is generally based on 2008 economic data.

<b>Exhibit 12</b>		
<b>Data Used to Develop and Update the Arizona Child Support Schedule</b>		
<b>Economic Data</b>	<b>Data Source</b>	
	<b>Existing Schedule</b>	<b>Proposed, Updated Schedule</b>
Economic estimates of child-rearing expenditures	Betson-Rothbarth estimates applied to families of child-rearing age in the <b>1996-99</b> Consumer Expenditures Survey (CES)	Betson-Rothbarth estimates applied to families of child-rearing age in the <b>1998-2004</b> Consumer Expenditures Survey (CES)
Price levels	Consumer Price Index <b>2002</b>	Consumer Price Index (October <b>2008</b> )
Average family expenditures on child care, health insurance, and extraordinary, uninsured medical expenses and ratio of expenditures to net income	Averages from families of child-rearing age in <b>1996-99</b> CES	Averages from families of child-rearing age in <b>1998-2004</b> CES
Tax Rates	<b>2002</b> Federal and State withholding formulas and FICA	<b>2008</b> Federal and State withholding formulas and FICA

Most of the recent economic data produce increases to the schedule.

- The new estimates of child-rearing expenditures combined with changes in average expenditures on child care and out-of-pocket medical expenses result in an average increase of six percent. The change varies by income range and number of children.
- Changes in price levels have resulted in an 11 percent increase on average. Actual price levels have increased by 20 percent since the existing schedule was developed, but the impact on the schedule is less because income has essentially increased, too. Price changes have a larger impact on higher incomes than lower incomes.
- Federal tax reform in 2003 makes more after-tax income available for child support. It produces a two percent increase to the schedule on average. The tax effects are the highest around combined gross incomes of \$3,500 per month and at very high incomes.

When combined, the average increase is 15 percent. It is not equivalent to the sum of its parts (i.e., the average increases bulleted above) because the percentage change varies by income range and number of children.

*The Impact of Future Tax Changes.* The tax decreases promulgated under the Jobs and Growth Tax Relief Reconciliation Act of 2003 will rescind in 2010. Congress and President Obama, however, indicate that they will make the decrease permanent for most incomes. President Obama proposes an exception at very high incomes. Based on the current proposal, we estimate it would decrease the schedule amounts above \$20,000 per year by about one percent.

*Schedule Extends to \$30,000.* Because the new data include more high-income families, the highest combined income in the schedule increases from \$20,000 to \$30,000 gross per month.

## **Average Change**

Exhibit 13 summarizes the average changes to the schedule by number of children. A side-by-side comparison between the existing and proposed schedules is provided in Appendix A. Exhibit 13 considers changes to the basic obligations before they are prorated between the parents and before other factors are considered such as parenting time, child care expenses and health insurance.

*Increases.* As evident, in Exhibit 13, on average, the update produces higher basic obligations.

*Decreases.* Only one part of the update indicates a decrease to the basic obligations. (This is evident in the side-by-side comparisons in Appendix A.) There is an anomaly for one child at gross incomes of \$1,000 to \$2,250. The new data indicate nominal decreases of \$1 to \$4 per month to the basic obligation at this income range. We believe that part of this decrease is due to capping family expenditures so they do not exceed income. The data suggest that low-income families spend more than their income. However, in developing the

child support schedule, we cap expenditures to income, so the guidelines do not expect parents to spend more than their income.

Exhibit 13 Summary of Changes to Basic Obligations in Schedule (Note that this is the combined increase, the actual increase in order amounts will be less due to the obligated parent's prorated share)			
	1 Child	2 Children	3 or More Children
Percent of Orders (from case file review) <sup>35</sup>	52% of orders	35% of orders	14% of orders
Percentage Change			
• Average	6%	13%	18%
• Median	6%	14%	19%
Dollar Change			
• Average	\$ 69	\$195	\$350
• Median	\$ 70	\$197	\$356

## CASE EXAMPLES

### Minimum-Wage Case

Many states will impute income at minimum wage to parents whose employment is erratic or who have little employment history. When the Arizona guidelines were last reviewed in 2002, the federal minimum wage was \$5.15 per hour. This amounts to \$893 gross per month assuming full-time employment. In 2007, Congress increased the federal minimum wage and authorized that the increase occur in phases. The final increase occurs in July 2009 and will result in a minimum wage of \$7.25 per hour. This amounts to \$1,257 gross per month. Exhibit 14 shows the amounts under the old and new minimum wage as well as under the new minimum wage under the existing and proposed schedule. These amounts assume no child care or health insurance expenses.

Exhibit 14 Comparison of Order Amounts: Each Parent Works Full-Time Minimum Wage						
	1 Child		2 Children		3 Children	
	Order includes <u>no</u> parenting time adjustment	Order includes adjustment for 130 parenting days	Order includes <u>no</u> parenting time adjustment	Order includes adjustment for 130 parenting days	Order includes <u>no</u> parenting time adjustment	Order includes adjustment for 130 parenting days
Existing Schedule (2002 minimum wage: \$5.15/hr, \$893/mo)	\$193	\$95	\$272	\$134	\$315	\$155
Existing Schedule (2009 minimum wage: \$7.25/hr, \$1,257/mo)	\$253	\$125	\$352	\$174	\$407	\$201
Proposed Schedule (2009 minimum wage: \$7.25/hr, \$1,257/mo)	\$254	\$125	\$368	\$182	\$433	\$214

<sup>35</sup> *Supra* note 5. Most of the 14 percent of three and more children cases involve three children: 11 percent involve three children and 3 percent involve four or more children.

Exhibit 14 shows that the increase in minimum wage has substantially increased order amounts over time under the existing schedule. For example, the one-child amount increased from \$193 to \$253 per month due to the minimum-wage increase alone. However, the amounts of the minimum-wage orders differ little between the existing and proposed schedules using the 2009 minimum wage. For example, the increase for the one child-amount would be \$1 per month (from \$253 to \$254 per month). This occurs for several reasons: there is little change in expenditures patterns at low incomes, there is little change in after-tax incomes, and total family expenditures are capped at this income range such that they do exceed income.

*Adjustment for Parenting Days.* Exhibit 14 also illustrates the impact of the adjustment for parenting days. Exhibit 14 compares the order amounts for no parenting days and 130 parenting days using Table A. A parenting plan where the obligated parent has the child every other weekend, two weeks during the summer, one week during the winter and half of the holidays results in about 130 parenting days per year. In this scenario, the parenting-time adjustment reduces the order amounts by over half. For example, the one-child amount under the existing schedule for when both parents have full-time earnings at the 2009 minimum wage (\$1,257 per month) is \$253 per month when there is no parenting time and \$125 per month when there are 130 parenting days. The adjustment for 130 parenting days is .253 of the schedule amount. Although not shown in Exhibit 14, the existing schedule amount for this scenario is \$505 per month, so the amount of the parenting time adjustment is \$128 (.253 X \$505). As discussed in the scenario considering a low-income obligee and a higher income obligor, the timesharing adjustment is relatively high.

## Average Incomes

According to the case file review, the average incomes of obligors and obligees are \$4,046 and \$2,558 gross per month, respectively. The average child care expense is \$412 per month and typically is paid by the obligee.<sup>36</sup> The average health insurance expense is \$132 per month and paid by the obligor slightly more often than the obligee. The most common parenting-time arrangement is in the range of 88 to 115 days. Assuming a case based on these circumstances, Exhibit 15 compares the order amount under the proposed and existing schedule for one, two and three children. It shows a nominal increase to the monthly one-child amounts (a \$28 increase from \$609 under the existing schedule to \$637 under the proposed schedule) and larger increases for two and three children. As an aside, the increases between one child to two children and two to three children are overshadowed by fixing the child care expenses at \$412 regardless whether there are one, two or three children; that is, the increase would be more if we would have increase the child care expenses with more children.

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<sup>36</sup> However, according to the case file review (Venohr and Kaunelis, 2008), most cases (65%) do not have paid child care expenses.

<b>Exhibit 15</b>			
<b>Comparison of Order Amounts for Case with Average Circumstances</b>			
Obligor Income = \$,4046; Obligee Income = \$2,558; obligee pays \$412 child care expenses, obligor pays \$132 for the children's health insurance and there are 110 parenting days.			
	<b>1 Child</b>	<b>2 Children</b>	<b>3 Children</b>
Existing Schedule	\$609	\$751	\$818
Proposed Schedule	\$637	\$826	\$931

## High Incomes

About 10 percent of the cases in the case file review involved parents with combined gross incomes more than \$10,000 per month. For this scenario, we also use average child care expenses of \$412 (paid by the obligee) and health insurance cost of \$132 (paid by the obligor). We assume the parents have equal incomes (\$5,000 each) and that the obligated parent has 130 days with the child. Exhibit 16 compares the order amount under the proposed and existing schedule for one, two and three children.

<b>Exhibit 16</b>			
<b>Comparison of Order Amounts for High-Income Case</b>			
Obligor Income = \$5,000; Obligee Income = \$5,000; obligee pays \$412 child care expenses, obligor pays \$132 for the children's health insurance and there are 130 parenting days.			
	<b>1 Child</b>	<b>2 Children</b>	<b>3 Children</b>
Existing Schedule	\$410	\$501	\$587
Proposed Schedule	\$428	\$551	\$672

## Low-Income Obligee and Large Income Discrepancy

One concern expressed by the Committee is the guidelines amounts in cases where the parents have a large income discrepancy and the obligee has low income. The concern is that the current guidelines produce order amounts that insufficiently provide for the child in the obligee's home. We believe the problem is inherent in the Arizona's parenting-time adjustment, not the Income Shares schedule. To illustrate this problem, we consider a scenario involving two children, an obligee whose gross income is \$1,500 per month, an obligor whose gross income is \$4,500 per month, the mother is the obligee, and the father is the obligor. We rely on the existing schedule for this scenario.

Line 4 of Exhibit 17 shows that the father would owe the mother \$876 per month for child support if no timesharing adjustment were applied. However, if the father has 177 parenting days, Line 7 of Exhibit 17 shows the child support order would only be \$298 per month using Table A. If Paragraph 12 is applied— and it could indeed apply since the time spent with each parent is essentially equal— Line 10 of Exhibit 17 shows that the father would owe the mother \$292 per month.

The order amounts using either Parenting Time Table A or Paragraph 12 (\$298 and \$292, respectively) barely cover the children's food costs when the children are in the obligee's home. According to the U.S. Department of Agricultural, the monthly food costs for two children would be \$384 for a low-cost plan and \$490 for a moderate-cost plan.<sup>37</sup> Even if

<sup>37</sup> United States Department of Agriculture (2008), *Official USDA Food Plans: Cost of Food at Home at Four Levels: U.S. Average*, November, 2008. The low-cost food budget is often used to determine payment schedules in bankruptcies. It represents food consumption among those from 25<sup>th</sup> to 50<sup>th</sup> quartile in food consumption.

the two children consume only half of their food at their mother's house, this would be \$192 and \$245 per month. After food, little is left from the \$298 support order for the obligee to cover the children's housing expenses, clothing and other child-rearing expenses.

In contrast, the obligor received a \$578 credit for his timesharing costs. (This is shown on Line 6 of Exhibit 17.) The obligor can more reasonably afford food and other expenses for the children based on this credit than the obligee can based on the order amount.

Exhibit 17 Case Involving Low-Income Obligee and Large Income Discrepancy between the Parents: Two Children			
	Father	Mother	Combined
Line 1: Gross Income	\$4,500	\$1,500	\$6,000
Line 2: Percent of Combined Income	75%	25%	100%
Line 3: Schedule amount-basic child support obligation (owed by both parents)			\$1,168
Line 4: Each Parent's Share Line 2 multiplied by Line 3 <i>This would be child support order prior to any timesharing adjustment.</i>	\$876	\$292	
Line 5: Adjustment Percentage for 177 parenting time days (from Table A)	.486		
<b>USE OF PARENTING TIME TABLE A</b>			
Line 6: Parenting Time Adjustment (Line 3 multiplied by Line 5)	\$578		
<b>Line 7: Monthly Child Support Order using Parenting Time Table A</b>	<b>\$298</b>		
<b>USE OF PARAGRAPH 12: EQUAL CUSTODY</b>			
	Father	Mother	Difference
Line 8: Difference between each parent's Line 4			\$584
Line 9: Line 8 divided by half			\$292
<b>Line 10: Parent with higher balance on Line 4 pays other parent the amount on Line 9</b> <i>This is the child support order using Paragraph 12.</i>	<b>\$292</b>		

### Basis of the Arizona Timesharing Adjustment

Arizona has a unique parenting time adjustment. The amount of the Arizona adjustment is essentially based on the obligor's child-rearing expenditures during his or her parenting time, rather than how much the obligee's child-rearing expenditures are reduced when the children are with the obligor. Specifically, the Arizona adjustment recognizes that the obligor incurs food and housing expenses for the child, but it does not recognize that the obligee cannot always reduce the child's housing expenses when the child is with the obligor. The obligee cannot rent the child's bedroom or completely shut off electricity to the child's bedroom when the child is with the obligor.

Arizona loosely based its adjustment on a concept developed in Indiana that assumes that there are three types of child-rearing expenditures:

- time-variable expenses that if one parent incurs the expense, the other parent does not (e.g., the child's food and some entertainment such as movie tickets);

tion. The Moderate food budget represents those from the 50<sup>th</sup> to 75<sup>th</sup> quartile in food consumption. Downloaded January 27 from <http://www.cnpp.usda.gov/USDAFoodPlansCostofFood.htm>

- fixed, duplicated expenses that both parents incur to care for the child (e.g., housing); and,
- fixed, unduplicated expenses that one parent is likely to incur but are not related to time with the child (e.g., the child's clothing and portable media player).<sup>38</sup>

At low-levels of timesharing, the obligated parent only receives credit for time-variable expenses. But, when timesharing becomes substantial, the obligated parent also receives credit for fixed, duplicated expenses. In its original concept, the obligated parent never receives a credit for fixed, unduplicated expenses. New Jersey and Indiana guidelines, which are the only state guidelines to fully incorporate this concept, presume that the parent that incurs the child's fixed, unduplicated expenses is the parent with more timesharing; or, in cases involving equal timesharing, the parent who lives closest to the children's school. The consequence of this presumption is that even in equal income, equal-timesharing cases, the adjustment does not produce a zero order because the obligated parent will have to pay his or her share of fixed, unduplicated expenses. In its pure approach, the Indiana approach results in order amounts close to the more popular cross-credit timesharing adjustment used by Colorado and several other states.<sup>39</sup>

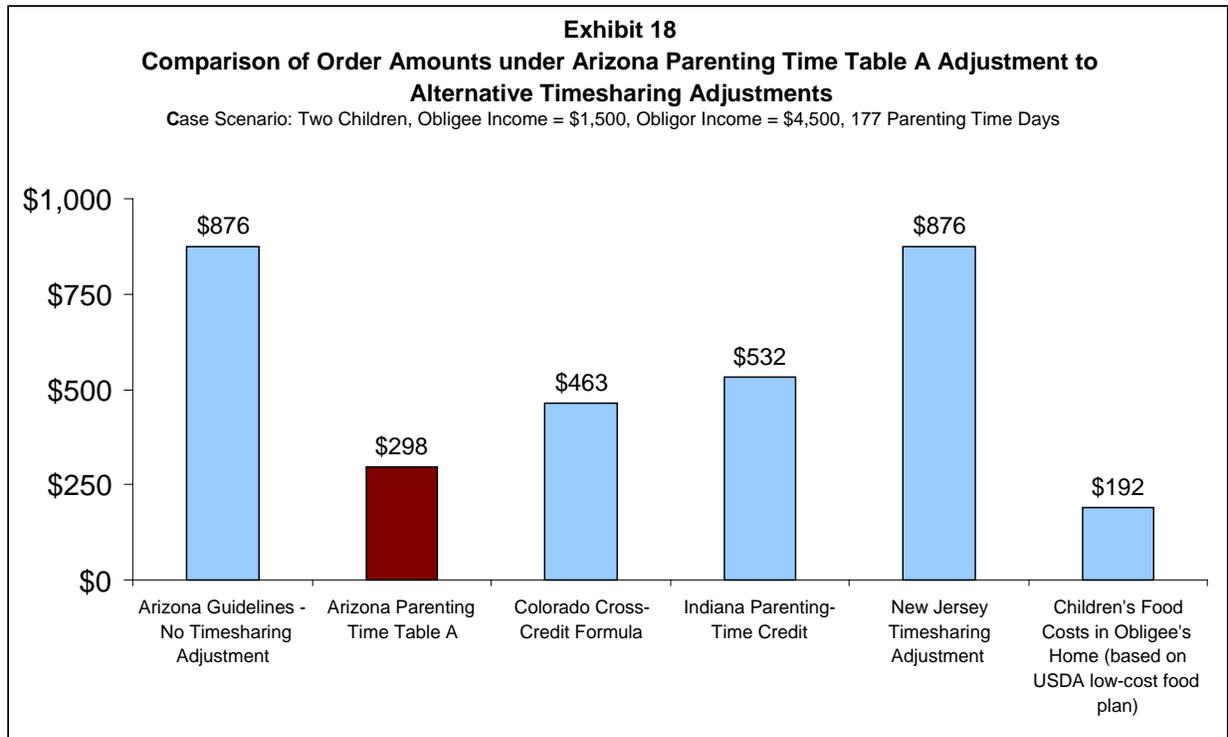
When Arizona first adopted Parenting Time Table A in the mid-1990s, it embraced the Indiana concept. However, in the guidelines narrative, it allowed for a zero order when the parents have essentially equal incomes and equal timesharing. This effectively eliminated the concept that one parent would incur fixed, unduplicated expenses. Additional changes made in the late 1990s intended to smooth out the adjustment inadvertently resulted in the Arizona adjustment generally producing support awards lower than the Indiana and cross-credit adjustment.

For example, continue with the scenario in Exhibit 17 that involved two children, an obligee whose income is \$1,500 gross per month and the obligor whose income is \$4,500 gross per month. Exhibit 18 compares the order amounts for this case using Arizona Parenting Time Table A, the Colorado cross-credit formula, the Indiana timesharing adjustment, and the New Jersey timesharing adjustment. The comparisons start with the Arizona schedule amount before any adjustments, then each state's timesharing adjustment method is applied. The adjusted monthly order amount is: \$298 under the Arizona Parenting Time Table A adjustment, \$463 under the Colorado cross-credit adjustment, \$532 under the Indiana timesharing adjustment, and \$876 under the New Jersey timesharing adjustment. The New Jersey amount is the same as the sole-custody order amount because New Jersey guidelines provide that the timesharing adjustment cannot be applied when the sum of the obligee's after-tax income and the timesharing-adjusted order is less than 200 percent of the federal poverty level.

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<sup>38</sup> Venohr, Jane (2006) "Chapter 7: Behind Time-Sharing Adjustments in Child Support Guidelines, in Brown, Ronald and Morgan Laura, editors, *2006 Family Law Update*, Aspen Publishers, New York,, New York.

<sup>39</sup> The cross-credit adjustment recognizes that the obligor incurs direct child-rearing expenditures during parenting time but that it does not always diminish the child's needs in the obligee's home. The cross-credit adjustment essentially recognizes that it costs more to raise a child in two households than one household.



*Mathematical Basis of Parenting Time A.* Exhibit 19 shows the basis for some of the Parenting Time Table A. For example, it shows that the 0.12 adjustment percentage for 4 to 20 parenting time days was arrived at by taking the midpoint of 4 to 20 parenting days (12 days as shown in Column C), dividing that by 365 days per year (3.3 percent, as shown in Column D), and multiplying that by 38 percent (which Arizona presumed was the percent of child-rearing expenditures expended on variable costs).<sup>40</sup> Still another example is at 173 to 182 parenting time days. At this range, the adjustment is solely based on the percent of time the children spend with the obligor (i.e., the amount in Column D). This is not consistent with the premise that some child-rearing expenses, such as housing, are duplicated between the parents. It essentially presumes that all child-rearing expenses are time-variable.

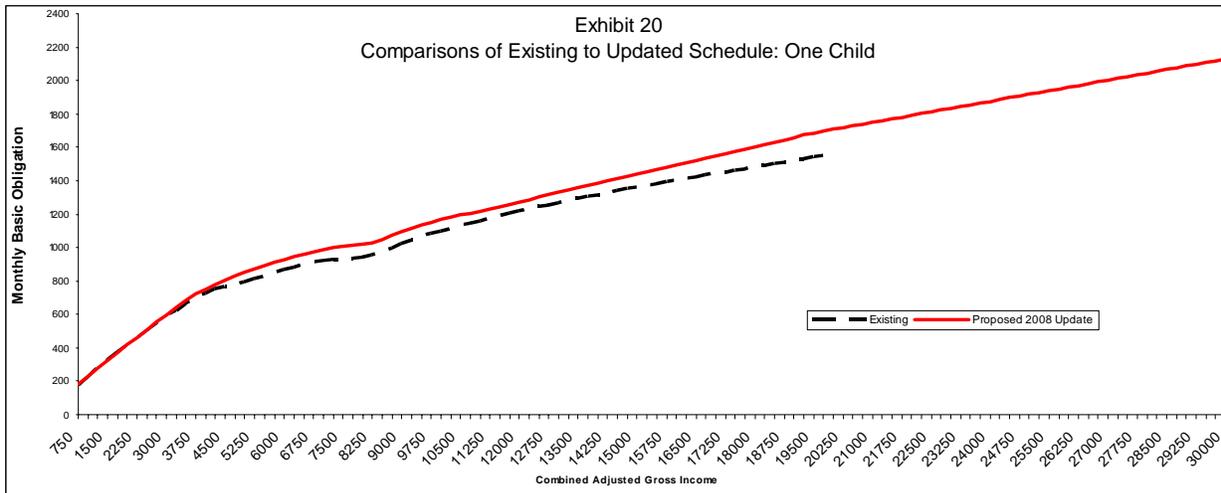
Exhibit 19 highlights where we were able to determine the mathematical basis of Table A in yellow. We believe that the un-highlighted areas are those changes made in the late 1990s that were intended to make the adjustment more gradual.

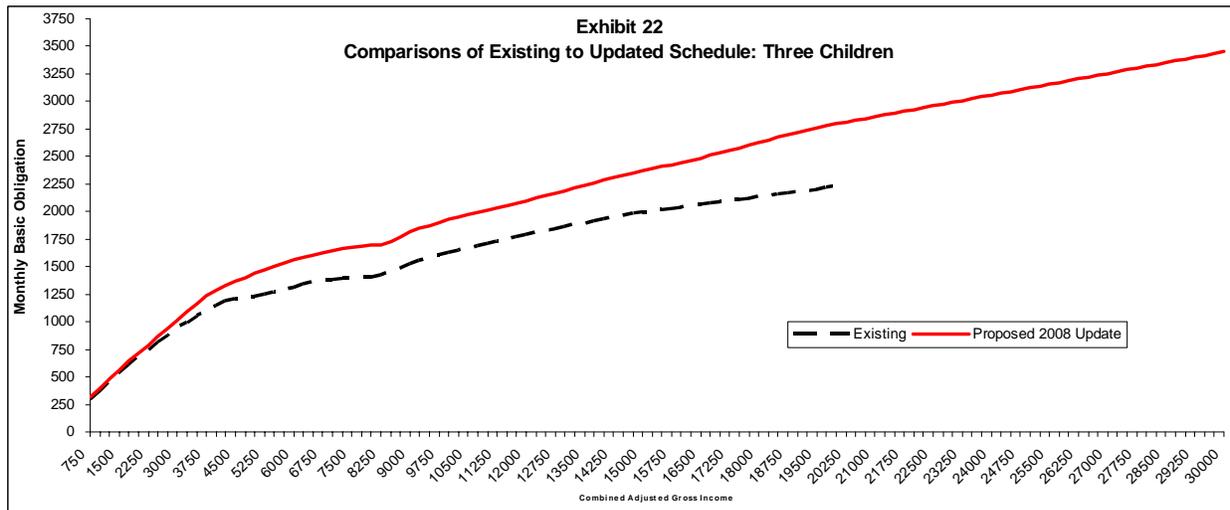
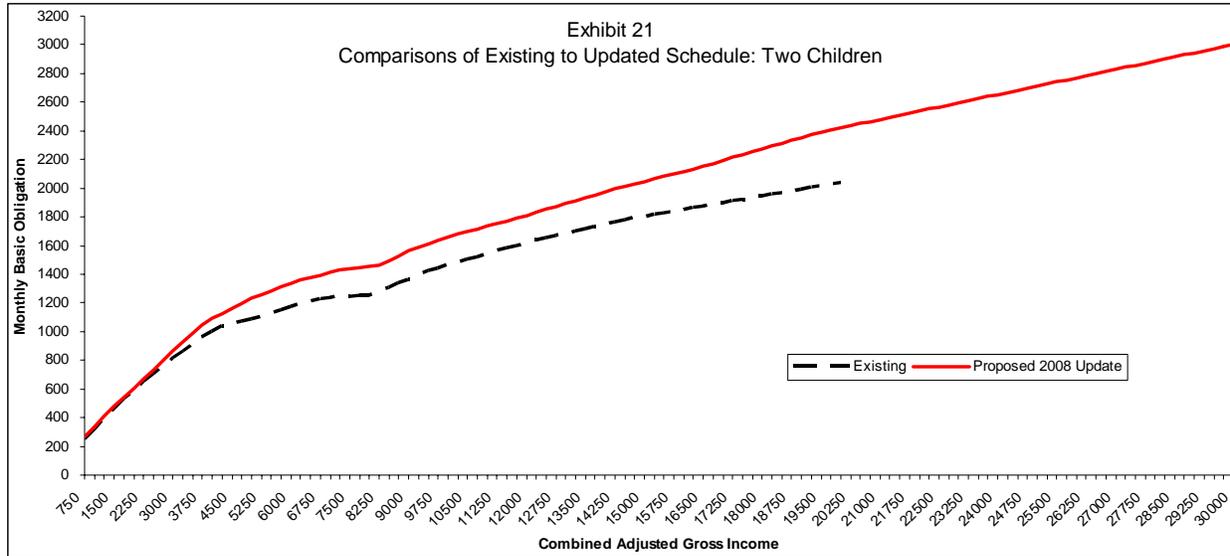
<sup>40</sup> Venohr (2006) provides a more detailed discussion of the percentage of child-rearing expenditures devoted to each of the three categories. Arizona relied on a percentage developed by Shockey (1995).

Exhibit 19 Basis of Parenting Time Table A					
Column A	Column B	Column C	Column D	Column E	Column F
Low-End of Range of Parenting Time Days	High-End of Range of Parenting Time Days	Average Parenting Days	Average Days as a Percentage of 365 Days	Percentage Multiplied by 38% (time-variable child-rearing expenses)	Adjustment Percentage from Parenting Time Table A
0	3	1.5	0.004	0.002	0
4	20	12	0.033	0.012	0.012
21	38	29.5	0.081	0.031	0.031
39	57	48	0.132	0.050	0.050
58	72	65	0.178	0.068	0.085
73	87	80	0.219	0.083	0.105
88	115	101.5	0.278	0.106	0.161
116	129	122.5	0.336		0.195
130	142	136	0.373		0.253
143	152	147.5	0.404		0.307
153	162	157.5	0.432		0.362
163	172	167.5	0.459		0.422
173	182	177.5	0.486		0.486

### Graphical Comparisons

Exhibits 20, 21 and 22 compare the basic obligations for one, two and three children. These are the schedule amounts prior to the consideration of each parent’s pro rata share, additional expenses, and the timesharing adjustment. Appendix A provides a tabular side-by-side comparison of the schedule amounts.





## CONCLUSION

The Arizona schedule is based on 2002 economic data. Price increases and other economic changes warrant an update to the schedule.

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
	750	178	184	3%	6	253	269	6%	16	295	320	8%	25	329	357	9%	28	362	393	9%	31	393	427	9%
800	189	194	3%	5	268	284	6%	16	312	337	8%	25	348	377	8%	29	382	414	8%	32	416	450	8%	34
850	199	203	2%	4	282	297	5%	15	329	353	7%	24	366	394	8%	28	403	433	8%	30	438	471	8%	33
900	210	212	1%	2	297	310	4%	13	345	368	7%	23	385	411	7%	26	424	452	7%	28	461	492	7%	31
950	220	221	1%	1	312	323	4%	11	362	383	6%	21	404	428	6%	24	444	471	6%	27	483	512	6%	29
1000	231	230	0%	-1	326	336	3%	10	379	399	5%	20	423	445	5%	22	465	490	5%	25	506	532	5%	26
1050	241	240	0%	-1	341	350	3%	9	396	415	5%	19	442	464	5%	22	486	510	5%	24	528	555	5%	27
1100	251	250	0%	-1	355	365	3%	10	413	432	5%	19	460	483	5%	23	506	531	5%	25	551	577	5%	26
1150	262	260	-1%	-2	370	379	2%	9	430	449	4%	19	479	502	5%	23	527	552	5%	25	573	600	5%	27
1200	272	270	-1%	-2	385	393	2%	8	447	466	4%	19	498	520	5%	22	548	573	4%	25	596	622	4%	26
1250	281	279	-1%	-2	397	406	2%	9	461	481	4%	20	514	538	5%	24	565	591	5%	26	615	643	5%	28
1300	291	289	-1%	-2	410	421	3%	11	476	498	5%	22	531	556	5%	25	584	612	5%	28	635	665	5%	30
1350	300	299	0%	-1	424	435	3%	11	492	515	5%	23	548	575	5%	27	603	632	5%	29	656	687	5%	31
1400	310	308	-1%	-2	437	449	3%	12	507	531	5%	24	565	593	5%	28	622	653	5%	31	677	710	5%	33
1450	319	318	0%	-1	451	463	3%	12	523	548	5%	25	583	612	5%	29	641	673	5%	32	697	732	5%	35
1500	329	327	-1%	-2	464	476	3%	12	538	563	5%	25	600	629	5%	29	660	692	5%	32	718	752	5%	34
1550	338	336	0%	-2	477	489	3%	12	554	579	4%	25	617	646	5%	29	679	711	5%	32	739	773	5%	34
1600	348	346	-1%	-2	491	503	2%	12	569	594	4%	25	634	664	5%	30	698	730	5%	32	759	794	5%	35
1650	357	355	-1%	-2	504	516	2%	12	585	610	4%	25	652	681	4%	29	717	749	4%	32	780	814	4%	34
1700	367	364	-1%	-3	518	529	2%	11	600	625	4%	25	669	698	4%	29	736	768	4%	32	801	835	4%	34
1750	377	373	-1%	-4	531	542	2%	11	615	641	4%	26	686	716	4%	30	755	787	4%	32	821	856	4%	35
1800	386	382	-1%	-4	543	555	2%	12	629	656	4%	27	702	733	4%	31	772	806	4%	34	840	876	4%	36
1850	394	391	-1%	-3	555	568	2%	13	643	672	4%	29	717	750	5%	33	788	825	5%	37	858	897	5%	39
1900	403	400	-1%	-3	567	582	3%	15	656	687	5%	31	732	767	5%	35	805	844	5%	39	876	918	5%	42
1950	411	409	0%	-2	578	595	3%	17	670	702	5%	32	747	784	5%	37	821	863	5%	42	893	938	5%	45
2000	420	418	0%	-2	590	607	3%	17	683	717	5%	34	761	801	5%	40	838	881	5%	43	911	958	5%	47
2050	429	427	0%	-2	602	620	3%	18	696	732	5%	36	776	818	5%	42	854	899	5%	45	929	978	5%	49
2100	437	436	0%	-1	614	633	3%	19	710	747	5%	37	791	834	5%	43	870	918	5%	48	947	997	5%	50
2150	446	445	0%	-1	625	646	3%	21	723	762	5%	39	806	851	6%	45	887	936	6%	49	965	1017	5%	52
2200	455	454	0%	-1	637	658	3%	21	736	777	6%	41	821	867	6%	46	903	954	6%	51	983	1037	6%	54
2250	463	463	0%	0	649	671	3%	22	750	791	6%	41	836	884	6%	48	920	972	6%	52	1000	1057	6%	57
2300	472	471	0%	-1	661	684	3%	23	763	806	6%	43	851	901	6%	50	936	991	6%	55	1018	1077	6%	59
2350	481	480	0%	-1	672	697	4%	25	776	821	6%	45	865	917	6%	52	952	1009	6%	57	1036	1097	6%	61

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
2400	489	489	0%	0	683	709	4%	26	788	836	6%	48	879	934	6%	55	967	1027	6%	60	1052	1117	6%	65
2450	497	498	0%	1	694	722	4%	28	801	851	6%	50	893	950	6%	57	982	1045	6%	63	1069	1136	6%	67
2500	505	507	0%	2	705	735	4%	30	813	866	6%	53	907	967	7%	60	997	1064	7%	67	1085	1156	7%	71
2550	514	516	0%	2	717	747	4%	30	826	881	7%	55	921	984	7%	63	1013	1082	7%	69	1102	1176	7%	74
2600	522	525	1%	3	728	760	4%	32	838	895	7%	57	934	1000	7%	66	1028	1100	7%	72	1118	1196	7%	78
2650	530	534	1%	4	739	773	5%	34	850	910	7%	60	948	1017	7%	69	1043	1119	7%	76	1135	1216	7%	81
2700	539	542	1%	3	750	786	5%	36	863	925	7%	62	962	1033	7%	71	1058	1137	7%	79	1151	1236	7%	85
2750	547	551	1%	4	761	798	5%	37	875	940	7%	65	976	1050	8%	74	1073	1155	8%	82	1168	1256	7%	88
2800	555	560	1%	5	772	811	5%	39	888	955	8%	67	990	1067	8%	77	1089	1173	8%	84	1184	1275	8%	91
2850	564	569	1%	5	783	824	5%	41	900	970	8%	70	1003	1083	8%	80	1104	1192	8%	88	1201	1295	8%	94
2900	572	578	1%	6	794	837	5%	43	913	985	8%	72	1018	1101	8%	83	1119	1211	8%	92	1218	1316	8%	98
2950	581	587	1%	6	806	850	5%	44	926	1001	8%	75	1033	1118	8%	85	1136	1230	8%	94	1236	1337	8%	101
3000	589	596	1%	7	817	863	6%	46	939	1016	8%	77	1047	1135	8%	88	1151	1249	8%	98	1253	1357	8%	104
3050	596	605	2%	9	827	876	6%	49	950	1032	9%	82	1059	1153	9%	94	1165	1268	9%	103	1268	1378	9%	110
3100	603	614	2%	11	837	889	6%	52	961	1047	9%	86	1072	1170	9%	98	1179	1287	9%	108	1283	1399	9%	116
3150	610	623	2%	13	847	902	7%	55	973	1063	9%	90	1084	1187	10%	103	1193	1306	9%	113	1298	1420	9%	122
3200	617	632	2%	15	857	916	7%	59	984	1078	10%	94	1097	1205	10%	108	1207	1325	10%	118	1313	1440	10%	127
3250	625	641	3%	16	867	929	7%	62	995	1094	10%	99	1109	1222	10%	113	1220	1344	10%	124	1328	1461	10%	133
3300	632	650	3%	18	877	942	7%	65	1006	1109	10%	103	1122	1239	10%	117	1234	1363	10%	129	1343	1482	10%	139
3350	639	659	3%	20	887	955	8%	68	1018	1125	11%	107	1135	1257	11%	122	1248	1382	11%	134	1358	1503	11%	145
3400	646	668	3%	22	896	968	8%	72	1029	1141	11%	112	1147	1274	11%	127	1262	1401	11%	139	1373	1523	11%	150
3450	653	676	4%	23	906	980	8%	74	1040	1154	11%	114	1160	1289	11%	129	1276	1418	11%	142	1388	1542	11%	154
3500	660	684	4%	24	916	991	8%	75	1051	1167	11%	116	1172	1304	11%	132	1289	1434	11%	145	1403	1559	11%	156
3550	668	692	4%	24	926	1002	8%	76	1063	1180	11%	117	1185	1318	11%	133	1303	1450	11%	147	1418	1576	11%	158
3600	674	699	4%	25	935	1013	8%	78	1072	1193	11%	121	1196	1333	11%	137	1315	1466	12%	151	1431	1594	11%	163
3650	680	707	4%	27	943	1024	9%	81	1081	1206	12%	125	1206	1348	12%	142	1326	1482	12%	156	1443	1611	12%	168
3700	686	714	4%	28	951	1035	9%	84	1090	1219	12%	129	1216	1362	12%	146	1337	1498	12%	161	1455	1629	12%	174
3750	692	722	4%	30	959	1046	9%	87	1099	1232	12%	133	1226	1377	12%	151	1348	1514	12%	166	1467	1646	12%	179
3800	698	730	5%	32	967	1057	9%	90	1108	1246	12%	138	1236	1391	13%	155	1359	1530	13%	171	1479	1664	12%	185
3850	704	737	5%	33	975	1068	10%	93	1117	1259	13%	142	1245	1406	13%	161	1370	1546	13%	176	1491	1681	13%	190
3900	710	743	5%	33	984	1075	9%	91	1126	1267	13%	141	1255	1416	13%	161	1381	1557	13%	176	1502	1693	13%	191
3950	716	748	4%	32	992	1083	9%	91	1135	1275	12%	140	1265	1425	13%	160	1392	1567	13%	175	1514	1703	13%	189

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
4000	722	753	4%	31	1000	1090	9%	90	1144	1283	12%	139	1275	1434	12%	159	1403	1577	12%	174	1526	1714	12%	188
4050	728	758	4%	30	1008	1097	9%	89	1153	1292	12%	139	1285	1443	12%	158	1414	1587	12%	173	1538	1725	12%	187
4100	734	763	4%	29	1016	1104	9%	88	1162	1300	12%	138	1295	1452	12%	157	1425	1597	12%	172	1550	1736	12%	186
4150	740	768	4%	28	1024	1111	9%	87	1171	1308	12%	137	1305	1461	12%	156	1436	1607	12%	171	1562	1747	12%	185
4200	746	773	4%	27	1032	1118	8%	86	1179	1316	12%	137	1315	1470	12%	155	1447	1617	12%	170	1574	1757	12%	183
4250	753	778	3%	25	1040	1125	8%	85	1188	1324	11%	136	1325	1479	12%	154	1458	1627	12%	169	1586	1768	11%	182
4300	756	783	4%	27	1045	1132	8%	87	1193	1332	12%	139	1330	1488	12%	158	1463	1637	12%	174	1592	1779	12%	187
4350	759	789	4%	30	1048	1140	9%	92	1195	1340	12%	145	1332	1497	12%	165	1466	1647	12%	181	1594	1790	12%	196
4400	762	794	4%	32	1050	1147	9%	97	1197	1348	13%	151	1335	1506	13%	171	1468	1656	13%	188	1597	1801	13%	204
4450	764	799	5%	35	1053	1154	10%	101	1199	1356	13%	157	1337	1515	13%	178	1471	1666	13%	195	1600	1811	13%	211
4500	767	804	5%	37	1056	1161	10%	105	1201	1364	14%	163	1339	1524	14%	185	1473	1676	14%	203	1603	1822	14%	219
4550	770	809	5%	39	1058	1168	10%	110	1203	1372	14%	169	1342	1533	14%	191	1476	1686	14%	210	1606	1833	14%	227
4600	772	814	5%	42	1061	1175	11%	114	1205	1381	15%	176	1344	1542	15%	198	1478	1696	15%	218	1608	1844	15%	236
4650	775	819	6%	44	1064	1182	11%	118	1207	1389	15%	182	1346	1551	15%	205	1481	1706	15%	225	1611	1855	15%	244
4700	778	824	6%	46	1067	1190	11%	123	1209	1397	16%	188	1348	1560	16%	212	1483	1716	16%	233	1614	1865	16%	251
4750	780	829	6%	49	1069	1197	12%	128	1211	1405	16%	194	1351	1569	16%	218	1486	1726	16%	240	1617	1876	16%	259
4800	783	835	7%	52	1072	1204	12%	132	1214	1413	16%	199	1353	1578	17%	225	1488	1736	17%	248	1619	1887	17%	268
4850	786	840	7%	54	1075	1211	13%	136	1216	1421	17%	205	1355	1587	17%	232	1491	1746	17%	255	1622	1898	17%	276
4900	788	845	7%	57	1077	1218	13%	141	1218	1429	17%	211	1358	1596	18%	238	1493	1756	18%	263	1625	1909	17%	284
4950	791	850	7%	59	1080	1225	13%	145	1220	1437	18%	217	1360	1605	18%	245	1496	1766	18%	270	1628	1919	18%	291
5000	794	854	8%	60	1084	1231	14%	147	1223	1444	18%	221	1364	1613	18%	249	1501	1774	18%	273	1633	1928	18%	295
5050	798	858	7%	60	1088	1236	14%	148	1228	1450	18%	222	1369	1619	18%	250	1506	1781	18%	275	1638	1936	18%	298
5100	801	861	8%	60	1092	1241	14%	149	1232	1456	18%	224	1374	1626	18%	252	1511	1789	18%	278	1644	1944	18%	300
5150	804	865	8%	61	1096	1247	14%	151	1236	1462	18%	226	1378	1633	18%	255	1516	1796	18%	280	1650	1952	18%	302
5200	808	869	8%	61	1100	1252	14%	152	1241	1468	18%	227	1383	1640	19%	257	1522	1804	19%	282	1656	1961	18%	305
5250	811	872	8%	61	1104	1257	14%	153	1245	1474	18%	229	1388	1646	19%	258	1527	1811	19%	284	1661	1969	19%	308
5300	815	876	7%	61	1108	1262	14%	154	1249	1480	18%	231	1393	1653	19%	260	1532	1819	19%	287	1667	1977	19%	310
5350	818	880	8%	62	1113	1268	14%	155	1253	1486	19%	233	1398	1660	19%	262	1537	1826	19%	289	1673	1985	19%	312
5400	821	884	8%	63	1117	1273	14%	156	1258	1492	19%	234	1402	1667	19%	265	1543	1833	19%	290	1678	1993	19%	315
5450	825	887	8%	62	1121	1278	14%	157	1262	1498	19%	236	1407	1673	19%	266	1548	1841	19%	293	1684	2001	19%	317
5500	828	891	8%	63	1125	1283	14%	158	1266	1504	19%	238	1412	1680	19%	268	1553	1848	19%	295	1690	2009	19%	319
5550	831	895	8%	64	1129	1289	14%	160	1271	1510	19%	239	1417	1687	19%	270	1558	1856	19%	298	1696	2017	19%	321

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
	5600	835	898	8%	63	1133	1294	14%	161	1275	1516	19%	241	1422	1694	19%	272	1564	1863	19%	299	1701	2025	19%
5650	838	902	8%	64	1137	1299	14%	162	1279	1522	19%	243	1426	1701	19%	275	1569	1871	19%	302	1707	2033	19%	326
5700	842	906	8%	64	1142	1304	14%	162	1284	1528	19%	244	1432	1707	19%	275	1575	1878	19%	303	1713	2041	19%	328
5750	845	909	8%	64	1146	1310	14%	164	1289	1534	19%	245	1437	1714	19%	277	1581	1885	19%	304	1720	2049	19%	329
5800	849	913	8%	64	1150	1315	14%	165	1293	1541	19%	248	1442	1721	19%	279	1586	1893	19%	307	1726	2058	19%	332
5850	852	917	8%	65	1155	1320	14%	165	1298	1547	19%	249	1447	1728	19%	281	1592	1900	19%	308	1732	2066	19%	334
5900	856	921	8%	65	1159	1325	14%	166	1303	1553	19%	250	1453	1734	19%	281	1598	1908	19%	310	1739	2074	19%	335
5950	859	924	8%	65	1163	1330	14%	167	1307	1559	19%	252	1458	1741	19%	283	1603	1915	19%	312	1745	2082	19%	337
6000	863	928	8%	65	1168	1336	14%	168	1312	1565	19%	253	1463	1748	19%	285	1609	1923	19%	314	1751	2090	19%	339
6050	866	932	8%	66	1172	1341	14%	169	1316	1571	19%	255	1468	1755	20%	287	1614	1930	20%	316	1757	2098	19%	341
6100	870	935	7%	65	1176	1345	14%	169	1321	1576	19%	255	1473	1760	19%	287	1620	1936	20%	316	1762	2104	19%	342
6150	873	938	7%	65	1180	1349	14%	169	1325	1580	19%	255	1478	1765	19%	287	1625	1941	19%	316	1768	2110	19%	342
6200	876	941	7%	65	1184	1353	14%	169	1330	1584	19%	254	1483	1769	19%	286	1631	1946	19%	315	1774	2115	19%	341
6250	880	943	7%	63	1188	1357	14%	169	1334	1588	19%	254	1488	1774	19%	286	1636	1951	19%	315	1780	2121	19%	341
6300	883	946	7%	63	1192	1361	14%	169	1339	1592	19%	253	1493	1778	19%	285	1642	1956	19%	314	1786	2126	19%	340
6350	886	949	7%	63	1197	1364	14%	167	1343	1596	19%	253	1498	1783	19%	285	1647	1961	19%	314	1792	2132	19%	340
6400	890	952	7%	62	1201	1368	14%	167	1348	1600	19%	252	1503	1787	19%	284	1653	1966	19%	313	1798	2137	19%	339
6450	893	955	7%	62	1205	1372	14%	167	1352	1604	19%	252	1508	1792	19%	284	1658	1971	19%	313	1804	2142	19%	338
6500	897	958	7%	61	1209	1376	14%	167	1357	1608	19%	251	1513	1796	19%	283	1664	1976	19%	312	1810	2148	19%	338
6550	900	961	7%	61	1213	1380	14%	167	1361	1612	18%	251	1518	1801	19%	283	1669	1981	19%	312	1816	2153	19%	337
6600	903	964	7%	61	1217	1383	14%	166	1366	1616	18%	250	1523	1805	19%	282	1675	1986	19%	311	1822	2159	18%	337
6650	907	966	7%	59	1221	1387	14%	166	1370	1620	18%	250	1528	1810	18%	282	1680	1991	19%	311	1828	2164	18%	336
6700	910	969	7%	59	1226	1391	13%	165	1374	1624	18%	250	1533	1814	18%	281	1686	1996	18%	310	1834	2169	18%	335
6750	914	972	6%	58	1230	1395	13%	165	1379	1628	18%	249	1538	1819	18%	281	1691	2001	18%	310	1840	2175	18%	335
6800	915	975	7%	60	1231	1399	14%	168	1380	1632	18%	252	1539	1823	18%	284	1692	2006	19%	314	1841	2180	18%	339
6850	915	978	7%	63	1232	1402	14%	170	1381	1637	19%	256	1539	1828	19%	289	1693	2011	19%	318	1842	2186	19%	344
6900	916	981	7%	65	1233	1406	14%	173	1381	1641	19%	260	1540	1833	19%	293	1694	2016	19%	322	1843	2191	19%	348
6950	917	984	7%	67	1234	1410	14%	176	1382	1645	19%	263	1541	1837	19%	296	1695	2021	19%	326	1844	2197	19%	353
7000	918	987	7%	69	1234	1414	15%	180	1383	1649	19%	266	1542	1842	19%	300	1696	2026	19%	330	1845	2202	19%	357
7050	919	990	8%	71	1235	1418	15%	183	1384	1653	19%	269	1543	1846	20%	303	1697	2031	20%	334	1847	2207	20%	360
7100	920	992	8%	72	1236	1422	15%	186	1385	1657	20%	272	1544	1851	20%	307	1698	2036	20%	338	1848	2213	20%	365
7150	921	995	8%	74	1237	1425	15%	188	1385	1661	20%	276	1545	1855	20%	310	1699	2041	20%	342	1849	2218	20%	369

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
7200	922	997	8%	75	1238	1428	15%	190	1386	1664	20%	278	1546	1859	20%	313	1700	2044	20%	344	1850	2222	20%	372
7250	923	999	8%	76	1239	1430	15%	191	1387	1666	20%	279	1547	1861	20%	314	1701	2047	20%	346	1851	2225	20%	374
7300	924	1000	8%	76	1240	1432	15%	192	1388	1667	20%	279	1548	1863	20%	315	1702	2049	20%	347	1852	2227	20%	375
7350	925	1002	8%	77	1241	1433	16%	192	1389	1669	20%	280	1548	1864	20%	316	1703	2051	20%	348	1853	2229	20%	376
7400	926	1003	8%	77	1242	1435	16%	193	1390	1671	20%	281	1549	1866	20%	317	1704	2053	20%	349	1854	2232	20%	378
7450	927	1004	8%	77	1243	1437	16%	194	1390	1673	20%	283	1550	1868	21%	318	1705	2055	21%	350	1855	2234	20%	379
7500	928	1006	8%	78	1244	1439	16%	195	1391	1674	20%	283	1551	1870	21%	319	1706	2057	21%	351	1857	2236	20%	379
7550	928	1007	9%	79	1245	1440	16%	195	1392	1676	20%	284	1552	1872	21%	320	1707	2059	21%	352	1858	2239	20%	381
7600	929	1009	9%	80	1246	1442	16%	196	1393	1678	20%	285	1553	1874	21%	321	1708	2062	21%	354	1859	2241	21%	382
7650	930	1010	9%	80	1247	1444	16%	197	1394	1680	20%	286	1554	1876	21%	322	1710	2064	21%	354	1860	2243	21%	383
7700	931	1011	9%	80	1248	1446	16%	198	1395	1681	21%	286	1555	1878	21%	323	1711	2066	21%	355	1861	2246	21%	385
7750	932	1013	9%	81	1249	1447	16%	198	1396	1683	21%	287	1556	1880	21%	324	1712	2068	21%	356	1862	2248	21%	386
7800	933	1014	9%	81	1250	1449	16%	199	1396	1685	21%	289	1557	1882	21%	325	1713	2070	21%	357	1863	2250	21%	387
7850	934	1016	9%	82	1251	1451	16%	200	1397	1687	21%	290	1558	1884	21%	326	1714	2072	21%	358	1864	2253	21%	389
7900	935	1017	9%	82	1252	1453	16%	201	1398	1688	21%	290	1559	1886	21%	327	1715	2074	21%	359	1866	2255	21%	389
7950	936	1018	9%	82	1253	1454	16%	201	1399	1690	21%	291	1560	1888	21%	328	1716	2077	21%	361	1867	2257	21%	390
8000	937	1020	9%	83	1254	1456	16%	202	1400	1692	21%	292	1561	1890	21%	329	1717	2079	21%	362	1868	2260	21%	392
8050	938	1021	9%	83	1255	1458	16%	203	1401	1694	21%	293	1562	1892	21%	330	1718	2081	21%	363	1869	2262	21%	393
8100	939	1023	9%	84	1256	1460	16%	204	1401	1695	21%	294	1563	1894	21%	331	1719	2083	21%	364	1870	2264	21%	394
8150	942	1024	9%	82	1261	1461	16%	200	1406	1697	21%	291	1568	1896	21%	328	1724	2085	21%	361	1876	2267	21%	391
8200	947	1025	8%	78	1267	1463	15%	196	1413	1699	20%	286	1575	1898	20%	323	1732	2087	21%	355	1885	2269	20%	384
8250	951	1027	8%	76	1273	1465	15%	192	1419	1701	20%	282	1582	1900	20%	318	1741	2089	20%	348	1894	2271	20%	377
8300	956	1028	8%	72	1279	1467	15%	188	1426	1702	19%	276	1590	1901	20%	311	1749	2092	20%	343	1903	2274	19%	371
8350	960	1030	7%	70	1285	1469	14%	184	1432	1705	19%	273	1597	1905	19%	308	1757	2095	19%	338	1912	2277	19%	365
8400	965	1035	7%	70	1291	1476	14%	185	1439	1713	19%	274	1605	1914	19%	309	1765	2105	19%	340	1920	2288	19%	368
8450	969	1041	7%	72	1297	1484	14%	187	1446	1722	19%	276	1612	1923	19%	311	1773	2116	19%	343	1929	2300	19%	371
8500	974	1046	7%	72	1303	1491	14%	188	1452	1730	19%	278	1619	1933	19%	314	1781	2126	19%	345	1938	2311	19%	373
8550	978	1051	7%	73	1309	1498	14%	189	1459	1739	19%	280	1627	1942	19%	315	1789	2136	19%	347	1947	2322	19%	375
8600	983	1056	7%	73	1315	1506	15%	191	1466	1747	19%	281	1634	1952	19%	318	1798	2147	19%	349	1956	2333	19%	377
8650	987	1061	8%	74	1321	1513	15%	192	1472	1756	19%	284	1642	1961	19%	319	1806	2157	19%	351	1965	2345	19%	380
8700	992	1067	8%	75	1327	1520	15%	193	1479	1764	19%	285	1649	1970	19%	321	1814	2167	19%	353	1974	2356	19%	382
8750	996	1072	8%	76	1333	1528	15%	195	1486	1772	19%	286	1656	1980	20%	324	1822	2178	20%	356	1982	2367	19%	385

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
8800	1001	1077	8%	76	1339	1535	15%	196	1492	1781	19%	289	1664	1989	20%	325	1830	2188	20%	358	1991	2379	19%	388
8850	1005	1082	8%	77	1345	1542	15%	197	1499	1789	19%	290	1671	1999	20%	328	1838	2198	20%	360	2000	2390	19%	390
8900	1010	1087	8%	77	1351	1550	15%	199	1506	1798	19%	292	1679	2008	20%	329	1847	2209	20%	362	2009	2401	20%	392
8950	1014	1093	8%	79	1357	1557	15%	200	1512	1806	19%	294	1686	2017	20%	331	1855	2219	20%	364	2018	2412	20%	394
9000	1019	1098	8%	79	1363	1564	15%	201	1519	1815	19%	296	1693	2027	20%	334	1863	2230	20%	367	2027	2424	20%	397
9050	1024	1103	8%	79	1369	1572	15%	203	1525	1823	20%	298	1701	2036	20%	335	1871	2240	20%	369	2036	2435	20%	399
9100	1028	1106	8%	78	1375	1577	15%	202	1532	1829	19%	297	1708	2043	20%	335	1879	2247	20%	368	2044	2442	19%	398
9150	1033	1110	7%	77	1381	1581	15%	200	1539	1834	19%	295	1716	2049	19%	333	1887	2254	19%	367	2053	2450	19%	397
9200	1037	1113	7%	76	1387	1586	14%	199	1545	1840	19%	295	1723	2055	19%	332	1895	2260	19%	365	2062	2457	19%	395
9250	1042	1116	7%	74	1394	1591	14%	197	1552	1845	19%	293	1730	2061	19%	331	1904	2267	19%	363	2071	2464	19%	393
9300	1046	1120	7%	74	1400	1596	14%	196	1559	1851	19%	292	1738	2067	19%	329	1912	2274	19%	362	2080	2472	19%	392
9350	1051	1123	7%	72	1406	1600	14%	194	1565	1856	19%	291	1745	2073	19%	328	1920	2281	19%	361	2089	2479	19%	390
9400	1055	1126	7%	71	1412	1605	14%	193	1572	1862	18%	290	1753	2080	19%	327	1928	2287	19%	359	2098	2486	19%	388
9450	1060	1130	7%	70	1418	1610	14%	192	1579	1867	18%	288	1760	2086	19%	326	1936	2294	19%	358	2106	2494	18%	388
9500	1063	1133	7%	70	1422	1614	14%	192	1583	1873	18%	290	1765	2092	19%	327	1941	2301	19%	360	2112	2501	18%	389
9550	1066	1136	7%	70	1426	1619	14%	193	1587	1878	18%	291	1770	2098	19%	328	1946	2308	19%	362	2118	2509	18%	391
9600	1069	1140	7%	71	1430	1624	14%	194	1591	1884	18%	293	1774	2104	19%	330	1952	2315	19%	363	2123	2516	19%	393
9650	1072	1143	7%	71	1434	1629	14%	195	1595	1889	18%	294	1779	2110	19%	331	1957	2321	19%	364	2129	2523	19%	394
9700	1075	1146	7%	71	1438	1633	14%	195	1599	1895	18%	296	1783	2116	19%	333	1962	2328	19%	366	2134	2531	19%	397
9750	1079	1150	7%	71	1442	1638	14%	196	1604	1900	18%	296	1788	2123	19%	335	1967	2335	19%	368	2140	2538	19%	398
9800	1082	1153	7%	71	1446	1643	14%	197	1608	1906	19%	298	1793	2129	19%	336	1972	2342	19%	370	2145	2545	19%	400
9850	1085	1156	7%	71	1450	1648	14%	198	1612	1911	19%	299	1797	2135	19%	338	1977	2348	19%	371	2151	2553	19%	402
9900	1088	1160	7%	72	1454	1652	14%	198	1616	1917	19%	301	1802	2141	19%	339	1982	2355	19%	373	2157	2560	19%	403
9950	1091	1163	7%	72	1458	1657	14%	199	1620	1922	19%	302	1807	2147	19%	340	1987	2362	19%	375	2162	2567	19%	405
10000	1094	1166	7%	72	1462	1662	14%	200	1624	1928	19%	304	1811	2153	19%	342	1992	2369	19%	377	2168	2575	19%	407
10050	1098	1170	7%	72	1466	1667	14%	201	1629	1933	19%	304	1816	2160	19%	344	1997	2376	19%	379	2173	2582	19%	409
10100	1101	1173	7%	72	1470	1671	14%	201	1633	1939	19%	306	1821	2166	19%	345	2003	2382	19%	379	2179	2590	19%	411
10150	1104	1176	6%	72	1474	1675	14%	201	1637	1943	19%	306	1825	2171	19%	346	2008	2388	19%	380	2184	2595	19%	411
10200	1107	1178	6%	71	1478	1679	14%	201	1641	1947	19%	306	1830	2175	19%	345	2013	2393	19%	380	2190	2601	19%	411
10250	1110	1181	6%	71	1482	1682	14%	200	1645	1951	19%	306	1834	2180	19%	346	2018	2397	19%	379	2195	2606	19%	411
10300	1113	1183	6%	70	1486	1686	13%	200	1649	1955	19%	306	1839	2184	19%	345	2023	2402	19%	379	2201	2611	19%	410
10350	1116	1186	6%	70	1490	1689	13%	199	1654	1959	18%	305	1844	2188	19%	344	2028	2407	19%	379	2207	2617	19%	410

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
10400	1120	1188	6%	68	1493	1693	13%	200	1658	1963	18%	305	1848	2193	19%	345	2033	2412	19%	379	2212	2622	19%	410
10450	1123	1191	6%	68	1497	1696	13%	199	1662	1967	18%	305	1853	2197	19%	344	2038	2417	19%	379	2218	2627	18%	409
10500	1126	1193	6%	67	1501	1700	13%	199	1666	1971	18%	305	1858	2202	18%	344	2043	2422	19%	379	2223	2633	18%	410
10550	1129	1196	6%	67	1505	1703	13%	198	1670	1975	18%	305	1862	2206	18%	344	2048	2427	18%	379	2229	2638	18%	409
10600	1132	1199	6%	67	1509	1707	13%	198	1674	1979	18%	305	1867	2211	18%	344	2054	2432	18%	378	2234	2643	18%	409
10650	1135	1201	6%	66	1513	1710	13%	197	1678	1983	18%	305	1872	2215	18%	343	2059	2436	18%	377	2240	2648	18%	408
10700	1139	1204	6%	65	1517	1714	13%	197	1683	1987	18%	304	1876	2219	18%	343	2064	2441	18%	377	2245	2654	18%	409
10750	1142	1206	6%	64	1521	1717	13%	196	1687	1991	18%	304	1881	2224	18%	343	2069	2446	18%	377	2251	2659	18%	408
10800	1145	1209	6%	64	1525	1721	13%	196	1691	1995	18%	304	1885	2228	18%	343	2074	2451	18%	377	2256	2664	18%	408
10850	1148	1211	6%	63	1529	1725	13%	196	1695	1999	18%	304	1890	2233	18%	343	2079	2456	18%	377	2262	2670	18%	408
10900	1151	1214	5%	63	1533	1728	13%	195	1699	2003	18%	304	1895	2237	18%	342	2084	2461	18%	377	2268	2675	18%	407
10950	1154	1216	5%	62	1537	1732	13%	195	1703	2007	18%	304	1899	2242	18%	343	2089	2466	18%	377	2273	2680	18%	407
11000	1157	1219	5%	62	1541	1735	13%	194	1708	2011	18%	303	1904	2246	18%	342	2094	2471	18%	377	2279	2686	18%	407
11050	1161	1222	5%	61	1545	1739	13%	194	1712	2015	18%	303	1909	2250	18%	341	2099	2475	18%	376	2284	2691	18%	407
11100	1164	1224	5%	60	1549	1742	12%	193	1716	2019	18%	303	1913	2255	18%	342	2105	2480	18%	375	2290	2696	18%	406
11150	1167	1227	5%	60	1553	1746	12%	193	1720	2023	18%	303	1918	2259	18%	341	2110	2485	18%	375	2295	2701	18%	406
11200	1170	1229	5%	59	1557	1749	12%	192	1724	2027	18%	303	1923	2264	18%	341	2115	2490	18%	375	2301	2707	18%	406
11250	1173	1232	5%	59	1561	1753	12%	192	1728	2031	18%	303	1927	2268	18%	341	2120	2495	18%	375	2306	2712	18%	406
11300	1176	1234	5%	58	1565	1756	12%	191	1733	2035	17%	302	1932	2273	18%	341	2125	2500	18%	375	2312	2717	18%	405
11350	1180	1237	5%	57	1569	1760	12%	191	1737	2039	17%	302	1936	2277	18%	341	2130	2505	18%	375	2318	2723	17%	405
11400	1183	1239	5%	56	1573	1763	12%	190	1741	2042	17%	301	1941	2281	18%	340	2135	2510	18%	375	2323	2728	17%	405
11450	1186	1242	5%	56	1577	1767	12%	190	1745	2046	17%	301	1946	2286	17%	340	2140	2514	17%	374	2329	2733	17%	404
11500	1189	1245	5%	56	1581	1770	12%	189	1749	2050	17%	301	1950	2290	17%	340	2145	2519	17%	374	2334	2739	17%	405
11550	1191	1247	5%	56	1584	1774	12%	190	1753	2055	17%	302	1954	2295	17%	341	2150	2525	17%	375	2339	2744	17%	405
11600	1194	1250	5%	56	1588	1778	12%	190	1756	2059	17%	303	1958	2300	17%	342	2154	2530	17%	376	2344	2751	17%	407
11650	1197	1253	5%	56	1591	1782	12%	191	1760	2064	17%	304	1963	2306	17%	343	2159	2536	17%	377	2349	2757	17%	408
11700	1199	1256	5%	57	1595	1786	12%	191	1764	2069	17%	305	1967	2311	17%	344	2164	2542	17%	378	2354	2763	17%	409
11750	1202	1259	5%	57	1598	1790	12%	192	1768	2074	17%	306	1971	2316	18%	345	2168	2548	18%	380	2359	2769	17%	410
11800	1205	1262	5%	57	1602	1795	12%	193	1772	2078	17%	306	1976	2321	17%	345	2173	2554	18%	381	2364	2776	17%	412
11850	1207	1264	5%	57	1605	1799	12%	194	1776	2083	17%	307	1980	2327	18%	347	2178	2559	18%	381	2369	2782	17%	413
11900	1210	1267	5%	57	1609	1803	12%	194	1779	2088	17%	309	1984	2332	18%	348	2182	2565	18%	383	2374	2788	17%	414
11950	1213	1270	5%	57	1612	1807	12%	195	1783	2092	17%	309	1988	2337	18%	349	2187	2571	18%	384	2380	2795	17%	415

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
12000	1215	1273	5%	58	1616	1811	12%	195	1787	2097	17%	310	1993	2342	18%	349	2192	2577	18%	385	2385	2801	17%	416
12050	1218	1276	5%	58	1619	1815	12%	196	1791	2102	17%	311	1997	2348	18%	351	2196	2583	18%	387	2390	2807	17%	417
12100	1221	1279	5%	58	1622	1819	12%	197	1795	2107	17%	312	2001	2353	18%	352	2201	2588	18%	387	2395	2814	17%	419
12150	1223	1282	5%	59	1626	1823	12%	197	1798	2111	17%	313	2005	2358	18%	353	2206	2594	18%	388	2400	2820	17%	420
12200	1226	1285	5%	59	1629	1827	12%	198	1802	2116	17%	314	2010	2364	18%	354	2210	2600	18%	390	2405	2826	18%	421
12250	1229	1287	5%	58	1633	1831	12%	198	1806	2121	17%	315	2014	2369	18%	355	2215	2606	18%	391	2410	2832	18%	422
12300	1231	1290	5%	59	1636	1835	12%	199	1810	2125	17%	315	2018	2374	18%	356	2220	2612	18%	392	2415	2839	18%	424
12350	1234	1293	5%	59	1640	1839	12%	199	1814	2130	17%	316	2022	2379	18%	357	2225	2617	18%	392	2420	2845	18%	425
12400	1237	1296	5%	59	1643	1843	12%	200	1818	2135	17%	317	2027	2385	18%	358	2229	2623	18%	394	2425	2851	18%	426
12450	1239	1299	5%	60	1647	1848	12%	201	1821	2140	17%	319	2031	2390	18%	359	2234	2629	18%	395	2430	2858	18%	428
12500	1241	1302	5%	61	1650	1852	12%	202	1825	2144	17%	319	2034	2395	18%	361	2238	2635	18%	397	2435	2864	18%	429
12550	1244	1305	5%	61	1653	1856	12%	203	1828	2149	18%	321	2038	2400	18%	362	2242	2640	18%	398	2439	2870	18%	431
12600	1246	1307	5%	61	1656	1860	12%	204	1831	2154	18%	323	2042	2406	18%	364	2246	2646	18%	400	2444	2877	18%	433
12650	1249	1310	5%	61	1659	1864	12%	205	1835	2158	18%	323	2046	2411	18%	365	2251	2652	18%	401	2449	2883	18%	434
12700	1251	1313	5%	62	1662	1868	12%	206	1838	2163	18%	325	2050	2416	18%	366	2255	2658	18%	403	2453	2889	18%	436
12750	1254	1316	5%	62	1666	1872	12%	206	1842	2168	18%	326	2054	2422	18%	368	2259	2664	18%	405	2458	2895	18%	437
12800	1256	1319	5%	63	1669	1876	12%	207	1845	2173	18%	328	2058	2427	18%	369	2263	2669	18%	406	2462	2902	18%	440
12850	1258	1322	5%	64	1672	1880	12%	208	1849	2177	18%	328	2061	2432	18%	371	2268	2675	18%	407	2467	2908	18%	441
12900	1261	1325	5%	64	1675	1884	12%	209	1852	2182	18%	330	2065	2437	18%	372	2272	2681	18%	409	2472	2914	18%	442
12950	1263	1327	5%	64	1678	1888	13%	210	1856	2187	18%	331	2069	2443	18%	374	2276	2687	18%	411	2476	2921	18%	445
13000	1266	1330	5%	64	1681	1892	13%	211	1859	2191	18%	332	2073	2448	18%	375	2280	2693	18%	413	2481	2927	18%	446
13050	1268	1333	5%	65	1684	1896	13%	212	1863	2196	18%	333	2077	2453	18%	376	2284	2698	18%	414	2486	2933	18%	447
13100	1270	1336	5%	66	1688	1901	13%	213	1866	2201	18%	335	2081	2458	18%	377	2289	2704	18%	415	2490	2940	18%	450
13150	1273	1339	5%	66	1691	1905	13%	214	1870	2206	18%	336	2085	2464	18%	379	2293	2710	18%	417	2495	2946	18%	451
13200	1275	1342	5%	67	1694	1909	13%	215	1873	2210	18%	337	2088	2469	18%	381	2297	2716	18%	419	2499	2952	18%	453
13250	1278	1345	5%	67	1697	1913	13%	216	1876	2215	18%	339	2092	2474	18%	382	2301	2722	18%	421	2504	2958	18%	454
13300	1280	1348	5%	68	1700	1917	13%	217	1880	2220	18%	340	2096	2479	18%	383	2306	2727	18%	421	2509	2965	18%	456
13350	1283	1350	5%	67	1703	1921	13%	218	1883	2224	18%	341	2100	2485	18%	385	2310	2733	18%	423	2513	2971	18%	458
13400	1285	1353	5%	68	1707	1925	13%	218	1887	2229	18%	342	2104	2490	18%	386	2314	2739	18%	425	2518	2977	18%	459
13450	1287	1356	5%	69	1710	1929	13%	219	1890	2234	18%	344	2108	2495	18%	387	2318	2745	18%	427	2522	2984	18%	462
13500	1290	1359	5%	69	1713	1933	13%	220	1894	2239	18%	345	2112	2501	18%	389	2323	2751	18%	428	2527	2990	18%	463
13550	1292	1362	5%	70	1716	1937	13%	221	1897	2243	18%	346	2115	2506	18%	391	2327	2756	18%	429	2532	2996	18%	464

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
13600	1295	1365	5%	70	1719	1941	13%	222	1901	2248	18%	347	2119	2511	19%	392	2331	2762	18%	431	2536	3002	18%	466
13650	1297	1368	5%	71	1722	1945	13%	223	1904	2253	18%	349	2123	2516	19%	393	2335	2768	19%	433	2541	3009	18%	468
13700	1299	1370	6%	71	1726	1950	13%	224	1908	2257	18%	349	2127	2522	19%	395	2340	2774	19%	434	2546	3015	18%	469
13750	1302	1373	5%	71	1729	1954	13%	225	1911	2262	18%	351	2131	2527	19%	396	2344	2780	19%	436	2550	3021	18%	471
13800	1304	1376	6%	72	1732	1958	13%	226	1914	2267	18%	353	2135	2532	19%	397	2348	2785	19%	437	2555	3028	19%	473
13850	1307	1379	6%	72	1735	1962	13%	227	1918	2272	18%	354	2139	2537	19%	398	2352	2791	19%	439	2559	3034	19%	475
13900	1309	1382	6%	73	1738	1966	13%	228	1921	2276	18%	355	2142	2543	19%	401	2357	2797	19%	440	2564	3040	19%	476
13950	1312	1385	6%	73	1741	1970	13%	229	1925	2281	18%	356	2146	2548	19%	402	2361	2803	19%	442	2569	3047	19%	478
14000	1314	1388	6%	74	1744	1974	13%	230	1928	2286	19%	358	2150	2553	19%	403	2365	2809	19%	444	2573	3053	19%	480
14050	1316	1391	6%	75	1748	1978	13%	230	1932	2290	19%	358	2154	2558	19%	404	2369	2814	19%	445	2578	3059	19%	481
14100	1319	1393	6%	74	1751	1982	13%	231	1935	2295	19%	360	2158	2564	19%	406	2374	2820	19%	446	2582	3065	19%	483
14150	1321	1396	6%	75	1754	1986	13%	232	1939	2300	19%	361	2162	2569	19%	407	2378	2826	19%	448	2587	3072	19%	485
14200	1324	1399	6%	75	1757	1990	13%	233	1942	2305	19%	363	2166	2574	19%	408	2382	2832	19%	450	2592	3078	19%	486
14250	1326	1402	6%	76	1760	1994	13%	234	1946	2309	19%	363	2169	2580	19%	411	2386	2838	19%	452	2596	3084	19%	488
14300	1329	1405	6%	76	1763	1998	13%	235	1949	2314	19%	365	2173	2585	19%	412	2391	2843	19%	452	2601	3091	19%	490
14350	1331	1408	6%	77	1767	2003	13%	236	1953	2319	19%	366	2177	2590	19%	413	2395	2849	19%	454	2606	3097	19%	491
14400	1333	1411	6%	78	1770	2006	13%	236	1956	2323	19%	367	2181	2595	19%	414	2399	2854	19%	455	2610	3103	19%	493
14450	1336	1413	6%	77	1773	2010	13%	237	1959	2327	19%	368	2185	2600	19%	415	2403	2860	19%	457	2615	3108	19%	493
14500	1338	1416	6%	78	1776	2014	13%	238	1963	2331	19%	368	2189	2604	19%	415	2408	2864	19%	456	2619	3114	19%	495
14550	1341	1418	6%	77	1779	2017	13%	238	1966	2335	19%	369	2193	2608	19%	415	2412	2869	19%	457	2624	3119	19%	495
14600	1343	1421	6%	78	1782	2021	13%	239	1970	2339	19%	369	2196	2612	19%	416	2416	2874	19%	458	2629	3124	19%	495
14650	1345	1424	6%	79	1786	2024	13%	238	1973	2343	19%	370	2200	2617	19%	417	2420	2878	19%	458	2633	3129	19%	496
14700	1348	1426	6%	78	1788	2027	13%	239	1976	2346	19%	370	2203	2621	19%	418	2424	2883	19%	459	2637	3134	19%	497
14750	1350	1429	6%	79	1790	2031	13%	241	1978	2350	19%	372	2206	2625	19%	419	2426	2888	19%	462	2640	3139	19%	499
14800	1352	1431	6%	79	1793	2034	13%	241	1981	2354	19%	373	2208	2630	19%	422	2429	2892	19%	463	2643	3144	19%	501
14850	1354	1434	6%	80	1795	2038	14%	243	1983	2358	19%	375	2211	2634	19%	423	2432	2897	19%	465	2646	3149	19%	503
14900	1356	1436	6%	80	1798	2041	14%	243	1985	2362	19%	377	2214	2638	19%	424	2435	2902	19%	467	2649	3154	19%	505
14950	1358	1439	6%	81	1800	2045	14%	245	1988	2366	19%	378	2216	2642	19%	426	2438	2907	19%	469	2652	3159	19%	507
15000	1360	1441	6%	81	1802	2048	14%	246	1990	2369	19%	379	2219	2647	19%	428	2441	2911	19%	470	2656	3165	19%	509
15050	1362	1444	6%	82	1805	2051	14%	246	1992	2373	19%	381	2222	2651	19%	429	2444	2916	19%	472	2659	3170	19%	511
15100	1364	1446	6%	82	1807	2055	14%	248	1995	2377	19%	382	2224	2655	19%	431	2447	2921	19%	474	2662	3175	19%	513
15150	1366	1449	6%	83	1809	2058	14%	249	1997	2381	19%	384	2227	2659	19%	432	2449	2925	19%	476	2665	3180	19%	515

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing		Proposed Update		Existing		Proposed Update		Existing		Proposed Update		Existing		Proposed Update		Existing		Proposed Update		Existing		Proposed Update	
		% Change	\$ Change		% Change	\$ Change		% Change	\$ Change		% Change	\$ Change		% Change	\$ Change		% Change	\$ Change		% Change	\$ Change		% Change	\$ Change
15200	1368	1452	6%	84	1812	2062	14%	250	1999	2385	19%	386	2229	2664	19%	435	2452	2930	19%	478	2668	3185	19%	517
15250	1370	1454	6%	84	1814	2065	14%	251	2002	2388	19%	386	2232	2668	20%	436	2455	2935	20%	480	2671	3190	19%	519
15300	1372	1457	6%	85	1817	2069	14%	252	2004	2392	19%	388	2235	2672	20%	437	2458	2939	20%	481	2674	3195	19%	521
15350	1374	1459	6%	85	1819	2072	14%	253	2006	2396	19%	390	2237	2676	20%	439	2461	2944	20%	483	2677	3200	20%	523
15400	1376	1462	6%	86	1821	2076	14%	255	2009	2400	19%	391	2240	2681	20%	441	2464	2949	20%	485	2681	3205	20%	524
15450	1378	1464	6%	86	1824	2079	14%	255	2011	2404	20%	393	2242	2685	20%	443	2467	2953	20%	486	2684	3210	20%	526
15500	1380	1467	6%	87	1826	2082	14%	256	2013	2408	20%	395	2245	2689	20%	444	2470	2958	20%	488	2687	3216	20%	529
15550	1382	1469	6%	87	1828	2086	14%	258	2016	2411	20%	395	2248	2693	20%	445	2472	2963	20%	491	2690	3221	20%	531
15600	1384	1472	6%	88	1831	2089	14%	258	2018	2415	20%	397	2250	2698	20%	448	2475	2968	20%	493	2693	3226	20%	533
15650	1386	1474	6%	88	1833	2093	14%	260	2021	2419	20%	398	2253	2702	20%	449	2478	2972	20%	494	2696	3231	20%	535
15700	1388	1477	6%	89	1835	2096	14%	261	2023	2423	20%	400	2256	2706	20%	450	2481	2977	20%	496	2699	3236	20%	537
15750	1390	1480	6%	90	1838	2100	14%	262	2025	2427	20%	402	2258	2711	20%	453	2484	2982	20%	498	2703	3241	20%	538
15800	1392	1482	6%	90	1840	2103	14%	263	2028	2430	20%	402	2261	2715	20%	454	2487	2986	20%	499	2706	3246	20%	540
15850	1394	1485	7%	91	1843	2107	14%	264	2030	2434	20%	404	2263	2719	20%	456	2490	2991	20%	501	2709	3251	20%	542
15900	1396	1487	7%	91	1845	2110	14%	265	2032	2438	20%	406	2266	2723	20%	457	2493	2996	20%	503	2712	3256	20%	544
15950	1398	1490	7%	92	1847	2113	14%	266	2035	2442	20%	407	2269	2728	20%	459	2495	3000	20%	505	2715	3261	20%	546
16000	1400	1492	7%	92	1850	2117	14%	267	2037	2446	20%	409	2271	2732	20%	461	2498	3005	20%	507	2718	3266	20%	548
16050	1402	1495	7%	93	1852	2120	14%	268	2039	2450	20%	411	2274	2736	20%	462	2501	3010	20%	509	2721	3272	20%	551
16100	1404	1497	7%	93	1854	2124	15%	270	2042	2453	20%	411	2276	2740	20%	464	2504	3014	20%	510	2724	3277	20%	553
16150	1406	1500	7%	94	1857	2127	15%	270	2044	2457	20%	413	2279	2745	20%	466	2507	3019	20%	512	2728	3282	20%	554
16200	1408	1502	7%	94	1859	2131	15%	272	2046	2461	20%	415	2282	2749	20%	467	2510	3024	20%	514	2731	3287	20%	556
16250	1410	1505	7%	95	1861	2134	15%	273	2049	2465	20%	416	2284	2753	21%	469	2513	3029	21%	516	2734	3292	20%	558
16300	1412	1508	7%	96	1864	2137	15%	273	2051	2469	20%	418	2287	2757	21%	470	2516	3033	21%	517	2737	3297	20%	560
16350	1414	1510	7%	96	1866	2141	15%	275	2053	2473	20%	420	2290	2763	21%	473	2518	3039	21%	521	2740	3303	21%	563
16400	1416	1513	7%	97	1869	2145	15%	276	2056	2478	21%	422	2292	2768	21%	476	2521	3045	21%	524	2743	3309	21%	566
16450	1418	1516	7%	98	1871	2149	15%	278	2058	2483	21%	425	2295	2773	21%	478	2524	3050	21%	526	2746	3316	21%	570
16500	1420	1519	7%	99	1873	2154	15%	281	2060	2487	21%	427	2297	2778	21%	481	2527	3056	21%	529	2749	3322	21%	573
16550	1422	1522	7%	100	1876	2158	15%	282	2063	2492	21%	429	2300	2783	21%	483	2530	3062	21%	532	2753	3328	21%	575
16600	1424	1524	7%	100	1878	2162	15%	284	2065	2496	21%	431	2303	2788	21%	485	2533	3067	21%	534	2756	3334	21%	578
16650	1426	1527	7%	101	1880	2166	15%	286	2067	2501	21%	434	2305	2794	21%	489	2536	3073	21%	537	2759	3340	21%	581
16700	1428	1530	7%	102	1883	2170	15%	287	2070	2506	21%	436	2308	2799	21%	491	2539	3079	21%	540	2762	3347	21%	585
16750	1430	1533	7%	103	1885	2174	15%	289	2072	2510	21%	438	2310	2804	21%	494	2541	3084	21%	543	2765	3353	21%	588

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
16800	1432	1536	7%	104	1887	2178	15%	291	2074	2515	21%	441	2313	2809	21%	496	2544	3090	21%	546	2768	3359	21%	591
16850	1434	1539	7%	105	1890	2182	15%	292	2077	2520	21%	443	2316	2814	22%	498	2547	3096	22%	549	2771	3365	21%	594
16900	1436	1541	7%	105	1892	2186	16%	294	2079	2524	21%	445	2318	2819	22%	501	2550	3101	22%	551	2775	3371	21%	596
16950	1438	1544	7%	106	1895	2190	16%	295	2082	2529	21%	447	2321	2825	22%	504	2553	3107	22%	554	2778	3377	22%	599
17000	1440	1547	7%	107	1897	2194	16%	297	2084	2533	22%	449	2324	2830	22%	506	2556	3113	22%	557	2781	3384	22%	603
17050	1442	1550	7%	108	1899	2198	16%	299	2086	2538	22%	452	2326	2835	22%	509	2559	3118	22%	559	2784	3390	22%	606
17100	1444	1553	8%	109	1902	2202	16%	300	2089	2543	22%	454	2329	2840	22%	511	2562	3124	22%	562	2787	3396	22%	609
17150	1446	1555	8%	109	1904	2206	16%	302	2091	2547	22%	456	2331	2845	22%	514	2564	3130	22%	566	2790	3402	22%	612
17200	1448	1558	8%	110	1906	2210	16%	304	2093	2552	22%	459	2334	2850	22%	516	2567	3136	22%	569	2793	3408	22%	615
17250	1450	1561	8%	111	1909	2214	16%	305	2096	2557	22%	461	2337	2856	22%	519	2570	3141	22%	571	2796	3415	22%	619
17300	1452	1564	8%	112	1911	2218	16%	307	2098	2561	22%	463	2339	2861	22%	522	2573	3147	22%	574	2800	3421	22%	621
17350	1454	1567	8%	113	1914	2222	16%	308	2100	2566	22%	466	2342	2866	22%	524	2576	3153	22%	577	2803	3427	22%	624
17400	1456	1569	8%	113	1916	2226	16%	310	2103	2570	22%	467	2344	2871	22%	527	2579	3158	22%	579	2806	3433	22%	627
17450	1458	1572	8%	114	1918	2230	16%	312	2105	2575	22%	470	2347	2876	23%	529	2582	3164	23%	582	2809	3439	22%	630
17500	1460	1575	8%	115	1921	2234	16%	313	2107	2580	22%	473	2350	2882	23%	532	2585	3170	23%	585	2812	3445	23%	633
17550	1462	1578	8%	116	1923	2238	16%	315	2110	2584	22%	474	2352	2887	23%	535	2588	3175	23%	587	2815	3452	23%	637
17600	1464	1581	8%	117	1925	2242	16%	317	2112	2589	23%	477	2355	2892	23%	537	2590	3181	23%	591	2818	3458	23%	640
17650	1466	1584	8%	118	1928	2246	16%	318	2114	2594	23%	480	2358	2897	23%	539	2593	3187	23%	594	2821	3464	23%	643
17700	1468	1586	8%	118	1930	2250	17%	320	2117	2598	23%	481	2360	2902	23%	542	2596	3192	23%	596	2825	3470	23%	645
17750	1470	1589	8%	119	1932	2254	17%	322	2119	2603	23%	484	2363	2907	23%	544	2599	3198	23%	599	2828	3476	23%	648
17800	1472	1592	8%	120	1935	2258	17%	323	2121	2607	23%	486	2365	2913	23%	548	2602	3204	23%	602	2831	3482	23%	651
17850	1474	1595	8%	121	1937	2262	17%	325	2124	2612	23%	488	2368	2918	23%	550	2605	3209	23%	604	2834	3489	23%	655
17900	1476	1598	8%	122	1940	2266	17%	326	2126	2617	23%	491	2371	2923	23%	552	2608	3215	23%	607	2837	3495	23%	658
17950	1478	1600	8%	122	1942	2270	17%	328	2128	2621	23%	493	2373	2928	23%	555	2611	3221	23%	610	2840	3501	23%	661
18000	1480	1603	8%	123	1944	2274	17%	330	2131	2626	23%	495	2376	2933	23%	557	2613	3227	23%	614	2843	3507	23%	664
18050	1482	1606	8%	124	1947	2278	17%	331	2133	2631	23%	498	2378	2938	24%	560	2616	3232	24%	616	2847	3513	23%	666
18100	1484	1609	8%	125	1949	2282	17%	333	2135	2635	23%	500	2381	2944	24%	563	2619	3238	24%	619	2850	3520	23%	670
18150	1486	1612	8%	126	1951	2286	17%	335	2138	2640	23%	502	2384	2949	24%	565	2622	3244	24%	622	2853	3526	24%	673
18200	1488	1614	9%	126	1954	2290	17%	336	2140	2644	24%	504	2386	2954	24%	568	2625	3249	24%	624	2856	3532	24%	676
18250	1490	1617	9%	127	1956	2294	17%	338	2143	2649	24%	506	2389	2959	24%	570	2628	3255	24%	627	2859	3538	24%	679
18300	1492	1620	9%	128	1958	2298	17%	340	2145	2654	24%	509	2392	2964	24%	572	2631	3261	24%	630	2862	3544	24%	682
18350	1494	1623	9%	129	1961	2302	17%	341	2147	2658	24%	511	2394	2969	24%	575	2634	3266	24%	632	2865	3550	24%	685

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
18400	1496	1626	9%	130	1963	2306	17%	343	2150	2663	24%	513	2397	2975	24%	578	2636	3272	24%	636	2868	3557	24%	689
18450	1498	1629	9%	131	1966	2310	17%	344	2152	2668	24%	516	2399	2980	24%	581	2639	3278	24%	639	2872	3563	24%	691
18500	1500	1631	9%	131	1968	2314	18%	346	2154	2672	24%	518	2402	2985	24%	583	2642	3283	24%	641	2875	3569	24%	694
18550	1502	1634	9%	132	1970	2318	18%	348	2157	2677	24%	520	2405	2990	24%	585	2645	3289	24%	644	2878	3575	24%	697
18600	1504	1637	9%	133	1973	2322	18%	349	2159	2681	24%	522	2407	2995	24%	588	2648	3295	24%	647	2881	3581	24%	700
18650	1506	1640	9%	134	1975	2326	18%	351	2161	2686	24%	525	2410	3000	24%	590	2651	3300	24%	649	2884	3588	24%	704
18700	1508	1643	9%	135	1977	2330	18%	353	2164	2691	24%	527	2412	3006	25%	594	2654	3306	25%	652	2887	3594	24%	707
18750	1510	1645	9%	135	1980	2334	18%	354	2166	2695	24%	529	2415	3011	25%	596	2657	3312	25%	655	2890	3600	25%	710
18800	1512	1648	9%	136	1982	2338	18%	356	2168	2700	25%	532	2418	3016	25%	598	2659	3317	25%	658	2893	3606	25%	713
18850	1514	1651	9%	137	1984	2342	18%	358	2171	2705	25%	534	2420	3021	25%	601	2662	3323	25%	661	2897	3612	25%	715
18900	1516	1654	9%	138	1987	2346	18%	359	2173	2709	25%	536	2423	3026	25%	603	2665	3329	25%	664	2900	3618	25%	718
18950	1518	1657	9%	139	1989	2350	18%	361	2175	2714	25%	539	2426	3031	25%	605	2668	3335	25%	667	2903	3625	25%	722
19000	1520	1660	9%	140	1992	2354	18%	362	2178	2718	25%	540	2428	3037	25%	609	2671	3340	25%	669	2906	3631	25%	725
19050	1522	1662	9%	140	1994	2358	18%	364	2180	2723	25%	543	2431	3042	25%	611	2674	3346	25%	672	2909	3637	25%	728
19100	1524	1665	9%	141	1996	2362	18%	366	2182	2728	25%	546	2433	3047	25%	614	2677	3352	25%	675	2912	3643	25%	731
19150	1526	1668	9%	142	1999	2366	18%	367	2185	2732	25%	547	2436	3052	25%	616	2680	3357	25%	677	2915	3649	25%	734
19200	1528	1671	9%	143	2001	2370	18%	369	2187	2737	25%	550	2439	3057	25%	618	2682	3363	25%	681	2918	3656	25%	738
19250	1530	1674	9%	144	2003	2374	19%	371	2189	2742	25%	553	2441	3062	25%	621	2685	3369	25%	684	2922	3662	25%	740
19300	1532	1676	9%	144	2006	2378	19%	372	2192	2746	25%	554	2444	3068	26%	624	2688	3374	26%	686	2925	3668	25%	743
19350	1535	1679	9%	144	2008	2382	19%	374	2194	2751	25%	557	2446	3073	26%	627	2691	3380	26%	689	2928	3674	25%	746
19400	1537	1682	9%	145	2011	2386	19%	375	2196	2756	25%	560	2449	3078	26%	629	2694	3386	26%	692	2931	3680	26%	749
19450	1539	1684	9%	145	2013	2389	19%	376	2199	2759	25%	560	2452	3082	26%	630	2697	3390	26%	693	2934	3685	26%	751
19500	1541	1686	9%	145	2015	2392	19%	377	2201	2762	26%	561	2454	3086	26%	632	2700	3394	26%	694	2937	3690	26%	753
19550	1543	1689	9%	146	2018	2395	19%	377	2203	2766	26%	563	2457	3089	26%	632	2703	3398	26%	695	2940	3694	26%	754
19600	1545	1691	9%	146	2020	2398	19%	378	2206	2769	26%	563	2460	3093	26%	633	2705	3402	26%	697	2944	3698	26%	754
19650	1547	1693	9%	146	2022	2401	19%	379	2208	2772	26%	564	2462	3097	26%	635	2708	3406	26%	698	2947	3703	26%	756
19700	1549	1695	9%	146	2025	2403	19%	378	2211	2776	26%	565	2465	3100	26%	635	2711	3410	26%	699	2950	3707	26%	757
19750	1551	1697	9%	146	2027	2406	19%	379	2213	2779	26%	566	2467	3104	26%	637	2714	3414	26%	700	2953	3711	26%	758
19800	1553	1699	9%	146	2029	2409	19%	380	2215	2782	26%	567	2470	3108	26%	638	2717	3418	26%	701	2956	3716	26%	760
19850	1555	1701	9%	146	2032	2412	19%	380	2218	2785	26%	567	2473	3111	26%	638	2720	3422	26%	702	2959	3720	26%	761
19900	1557	1703	9%	146	2034	2415	19%	381	2220	2789	26%	569	2475	3115	26%	640	2723	3426	26%	703	2962	3724	26%	762
19950	1559	1705	9%	146	2037	2418	19%	381	2222	2792	26%	570	2478	3119	26%	641	2726	3430	26%	704	2965	3729	26%	764

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
20000	1561	1708	9%	147	2039	2421	19%	382	2225	2795	26%	570	2480	3122	26%	642	2728	3434	26%	706	2969	3733	26%	764
20050		1710		1710		2424				2798				3126				3438				3738		
20100		1712		1712		2427				2802				3129				3442				3742		
20150		1714		1714		2430				2805				3133				3446				3746		
20200		1716		1716		2433				2808				3137				3450				3751		
20250		1718		1718		2435				2811				3140				3454				3755		
20300		1720		1720		2438				2815				3144				3458				3759		
20350		1722		1722		2441				2818				3148				3462				3764		
20400		1724		1724		2444				2821				3151				3467				3768		
20450		1726		1726		2447				2825				3155				3471				3772		
20500		1729		1729		2450				2828				3159				3475				3777		
20550		1731		1731		2453				2831				3162				3479				3781		
20600		1733		1733		2456				2834				3166				3483				3786		
20650		1735		1735		2459				2838				3170				3487				3790		
20700		1737		1737		2462				2841				3173				3491				3794		
20750		1739		1739		2465				2844				3177				3495				3799		
20800		1741		1741		2467				2847				3181				3499				3803		
20850		1743		1743		2470				2851				3184				3503				3807		
20900		1745		1745		2473				2854				3188				3507				3812		
20950		1748		1748		2476				2857				3192				3511				3816		
21000		1750		1750		2479				2860				3195				3515				3820		
21050		1752		1752		2482				2864				3199				3519				3825		
21100		1754		1754		2485				2867				3202				3523				3829		
21150		1756		1756		2488				2870				3206				3527				3834		
21200		1758		1758		2491				2874				3210				3531				3838		
21250		1760		1760		2494				2877				3213				3535				3842		
21300		1762		1762		2496				2880				3217				3539				3847		
21350		1764		1764		2499				2883				3221				3543				3851		
21400		1766		1766		2502				2887				3224				3547				3855		
21450		1769		1769		2505				2890				3228				3551				3860		
21500		1771		1771		2508				2893				3232				3555				3864		
21550		1773		1773		2511				2896				3235				3559				3868		

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
21600		1775		1775		2514				2900				3239				3563				3873		
21650		1777		1777		2517				2903				3243				3567				3877		
21700		1779		1779		2520				2906				3246				3571				3882		
21750		1781		1781		2523				2910				3250				3575				3886		
21800		1783		1783		2526				2913				3254				3579				3890		
21850		1785		1785		2528				2916				3257				3583				3895		
21900		1788		1788		2531				2919				3261				3587				3899		
21950		1790		1790		2534				2923				3265				3591				3903		
22000		1792		1792		2537				2926				3268				3595				3908		
22050		1794		1794		2540				2929				3272				3599				3912		
22100		1796		1796		2543				2932				3275				3603				3916		
22150		1798		1798		2546				2936				3279				3607				3921		
22200		1800		1800		2549				2939				3283				3611				3925		
22250		1802		1802		2552				2942				3286				3615				3930		
22300		1804		1804		2555				2945				3290				3619				3934		
22350		1806		1806		2558				2949				3294				3623				3938		
22400		1809		1809		2560				2952				3297				3627				3943		
22450		1811		1811		2563				2955				3301				3631				3947		
22500		1813		1813		2566				2959				3305				3635				3951		
22550		1815		1815		2569				2962				3308				3639				3956		
22600		1817		1817		2572				2965				3312				3643				3960		
22650		1819		1819		2575				2968				3316				3647				3964		
22700		1821		1821		2578				2972				3319				3651				3969		
22750		1823		1823		2581				2975				3323				3655				3973		
22800		1825		1825		2584				2978				3327				3659				3978		
22850		1828		1828		2587				2981				3330				3663				3982		
22900		1830		1830		2590				2985				3334				3667				3986		
22950		1832		1832		2592				2988				3338				3671				3991		
23000		1834		1834		2595				2991				3341				3675				3995		
23050		1836		1836		2598				2994				3345				3679				3999		
23100		1838		1838		2601				2998				3348				3683				4004		
23150		1840		1840		2604				3001				3352				3687				4008		

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
23200		1842		1842		2607				3004				3356				3691				4012		
23250		1844		1844		2610				3008				3359				3695				4017		
23300		1846		1846		2613				3011				3363				3699				4021		
23350		1849		1849		2616				3014				3367				3703				4026		
23400		1851		1851		2619				3017				3370				3707				4030		
23450		1853		1853		2622				3021				3374				3711				4034		
23500		1855		1855		2624				3024				3378				3715				4039		
23550		1857		1857		2627				3027				3381				3719				4043		
23600		1859		1859		2630				3030				3385				3723				4047		
23650		1861		1861		2633				3034				3389				3727				4052		
23700		1863		1863		2636				3037				3392				3731				4056		
23750		1865		1865		2639				3040				3396				3735				4060		
23800		1868		1868		2642				3043				3400				3740				4065		
23850		1870		1870		2645				3047				3403				3744				4069		
23900		1872		1872		2648				3050				3407				3748				4074		
23950		1874		1874		2651				3053				3411				3752				4078		
24000		1876		1876		2653				3057				3414				3756				4082		
24050		1878		1878		2656				3060				3418				3760				4087		
24100		1880		1880		2659				3063				3421				3764				4091		
24150		1882		1882		2662				3066				3425				3768				4095		
24200		1884		1884		2665				3070				3429				3772				4100		
24250		1886		1886		2668				3073				3432				3776				4104		
24300		1889		1889		2671				3076				3436				3780				4108		
24350		1891		1891		2674				3079				3440				3784				4113		
24400		1893		1893		2677				3083				3443				3788				4117		
24450		1895		1895		2680				3086				3447				3792				4122		
24500		1897		1897		2683				3089				3451				3796				4126		
24550		1899		1899		2685				3092				3454				3800				4130		
24600		1901		1901		2688				3096				3458				3804				4135		
24650		1903		1903		2691				3099				3462				3808				4139		
24700		1905		1905		2694				3102				3465				3812				4143		
24750		1908		1908		2697				3106				3469				3816				4148		

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
24800		1910		1910		2700				3109				3473				3820				4152		
24850		1912		1912		2703				3112				3476				3824				4156		
24900		1914		1914		2706				3115				3480				3828				4161		
24950		1916		1916		2709				3119				3484				3832				4165		
25000		1918		1918		2712				3122				3487				3836				4170		
25050		1920		1920		2715				3125				3491				3840				4174		
25100		1922		1922		2717				3128				3494				3844				4178		
25150		1924		1924		2720				3132				3498				3848				4183		
25200		1926		1926		2723				3135				3502				3852				4187		
25250		1929		1929		2726				3138				3505				3856				4191		
25300		1931		1931		2729				3141				3509				3860				4196		
25350		1933		1933		2732				3145				3513				3864				4200		
25400		1935		1935		2735				3148				3516				3868				4205		
25450		1937		1937		2738				3151				3520				3872				4209		
25500		1939		1939		2741				3155				3524				3876				4213		
25550		1941		1941		2744				3158				3527				3880				4218		
25600		1943		1943		2747				3161				3531				3884				4222		
25650		1945		1945		2749				3164				3535				3888				4226		
25700		1948		1948		2752				3168				3538				3892				4231		
25750		1950		1950		2755				3171				3542				3896				4235		
25800		1952		1952		2758				3174				3546				3900				4239		
25850		1954		1954		2761				3177				3549				3904				4244		
25900		1956		1956		2764				3181				3553				3908				4248		
25950		1958		1958		2767				3184				3557				3912				4253		
26000		1960		1960		2770				3187				3560				3916				4257		
26050		1962		1962		2773				3191				3564				3920				4261		
26100		1964		1964		2776				3194				3567				3924				4266		
26150		1966		1966		2778				3197				3571				3928				4270		
26200		1969		1969		2781				3200				3575				3932				4274		
26250		1971		1971		2784				3204				3578				3936				4279		
26300		1973		1973		2787				3207				3582				3940				4283		
26350		1975		1975		2790				3210				3586				3944				4287		

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
26400		1977		1977		2793				3213				3589				3948				4292		
26450		1979		1979		2796				3217				3593				3952				4296		
26500		1981		1981		2799				3220				3597				3956				4301		
26550		1983		1983		2802				3223				3600				3960				4305		
26600		1985		1985		2805				3226				3604				3964				4309		
26650		1988		1988		2808				3230				3608				3968				4314		
26700		1990		1990		2810				3233				3611				3972				4318		
26750		1992		1992		2813				3236				3615				3976				4322		
26800		1994		1994		2816				3240				3619				3980				4327		
26850		1996		1996		2819				3243				3622				3984				4331		
26900		1998		1998		2822				3246				3626				3988				4335		
26950		2000		###		2825				3249				3629				3992				4340		
27000		2002		###		2828				3253				3633				3996				4344		
27050		2004		###		2831				3256				3637				4000				4349		
27100		2006		###		2834				3259				3640				4004				4353		
27150		2009		###		2837				3262				3644				4009				4357		
27200		2011		2011		2840				3266				3648				4013				4362		
27250		2013		2013		2842				3269				3651				4017				4366		
27300		2015		2015		2845				3272				3655				4021				4370		
27350		2017		2017		2848				3275				3659				4025				4375		
27400		2019		2019		2851				3279				3662				4029				4379		
27450		2021		2021		2854				3282				3666				4033				4383		
27500		2023		###		2857				3285				3670				4037				4388		
27550		2025		###		2860				3289				3673				4041				4392		
27600		2028		###		2863				3292				3677				4045				4397		
27650		2030		###		2866				3295				3681				4049				4401		
27700		2032		###		2869				3298				3684				4053				4405		
27750		2034		###		2872				3302				3688				4057				4410		
27800		2036		###		2874				3305				3692				4061				4414		
27850		2038		###		2877				3308				3695				4065				4418		
27900		2040		###		2880				3311				3699				4069				4423		
27950		2042		###		2883				3315				3702				4073				4427		

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
28000		2044		###		2886				3318				3706				4077				4431		
28050		2046		###		2889				3321				3710				4081				4436		
28100		2049		###		2892				3324				3713				4085				4440		
28150		2051		2051		2895				3328				3717				4089				4445		
28200		2053		###		2898				3331				3721				4093				4449		
28250		2055		###		2901				3334				3724				4097				4453		
28300		2057		###		2903				3338				3728				4101				4458		
28350		2059		###		2906				3341				3732				4105				4462		
28400		2061		2061		2909				3344				3735				4109				4466		
28450		2063		###		2912				3347				3739				4113				4471		
28500		2065		###		2915				3351				3743				4117				4475		
28550		2068		###		2918				3354				3746				4121				4479		
28600		2070		###		2921				3357				3750				4125				4484		
28650		2072		###		2924				3360				3754				4129				4488		
28700		2074		2074		2927				3364				3757				4133				4493		
28750		2076		###		2930				3367				3761				4137				4497		
28800		2078		###		2933				3370				3765				4141				4501		
28850		2080		###		2935				3373				3768				4145				4506		
28900		2082		###		2938				3377				3772				4149				4510		
28950		2084		###		2941				3380				3775				4153				4514		
29000		2086		###		2944				3383				3779				4157				4519		
29050		2089		###		2947				3387				3783				4161				4523		
29100		2091		2091		2950				3390				3786				4165				4527		
29150		2093		###		2953				3393				3790				4169				4532		
29200		2095		###		2956				3396				3794				4173				4536		
29250		2097		###		2959				3400				3797				4177				4541		
29300		2099		###		2962				3403				3801				4181				4545		
29350		2101		2101		2965				3406				3805				4185				4549		
29400		2103		2103		2967				3409				3808				4189				4554		
29450		2105		2105		2970				3413				3812				4193				4558		
29500		2108		2108		2973				3416				3816				4197				4562		
29550		2110		2110		2976				3419				3819				4201				4567		

## Appendix A: Comparison of Existing and Updated Child Support Schedules

Combined Monthly Gross Income	One Child				Two Children				Three Children				Four Children				Five Children				Six Children			
	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change	Existing	Proposed Update	% Change	\$ Change
29600		2112		2112		2979				3423				3823				4205				4571		
29650		2114		2114		2982				3426				3827				4209				4575		
29700		2116		2116		2985				3429				3830				4213				4580		
29750		2118		2118		2988				3432				3834				4217				4584		
29800		2120		2120		2991				3436				3838				4221				4589		
29850		2122		2122		2994				3439				3841				4225				4593		
29900		2124		2124		2997				3442				3845				4229				4597		
29950		2126		2126		2999				3445				3848				4233				4602		
30000		2129		2129		3002				3449				3852				4237				4606		

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# Arizona Child Support Guidelines Review Analysis of Case File Data

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December 2, 2008

Points of view expressed in this document are those of the authors and do not necessarily represent the official position of the State, the Court or the Committee reviewing the guidelines.

# Table of Contents

<b>INTRODUCTION</b> .....	1
<b>Background</b> .....	1
<b>Sampling and Data Collection</b> .....	1
<b>FINDINGS FROM THE CASE FILE REVIEW</b> .....	4
<b>Characteristics of the Cases</b> .....	4
<b>Parents' Incomes</b> .....	4
<b>Monthly Order Amounts</b> .....	8
<b>Applications of Adjustments</b> .....	10
<b>Deviations from the Guidelines</b> .....	16
<b>Parenting Education</b> .....	18
<b>SUMMARY AND RECOMMENDATIONS</b> .....	20
<b>Summary of Findings</b> .....	20
<b>Recommendations</b> .....	22
<b>Conclusion</b> .....	24
<b>REFERENCES</b> .....	25
<b>EXHIBITS</b>	
Exhibit 1: Sample Selection.....	2
Exhibit 2: Obligor's Gender .....	4
Exhibit 3: Traditional Orders and Other Order Types .....	5
Exhibit 4: Number of Children Covered by the Child Support Order.....	5
Exhibit 5: Average Monthly Gross Incomes over Time .....	6
Exhibit 6: Gross Monthly Incomes over Time.....	7
Exhibit 7: Obligor's Income as a Percent of Combined Income .....	8
Exhibit 8: Order Amounts over Time.....	9
Exhibit 9: Number of Days Used in Adjustments for Costs Associated with Parenting Time.....	12
Exhibit 10: Parenting Days Used in Adjustments for Costs Associated with Shared-Parenting Time .....	13
Exhibit 11: Use of Adjustments to Income by Adjustment Factor .....	14
Exhibit 12: Adjustments to Child Support Obligation for Additional Expenses .....	15
Exhibit 13: Guidelines Deviation Rate.....	16
Exhibit 14: Deviations from the Guidelines over Time.....	17
Exhibit 15: Percent of Parents Attending Parenting Education Classes .....	19

## INTRODUCTION

Arizona is currently reviewing its child support guidelines in accordance to State statute and Federal regulation.<sup>1</sup> As part of the federal requirement, states must analyze case data...

gathered through sampling or other methods, on the application of, and deviations from, the guidelines. The analysis of the data must be used in the State's review of the guidelines to ensure that deviations from the guidelines are limited.

This report summarizes the findings from Arizona's case file review. A Court-appointed Committee will consider the findings as well as public comment, other research and additional information from many sources for the review. In turn, the Committee will recommend guidelines changes to the Arizona Supreme Court. The guidelines are promulgated through Arizona Supreme Court Administrative Order No. 2004-29. The Court posts more information about the review on its website URL: <http://www.supreme.state.az.us/csgrc/> Individuals may also submit comments and suggestions to the Committee from this website.

## BACKGROUND

Federal regulations require each state to establish one guidelines for setting and modifying child support award amounts. The guidelines are to be applied presumptively, but states must also establish criteria for rebutting the presumption if the application of the guidelines would be unjust or inappropriate for a particular case scenario. The deviation criteria must also consider the best interest of the child. The guidelines are to be used by all persons whose duty is to set child support orders. States must review their guidelines at least once every four years.

Arizona last revised its guidelines on January 1, 2005. The revisions were part of a review that began in 2002 and ended in 2004. It included a similar analysis of case file data and a report of the findings (PSI 2003). The Court contracted with Center for Policy Research (CPR) to collect and analyze case file data for this review.

## SAMPLING AND DATA COLLECTION

Arizona has conducted four case file reviews since the quadriennial review requirement was first imposed in 1989. The previous reviews took place in 1995, 1999, and 2002. All of the reviews considered a random sample of recently established or modified child support orders. The 1999 and 2002 review relied on a stratified random sample. The strata consist of Maricopa, Pima, Santa Cruz, and Yavapai Counties. For consistency, CPR also relies on a stratified random sample using the same counties except CPR replaced Santa Cruz County with Apache County. The 1999 and 2002 reviews cumulated into two reports. The 2002 report contains findings from both the 1999 and 2002 reviews. We rely upon it in this report to analyze trends in child support orders and guidelines usage.

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<sup>1</sup> Arizona Revised Statutes § 25-320(D) and Title 45, Public Welfare, CFR 302.56.

*Sample Size.* The 1999 and 2002 reviews relied on a sample of 267 orders and 431 orders, respectively. The sample size necessary to detect statistical differences in the guidelines deviation rate since 2002 is 270 orders. Nonetheless, this study targeted a sample size of 440 orders to be comparable to the 2002 sample size. CPR oversampled by 25 percent, then rounded up the sample size when distributing it across counties and county offices. The total targeted sample size was 615 orders. Exhibit 1 shows the targeted sample size for each county, the actual sample size, and other information.

Child support worksheets were available for 578 of the 615 orders (94% of the sampled cases). The worksheet contains much of the detailed information needed for the analysis (e.g., parents' incomes, the amount of the child's insurance). CPR eliminated orders without worksheets for the analysis. CPR also eliminated one order because it established two orders in a third-party custodian case (i.e., both the mother and father were ordered to pay support to the child's custodian). CPR also eliminated an additional nine cases because it was obvious that the worksheet sent to CPR was not the actual worksheet that formed the basis of the order. (As an aside, a case file may contain multiple worksheets reflective of variations in the child support calculation or differences in information submitted by the petitioner and respondent.) In all, this resulted in 568 orders for the analysis.

	Apache County	Maricopa County	Pima County	Yavapai County	Subtotal of the Four Counties	State Total
Total population (2007 Census)	71,118	3,768,123	946,362	208,014	4,993,617	6,166,318
% of State Total	1.2%	61.1%	15.3%	3.4%	81.0%	100.0%
New Orders Established by IV-D Agency (FY2007)	36	4,162	1,201	332	5,731	7,702
% of State Total	0.5%	54.0%	15.6%	4.3%	74.4%	100.0%
Child Support Orders Entered (2007 County Clerk Records)*	68	6,935	1,911	407	9,321	Unknown
Targeted Sample Count	30	410	120	55**	615	Not Applicable
Actual Sample County	27	385	110	46	568	Not Applicable

\*Includes IV-D and non-IV-D orders. IV-D refers to Section IV-D of the Social Security Act that requires states to develop a child support program to establish and enforce support in public assistance cases and make these services available to non-public assistance cases. Maricopa County includes modified orders. Pima County is estimated based on cases filed in 2007.

\*\*This is broken down into two locations: Prescott (35 cases) and Verde Valley (20 cases).

*Data Collection and Entry.* With the assistance of the AOC, IV-D agency, and County Clerks, CPR obtained a list of orders entered or filed in calendar year 2007 from each of the sampled counties. Then, CPR generated a random sample from those lists. CPR retained staff from the County Clerk offices to copy the orders and supporting guidelines worksheets of the random sample. The staff also noted whether the parents attended parenting education. (The Court case file contains a form indicating parent education attendance.) CPR entered the data into an EXCEL workbook.

*Data Limitations and Assumptions.* Information was limited to what was available on the order or worksheet. Counties use slightly different forms and some have two different forms. This results in at least three small data issues.

- Since not all forms allow for the option of “equal parenting time” for “custody,” we assumed that any cases where the worksheet indicates 173 to 182.5 parenting days was essentially equal parenting time. (As an aside, none of the worksheets indicated that Parenting Time Table B was used.) We considered the assumption that any case where the worksheet indicates 143 to 182.5 parenting days was essentially equal parenting time because the Guidelines assumes that certain child-rearing costs are substantially or equally shared by both parents above 143 parenting days; however, this would have masked the issue of zero orders. Almost half (45%) of cases where the number of parenting days is 173 to 182.5 have zero orders. In contrast, only 20 percent of cases where the number of parenting days is 143 to 172 have zero orders. The sample contains 84 orders with 173 to 182.5 parenting days and 30 orders with 143 to 182.5 parenting days.
- Secondly, in some counties where the worksheet asks “custody” instead of “primary residential parent,” it appears that some users entered the parent(s) with legal custody rather than the parent(s) with primary residence. CPR used the number of parenting days on the worksheet and information from the order to correct this.
- Finally, most guidelines forms do not include space for the equal parenting time/unequal income adjustment provided in Guidelines Paragraph 12; yet, some counties have developed a separate form to apply it. Still some parents try to apply Paragraph 12 to the worksheet that does not have space for the Paragraph 12 calculation. Because of this, it is often difficult to surmise whether Table A or Paragraph 12 was used to adjust for parenting time when there is essentially equal custody.

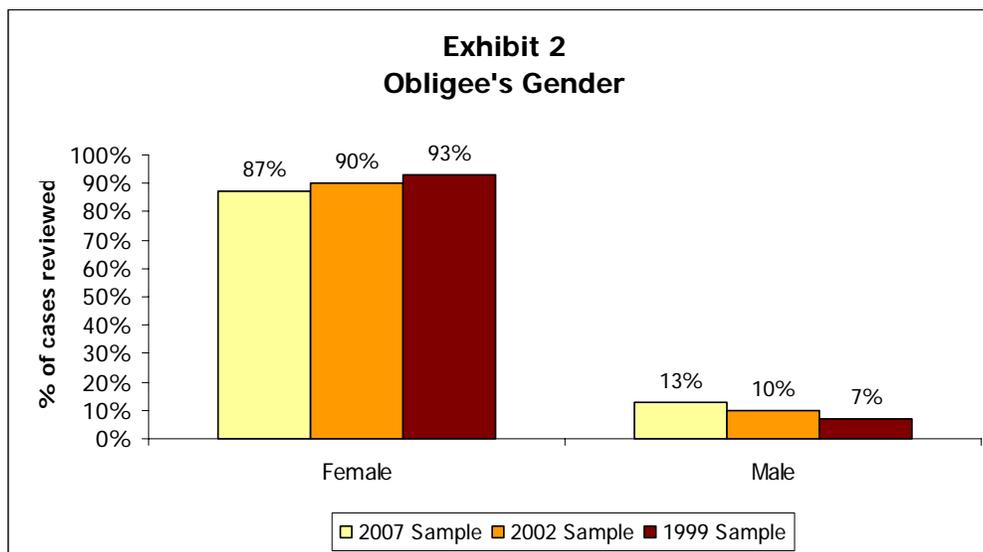
In addition, the completeness of the worksheet limited information for analysis. For example, many worksheets noted only the amount of the parenting time adjustment, but not the number of days or what adjustment was applied; nonetheless, the missing information could often be deduced from the calculation. For example, when only the adjustment percentage was noted, we assumed that the number of parenting days was the midpoint of the range of days corresponding to the percentage.

*Terminology.* Other limitations concern terminology. Although “custody” in Arizona family law refers to legal custody, we sometimes use “custodial parent” to indicate the parent who is the primary residential parent. Similarly, we use the term “noncustodial parent” to indicate the parent who is not the primary residential parent. We also use the terms, “obligor” and “obligee,” to indicate the parent with a duty to pay support and the parent to receive support, respectively. These terms do not always correspond to the timesharing arrangement because it is possible under the Guidelines calculation for the primary residential parent to be the obligor if there is substantial timesharing, the primary residential parent has higher income than the other parent, or due to additional child costs such as child care. Most orders identified which parent was the obligor even when there was a zero-order based on whom would be the obligor using the guidelines-calculated amount prior to the deviation. In cases where an obligor was not identified, CPR identified the obligor as being the parent who would have paid support under strict application of the Guidelines.

## FINDINGS FROM THE CASE FILE REVIEW

### Characteristics of the Cases

*Obligees in the Cases.* As in the previous case file reviews, the majority of parents who make child support payments, or the “obligors” in the case, are male (87%). In other words, 87 percent of the “obligees,” or the parents who receive the child support payment, are female. Exhibit 2 compares the gender of the obligees in the 2007 sample with the gender of the obligees in the 2002 and 1999 samples.



While the percentage of female obligees in Arizona has decreased over time, as evident in Exhibit 2, it is still greater than the percentage of female obligees at the federal level, which is 84 percent (Census 2007). This national statistic, however, is based on a different measurement than the one used in the Arizona reviews (which parent has primary custody versus which parent actually pays the child support). Still, the majority of child support cases across the country are those in which the mother has primary custody and receives support from the father.

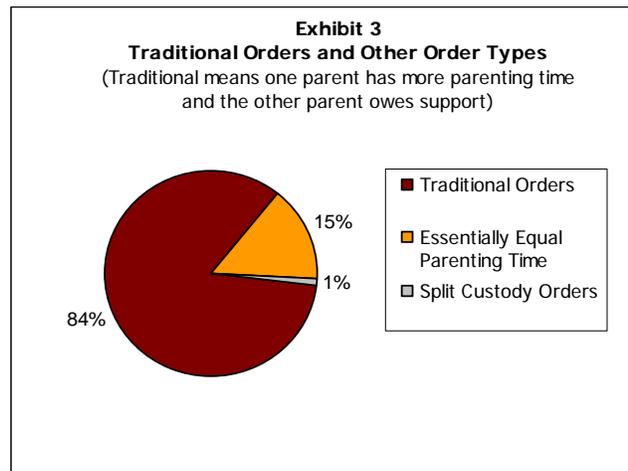
*Order Types.* The majority of the 2007 sample (84%) consist of “traditional” child support orders; that is, cases where one parent is the primary residential parent and the other parent owes support. In most of these traditional orders (89%), the mother is the primary residential parent and the father pays child support.

As shown in Exhibit 3, 15 percent of the orders involve essentially equal parenting time. Of these orders:

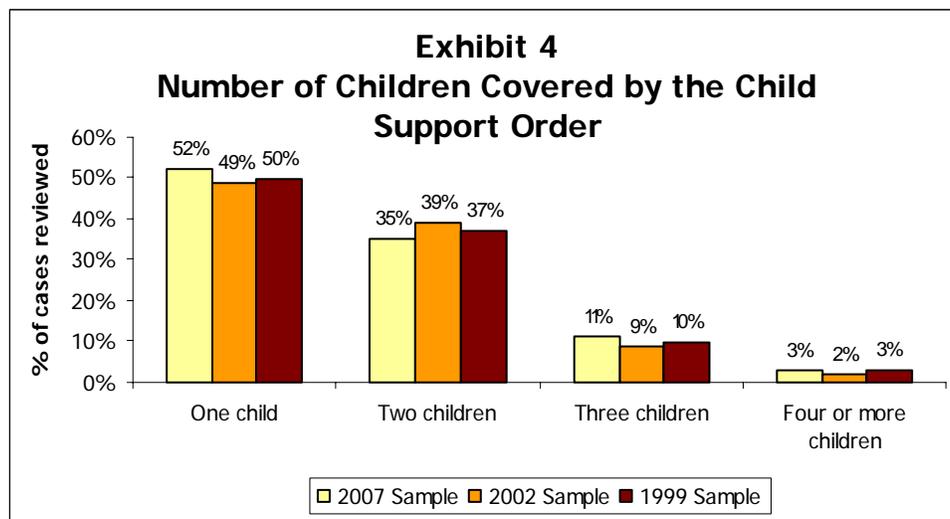
- More than three-quarters (76%) are cases where the father has more income and would be the obligor under strict application of the guidelines;

- 18 percent are cases where the mother has more income and under strict application of the guidelines would be the obligor;
- Three percent of the cases involve parents with equal incomes; and
- The remaining three percent are orders where additional expenses alter which parent would pay support under strict application of the guidelines.

Finally, Exhibit 3 shows few orders (1%) involve split custody; that is, where there are at least two children and each parent is the primary residential parent for at least one child.



*Children Covered in the Cases.* Most (87%) of the cases reviewed cover one or two children. Exhibit 4 shows the number of children covered in the child support cases in the 2007, 2002, and 1999 samples.



In the 2007 sample, the average age of the youngest child and oldest child covered in the order are 7.1 years and 9.0 years, respectively. This is similar to the past two case file reviews. In the 2002 sample, the average age of the youngest child was 7.8 years and the average age of the oldest child was 9.6 years, while in 1999 the average age of the youngest child and oldest child was 7.5 years and 9.5 years, respectively.

### Parents' Incomes

In the 2007 sample, monthly income averages \$2,558 among obligees and \$4,046 among obligors. Median monthly income is \$2,094 among obligees and \$3,000 among obligors. The average gross monthly incomes of obligees and obligors have increased since the previous case file

review. Exhibit 5 compares the average gross monthly incomes of obligees and obligors in the 2007 sample to the incomes in the 2002 and 1999 samples.

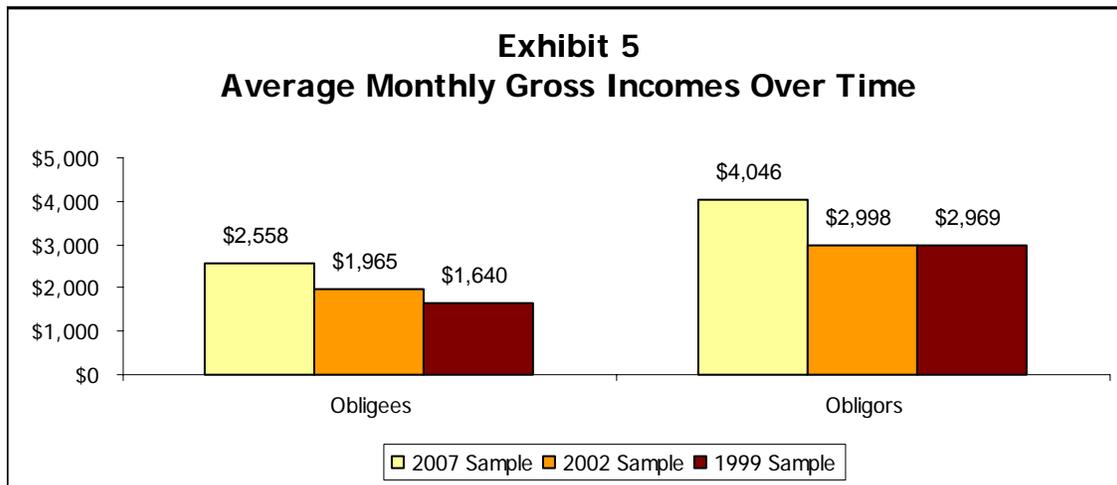


Exhibit 5 shows that average gross monthly incomes have steadily increased over time. This appears to result from an increase in the proportion of high earners. As evident from Exhibit 6, which gives more details on the changes in the parents' incomes over time, the percent of parents with gross incomes above \$3,000 per month has increased significantly. For example, in 2002, just over a third (36%) of obligors had gross incomes more than \$3,000 per month. In 2007, that proportion has grown to almost half (48%).

On the other hand, the number of obligees and obligors earning less than \$1,000 per month, as evident in Exhibit 6, has decreased since 2002. Some of this decrease may result from the change in Arizona's minimum wage. In 2002, Arizona used the federal minimum wage of \$5.15 per hour. At this rate, a person working 40 hours per week would earn \$893 per month. The minimum wage in Arizona has increased to \$6.90 per hour. An employee working full time at the new minimum wage rate would earn \$1,196 per month. Effective July 24, 2009, the federal minimum wage will increase to \$7.25 per hour, which is \$1,257 per month for a full-time worker.

*High Incomes.* Exhibit 6 breaks down the \$3,001 or more incomes further for the 2007 sample. (Similar information is not available from the 2002 report.) It shows four percent of the obligees and 13 percent of the obligors have gross incomes more than \$6,001 per month. However, it is unusual for both parents to have high incomes. For example, only two percent of orders involve cases where both parents have gross incomes above \$6,001 (i.e., a combined income above \$12,001 per month).

**Exhibit 6. Gross Monthly Incomes over Time  
(% of orders)**

	<b>2007 Sample (n=568)</b>	<b>2002 Sample (n=427)</b>	<b>1999 Sample (n=267)</b>
<b>Obligee's Gross Monthly Income</b>			
\$1000 or less	12% *	26% *	30%
\$1,001-\$2,000	36%	34%	43%
\$2,001-\$3,000	26%	25%	20%
\$3,001 or more	26% *	16% *	7%
• \$3,001 to \$4,000	12%		
• \$4,001 to \$5,000	6%	N.A.	N.A.
• \$5,001 to \$6,000	4%		
• \$6,001 or more	4%		
<b>Obligor's Gross Monthly Income</b>			
\$1,000 or less	4% *	12%	12%
\$1,001-\$2,000	24%	29%	34%
\$2,001-\$3,000	24%	23%	26%
\$3,001 or more	48% *	36% *	28%
• \$3,001 to \$4,000	19%		
• \$4,001 to \$5,000	12%	N.A.	N.A.
• \$5,001 to \$6,000	5%		
• \$6,001 or more	13%		

\* The 2007 amount is a statistically significant change from the previous review,  $p < .05$

*Combined Incomes above the Schedule.* Approximately two percent of the 2007 sample have a combined gross income over \$20,000 per month. This is important because the Arizona guidelines' schedule does not cover combined incomes over \$20,000 per month. For incomes above that, the guidelines provide that the highest amount on the schedule shall be used and a parent requesting more bears the burden of proof of evidence that child-rearing expenses should be more. The case file review suggests that this provision is applied infrequently. About one-third (36%) of the orders where the combined income exceeded \$20,000 per month involved a guidelines deviation. (Caveats to this are: the deviation may reflect another reason; and, a request for deviation may have been denied.) Half of these deviations were in an upward direction, the other half were in a downward direction.

Of the cases involving combined incomes over \$20,000 gross per month, the average order amount is \$1,282 per month, the orders range from zero to \$3,371, and nearly half (46%) of these orders cover one child. The average order amount in these cases is less than the highest amount on the schedule for one child, which is \$1,561 per month or eight percent of \$20,000. On average, the order amount absorbs about five percent of the obligor's gross adjusted monthly income in these cases. The order amount as a percent of the obligor's gross adjusted monthly income ranges from zero to eight percent. These are relatively low order amounts, particularly when considering that most of income is from one parent in these cases. The obligor's income averages 71 percent of the combined income in these cases. The median is 79 percent of combined income.

*Percent of Combined Income.* The Arizona Guidelines uses the Income Shares Model. This model prorates most costs of raising a child between the parents based on each parent's share of the combined income. Therefore, we analyze the obligor's income as a percentage of the parents' combined income. Exhibit 7 gives information on the obligor's income as a percentage of combined income over time.

**Exhibit 7. Obligor's Income as a Percent of Combined Income  
(% of orders)**

	<b>2007 Sample (n=568)</b>	<b>2002 Sample (n=427)</b>	<b>1999 Sample (n=267)</b>
0-15%	1%	1%	0%
16-30%	6%	7%	5%
31-45%	17%	17%	19%
46-60%	29%	31%	30%
61-75%	30%	25%	29%
76-90%	13%	10%	10%
91-100%	5%*	10%*	6%
<b>Average</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>

\* The 2007 amount is a statistically significant change from the previous review,  $p < .05$

As shown in Exhibit 7, the obligor's income is approximately 60 percent of the combined income in the 2007, 2002, and 1999 samples. This means that, in the Income Shares Model, the obligors are responsible for an average of 60 percent of the child-rearing expenses.

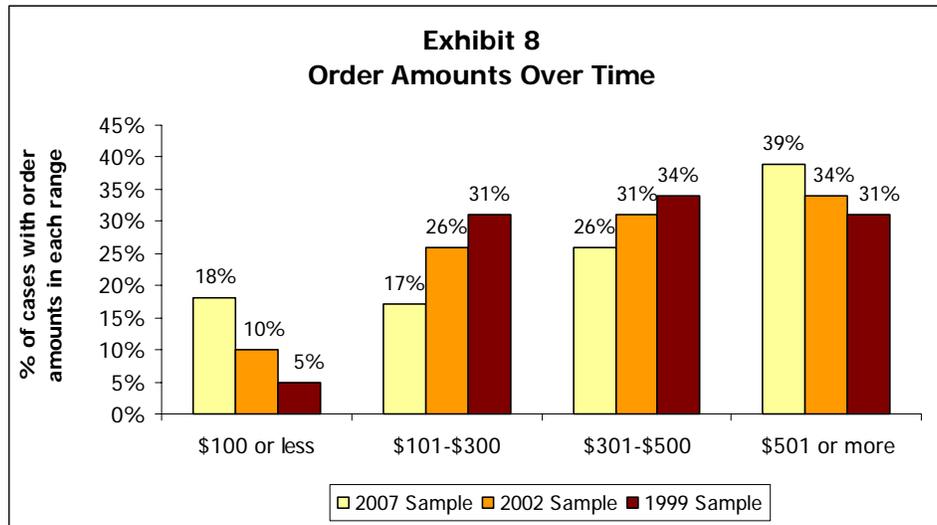
Exhibit 7 also indicates a significant decrease in the percent of cases where the obligor has income but the obligee has essentially no income. This is evident by the decrease in the percent of cases at the 91-100% range.

### Monthly Order Amounts

In 2007, the average child support order is \$460 per month. This is a slight increase from the 2002 and 1999 averages, which were \$455 and \$447, respectively. The median child support order is \$407 per month among 2007 orders.

Exhibit 8 gives more information about the order amounts in 2007, 2002, and 1999. As shown in Exhibit 8, 39 percent of the orders in 2007 were set at amounts over \$500 per month. Eighty percent of these orders were between \$500 and \$1,000 per month, while 20 percent of these orders were over \$1,000 per month.

Of the orders that are below \$100 per month, the majority (89%) are less than \$50. These orders make up 16 percent of the total sample. This is a statistically significant increase from the 2002 and 1999 samples, where orders under \$50 per month made up only six percent and one percent, respectively, of the total sample.



### *Zero-Dollar Orders*

Zero-dollar orders have also increased since the last review. In 2007, these orders are 14 percent of the total sample, while in 2002, these orders made up only five percent of the total sample. This increase is statistically significant.

*Guidelines Applied.* More than a quarter (26%) of the zero-dollar orders followed the guidelines. Several different case circumstances in the 2007 sample produced a zero-dollar order when the guidelines are applied.

- The obligor has zero income or the self-support reserve test brought the order down to zero.
- The combination of the parenting time adjustment and additional child-rearing costs paid by the obligor offset the obligor's share of the basic obligation. For example, in one case the obligor pays \$500 of additional educational expenses, which was more than his share of the basic obligation adjusted for parenting time.
- The parents have essentially equal incomes and equal parenting time.
- The child receives Social Security benefits.

None of these reasons contribute significantly more or less to zero-dollar orders.

*Guidelines Deviations.* The remaining zero-dollar orders (74% of all zero-dollar orders) result from guidelines deviations. Besides almost equal parenting time (53% of these cases involved essentially equal parenting time), there appears to be some common characteristics of these orders.

- Almost one half (48%) of zero-dollar orders based on a deviation started with a guidelines-calculated amount of \$100 or less. Obviously, these parents zeroed out the order. Many of these cases involved essentially equal parenting time. We also questioned whether more cases were actually in this category but the worksheet did not reflect it. Although we did not examine every step taken in worksheet calculations, we did spot-check a few worksheets

with equal parenting time and discovered that the guidelines amount would have resulted in a different amount had the parenting time adjustment been applied to the other parent or Table A was used instead of Paragraph 12, or vice versa.

- About one-third (33%) involved cases where the obligor's income was less than or equal to the obligee's income or the obligor's monthly income was less than \$2,400. This suggests that the parents may have agreed to a zero dollar order to increase the obligor's self-support reserve.

Yet, in some cases, the basis for the deviation to a zero-dollar order was not obvious. The obligor in these cases clearly has more income and less parenting days than the obligee and there were no substantial additional child-rearing expenses such as child care expenses.

## Applications of Adjustments

### *Parenting Time Adjustments*

A parenting time adjustment was applied in 88 percent of the cases in the 2007 sample. This is a statistically significant increase from 2002, when 77 percent of the cases had a parenting time adjustment applied. The parenting time adjustment is based on the concept that when the non-custodial parent spends time with the child, some of the costs of caring for the child are directly absorbed by that parent. And, as the noncustodial parent spends more time with the child, more of the costs will shift away from the custodial parent onto the noncustodial parent.

To determine the adjustment to the child support order, the total number of days (a period of more than 12 hours is considered one day) the noncustodial parent spends with the child over the course of a year must be calculated. Once this is calculated, one of three adjustments may apply under the Guidelines.

- The most common way is to apply Parenting Time Table A, which contains adjustment percentages based on the number of parenting time days with the obligor. Table A is the genesis of the existing Arizona parenting time adjustment. Initially promulgated in the mid-1990s, Table A recognizes that when the child is with the obligor, the obligor incurs some time-variable child-rearing expenses directly such as food. Table A also recognizes that when the obligor has substantially more time with the child, the obligor incurs more of the child's variable expenses as well as housing and transportation expenses for the child. Hence, the adjustment percentage becomes larger as the number of parenting-time days increase. In its original form, the adjustment percentage never resulted in a zero-dollar order because it was believed that even when there is equal timesharing, one parent would control more child-rearing expenditures than the other parent; namely, the child's clothing and other personal items. As evident in Paragraph 11 of the current guidelines, however, this concept has been abandoned, at least in Table A.<sup>2</sup> As an aside, only three other states guidelines (Indiana,

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<sup>2</sup> This is based on the commentary following Table A. It states that "[C]ertain costs usually incurred only in the custodial household are assumed to be substantially or equally shared by both parents [when the number of parenting days exceed 143 days.] These costs are for items such as the child's clothing and personal care items, entertainment and reading materials."

Missouri, and New Jersey) base their parenting-time adjustment on a similar concept and all of these states have retained the concept of controlled expenses. We also note that Table A was refined over time by making the increments of parenting day ranges smaller and modifying the percentage adjustments.

- The guidelines also include a Parenting Time Table B. It was added to the guideline after Table A was promulgated. It is intended to provide adequate support in cases where there is substantial timesharing (the obligated parent has over 143 days) and the parents do not equally share child-rearing expenses, rather one parent does indeed incur more of the expenses for the child's clothing and similar expenses. In effect, Table B retains the original principle of Table A that even in equal timesharing cases, one parent will incur the "controlled" child-rearing expenses.
- Finally, the current Guidelines provides Paragraph 12, which is to be applied in essentially equal timesharing cases. This adjustment has also evolved over time. As we recall, in its original form, it allowed for zero-dollar orders in equal timesharing and equal income cases. In effect, it addressed a criticism of the original Table A adjustment: it did not result in zero-dollar orders in equal timesharing and equal income cases while the more popular timesharing adjustment method in other state guidelines did.<sup>3</sup> It appears that since then, Paragraph 12 has been expanded to also address essentially equal timesharing cases when the parents' incomes are not equal.

None of the worksheets in the 2007 sample noted use of Table B, nor did any in the 2002 review. Although it appears that most cases used Table A to adjust for parenting time, it is not entirely clear how often Paragraph 12 was used. In some of the handwritten worksheets, it was obvious that the person completing the worksheet contemplated whether to use Table A or Paragraph 12.

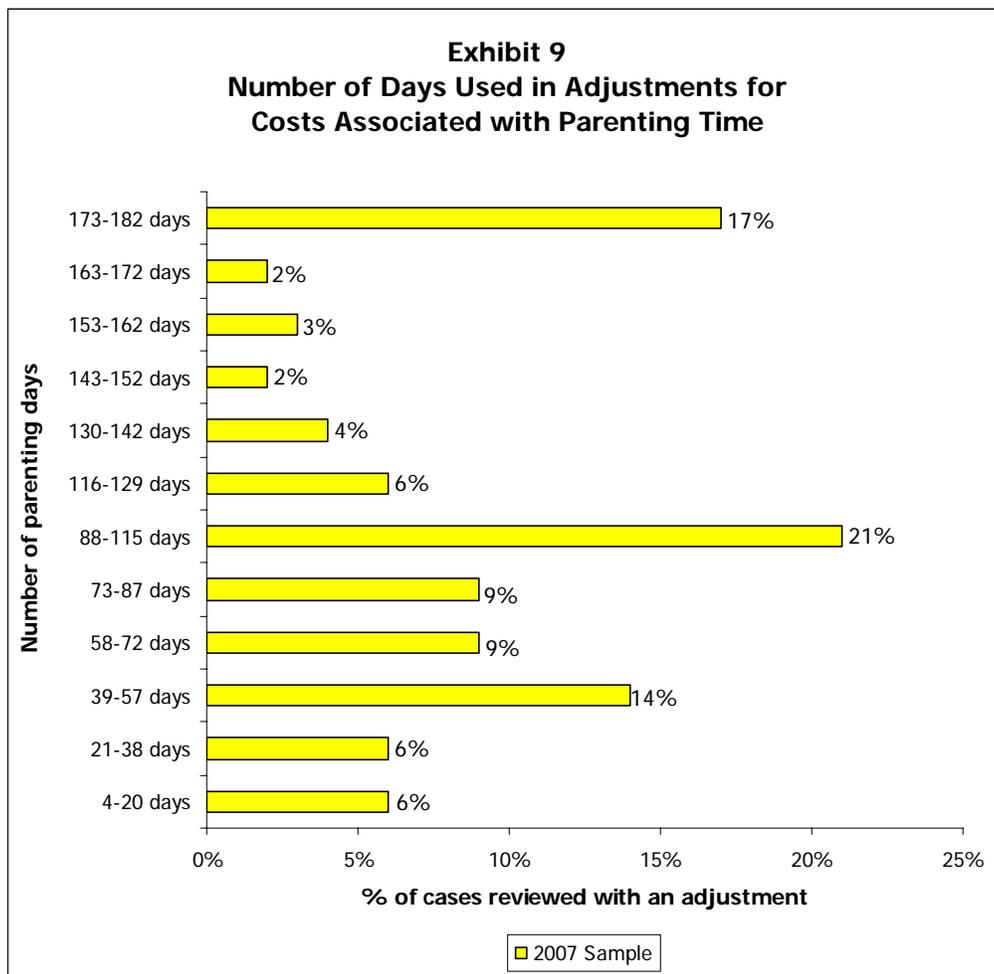
Exhibit 9 shows the ranges of parenting days per year — the same ranges found in Table A — used to adjust the child support obligations in the 2007 sample. As shown in this exhibit, 17 percent of the cases with an adjustment use an adjustment of 173 to 182 parenting days per year. The majority of these cases (78%) were equal parenting time. Twenty-one percent of the cases with a parenting time adjustment are based on the 88 to 115 day range. For this range, the non-custodial parent receives a 16.1 percent decrease to the monthly obligation.

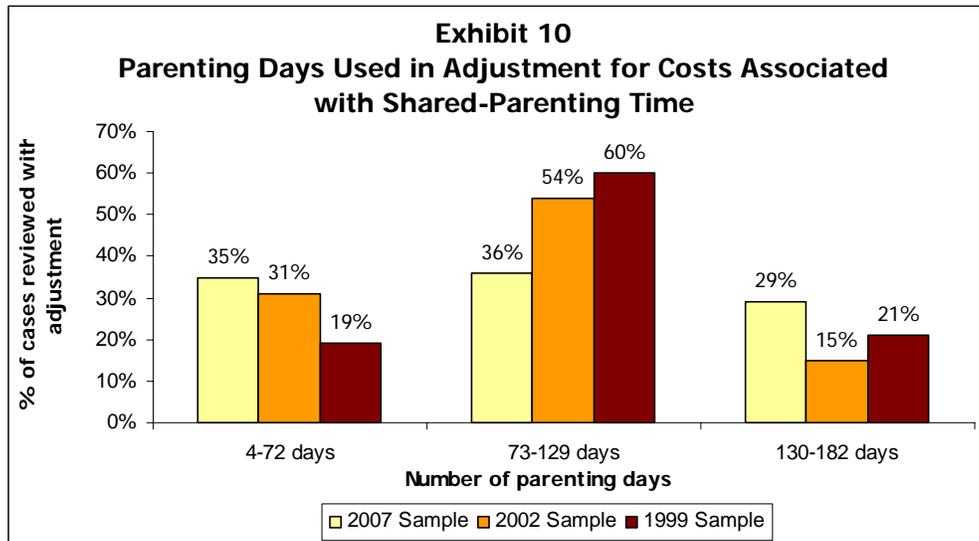
Exhibit 10 compares the parenting time days used in the 2007, 2002, and 1999 samples. There has been a steady increase (statistically significant from 1999 to 2002 but not from 2002 to 2007) in the amount of cases with a four to 72 day adjustment. The percent of cases using the 73 to 129 parenting day range decreased from 60 percent in 1999, to 54 percent in 2002, down to 36 percent in 2007. The decrease from 2002 to 2007 is statistically significant. More cases used the 130 to 182 day adjustment in 2007 than in 2002. The percent of cases increased from 15 percent to 29 percent. This increase is statistically significant.

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<sup>3</sup> The cross-credit formula is the most popular timesharing adjustment in state guidelines. An example of the cross-credit formula is contained in the Colorado guidelines. It results in a zero-dollar order when there is equal timesharing and equal incomes.

In all, 15 percent of the 2007 sample involved cases with essentially equal physical custody, which is significantly more than the 2002 sample. As an aside, we could only find one other state (Wisconsin) that tracked custody changes over time and no comparable national data. Wisconsin also finds an increase in equal parenting time. Among divorce cases in Wisconsin, the incidence of equal custody has increased from 15 percent in a 1996-99 sample to 24 percent in a 2003-04 sample (Brown and Canican 2007). We note that the Arizona and Wisconsin samples are not perfectly comparable. The Arizona sample included divorced and never married parents. The Wisconsin sample was limited to divorced parents. Generally, divorced parents are more likely to have parenting time agreements than never-married parents.





*Age of the Child in Equal Parenting Time Cases.* Many of the children in essentially equal parenting time cases are younger: 13 percent are infants or toddlers; 36 percent are of preschool or kindergarten age; 34 percent are of secondary school age; and 18 percent are teens.

#### *Adjustment for Older Children*

The Arizona guidelines apply an adjustment for children over the age of 12 to account for the presumption that older children can cost a parent up to 10 percent more to care for than younger children. An older child adjustment was applied in 30 percent of the cases in the 2007 sample. This is less than the proportion of cases in the 2002 sample with this adjustment (32%) though greater than the proportion of cases in the 1999 sample with the adjustment (24%).

#### *Adjustment for Low-Income Obligor*

In each child support case, the Arizona Guidelines require that the court perform a self-support reserve test to ensure that the obligor can afford to pay the child support order and still maintain a minimum standard of living. To do so, \$775 is deducted from the obligor's adjusted gross income. If the resulting amount is less than the child support order, the Court has the option to reduce the child support amount to the resulting amount. When determining whether to reduce the order amount, the Court also must take into consideration the financial situation of the obligee. In the 2007 sample, less than five percent of the obligors received the low-income adjustment. This is slightly less than the six percent of obligors that received the adjustment in 2002.

#### *Adjustments to the Parents' Income*

When calculating the child support order, the Arizona guidelines allow adjustments to be made to the parents' gross income for other support obligations. These obligations include:

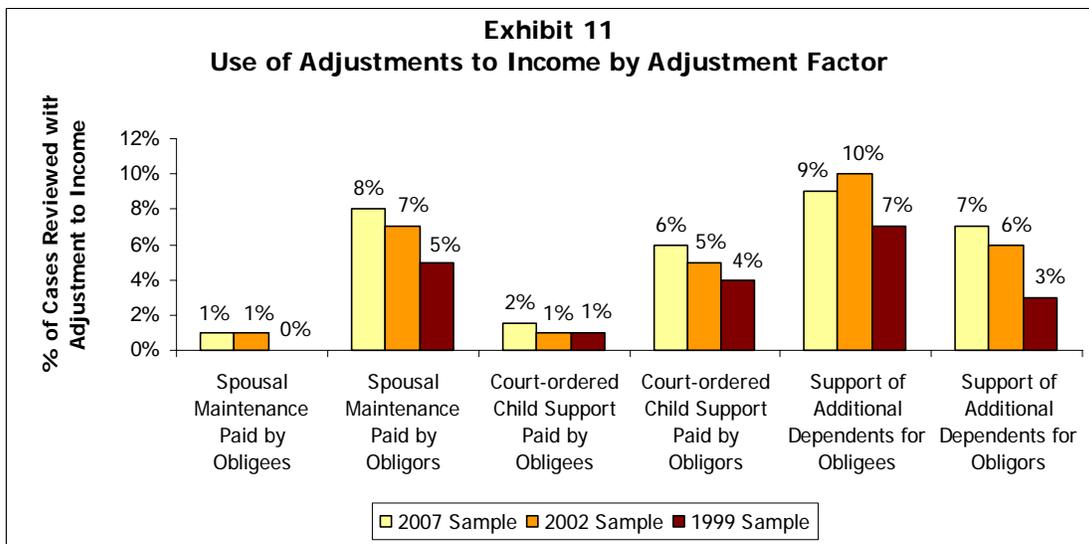
- Court-ordered spousal maintenance;
- Court-ordered child support for children from other relationships; and
- Support of other dependents in the household who are not included in a child support order.

It is important to note that this analysis cannot determine how many parents actually pay spousal maintenance, court-ordered support for other children, or support other dependents. We can only determine whether the Court took the payments into consideration when determining the parents' gross incomes.

Exhibit 11 compares the use of these income adjustments in 2007 to the 2003 and 1999 samples. It shows that spousal maintenance payments were subtracted from the incomes of one percent of the obligees and eight percent of the obligors in the 2007 sample. The average amount deducted for spousal maintenance payments was \$1,300 for obligees and \$1,268 for obligors. In the 2002 sample, the average amounts were \$630 for obligees and \$1,295 for obligors.

The court does not often include an adjustment to parents' income for court-ordered child support for children in other relationships. In the 2007 sample, only two percent of obligees and six percent of obligors had their incomes reduced for this reason. The 2002 and 1999 samples also had few parents with court-ordered child support adjustments. The average amount deducted was \$427 for the obligees and \$380 for the obligors in the 2007 sample, an increase from \$348 for obligees and \$365 for obligors in the 2002 sample.

The adjustment for support of additional dependents is also infrequently used when determining parents' income for the 2007 sample. 10 percent of obligees and seven percent of obligors received an adjustment for this reason. The average amount subtracted in 2007 for obligees and obligors were \$521 and \$602, respectively. In 2002, the averages were \$424 for obligees and \$508 for obligors.



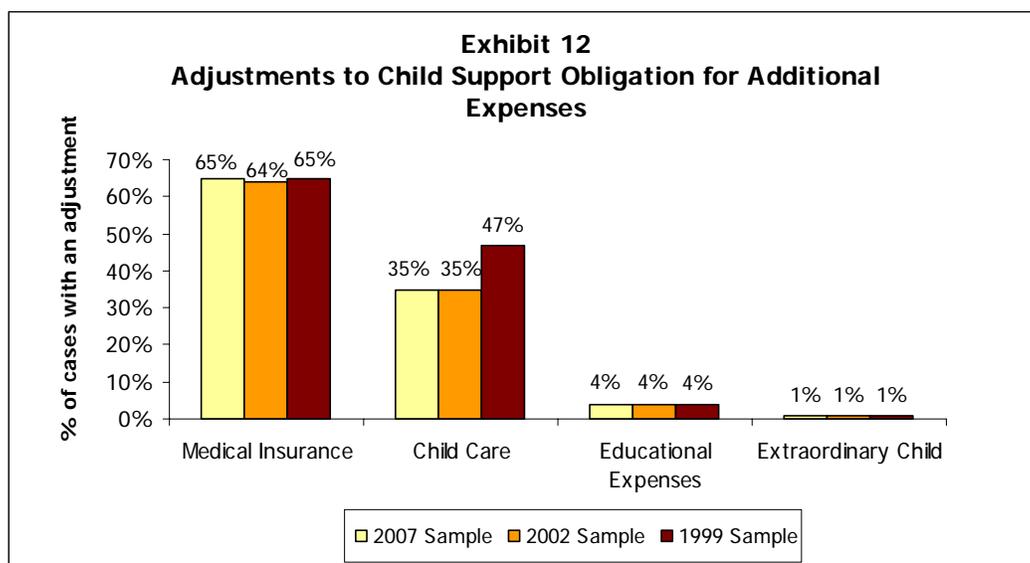
*Adjustments to the Order for Additional Expenses*

To determine the basic child support obligation, the court takes into consideration the cost of a child’s medical, dental, and vision insurance; childcare costs; education expenses; and extraordinary expenses for a special needs or handicapped child. Either the obligor or the obligee can pay for these expenses. If the obligor pays, the child support obligation is reduced. Conversely, if the obligee pays, the child support obligation increases. Exhibit 12 gives more information on how often these adjustments were made to child support orders in the 2007, 2002, and 1999 samples.

As shown in Exhibit 12, the percentage of cases considering these additional expenses has remained stable since the 2002 case file review. Nearly two-thirds of the cases (65%) have an adjustment for a child’s medical insurance. The average adjusted amount for medical insurance are:

- \$132 in the 2007 sample;
- \$108 in the 2002 sample; and
- \$91 in the 1999 sample.

On average, obligors spent approximately 3.5 percent and obligees spent 4.9 percent of their gross income on medical insurance for their children. Most (83%) of the obligors and 70 percent of obligees who paid for insurance spent less than five percent of their gross income on medical coverage. This is important because in July of 2008, the federal government passed new medical support rules that defined medical insurance as reasonable in cost if “the cost to the parent responsible for providing medical support does not exceed five percent of his or her gross income or, at State option, a reasonable alternative income-based numeric standard defined in State law” [45 CFR §303.31(a)(3)].<sup>4</sup>



<sup>4</sup> Federal Register, vol. 73., No. 140 (July 21, 2008, pages 42416-42442).

The Arizona Guidelines mandate that all child support orders assign a parent to provide medical insurance. In the 2007 sample, the mother was ordered to provide insurance in 40 percent of the cases, the father in 49 percent of the cases, and both parties were ordered to provide the insurance in 11 percent of the cases. This is slightly different than the 2002 sample, which found the mother ordered to provide insurance in 42 percent of the cases, the father ordered in 54 percent of the cases, and both parents ordered in four percent of the cases.

In seven percent of the cases, neither parent was ordered to provide medical insurance. These children may be covered by Medicaid or KidsCare, Arizona's State Child Health Insurance Program (SCHIP), because their parents do not have employer-provided insurance available. There was a decrease in the percentage of these cases from the 2002 sample, when 20 percent of cases did not specify a parent to provide medical insurance.

The guidelines also instruct the court to specify how much of a child's uninsured medical expenses each parent has to pay. These amounts are not taken into consideration when the child support order is calculated. In the 2007 sample, the court ordered the obligor to cover an average of 55 percent of the uninsured costs and the obligee to pay an average of 45 percent. Typically, the court splits the uninsured costs between parents 50/50 or prorates the split according to the parents' incomes.

A little more than one-third of the cases (35%) include an adjustment for child care costs. On average, the adjusted amounts for child care costs are \$412 a month in the 2007 sample and \$323 in the 2002 sample.

In the past three case file reviews, only four percent of the cases included an adjustment for education expenses. The guidelines define these expenses as costs incurred for sending a child to a private or special school or any other necessary costs to meet the educational needs of a child. The average adjusted amounts are \$327 in the 2007 sample, \$130 in the 2002 sample, and \$197 in the 1999 sample.

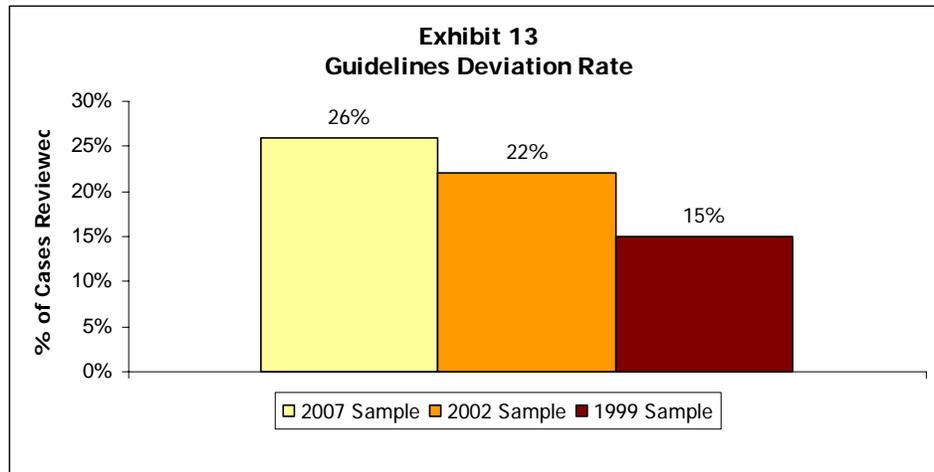
The Guidelines instruct the court to increase the child support obligation to provide for handicapped or special needs children. Only one percent of the cases included this type of adjustment. The average cost adjustment in the 2007 and 2002 sample were \$80 and \$79, respectively.

### **Deviations from the Guidelines**

The Arizona Guidelines mandate that the court deviate from the child support guidelines when:

- It is inappropriate or unjust to apply the guidelines; and
- It is in the best interest of the child to deviate.

The court has the option to deviate if both parents agree to the new amount. Exhibit 13 shows the deviation rate from the 2007, 2002, and 1999 samples.



While the deviation rate did increase from the 2002 to the 2007 sample, the increase is not statistically significant. Exhibit 14 gives more information about the deviation reason, direction, and amount in the 2007, 2002, and 1999 samples.

<b>Exhibit 14. Deviations from the Guidelines Over Time</b>			
	<b>2007 Sample (n=568)</b>	<b>2002 Sample (n=427)</b>	<b>1999 Sample (n=267)</b>
Percent of cases with a deviation	26%	22%*	15%
Did the deviation occur due to an agreement between the parents			
➤ Yes	77%	78%*	56%
➤ No	23%	22%	44%
Direction of the deviation			
➤ Upward	30%*	49%*	58%
➤ Downward	70%*	51%*	42%
Average Amount of the Deviation			
➤ Upward Deviations	42%*	74%*	22%
➤ Downward Deviations	-67%*	-48*	-24%

\* Statistically significant change from the previous review,  $p < .05$

As shown in Exhibit 14 more than three-quarters (77%) of the deviations were the result of a written agreement between the parents. In these cases, the majority of the deviations were in a downward direction (66%).

Other reasons for the deviations given included:

- The best interest of the child in 10 percent of the cases;
- The court found that the application of the guidelines was inappropriate or unjust in three percent of the cases; and

- In the remaining 11 percent of the cases, there was no reason stated in the order although there may have been a verbal record.

Another possible reason for a deviation is rounding. Oftentimes, there is a deviation from the guidelines and the order amount only slightly changed. To estimate this effect, rounding was attributed to cases with deviations where the difference between the order amount and the worksheet amount was less than either \$25 or five percent. Based on these calculations, 19 percent of the deviations are due to rounding. Most of these small deviations were due to an agreement between the parent (70%) or there was no reason given (19%). If rounding-error is not considered to be a deviation, the deviation rate would be 21 percent.

### *Characteristics of Deviated Orders*

The characteristics of deviated orders vary widely in timesharing arrangements, incomes, additional child-rearing expenses, and other characteristics. Due to the wide variations, CPR could develop only a few generalizations about the characteristic of deviated orders. In all, CPR was able to develop three categorizations of deviations; however, they account for only two-thirds of the deviations.

- In almost one-third (31%) of deviated orders, parenting time was essentially equal. In most (71%) of these cases, the order was deviated downward to zero. Many deviated downward from a guidelines-calculated amount of less than \$100 per month to zero. Yet, there were also many non-zero order amounts entered in essentially equal parenting time cases. Some resulted in upward deviations and others resulted in downward deviations.
- In almost one-quarter (24%) of deviated orders, it appeared that an upward deviation was made because the obligee had relatively low income (i.e., less than \$2,500 gross per month) or because the obligor had considerably more income than the obligee.
- In eleven percent of deviated orders, it appeared that the order was deviated downward (but not to zero) because of the obligor's relatively low income (i.e., less than \$2,500 gross per month) or because the obligee had more income than the obligor.

None of these categorizations comprise a substantial share of the total 2007 sample: equal parenting-time cases with deviations comprise eight percent of all orders; low-income obligee cases with deviations comprise six percent of all orders; low-income obligor cases with deviations comprise three percent of all orders; and the remaining deviations comprise five percent of all orders. Further, the subcategory of equal parenting-time cases that deviated to a zero order, which comprises only six percent of the total 2007 sample, is not substantial.

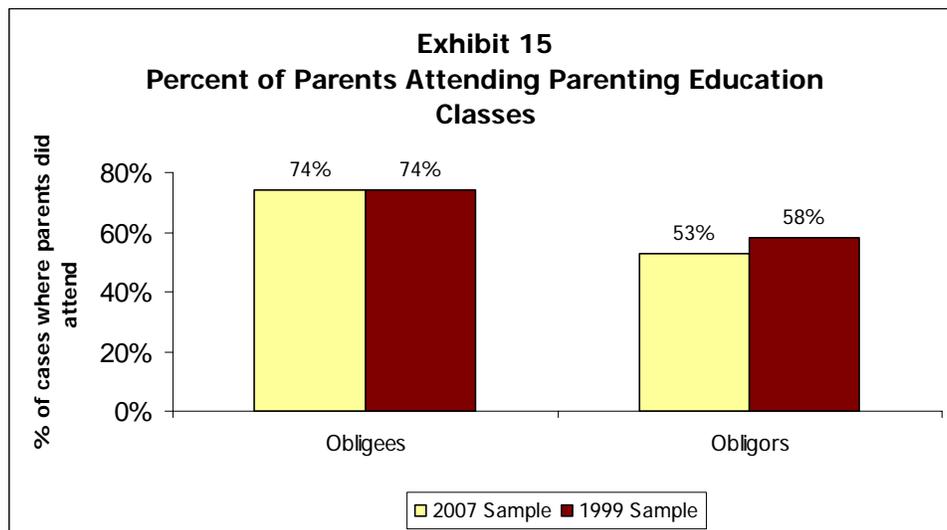
### *Deviation Rates in Other States*

Some nearby states (i.e., California and New Mexico) have lower deviation rates. However, neither of these studies were based on a representative sample of all child support orders like the Arizona study is. New Mexico finds a deviation rate of three percent (NM Child Support Enforcement Division 2007) and California finds a deviation rate of nine percent (Judicial Council

of California 2006). The New Mexico sample considers only orders established by the State child support agency and the agency requests guidelines deviations infrequently. The California study includes only cases with standardized order forms, worksheets, or other information sufficient to determine whether the guidelines were applied. Since California does not strictly include this information in the case file, often orders based on agreement between the parents do not contain this information. Many California parents also prefer this because they do not want their income information placed in a case file that is of public record. A more apt comparison to Arizona may be Washington State, which like Arizona more rigorously includes worksheets in the case file. Washington finds a guidelines deviation rate of 29 percent (Stirling 2002).

### Parenting Education

Arizona law mandates that all divorcing and never-married parents with minor children and custody access disputes attend a parenting education class. In the 2007 sample, 74 percent of obligees and 53 percent of obligors attended parenting education. Exhibit 15 compares the percentage of obligors and obligees that attended parenting education in the 2007 and 1999 samples. (These data were not collected in 2002.) One factor that may explain the lower attendance rate among obligors than obligees are orders entered by default. If the obligor does not stipulate or attend a hearing, he/she may also be less likely to attend parenting education. Based on the data we collected, we could not tell whether the parents were at the trial or if the order was entered by default or stipulation.



As shown in Exhibit 15, the percentage of obligees attending parenting education has remained stable over time, while the percent of obligors attending decreased; yet, the decrease is not statistically significant. Both parents attended in just under half (48%) of the cases.

More obligors attended parenting education when they had equal timesharing or the order amount deviated from the guidelines. However, obligee attendance rates did not vary in these circumstances from the overall obligee attendance rate. Seventy-one percent of the obligors with equal timesharing attended parenting education and 64 percent of the obligors with deviated

orders attended parenting education. (These are statistically different from the attendance rate for all obligors,  $p < .05$ ). The higher obligor attendance rates suggest that obligors in these circumstances are more vested parents. Obligor willing to care for their children for an equal amount of time are obviously more vested parents, but this characteristic is less obvious among obligors with deviated orders. Nonetheless, recall that most of the deviations resulted from agreement between the parents, so these obligors may also be more participatory parents.

The attendance rates also differed in cases with zero-dollar orders. (Recall, that the “obligor” in a zero-dollar case is the parent who would have paid support prior to adjustments.) In zero-dollar cases, the obligor attendance rate is 64 percent, but the difference is less statistically significant ( $p < .10$ ) from the overall obligor attendance rate. Moreover, a caveat to this finding is that many zero-dollar orders involve essentially equal parenting time, which is driving the higher attendance rate among all zero-dollar cases. When we limit the sample to zero-dollar orders where the obligor has less than equal parenting time (43 orders meet these criteria), the obligor attendance rate is only 49 percent. (This is not statistically different from the 53% attendance rate among all obligors.)

Another interesting finding concerns obligee attendance rates in zero-dollar cases where the obligor has less than equal parenting time. The obligee attendance rate in these cases (93%) is statistically more ( $p < .05$ ) than the obligee attendance rate for all cases (74%). Other salient findings about these cases are: 65 percent of them are based on deviations and median obligor income was generally lower in these cases compared to all cases (\$1,433 gross per month among cases with both zero-dollar orders and less than equal parenting time compared to \$3000 gross per month for all cases). The obligee agreed to the deviation in most of these cases, oftentimes through oral testimony.

## SUMMARY AND RECOMMENDATIONS

Arizona is reviewing its child support guidelines. As part of the review, researchers have collected case file data and analyzed it. The analysis considers the application of and the deviation from the guidelines. Federal regulation encourages states to:

- limit guidelines deviations; and
- use the findings from the case file review to recommend guidelines changes that will reduce the numbers of guidelines deviations and result in awards that are just and appropriate and considerate of the best needs of the child.

## SUMMARY OF FINDINGS

### Guidelines Deviations

The guidelines deviation rate increased from 22 percent in 2002 to 26 percent in 2007; however, the difference is not statistically significant. Further, if cases with round-off error are considered (i.e., a difference of less than 5% or \$25), the deviation rate would be 21 percent. Like the last review, the vast majority of guidelines deviations resulted from agreement between the parties.

More of the deviations are downward. No typology characterized the majority of cases based on deviated orders. The most common typology was essentially equal timesharing cases but they comprised just less than one-third of all deviations.

### **Order Amounts**

Order amounts, on average, did not change since the last guidelines review. They average \$460 per month in the 2007 sample.

*Zero-Dollar Orders.* The most striking finding from the 2007 sample is a significant increase in zero-dollar orders. They account for 14 percent of the cases reviewed in 2007 compared to 5 percent of the cases reviewed in 2002. Most of the zero-dollar orders resulted from guidelines deviations rather than from application of the guidelines. Many of these cases deviated down to zero involved essentially equal parenting time, a guidelines-calculated amount less than \$100 that was rounded down to zero, or both.

*Orders Based on the Low-Income Adjustment.* The 2005 Guidelines amendments increased the amount of the self support reserve allowable to the noncustodial parent from \$710 to \$775 per month. Despite the increase, the adjustment is not being applied more often than it was applied in 2002.

*Orders in Cases with Combined Incomes above \$20,000.* The current schedule considers combined adjusted gross incomes up to \$20,000 per month. Above that level, the guidelines provide that the highest amount of the schedule shall be used unless evidence is provided to justify a higher amount. This guidelines provision was applicable to only two percent of the 2007 sample. Often the order amounts in these cases were less than the highest amount on the schedule. There were relatively few deviations at this income range.

### **General Guidelines Usage Patterns**

With the exception of the parenting time adjustment, there is little change in the guidelines application and case characteristics since the last review. In general, allowable adjustments to income (i.e., adjustments for spousal maintenance, child support paid to other families, and support of other children) produce usage patterns similar to the last review. The allowable add-ons to basic child support obligations (i.e., add-ons for medical/dental/vision insurance; childcare, education expenses, and extraordinary child expenses) also produce similar usage patterns to the last review.

### **Parenting Time Arrangements and Adjustments**

Most of the 2007 orders considered parenting time and more of the 2007 orders considered parenting time than orders in the 2002 sample did. No case relied on Table B to adjust for parenting time. Although it appears that most cases used Table A to adjust for parenting time, it is not entirely clear how often Paragraph 12 was used. In some of the handwritten worksheets, it was obvious that the person completing the worksheet contemplated whether to use Table A or

Paragraph 12. In other worksheets, it appeared that the user was unsure which parent got the parenting time adjustment.

Patterns in the amount of parenting time have also shifted. In the 2002 sample, parenting time adjustments reflected amounts based on “traditional visitation,” such as every other weekend, holidays, and one month in the summer. In 2007, however, just over one-third (36%) of parenting-time arrangements reflect amounts in line with “traditional visitation.” Instead, there was an increase in cases with more timesharing, particularly equal time, and more cases with less timesharing.

### **Cost of Insurance**

On average, parents spend less than five percent of their gross income to insure their children.

### **Parenting Education Attendance**

In the 2007 sample, 74 percent of obligees and 53 percent of obligors attended parenting education. Obligor attended parenting time more often when their order was based on a deviation or the obligor had equal parenting time.

## RECOMMENDATIONS

Based on the analysis, CPR recommends the following.

- No changes to the deviation criteria.
- Changes to the standardized order and worksheet forms.
- Simplify the parenting time adjustments for use by unrepresented parents.
- Consider the findings of the case file review when developing a threshold for determining reasonable cost of health insurance.
- Consider ways that the guidelines can better address cases with combined adjusted gross incomes above \$20,000 per month, the highest amount on the schedule.
- Review the reasons for an increasing trend in zero orders and consider their consequences; specifically, whether they may require changes to the guidelines or other recommendations.

***No Changes to the Deviation Criteria.*** We did not find any overwhelming evidence pointing to possible changes to the deviation criteria that would improve the application of the guidelines. Instead, we recommend the Committee consider whether these cases could be better addressed through changes to Paragraph 12 (Equal Custody) or the worksheet forms; and, contemplate the appropriateness of zero-dollar orders.

**Recommended Form Changes.** It is important to make the standard obligation and worksheet form as clear as possible for use by self-represented parents.

- *Counties should be encouraged to develop gender-neutral order forms.* Specifically, the forms should allow the user to circle either the “mother” or “father” as the obligor, rather than presume that the father is the obligor. Presuming the father is the obligor may obscure that Paragraph 12 could be used in essentially equal parenting-time cases.
- *On the guidelines worksheet, counties should be encouraged to adopt Maricopa County’s terminology, “the primary residential parent is...” rather than ask which parent is the “custodial parent.”* Clarification of this term may help direct self-represented parents to which parenting time adjustment should apply to their case circumstance. The primary residential parent is the parent with the most parenting time. It appears that some users indicate the parent(s) with legal custody rather than the primary residential parent on worksheets that ask “custody?” In addition, counties should be encouraged to adopt Maricopa County’s choice of the primary residential parent being the: “mother, father, or equal.” If the term, “primary residential parent” becomes a standard, the guidelines should be revised to include that term.
- *The section of the guidelines worksheet that indicates whether Parenting Time Table A or B is applied should be expanded to note whether Paragraph 12 is applied.* This may also help self-represented parents decide which parenting time adjustment to use. It will also be easier to identify which parenting time adjustment is being applied during the next case file review. Alternatively, some counties have developed another worksheet to apply Paragraph 12 in equal custody and unequal incomes. If an alternative worksheet is adopted, however, the Court should develop simplified instructions to direct the user to the appropriate worksheet.

**Recommended Changes to the Parenting Time Adjustment.** Generally, CPR recommends that the Committee review the intent of the three different ways to adjust for parenting time under the Guidelines, modify them as they deem appropriate, and provide better direction on which adjustment to use. This may help reduce the number of deviations among equal timesharing cases. One particular point of confusion is that Paragraph 12 is to apply to “essentially equal” parenting time, but Table A presumes that child-rearing costs are substantially or equally shared in each household when the obligor has at least 143 parenting days. This could be interpreted that either Table A or Paragraph 12 could be applied to cases with 143 parenting days. The increasing trend of essentially equal parenting cases heightens the need to clarify these adjustments.

*Either make Parenting Time Table B easier to apply or eliminate it.* Table B provides appropriate support awards when there is equal timesharing but not equal cost sharing; that is, one parent may incur more of the child’s clothing expenses than the other parent. Based on the case file review, it is never applied. Application of Table B requires proof that the parents are not engaged in equal cost sharing. Such proof may not be obtained easily. This may explain why Table B is not applied. On the other hand, the purpose of requiring proof may be to limit the application of Table B. The Committee or the Courts should review Table B to determine its purpose and whether it is fulfilling that purpose.

***Recommended Threshold for Determining Reasonable Cost of Insurance.*** Arizona HB2505 passed by the 2008 Arizona Legislature defines the child's insurance to be reasonable cost if it does not, "exceed the higher of five percent of the gross income of the obligated parent or an income-based numeric standard that is prescribed in the child support guidelines." When considering any guidelines changes to address this statutory change, the Committee and Court may want to consider the findings from the case file review that suggests that a standard lower than five percent would likely result in private insurance being reasonable in cost in fewer cases.

***Recommended Changes to Address Combined Incomes above \$20,000 per month.*** The Committee may want to consider extending the schedule to higher incomes, adopting a formula for incomes above the schedule, or eliminating the criterion that the obligee bears the burden of proof that a higher amount is appropriate. With regards to the latter option, most other states guidelines do not require the obligee to bear the burden of proof; rather, they allow for a higher amount under court discretion.

***Consider the Consequence of Zero-dollar Orders.*** Zero-dollar orders comprise 14 percent of the 2007 sample, which is significantly more than the 2002 sample. About half of these orders involved guidelines amounts of \$100 or less before the deviation was made and many involved essentially equal parenting time. On the one hand, these zero order amounts may be appropriate. For example, zero orders are appropriate in equal parenting time and equal income cases. On the other hand, we do not know whether they are appropriately modified when the parenting time changes. A seminal study (MacCoby and Mnookin 1992) that tracked children of divorced parents over time finds that the child's residence changes over time and that as the child ages, the child is more likely to reside with one parent. Other concerns are that parents request order modifications infrequently (OCSE 2007) and that parents are often reluctant to request a modification because they fear rocking the boat with the other parent (Venohr and Price 1991). If these are valid concerns, perhaps more information about the modification process could be provided in mandatory parenting education. As is, parents with zero orders or essentially equal parenting time are more likely to attend parenting education than other case types.

## CONCLUSION

Periodic guidelines reviews are an opportunity for states to review their guidelines and recommend changes to the guidelines that will make their application more just and appropriate while serving the best interest the child. The findings from an analysis of case file data, such as the findings summarized in this report, can inform the development of these recommendations.

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**DRAFT ARIZONA CHILD SUPPORT GUIDELINES**  
**PROPOSED EFFECTIVE DATE JANUARY 1, 2010**

**TABLE OF CONTENTS**

- I. General Information**
  - A. Purposes
  - B. Premises
  - C. Presumption
  - D. Basis of Guidelines
  
- II. Determining the Guideline Support Obligation**
  - A. Income Considered
  - B. Inclusions to Gross Income of Parties
    - 1. Gross Income
    - 2. In-Kind or Other Non-Cash Benefits
    - 3. Self-Employment
    - 4. Expense Reimbursements
    - 5. Unemployed or Underemployed
  - C. Exclusions from Gross Income
  - D. Adjustments to Income
    - 1. Spousal Maintenance
    - 2. Natural or Adopted Children
    - 3. Childcare Costs
  - E. Adjusted Gross Income
  - F. Parenting Time and Other Costs Adjustments
  - G. Preliminary Support Obligation
  - H. When a Parent's Income is More than \$12,000 Monthly
  - I. When There are More than Four Children
  - J. Additions to Support
    - 1. Childcare Costs
    - 2. Education Expenses
    - 3. Extraordinary Child
    - 4. Medical Support
  - K. Guideline Support Amount
  - L. Self Support Reserve
  - M. Travel Expenses
  
- III. Guideline Support Order**
  - A. Court's Findings
  - B. Exchange of Information
  - C. Gifts In Lieu Of Money
  - D. Dependency Exemption

**IV. Special Circumstances**

- A. Deviation
  - 1. By Court
  - 2. By Agreement
  - 3. When Not Considered a Deviation
- B. Multiple Children, Divided Physical Custody
- C. Multiple Children, Varying Parenting Time Schedule
- D. Third Party Caregivers
- E. Support Assigned To State
- F. Income and Benefits
  - 1. Income of a Child
  - 2. Benefits Received on Behalf of a Child
  - 3. Benefits Not Included in Parent's Income
  - 4. Disabled Adult Child
- G. Arrears
  - 1. Setting an Amount for Payment on Arrears
  - 2. When the Current Child Support Obligation Terminates
  - 3. Modification of Payment on Arrears

**V. Modification and Termination of Support**

- A. Duration of Child Support
- B. Modification
  - 1. Process For Modification
    - a. Standard Procedure
    - b. Simplified Procedure
    - c. By Agreement
  - 2. Limitations
    - a. Effect of Emancipation
    - b. Termination of Support
    - c. Retroactive Modification
    - d. Relief From a Child Support Judgment
    - e. Grounds for Modification

# I. General Information

## A. PURPOSES

1. To establish a standard of support for children consistent with the reasonable needs of children and the ability of parents to pay.
2. To make child support orders consistent for persons in similar circumstances and set child support amounts based on the factors in A.R.S. §25-320.
3. To give parents and courts guidance in establishing child support orders and to promote settlements.
4. To comply with state law (Arizona Revised Statutes (A.R.S. §25-320) and federal law (42 United States Code, §651 et seq., 45 Code of Federal Regulations, §302.56) and-amendments, if any.

## B. PREMISES

1. These guidelines apply to all natural children, whether born in or out of wedlock, and to all adopted children.
2. 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.
3. The fact that a parent pays or 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.
4. A parent's legal duty is to support his or her natural or adopted children. The support of other persons such as stepchildren or parents is not a reason for an adjustment in the amount of child support determined under the guidelines.
5. Child support is set in equal monthly amounts. Therefore, monthly figures are used to calculate the child support obligation. Average monthly figures should be used when income or expense amounts fluctuate over the course of a year.
6. The child support calculation is based on gross income.

**C. PRESUMPTION**

These guidelines apply to all actions involving establishment of current or past child support or modification of child support. The court shall order the amount determined under these guidelines absent a deviation pursuant to Section IV(A).

If the parents do not have substantially equal parenting time, and the calculation results in the parent with greater parenting time paying child support to the other parent (reflected by a negative number in the support calculation), no child support shall be ordered unless:

1. The gross monthly income of the parent with greater parenting time approaches or is greater than 300% of the other parent's income; and
2. The gross monthly income of the parent with greater parenting time approaches or is greater than \$6,000; and
3. The other parent's parenting time approaches or is greater than 130 days.

**D. BASIS OF GUIDELINES**

The Arizona Child Support Guidelines are based on the financial resources and needs of the child and of each parent, the standard of living the child would have enjoyed in a two-parent household, and the allocation of parenting time, as contemplated by A.R.S. §25-320(D). They reflect a systematic consideration of the impact of parental separation on the parents and their children to achieve outcomes that are fair to the child and both parents.

## II. Determining the Guideline Support Obligation

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. INCOME CONSIDERED

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.

### B. INCLUSIONS TO GROSS INCOME OF PARTIES

1. 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 IV(E)) received directly by either parent and not on behalf of a child, worker's compensation benefits, unemployment insurance benefits, disability insurance benefits, recurring gifts, and prizes. Seasonal or fluctuating income shall be averaged. Income from any source that is not continuing or recurring in nature need not be included as income for child support purposes.
2. Cash value may be assigned to in-kind or other non-cash benefits or to recurring contributions from any sources that reduce living expenses.
3. 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 reasonable expenses required to produce income. Ordinary and reasonable expenses include one-half of the self-employment tax actually paid.
4. 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.

5. 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 the benefits of that parent's decisions against the financial detriment, if any, to the child. If there is no available income information the court shall presume that each parent is capable of earning at least the applicable minimum wage and attribute that amount to the parent. If income is attributed to the parent receiving child support, appropriate childcare expenses may also be attributed. However, 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:
  - a. A parent is physically or mentally disabled,
  - b. A parent is engaged in reasonable career or occupational training to establish basic skills or reasonably calculated to enhance earning capacity,
  - c. Emotional or physical needs of a natural or adopted child require that parent's presence in the home, or
  - d. A parent is incarcerated.

**C. EXCLUSIONS FROM GROSS INCOME**

1. 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.
2. Gross income does not include benefits received on behalf of a child.
3. Each parent should have the choice of working additional hours through overtime or at a second job without affecting the child support award. Generally, the court should not include income greater than what would have been earned from full-time employment. The court may, however, include income actually earned that is greater than would have been earned by full-time employment if that income was historically earned from a regular schedule and is anticipated to continue into the future. The court should generally not include additional income if earning that additional income would require an extraordinary work regimen. Determination of what constitutes an extraordinary work regimen depends upon all relevant

circumstances including the choice of jobs available within a particular occupation, working hours and working conditions.

**D. ADJUSTMENTS TO INCOME**

1. The court-ordered amount of spousal maintenance resulting from this or any other marriage, if actually being paid, shall be deducted from the gross income of the parent paying spousal maintenance. The court-ordered amount of spousal maintenance resulting from this or any other marriage, if actually being paid, shall be added to the gross income of the parent receiving spousal maintenance. Court-ordered arrearage payments shall not be included as an adjustment to gross income.
  
2. Gross income is adjusted for support of children of other relationships as described below. For purposes of this section, “children of other relationships” means natural or adopted children of either parent who are not the subject of this particular child support determination.
  - a. The amount paid in court ordered child support actually being paid shall be deducted from the gross income of the paying parent. Court ordered arrearages payments shall not be included in the adjustment.
  
  - b. An amount may be deducted from the income of a parent for support of natural or adopted children of other relationships provided other than by court order. The amount of any adjustment shall be determined by the following table:

**Adjustment for Support of Other Children**

<b>Children to adjust for</b>	<b>Total number of children the parent is legally obligated to support</b> <i>(includes children being supported by court order)</i>					
	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>1</b>	<b>12.5%</b>	<b>9.5%</b>	<b>8.0%</b>	<b>7.0%</b>	<b>5.5%</b>	<b>5.0%</b>
<b>2</b>		<b>19.0%</b>	<b>15.5%</b>	<b>13.5%</b>	<b>11.5%</b>	<b>9.5%</b>
<b>3</b>			<b>23.0%</b>	<b>20.5%</b>	<b>17.0%</b>	<b>14.5%</b>
<b>4</b>				<b>27.0%</b>	<b>22.5%</b>	<b>19.5%</b>
<b>5</b>					<b>28.0%</b>	<b>24.0%</b>
<b>6</b>						<b>29.0%</b>

**E. ADJUSTED GROSS INCOME**

Adjusted gross income is gross income minus the adjustments provided in Section II(B) of these guidelines. The adjusted gross income for each parent shall be established.

**F. PARENTING TIME AND OTHER COSTS ADJUSTMENTS**

Parenting time is considered in calculating the support order. The amount of parenting time shall be entered into the guideline worksheet. For purposes of calculating parenting time days, only the time spent by a child with the noncustodial parent is considered from initiation through termination of each block of parenting time. Time that the child is in school or childcare is not considered.

First determine the total annual amount of parenting time 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 block of parenting time to arrive at the total number of parenting time days per year. Calculate the number of parenting time days arising from any block of time the child spends with the noncustodial parent in the following manner:

1. Each block of time begins and ends when the noncustodial parent receives or returns the child from the custodial parent or from a third party with whom the custodial parent left the child. Third party includes, for example, a school or childcare provider.
2. Count one day of parenting time for each 24 hours within any block of time.
3. To the extent there is a period of less than 24 hours remaining in the block of time, after all 24-hour days are counted or for any block of time that is in total less than 24 hours in duration:
  - a. A period of 12 hours or more counts as one day.
  - b. A period of 6 to 11 hours counts as a half-day.
  - c. A period of 3 to 5 hours counts as a quarter-day.
  - d. Periods of less than 3 hours may count as a quarter-day if, during those hours, the noncustodial parent pays for routine expenses of the child, such as meals.

**EXAMPLE ONE:**

Noncustodial parent receives the child at 9:00 pm on Thursday evening and brings the child to school at 8:00 am on Monday morning, from which custodial parent picks up the child at 3:00 pm on Monday.

- a. 9:00 p.m. Thursday to 9:00 p.m. Sunday is 3 days.
- b. 9:00 p.m. Sunday to 8:00 a.m. Monday is 11 hours, which equals a half day.
- c. Total is 3 ½ days.

**EXAMPLE TWO:**

Noncustodial parent picks the child up from school at 3:00 p.m. Friday and returns the child to school at 8:00 a.m. on Monday.

- a. 3:00 p.m. Friday to 3:00 p.m. Sunday is 2 days.
- b. 3:00 p.m. Sunday to 8:00 a.m. Monday is 17 hours, which equals 1 day.
- c. Total is 3 days.

**EXAMPLE THREE:**

Noncustodial parent picks up child from soccer at noon on Saturday, and returns the child to custodial parent at 9:00 p.m. on Sunday.

- a. Noon Saturday to noon Sunday is 1 day.
- b. Noon Sunday to 9:00 p.m. Sunday is 9 hours, which equals ½ day.
- c. Total is 1 ½ days.

**G. PRELIMINARY SUPPORT OBLIGATION**

The preliminary support obligation is the support amount determined by the calculator when only each parent's adjusted gross income, the number of children subject to the support order, and the number of parenting days, have been entered.

**H. WHEN A PARENT'S INCOME IS MORE THAN \$12,000 MONTHLY**

1. OBLIGOR INCOME ONLY IS OVER \$12,000 MONTHLY

The calculator incorporated into the guidelines does not accept adjusted gross incomes in excess of \$12,000 a month for each parent. When the adjusted gross income per month for the support obligor (Parent A) exceeds \$12,000, and the adjusted gross income of the parent receiving support (Parent B) does not, then the preliminary support amount is determined as follows;

a. **Step 1.**

Determine the preliminary support amount that would apply if Parent A's adjusted gross monthly income were \$12,000.

b. **Step 2.**

Add to the preliminary support amount determined in Step 1 an additional sum that is determined by calculating an appropriate percentage of the portion of Parent A's adjusted gross monthly income that exceeds \$12,000 but is not more than \$30,000. The appropriate percentage shall set by the court from within the range indicated below, taking into consideration the factors set forth in A.R.S. § 25-320(D), including the allocation of parenting time, and the disparity in parental incomes:

At least 5%, but not more than 10%, if there is one child

At least 7%, but not more than 15%, if there are two children

At least 9%, but not more than 17%, if there are three children

At least 10%, but not more than 19%, if there are four or more children.

c. The preliminary support amount is the sum arrived at by applying Steps 1 and 2.

**EXAMPLE:**

Parent A's adjusted gross monthly income is \$25,000.00 per month; Parent B's adjusted gross monthly income is \$2,000.00 per month; Parent A has 100 days of parenting time per year. There is one child.

a. **Step 1**

The calculator returns a preliminary support amount of \$2,076, assuming Parent A earned \$12,000 per month rather than \$25,000 per month.

b. **Step 2**

Assume the court chooses 9% as the appropriate percentage in this case. Nine percent of Parent A's income in excess of \$12,000 is  $.09 \times \$13,000$ , or \$1,170.

c. The preliminary support amount is \$2,076 plus \$1,100, or \$3,176.

2. **OBLIGOR INCOME OVER \$30,000 MONTHLY**

If Parent A's monthly gross income exceeds \$30,000.00 per month, and the Parent B's monthly gross income is \$12,000 a month or less, the Preliminary Support Amount shall be calculated as if Parent A's gross income were \$30,000 monthly, unless Parent B meets the burden of establishing that a higher amount is appropriate after consideration of the factors set forth in § 25-320(D).

3. **OBLIGEE INCOME OVER \$12,000 MONTHLY**

If the adjusted gross monthly income of the parent with the greater parenting time exceeds \$12,000 monthly, the court shall set an appropriate child support order taking into consideration the factors set forth in A.R.S. § 25-320(D), including the allocation of parenting time, and the disparity in parental incomes. In setting this order, the court may consult the advisory calculator, which provides suggested preliminary support amounts for cases in which parental incomes are between \$12,000 and \$20,000 monthly. The support amounts suggested by the advisory calculator are not presumptions, and it is not a deviation from these guidelines for the court to set the support order at an amount different from that which is suggested by the advisory calculator.

**I. WHEN THERE ARE MORE THAN FOUR CHILDREN**

The calculator incorporated in these guidelines gives support amounts for up to four children. When five or more children are the subject of the support order, the court may increase the amount if it finds that a higher amount is appropriate, after consideration of the factors set forth in A.R.S. § 25-320(D).

**J. ADDITIONS TO SUPPORT**

1. **CHILDCARE COSTS**

Childcare costs appropriate to the parents' financial abilities may be added to the preliminary child support amount. Average monthly expenses for childcare should be calculated in accordance with Section I(B)(5) and shared between the parties in proportion to income.

2. **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. The total expense of the private or special school shall be shared by the parties in proportion to their incomes used to calculate child support or in such other proportion as the court deems appropriate under the facts of the case.

3. EXTRAORDINARY CHILD

These guidelines are designed to fit the needs of most children. The court may increase adjust the child support obligation to provide for the special needs of gifted or handicapped children.

4. MEDICAL SUPPORT

To determine the total child support obligation, the court:

Shall add to the preliminary support amount the cost of the children's medical, dental and/or vision insurance coverage, if any (this provision does not imply any obligation of either parent to provide dental or vision insurance). In determining the amount to be added, only the amount of the insurance cost attributable to the children subject of the child 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, dental and/or vision insurance coverage obtained for the children if the coverage is not valid in the geographic region where the children reside. Amounts paid for cash medical support pursuant to A.R.S. §25-320(K) and/or (L), shall not be added to the preliminary support amount.

**EXAMPLE:**

Through an employment-related insurance plan, a parent provides medical insurance that covers the parent, one child who is the subject of the child 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 preliminary support amount 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. Cash medical support shall be established pursuant to statute if the court finds that neither parent can obtain medical insurance that is accessible and available at a reasonable cost.

The court shall also specify the percentage that each parent shall pay, in excess of cash medical support, for any medical, dental and/or vision costs of the children that are not covered by insurance. For purposes of this paragraph, non-covered

"medical" means medically necessary medical, dental and/or vision care as defined by Internal Revenue Service Publication 502.

Except for good cause shown, any request for payment or reimbursement of uninsured medical, dental and/or vision costs must be provided to the other parent within 180 days after the date the services occur. The parent responsible for payment or reimbursement must pay his or her share, as ordered by the court, or make acceptable payment arrangements with the provider or person entitled to reimbursement within 45 days after receipt of the request.

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.

**K. GUIDELINE SUPPORT AMOUNT**

The court shall order a parent to pay child support in the amount determined by the calculator.

**L. SELF SUPPORT RESERVE**

The guideline calculator is set up to protect a minimum subsistence level for those parents obligated to pay child support whose gross monthly income is less than \$903 per month.

**M. TRAVEL EXPENSES**

The court may allocate parenting time travel expenses where one-way travel exceeds 100 miles. The court shall consider the means of the parents and may consider how their conduct (such as change of residence) has affected the costs. A party who is entitled to travel reimbursement shall, provide evidence of expenses actually paid, if requested by the other party. The amount of child support may be altered to reflect the travel related expenses.

### III. Guideline Support Order

**A. COURT'S FINDINGS**

The court shall make findings in the record as to: gross income, adjusted gross income, preliminary support obligation, and final support obligation. The findings may be made by incorporating a worksheet containing this information into the file. The child support order shall be a sum certain and shall start on a date certain. Absent good cause, the start date shall be the first day of a month. A new child support order shall be filed upon any change in the amount or due date of the child support obligation.

**B. 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.

**C. 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 child support order except by court order.

**D. DEPENDENCY EXEMPTION**

In any case in which the current child support obligation is at least \$1,200 per year, there shall be an allocation of the federal tax exemptions applicable to the minor children which as closely as possible approximates the percentages of child 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.

**EXAMPLE:**

Parent A's percentage of gross income is approximately 67% and parent B's percentage is approximately 33%. All payments are current. If there are three children, parent A would be entitled to claim two children and parent B would claim one child. If there is only one child, parent A would be entitled to claim the child two out of every three years, and parent B would claim the child one out of every three years.

The parent ordered to pay child support is entitled to the tax exemption for the year if both of the following are true:

1. The monthly court-ordered child support is current as of December 31 of the tax year at issue; and,
2. Any court-ordered arrearage payments due during that calendar year for which the exemption is to be claimed are current.

To be considered current the child support and arrearage payments due by December 31 of that tax year must be received by the Clearinghouse by January 15 of the next tax year. If the paying parent is current on all the court-ordered child support obligations, the other parent shall execute the necessary IRS documents to allow the paying parent to claim the exemption. If the paying parent has failed to make these payments, the other parent shall be entitled to the tax deduction for that year.

While enforceable as child support, any unpaid contributions to medical expenses or extra-curricular expenses, do not affect the entitlement to the deduction unless reduced to a judgment and due by a date certain during that tax year.

Parties may agree to resolve the federal tax exemption in a way other than described above. Such agreement must be approved by the court.

## IV. Special Circumstances

### A. DEVIATION

#### 1. BY COURT

The court may order support which is a deviation from the guidelines after considering all relevant factors, including those set forth in A.R.S. §25-320, and applicable case law, if all of the following criteria are met:

- a. Application of the guidelines is inappropriate or unjust in the particular case,
- b. The court has considered the best interests of the child(ren) in determining the amount of a deviation. A deviation that reduces the amount of child support paid is not, by itself, contrary to the best interests of the child(ren),
- c. The court makes written findings in the child support order, minute entry or child support worksheet regarding (a.) and (b.) above, the guidelines support amount and the amount after the deviation.

#### 2. BY AGREEMENT

The court may deviate from the guidelines based upon an agreement of the parties only if all of the following criteria are met:

- a. The agreement is in writing or stated on the record pursuant to Rule 69, *ARFLP*.
- b. All parties have entered into the agreement with knowledge of the guidelines child support amount.
- c. All parties have entered into the agreement free of duress and coercion.
- d. The court complies with the requirements of Section IV(A)(1).

3. IT IS NOT A DEVIATION WHEN THE COURT:

- a. Enters a zero order when the guidelines amount would be insignificant; or
- b. Rounds off the calculated child support amount to the nearest ten dollars.

Excessive or abnormal expenditures, destruction, concealment or fraudulent disposition of community, joint tenancy and other property held in common, as provided in A.R.S. §25-320(D)(7), may provide a basis for deviation.

**B. MULTIPLE CHILDREN, DIVIDED PHYSICAL 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. In that circumstance, separate child support calculations should be performed for the child or children in each parent's home. The amount of the resulting child support to be paid by the parent having the greater child support obligation shall be reduced by the amount of child support owed to that parent by the other parent.

**EXAMPLE:**

(For simplicity, this example does not consider parenting time.) Father's gross income is \$2,000 per month and he has primary care of one child. Mother's gross income is \$4,000 per month and she has primary care of two children. Prepare a parent's worksheet to determine child support for the one child in father's household. In a separate parent's worksheet determine child support for the two children in mother's home. Mother is obligated to pay \$787 for child support for the one child. This amount is reduced by the \$311 obligation owed by father to mother for the two children. Thus, the mother shall pay \$476 per month.

**C. MULTIPLE CHILDREN, VARYING PARENTING TIME SCHEDULE**

When there are multiple children who are under a different parenting time schedule from one another, the parenting time adjustment cannot be determined with the same precision as when the children are under the same schedule. In that circumstance, two separate calculations should be performed. The first should be based upon the assumption that all of the children are under the lesser parenting time schedule. The second calculation should be based upon the assumption that all of the children are under the greater parenting time schedule. The two resulting child support amounts shall represent the range of the support obligation between the two parenting time schedules. Based upon the

particular circumstances of the case, the child support award may be any amount that falls within the range of the two calculated figures.

**EXAMPLE:**

Father's gross income is \$4,000 and mother's gross income is \$4,000. The parties have three children, all of whom reside primarily with mother. One of the children has 50 days of parenting time with father and the other two children have 150 days of parenting time with father. Calculate the child support obligation for all three children assuming that they are each under the 50 day parenting time schedule. This results in a monthly obligation owed by father of \$796. Then calculate the child support obligation for all three children under the 150 day parenting time schedule. This results in a monthly obligation owed by father of \$479. The two resulting figures of \$796 and \$479 provide the range for the child support award. It is within the guideline result to utilize any appropriate amount that falls within this range.

**D. THIRD-PARTY CAREGIVERS**

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

**E. SUPPORT ASSIGNED TO THE STATE**

If child support and/or cash medical support has/have been assigned to the state under A.R.S. §46-407 and/or A.R.S. §25-320(K)(1), the obligation of a parent to pay child support and/or cash medical support shall not be offset by child support arrearages that may be owed to that parent. Child support and/or cash medical support assigned to the state may not be waived or forgiven by the custodial parent.

**F. INCOME AND BENEFITS**

1. **INCOME OF A CHILD**

Income earned or money received by a child from any source other than court ordered child support shall not be counted toward either parent's child support obligation except as described below.

2. **BENEFITS RECEIVED ON BEHALF OF A CHILD**

Benefits, such as Social Security Disability (SSDI) or other insurance, received by a custodial parent on behalf of a child, as a result of contributions made by the parent paying child support shall be credited as follows:

- a. If the amount of the child's benefit for a given month is equal to or greater than the paying parent's child support obligation, then that parent's obligation is satisfied.
  - b. Any benefit received by the child for a given month in excess of the child support obligation shall not be treated as an arrearage payment nor as a credit toward future child support payments.
  - c. If the amount of the child's benefit for a given month is less than the parent's child support obligation, the parent shall pay the difference.
3. **BENEFITS NOT INCLUDED IN PARENT'S INCOME**  
Benefits received by either parent on behalf of a child are not included as gross income pursuant to Section II(C)(2).
4. **DISABLED ADULT CHILD**  
Pursuant to A.R.S. §25-320(E) and A.R.S. §25-809(F), the court may order support to continue past the age of majority for a disabled child if the child is severely mentally or physically disabled as demonstrated by the fact that the child is unable to live independently and be self-supporting. In such a case, the court may take into account income earned or money received by or on behalf of the disabled adult child against any child support obligation.

**G. ARREARS**

1. When setting an amount for a payment on arrears, the court shall balance all relevant considerations including the total amount of arrears, the accruing interest, the time it will take the obligor to pay these amounts, the obligee's financial circumstances and the obligor's reasonable ability to pay. The court shall not set the payment on arrears at an amount less than the accruing monthly interest unless there are compelling circumstances justifying a lower payment, and the court makes a finding explaining why the amount is justified.
2. When a current child support obligation terminates, the court shall consider the amount of the monthly child support obligation at the time of termination as evidence of the amount the obligor has the ability to pay monthly towards arrears.
3. The court may modify the amount of the payment on arrears upon a showing of substantial and continuing changed circumstances.

## V. Modification and Termination Of Support

### A. DURATION OF CHILD SUPPORT

Duration of child support is governed by A.R.S. §25-320 and A.R.S. §25-501. Child support shall continue until a child reaches the age of majority unless that child is attending high school or a certified high school equivalency program at the time that the child turns 18. In that case, child support shall continue so long as the child is actually attending high school or the equivalency program but only until the child reaches 19 years of age. In some circumstances, child support may continue after a child's 19<sup>th</sup> birthday but only if the child is severely mentally or physically disabled as demonstrated by the fact that the child is unable to live independently and be self-supporting.

The child support obligation terminates on the last day of the month of the 18<sup>th</sup> birthday of the youngest child included in the order unless the youngest child will not complete high school by age 18. In that event, the termination date shall be the last day of the month in which the child graduates from high school or turns age 19, whichever occurs first. **HOWEVER, THE WAGE ASSIGNMENT MAY NOT STOP AUTOMATICALLY. IN THAT EVENT A MOTION TO STOP THE WAGE ASSIGNMENT MAY BE NECESSARY.**

### B. MODIFICATION

#### 1. PROCESS FOR MODIFICATION

Child support orders can only be modified by court order. An order to modify child support can be obtained through any of the following procedures:

#### a. STANDARD PROCEDURE

Pursuant to A.R.S. §25-327 and §25-503, 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 15% or more from the existing amount. A 15% variation in the amount of the order will be considered evidence of substantial and continuing change of circumstances. A request for modification of the child support amount must be accompanied by the following documents: a completed and sworn "Parent's Worksheet For Child Support Amount," and "Affidavit of Financial Information" documentation supporting the incomes if different from the court's most recent findings regarding income of the parents (including without limit, copies of the last three years' tax returns filed by or on behalf of the applicant and/or any entity in which the applicant has an interest and the last six pay roll stubs for the applicant); the last child support order entered by the Court; evidence of whether the applicant, if the child support obligor, has paid child support for the past 12 months; and evidence of every category of adjustment within the child support worksheet (i.e., insurance expense, education expense, etc.). If the applicant is unable to provide documentation regarding the other parent's income, the requesting party shall indicate that the income amount for that parent is attributed and/or estimated and shall set forth the basis relied upon to include that income figure. The state Title IV-D agency may submit a parent's worksheet.

The simplified procedure shall not be applicable to any self-employed parties where said self-employment is a significant source of income absent the agreement of both parents. In the event a self-employed parent files a simplified modification action, the other parent shall either file a request for hearing as provided for herein, or an objection to simplified process. In the event the objection is filed, the matter shall be heard under the standard procedure.

The simplified procedure shall not be applicable to any party represented by a lawyer absent the agreement of the represented party. In the event a parent who files a simplified modification action is represented by counsel, that party is presumed to have consented to the simplified modification process. If the applicant retains counsel following the initiation of the simplified modification action and no request for hearing has been filed, the applicant may, through counsel, opt out of the simplified modification process. The other parent, if represented by counsel, and if he or she opposes proceeding by simplified process shall file an objection to simplified process within the time allowed to file a request for hearing as provided herein. In the event an objection is filed, the matter shall be heard under the standard 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 15% 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 Rule 27, *ARFLP*.

If the requested modification is disputed, the parent disputing the modification must request a hearing within 20 days of service. If service is made outside the state, as provided in Rule 42, *ARFLP* 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 44 *ARFLP*, 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.

c. **BY AGREEMENT**

The parties may agree to modify a child support order. To become effective, the agreement must be in writing, signed by all parties, filed with the clerk of court, and approved by the court. If the agreed upon amount is different from the amount calculated under the guidelines, it must be explained as required by Section IV(A) above.

## 2. LIMITATIONS

### a. EFFECT OF EMANCIPATION

If child support is ordered for more than one child, the amount of child support does not automatically change if one of the children graduates from high school, reaches the age of majority, or is otherwise emancipated. To obtain a modification of the child support order, a request, petition or agreement must be made in writing to the court to recalculate the child support obligation pursuant to these guidelines.

### b. TERMINATION OF SUPPORT

Arizona law provides that a child support order terminates when the child or children have graduated from high school, reached the age of majority, or are otherwise emancipated.

Upon entry of an initial or modified child support order, the court shall, or in any subsequent action relating to the child support order, the court may, establish a presumptive date for the termination of the current child support obligation. The presumptive termination date shall be the last day of the month of the 18<sup>th</sup> birthday of the youngest child included in the order unless the court finds that it is projected that the youngest child will not complete high school by age 18. In that event, the presumptive termination date shall be the last day of the month of the anticipated graduation date or age 19, whichever occurs first. The administrative income withholding order issued by the department or its agent in Title IV-D cases and an order of assignment issued by the court shall include the presumptive termination date. The presumptive date may be modified upon changed circumstances. An employer or other payor of funds honoring an order of assignment or an administrative income withholding order that includes the presumptive termination date and is for current child support only, shall discontinue withholding monies after the last pay period of the month of the presumptive termination date. If the order of assignment or administrative income withholding order includes current child support and arrearage payment, notwithstanding the presumptive termination date, the employer or other payor of funds shall continue withholding the entire amount listed on the order of assignment or administrative income withholding order until further order. For purposes of determining the presumptive termination date, it is further presumed:

- i. That a child not yet in school will enter 1<sup>st</sup> grade if the child reaches age 6 on or before September 1 of the year in which the child reaches age 6; otherwise, it is presumed that the child will enter 1<sup>st</sup> grade the following year; and,

- ii. That a child will graduate in the month of May after completing the 12<sup>th</sup> grade.

Even if your child support obligation has stopped, any order of assignment may not terminate. If your order of assignment does not stop, you must go to court to get a specific order stopping the wage assignment. In a Title IV-D case, you may stop the wage assignment by contacting the IV-D agency.

- c. **RETROACTIVE MODIFICATION**

Arizona law limits retroactive modification of child support. If there is a substantial and continuing change in circumstances that a party believes would warrant modification of the child support order, the party is required to file for the necessary relief from the court.

- d. **RELIEF FROM A CHILD SUPPORT JUDGMENT**

In certain cases relief from a child support judgment may be available as provided in Rule 85(C), *ARFLP*.

- e. **GROUND FOR MODIFICATION**

A substantial variance between an existing child support order and an amount resulting from application of the most recently enacted guidelines may be considered evidence of a substantial and continuing change of circumstances for purposes of a modification. A variance of at least 15% would be evidence of a substantial and continuing change of circumstances.

The court may, in its discretion, order the modified child support be implemented over a period of not greater than eighteen (18) months and not more than three (3) graduated steps when the substantial and continuing basis for the modified child support order is the enactment of new child support guidelines and if the order modifying child support results in an increase in child support of 25% or more. This implementation shall not be considered a deviation.

**DRAFT ARIZONA CHILD SUPPORT GUIDELINES**  
~~ADOPTED BY THE ARIZONA SUPREME COURT~~  
**PROPOSED EFFECTIVE DATE JANUARY 1, 2005-2010**

**TABLE OF CONTENTS**

- I. General Information**
  - A. Purposes
  - B. Premises
  - C. Presumption
  - D. Basis of Guidelines
  
- II. Determining the Guideline Support Obligation**
  - A. Income Considered
  - B. Inclusions to Gross Income of Parties
    - 1. Gross Income
    - 2. In-Kind or Other Non-Cash Benefits
    - 3. Self-Employment
    - 4. Expense Reimbursements
    - 5. Unemployed or Underemployed
  - C. Exclusions from Gross Income
  - D. Adjustments to Income
    - 1. Spousal Maintenance
    - 2. Natural or Adopted Children
    - 3. Childcare Costs
  - E. Adjusted Gross Income
  - F. Parenting Time and Other Costs Adjustments
  - G. Preliminary Support Obligation
  - H. When a Parent's Income is More than \$12,000 Monthly
  - I. When There are More than Four Children
  - J. Additions to Support
    - 1. Childcare Costs
    - 2. Education Expenses
    - 3. Extraordinary Child
    - 4. Medical Support
  - K. Guideline Support Amount
  - L. Self Support Reserve
  - M. Travel Expenses
  
- III. Guideline Support Order**
  - A. Court's Findings
  - B. Exchange of Information
  - C. Gifts In Lieu Of Money
  - D. Dependency Exemption

**IV. Special Circumstances**

- A. Deviation
  - 1. By Court
  - 2. By Agreement
  - 3. When Not Considered a Deviation
- B. Multiple Children, Divided Physical Custody
- C. Multiple Children, Varying Parenting Time Schedule
- D. Third Party Caregivers
- E. Support Assigned To State
- F. Income and Benefits
  - 1. Income of a Child
  - 2. Benefits Received on Behalf of a Child
  - 3. Benefits Not Included in Parent's Income
  - 4. Disabled Adult Child
- G. Arrears
  - 1. Setting an Amount for Payment on Arrears
  - 2. When the Current Child Support Obligation Terminates
  - 3. Modification of Payment on Arrears

**V. Modification and Termination of Support**

- A. Duration of Child Support
- B. Modification
  - 1. Process For Modification
    - a. Standard Procedure
    - b. Simplified Procedure
    - c. By Agreement
  - 2. Limitations
    - a. Effect of Emancipation
    - b. Termination of Support
    - c. Retroactive Modification
    - d. Relief From a Child Support Judgment
    - e. Grounds for Modification

# I. General Information

~~**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 children if the parents and children 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 Support Obligations is based, is contained in the February 6, 2003 report of Policy Studies, Inc., entitled Economic Basis for Updated Child Support Schedule, State Of Arizona.~~

## ~~1.A.~~ **PURPOSES**

- ~~A.~~ 1. To establish a standard of support for children consistent with the reasonable needs of children and the ability of parents to pay.
- ~~B.~~ 2. To make child support orders consistent for persons in similar circumstances; **and set child support amounts based on the factors in A.R.S. §25-320.**
- ~~C.~~ 3. To give parents and courts guidance in establishing child support orders and to promote settlements.
- ~~D.~~ 4. To comply with state law (Arizona Revised Statutes **(A.R.S.) 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, if any thereto.**

## ~~2.B.~~ **PREMISES**

- ~~A.~~ 1. These guidelines apply to all natural children, whether born in or out of wedlock, and to all adopted children.
- ~~B.~~ 2. 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.~~ 3. The fact that a ~~custodial~~ parent **pays or** 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 5.A and 6.A. The addition to or adjustment from gross income under these sections shall apply for the duration of the spousal maintenance award.~~

- D. ~~4. A parent's legal duty is to support his or her natural or adopted children. 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 child support determined under the guidelines.~~

~~E. In appropriate cases, a custodial parent may be ordered to pay child support.~~

- F. ~~Monthly figures are used to calculate the child support obligation. Any adjustments to the child support amount shall be annualized so that each month's child 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 childcare costs (Section 9.B.1.). The parent incurs childcare costs of \$150 per month but only for nine months of the year. The adjustment for childcare 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 8, 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.~~

- b. ~~5. Child support is set in equal monthly amounts. Therefore, monthly figures are used to calculate the child support obligation. Average monthly figures should be used when income or expense amounts fluctuate over the course of a year.~~

~~6. The Schedule of Basic 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 including Earned Income Tax Credit, Arizona State Tax, and FICA).~~

### **3.C. 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 18-20.~~

These guidelines apply to all actions involving establishment of current or past child support or modification of child support. The court shall order the amount determined under these guidelines absent a deviation pursuant to Section IV(A).

If the parents do not have substantially equal parenting time, and the calculation results in the parent with greater parenting time paying child support to the other parent (reflected by a negative number in the support calculation), no child support shall be ordered unless:

1. The gross monthly income of the parent with greater parenting time approaches or is greater than 300% of the other parent's income; and
2. The gross monthly income of the parent with greater parenting time approaches or is greater than \$6,000; and
3. The other parent's parenting time approaches or is greater than 130 days.

### **D. BASIS OF GUIDELINES**

The Arizona Child Support Guidelines are based on the financial resources and needs of the child and of each parent, the standard of living the child would have enjoyed in a two-parent household, and the allocation of parenting time, as contemplated by A.R.S. §25-320(D). They reflect a systematic consideration of the impact of parental separation on the parents and their children to achieve outcomes that are fair to the child and both parents.

## II. Determining the Guideline Support Obligation

### ~~4. DURATION OF CHILD SUPPORT~~

~~Duration of child support is governed by Arizona Revised Statutes, Sections 25-320 and 25-501, except as provided in Arizona Revised Statutes, Section 25-648.~~

~~Upon entry of an initial or modified child support order, the court shall, or in any subsequent action relating to the child support order, the court may, establish a presumptive date for the termination of the current child support obligation. The presumptive termination date shall be the last day of the month of the eighteenth birthday of the youngest child included in the order unless the court finds that it is projected that the youngest child will not complete high school by age 18. In that event, the presumptive termination date shall be the last day of the month of the anticipated graduation date or age 19, whichever occurs first. The administrative income withholding order issued by the department or its agent in a title iv-d case and an order of assignment issued by the court shall include the presumptive termination date. The presumptive date may be modified upon changed circumstances.~~

~~An employer or other payor of funds honoring an order of assignment or an administrative income withholding order that includes the presumptive termination date and is for current child support only, shall discontinue withholding monies after the last pay period of the month of the presumptive termination date. If the order of assignment or administrative income withholding order includes current child support and arrearage payment, the employer or other payor of funds shall continue withholding the entire amount listed on the order of assignment or administrative income withholding order until further order.~~

~~For purposes of determining the presumptive termination date, it is further presumed:~~

~~A. That a child not yet in school will enter first grade if the child reaches age six on or before September 1 of the year in which the child reaches age six; otherwise, it is presumed that the child will enter first grade the following year; and,~~

~~B. That a child will graduate in the month of May after completing the 12<sup>th</sup> grade.~~

### ~~5. 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. INCOME CONSIDERED**

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.

**B. INCLUSIONS TO GROSS INCOME OF PARTIES**

A. 1. 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 26 IV(E)) **received directly by either parent and not on behalf of a child**, worker's compensation benefits, unemployment insurance benefits, disability insurance benefits, recurring gifts, **and prizes**. Seasonal or fluctuating income shall be **averaged**. Income from any source which that is not continuing or recurring in nature need not be included as income for child support purposes.

2. Cash value shall **may** be assigned to in-kind or other non-cash benefits **or to recurring contributions from any sources that reduce living expenses**. ~~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. Generally, the court should not attribute income greater than what would have been earned from full-time employment. Each parent should have the choice of working additional hours through overtime or at a second job without increasing the child support award. The court may, however, consider income actually earned that is greater than would have been earned by full-time employment if that income was historically earned from a regular schedule and is anticipated to continue into the future.~~

~~The court should generally not attribute additional income to a parent if that would require an extraordinary work regimen. Determination of what constitutes a reasonable work regimen depends upon all relevant circumstances including the choice of jobs available within a particular occupation, working hours and working conditions.~~

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.~~ 3. 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~~ **reasonable** 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~~ **reasonable** expenses include one-half of the self-employment tax actually paid.
- ~~D.~~ 4. 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.~~ 5. 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 **the benefits of that parent's decisions against the financial detriment, if any, to the child.** ~~that parent's decision and benefits therefrom against the impact the reduction in that parent's share of child support has on the children'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 there is no available income information the court shall presume that each parent is capable of earning at least the applicable minimum wage and attribute that amount to the parent.** If income is attributed to the parent receiving child support, appropriate childcare expenses may also be attributed. **However,** ~~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. A parent is physically or mentally disabled,
  - ~~2.~~ b. A parent is engaged in reasonable career or occupational training to establish basic skills or reasonably calculated to enhance earning capacity,
  - ~~3.~~ c. ~~Unusual~~ Emotional or physical needs of a natural or adopted child require that parent's presence in the home, or
  - ~~4.~~ d. ~~The parent is a current recipient of Temporary Assistance to Needy Families.~~ **A parent is incarcerated.**
- ~~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 including Earned Income Tax Credit, Arizona State Tax, and FICA).~~

### **C. EXCLUSIONS FROM GROSS INCOME**

1. 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.

2. Except as otherwise provided in section 5.b, any **Gross income does not include** benefits received directly, and not on behalf of a child, by either the custodial parent or the parent paying child support as a result of his or her own contributions, shall be included as part of that parent's gross income on behalf of a child.

3. Each parent should have the choice of working additional hours through overtime or at a second job without **increasing** affecting the child support award. Generally, the court should not ~~attribute~~ **include** income greater than what would have been earned from full-time employment. The court may, however, ~~consider~~ **include** income actually earned that is greater than would have been earned by full-time employment if that income was historically earned from a regular schedule and is anticipated to continue into the future. The court should generally not ~~attribute~~ **include** additional income to a parent **if earning that additional income** would require an extraordinary work regimen. Determination of what constitutes an ~~reasonable~~ **extraordinary** work regimen depends upon all relevant circumstances including the choice of jobs available within a particular occupation, working hours and working conditions.

### **6.D. ADJUSTMENTS TO GROSS INCOME**

~~For purposes of this section, "children of other relationships" means natural or adopted children who are not the subject of this particular child support determination.~~

~~Adjustments to gross income for other support obligations are made as follows:~~

- ~~A.1.~~ The court-ordered amount of spousal maintenance resulting from this or any other marriage, if actually being paid, shall be deducted from the gross income of the parent paying spousal maintenance. ~~The court-ordered amount of spousal maintenance resulting from this or any other marriage, if actually being paid, shall be added to the gross income of the parent receiving spousal maintenance.~~ Court-ordered arrearage payments shall not be included as an adjustment to gross income.
- ~~B.~~ ~~The court-ordered amount of child support for children of other relationships, if actually being paid, shall be deducted from the gross income of the parent paying that child support. Court-ordered arrearage payments shall not be included as an adjustment to gross income.~~
- ~~C.~~ ~~An amount shall be deducted from the gross income of a parent for children of other relationships covered by a court order for whom they are the custodial parent. The amount of the adjustment shall be determined by a simplified application of the guidelines (defined in example below).~~
- ~~D.~~ An amount may be deducted from the gross income of a parent for support of natural or adopted children of other relationships. ~~not covered by a court order. The amount of any adjustment shall not exceed the amount arrived at by a simplified application of the guidelines (defined in example below).~~

~~EXAMPLE: A parent having gross monthly income of \$2,000 supports natural or adopted minor child who is not the subject of the child support case before the court and for whom no child support order exists. To use the Simplified Application of the Guidelines, locate \$2,000 in the Combined Adjusted Gross Income column of the Schedule. Select the amount in the column for one child, \$420. The parent's income may be reduced up to \$420, resulting in an Adjusted Gross Income of \$1,580.~~

2. Gross income is adjusted for support of children of other relationships as described below. For purposes of this section, “children of other relationships” means natural or adopted children of either parent who are not the subject of this particular child support determination.
- a. The amount paid in court ordered child support actually being paid shall be deducted from the gross income of the paying parent. Court ordered arrearages payments shall not be included in the adjustment.

b. An amount may be deducted from the income of a parent for support of natural or adopted children of other relationships provided other than by court order. The amount of any adjustment shall be determined by the following table:

**Adjustment for Support of Other Children**

Children to adjust for	Total number of children the parent is legally obligated to support <i>(includes children being supported by court order)</i>					
	2	3	4	5	6	7
1	12.5%	9.5%	8.0%	7.0%	5.5%	5.0%
2		19.0%	15.5%	13.5%	11.5%	9.5%
3			23.0%	20.5%	17.0%	14.5%
4				27.0%	22.5%	19.5%
5					28.0%	24.0%
6						29.0%

~~EXAMPLE: At a child support hearing in a paternity action a custodial parent requests an adjustment for childcare costs (Section 9.B.1.). The parent incurs childcare costs of \$150 per month but only for nine months of the year. The adjustment for childcare 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.~~

~~**7.E. DETERMINING THE ADJUSTED GROSS INCOME OF THE PARENTS**~~

~~Adjusted Gross Income is gross income minus the adjustments provided in Section 6 II(B) 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.~~

~~**8. 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. \$20,000 per month. 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 children, taking into account such factors as the standard of living the children would have enjoyed if the parents and children were living together, the needs of the children 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.~~

## **9. 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 dental and/or vision insurance coverage, if any (this provision does not imply any obligation of either parent to provide dental or vision insurance). In determining the amount to be added, only the amount of the insurance cost attributable to the children subject of the child 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, dental and/or vision insurance coverage obtained for the children if the coverage is not valid in the geographic region where the children reside.~~

~~EXAMPLE: Through an employment related insurance plan, a parent provides medical insurance that covers the parent, one child subject of the child 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, dental and/or vision costs of the children which are not covered by insurance. For purposes of this paragraph, non covered "medical" means medically necessary medical, dental and/or vision care as defined by Internal Revenue Service Publication 502.~~

~~Except for good cause shown, any request for payment or reimbursement of uninsured medical, dental and/or vision costs must be provided to the other parent within 180 days after the date the services occur. The parent responsible for payment or reimbursement must pay his or her share, as ordered by the court, or make acceptable payment arrangements with the provider or person entitled to reimbursement within 45 days after receipt of the request.~~

~~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:~~

~~1. Childcare Costs~~

~~Childcare expenses that would be appropriate to the parents' financial abilities.~~

~~Expenses for childcare shall be annualized in accordance with Section 2.F.~~

~~A custodial parent paying for childcare may be eligible for a credit from federal tax liability for childcare costs for dependent children. The custodial parent is the parent who has physical custody of the children for the greater part of the year. In an equal physical custody situation, neither parent shall be entitled to the credit for purposes of calculating child support. Before adding childcare 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 childcare costs.~~

~~At lower income levels the head of household does not incur sufficient tax liability to benefit from the federal childcare 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 — \$2,100~~

~~TWO CHILDREN — \$2,600~~

~~THREE CHILDREN — \$2,700~~

~~FOUR CHILDREN — \$2,800~~

~~FIVE CHILDREN — \$3,050~~

~~SIX CHILDREN — \$3,300~~

~~If the custodial parent's income is greater than indicated on the above chart, the court may adjust this cost for the federal childcare tax credit if the credit is actually claimed or will be claimed.~~

~~For one child with monthly childcare costs exceeding \$200, deduct \$50 from the monthly childcare amount. For two or more children with total monthly childcare costs exceeding \$400, deduct \$100 from the monthly childcare amount. See Example One.~~

~~For one child with monthly childcare costs of \$200 or less, deduct 25% from the monthly childcare amount. For two or more children with total monthly childcare costs of \$400 or less, deduct 25% from the monthly childcare amount. See Example Two.~~

~~EXAMPLE ONE: For two children a parent pays monthly childcare costs of \$550 for nine months of the year. To adjust for the expected tax credit benefit, first determine whether the average costs of childcare exceeds \$400 PER MONTH. In this example, because the average cost of \$413 (\$550 multiplied by 9 months, divided by 12 months) exceeds the \$400 maximum for two or more children, \$100 per month may be subtracted from the average monthly cost. \$313 (\$413 - \$100) may be added to the Basic Child Support Obligation for adjusted childcare costs.~~

~~EXAMPLE TWO: A parent pays monthly childcare costs of \$175 for one child. Because this amount is less than the \$200 maximum for one child, multiply \$175 by 25% (\$175 multiplied by 25% = \$44). Subtract the adjustment from the monthly average (\$175 - \$44 = \$131). The adjusted amount of \$131 may be added to the Basic Child Support Obligation.~~

~~Any adjustment for the payment of childcare 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 childcare costs.~~

## ~~2. — 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.~~

## ~~3. — 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.~~

#### 4. ~~Older Child Adjustment~~

~~The average expenditures for children 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 who has reached the age of twelve years by an amount up to ten percent of the child 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 to the basic child support obligation, 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 prorating method is limited to this section and should not be followed in Section 25.~~

#### **10. 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%). The father's share is 60%; the mother's share is 40%.~~

#### **11.F. ADJUSTMENT FOR COSTS ASSOCIATED WITH PARENTING TIME AND OTHER COSTS ADJUSTMENTS**

~~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 parenting time. When parenting time 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, unless it is apparent from the circumstances that the noncustodial parent will not incur costs for the children during parenting time, when proof establishes that parenting time is or is expected to be exercised by the noncustodial parent, an adjustment shall be made to that parent's proportionate share of the Total Child Support Obligation. To calculate child support in equal custody cases, see Section 12. Parenting time is~~

considered in calculating the support order. The amount of parenting time shall be entered into the guideline worksheet. For purposes of calculating parenting time days, only the time spent by a child with the noncustodial parent is considered from initiation through termination of each block of parenting time. Time that the child is in school or childcare is not considered.

~~To adjust for the costs of parenting time,~~ First determine the total annual amount of parenting time 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 block of parenting time to arrive at the total number of parenting time days per year. Calculate the number of parenting time days arising from any block of time the child spends with the noncustodial parent in the following manner:

- ~~A.~~ 1. Each block of time begins and ends when the noncustodial parent receives or returns the child from the custodial parent or from a third party with whom the custodial parent left the child. Third party includes, for example, a school or childcare provider.
- ~~B.~~ 2. Count one day of parenting time for each 24 hours within any block of time.
- ~~C.~~ 3. ~~†~~To the extent there is a period of less than 24 hours remaining in the block of time, after all 24-hour days are counted or for any block of time ~~which~~ **that** is in total less than 24 hours in duration:
  - ~~1.~~ a. A period of 12 hours or more counts as one day.
  - ~~2.~~ b. A period of 6 to 11 hours counts as a half-day.
  - ~~3.~~ c. A period of 3 to 5 hours counts as a quarter-day.
  - ~~4.~~ d. Periods of less than 3 hours may count as a quarter-day if, during those \_\_\_\_\_ hours, the noncustodial parent pays for routine expenses of the child, such as meals.

**EXAMPLES ONE:**

- ~~1.~~ Noncustodial parent receives the child at 9:00 pm on Thursday evening and brings the child to school at 8:00 am on Monday morning, from which custodial parent picks up the child at 3:00 pm on Monday.
  - a. 9:00 p.m. Thursday to 9:00 p.m. Sunday is 3 days.
  - b. 9:00 p.m. Sunday to 8:00 a.m. Monday is 11 hours, which equals a half day.
  - c. Total is 3 ½ days.

**EXAMPLE TWO:**

2. Noncustodial parent picks the child up from school at 3:00 p.m. Friday and returns the child to school at 8:00 a.m. on Monday.
- 3:00 p.m. Friday to 3:00 p.m. Sunday is 2 days.
  - 3:00 p.m. Sunday to 8:00 a.m. Monday is 17 hours, which equals 1 day.
  - Total is 3 days.

**EXAMPLE THREE:**

3. Noncustodial parent picks up child from soccer at noon on Saturday, and returns the child to custodial parent at 9:00 p.m. on Sunday.
- Noon Saturday to noon Sunday is 1 day.
  - Noon Sunday to 9:00 p.m. Sunday is 9 hours, which equals ½ day.
  - Total is 1 ½ days.

~~After determining the total number of parenting time days, refer to “Parenting Time Table A” below. The left column of the table sets forth numbers of parenting time days in increasingly higher ranges. Adjacent to each range is an adjustment percentage. The parenting time adjustment is calculated as follows: locate the total number of parenting time days per year in the left column of “Parenting Time Table A” and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 8 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 parenting time.~~

PARENTING TIME TABLE A	
Number of Parenting Time 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 9, the Total Child Support Obligation is \$500 and the noncustodial parent's proportionate share is 60%, or \$300. The noncustodial parent has parenting time with the children a total of 100 days. On Parenting Time Table A, the range of days for this amount of parenting time is from 88 to 115 days. The corresponding adjustment percentage is .161. Multiply the \$425 Basic Child Support Obligation by .161 or 16.1%. The resulting \$68 is subtracted from \$300 (the noncustodial parent's proportionate share of the Total Child Support Obligation), adjusting the child support obligation to \$232.~~

~~As the number of parenting time 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 Parenting Time Table B must be used to calculate the parenting time adjustment for this range of days. Locate the total number of parenting time days per year in the left columns of "Parenting Time Table B" and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 8 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 parenting time.~~

PARENTING TIME TABLE B	
Number of Parenting Time Days	Adjustment Percentage
143—152	.275
153—162	.293
163—172	.312
173—182	.331

**G. PRELIMINARY SUPPORT OBLIGATION**

The preliminary support obligation is the support amount determined by the calculator when only each parent's adjusted gross income, the number of children subject to the support order, and the number of parenting days, have been entered.

**H. WHEN A PARENT'S INCOME IS MORE THAN \$12,000 MONTHLY**

**1. OBLIGOR INCOME ONLY IS OVER \$12,000 MONTHLY**

The calculator incorporated into the guidelines does not accept adjusted gross incomes in excess of \$12,000 a month for each parent. When the adjusted gross income per month for the support obligor (Parent A) exceeds \$12,000, and the adjusted gross income of the parent receiving support (Parent B) does not, then the Preliminary Support Amount is determined as follows;

a. Step 1. Determine the Preliminary Support Amount that would apply if Parent A's adjusted gross monthly income were \$12,000.

b. Step 2. Add to the Preliminary Support Amount determined in Step 1 an additional sum that is determined by calculating an appropriate percentage of the portion of Parent A's adjusted gross monthly income that exceeds \$12,000 but is not more than \$30,000. The appropriate percentage shall set by the court from within the range indicated below, taking into consideration the factors set forth in A.R.S. § 25-320(D), including the allocation of parenting time, and the disparity in parental incomes:

- At least 5%, but not more than 10%, if there is one child
- At least 7%, but not more than 15%, if there are two children
- At least 9%, but not more than 17%, if there are three children
- At least 10%, but not more than 19%, if there are four or more children.

c. The Preliminary Support Amount is the sum arrived at by applying Steps 1 and 2.

EXAMPLE: Parent A's adjusted gross monthly income is \$25,000.00 per month; Parent B's adjusted gross monthly income is \$2,000.00 per month; Parent A has 100 days of parenting time per year. There is one child.

1. Step 1. The calculator returns a Preliminary Support Amount of \$2,076, assuming Parent A earned \$12,000 per month rather than \$25,000.
2. Step 2. Assume the court chooses 9% as the appropriate percentage in this case. Nine percent of Parent A's income in excess of \$12,000 is  $.09 \times \$13,000$ , or \$1,170.

3. The Preliminary Support Amount is \$2,076 plus \$1,100, or \$3,176.

## 2. OBLIGOR INCOME OVER \$30,000 MONTHLY

If Parent A's monthly gross income exceeds \$30,000.00 per month, and the Parent B's monthly gross income is \$12,000 a month or less, the Preliminary Support Amount shall be calculated as if Parent A's gross income were \$30,000 monthly, unless Parent B meets the burden of establishing that a higher amount is appropriate after consideration of the factors set forth in § 25-320(D).

## 3. OBLIGEE INCOME OVER \$12,000 MONTHLY

If the adjusted gross monthly income of the parent with the greater parenting time exceeds \$12,000 monthly, the court shall set an appropriate child support order taking into consideration the factors set forth in A.R.S. § 25-320(D), including the allocation of parenting time, and the disparity in parental incomes. In setting this order, the court may consult the Advisory Calculator, which provides suggested Preliminary Support Amounts for cases in which parental incomes are between \$12,000 and \$20,000 monthly. The support amounts suggested by the Advisory Calculator are not presumptions, and it is not a deviation from these guidelines for the court to set the support order at an amount different from that which is suggested by the Advisory Calculator.

# I. WHEN THERE ARE MORE THAN FOUR CHILDREN

The calculator incorporated in these guidelines gives support amounts for up to four children. When five or more children are the subject of the support order, the court may increase the amount if it finds that a higher amount is appropriate, after consideration of the factors set forth in A.R.S. § 25-320(D).

# 9.J. DETERMINING THE TOTAL CHILD SUPPORT OBLIGATION ADDITIONS TO SUPPORT

~~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 dental and/or vision insurance coverage, if any (this provision does not imply any obligation of either parent to provide dental or vision insurance). In determining the amount to be added, only the amount of the insurance cost attributable to the children subject of the child 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, dental~~

~~and/or vision insurance coverage obtained for the children if the coverage is not valid in the geographic region where the children reside.~~

~~EXAMPLE: Through an employment-related insurance plan, a parent provides medical insurance that covers the parent, one child subject of the child 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, dental and/or vision costs of the children which are not covered by insurance. For purposes of this paragraph, non-covered "medical" means medically necessary medical, dental and/or vision care as defined by Internal Revenue Service Publication 502.~~

~~Except for good cause shown, any request for payment or reimbursement of uninsured medical, dental and/or vision costs must be provided to the other parent within 180 days after the date the services occur. The parent responsible for payment or reimbursement must pay his or her share, as ordered by the court, or make acceptable payment arrangements with the provider or person entitled to reimbursement within 45 days after receipt of the request.~~

~~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:~~

1. CHILDCARE COSTS

~~Childcare costs appropriate to the parents' financial abilities may be added to the preliminary child support amount. Average monthly expenses for~~

childcare should be calculated in accordance with Section I(B)(5) and shared between the parties in proportion to income.

~~Childcare expenses that would be appropriate to the parents' financial abilities.~~

~~Expenses for childcare shall be annualized in accordance with Section 2.F.~~

~~A custodial parent paying for childcare may be eligible for a credit from federal tax liability for childcare costs for dependent children. The custodial parent is the parent who has physical custody of the children for the greater part of the year. In an equal physical custody situation, neither parent shall be entitled to the credit for purposes of calculating child support. Before adding childcare 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 childcare costs.~~

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

<b>MONTHLY GROSS INCOME OF THE CUSTODIAL PARENT</b>	
<del>ONE CHILD</del>	<del>\$2,100</del>
<del>TWO CHILDREN</del>	<del>\$2,600</del>
<del>THREE CHILDREN</del>	<del>\$2,700</del>
<del>FOUR CHILDREN</del>	<del>\$2,800</del>
<del>FIVE CHILDREN</del>	<del>\$3,050</del>
<del>SIX CHILDREN</del>	<del>\$3,300</del>

~~If the custodial parent's income is greater than indicated on the above chart, the court may adjust this cost for the federal childcare tax credit if the credit is actually claimed or will be claimed.~~

~~For one child with monthly childcare costs exceeding \$200, deduct \$50 from the monthly childcare amount. For two or more children with total~~

~~monthly childcare costs exceeding \$400, deduct \$100 from the monthly childcare amount. See Example One.~~

~~For one child with monthly childcare costs of \$200 or less, deduct 25% from the monthly childcare amount. For two or more children with total monthly childcare costs of \$400 or less, deduct 25% from the monthly childcare amount. See Example Two.~~

~~EXAMPLE ONE: For two children a parent pays monthly childcare costs of \$550 for nine months of the year. To adjust for the expected tax credit benefit, first determine whether the average costs of childcare exceeds \$400 PER MONTH. In this example, because the average cost of \$413 (\$550 multiplied by 9 months, divided by 12 months) exceeds the \$400 maximum for two or more children, \$100 per month may be subtracted from the average monthly cost. \$313 (\$413 - \$100) may be added to the Basic Child Support Obligation for adjusted childcare costs.~~

~~EXAMPLE TWO: A parent pays monthly childcare costs of \$175 for one child. Because this amount is less than the \$200 maximum for one child, multiply \$175 by 25% (\$175 multiplied by 25% = \$44). Subtract the adjustment from the monthly average (\$175 - \$44 = \$131). The adjusted amount of \$131 may be added to the Basic Child Support Obligation.~~

~~Any adjustment for the payment of childcare 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 childcare costs.~~

2. 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. The total expense of the private or special school shall be shared by the parties in proportion to their incomes used to calculate child support or in such other proportion as the court deems appropriate under the facts of the case.

3. EXTRAORDINARY CHILD

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

4. ~~Older Child Adjustment~~

~~The average expenditures for children 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 who has reached the age of twelve years by an amount up to ten percent of the child 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 to the basic child support obligation, 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 prorating method is limited to this section and should not be followed in Section 25.~~

#### 4. MEDICAL SUPPORT

To determine the ~~T~~total ~~C~~child ~~S~~support ~~O~~obligation, the court:

~~Shall add to the B~~asic ~~C~~child ~~S~~support ~~O~~obligation preliminary support amount ~~the cost of the children's medical, dental and/or vision insurance coverage, if any (this provision does not imply any obligation of either parent to provide dental or vision insurance). In determining the amount to be added, only the amount of the insurance cost attributable to the children subject of the child 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, dental and/or vision insurance coverage obtained for the children if the coverage is not valid in the geographic region where the children reside.~~ Amounts paid for cash medical support pursuant to A.R.S. §25-320(K) and/or (L), shall not be added to the preliminary support amount.

#### EXAMPLE:

Through an employment-related insurance plan, a parent provides medical insurance that covers the parent, one child who is the subject of the child 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~~ preliminary support amount 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 costs is available to both parents, the court should assign the responsibility to the parent having primary physical custody.~~ Cash medical support shall be established pursuant to statute if the court finds that neither parent can obtain medical insurance that is accessible and available at a reasonable cost.

The court shall also specify the percentage that each parent shall pay, ~~in excess of cash medical support,~~ for any medical, dental and/or vision costs of the children ~~which that~~ are not covered by insurance. For purposes of this paragraph, non-covered "medical" means medically necessary medical, dental and/or vision care as defined by Internal Revenue Service Publication 502.

Except for good cause shown, any request for payment or reimbursement of uninsured medical, dental and/or vision costs must be provided to the other parent within 180 days after the date the services occur. The parent responsible for payment or reimbursement must pay his or her share, as ordered by the court, or make acceptable payment arrangements with the provider or person entitled to reimbursement within 45 days after receipt of the request.

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.

#### **11. ADJUSTMENT FOR COSTS ASSOCIATED WITH PARENTING TIME**

~~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 parenting time. When parenting time 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, unless it is apparent from the circumstances that the noncustodial parent will not incur costs for the children during parenting time, when proof establishes that parenting time is or is expected to be exercised by the noncustodial parent, an adjustment shall be made to that parent's proportionate share of the Total Child Support Obligation. To calculate child support in equal custody cases, see Section 12. For purposes of~~

~~calculating parenting time days, only the time spent by a child with the noncustodial parent is considered. Time that the child is in school or childcare is not considered.~~

~~To adjust for the costs of parenting time, first determine the total annual amount of parenting time 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 block of parenting time to arrive at the total number of parenting time days per year. Calculate the number of parenting time days arising from any block of time the child spends with the noncustodial parent in the following manner:~~

~~D. Each block of time begins and ends when the noncustodial parent receives or returns the child from the custodial parent or from a third party with whom the custodial parent left the child. Third party includes, for example, a school or childcare provider.~~

~~E. Count one day of parenting time for each 24 hours within any block of time.~~

~~F. to the extent there is a period of less than 24 hours remaining in the block of time, after all 24 hour days are counted or for any block of time which is in total less than 24 hours in duration:~~

~~1. A period of 12 hours or more counts as one day.~~

~~2. A period of 6 to 11 hours counts as a half day.~~

~~3. A period of 3 to 5 hours counts as a quarter day.~~

~~4. Periods of less than 3 hours may count as a quarter day if, during those hours, the noncustodial parent pays for routine expenses of the child, such as meals.~~

**EXAMPLE:**

~~Noncustodial parent receives the child at 9:00 pm on Thursday evening and brings the child to school at 8:00 am on Monday morning, from which custodial parent picks up the child at 3:00 pm on Monday.~~

~~a. 9:00 p.m. Thursday to 9:00 p.m. Sunday is 3 days.~~

~~b. 9:00 p.m. Sunday to 8:00 a.m. Monday is 11 hours, which equals a half day.~~

~~c. Total is 3 1/2 days.~~

~~Noncustodial parent picks the child up from school at 3:00 p.m. Friday and returns the child to school at 8:00 a.m. on Monday.~~

~~a. 3:00 p.m. Friday to 3:00 p.m. Sunday is 2 days.~~

- ~~b. 3:00 p.m. Sunday to 8:00 a.m. Monday is 17 hours, which equals 1 day.~~
- ~~e. Total is 3 days.~~

~~Noncustodial parent picks up child from soccer at noon on Saturday, and returns the child to custodial parent at 9:00 p.m. on Sunday.~~

- ~~a. Noon Saturday to noon Sunday is 1 day.~~
- ~~b. Noon Sunday to 9:00 p.m. Sunday is 9 hours, which equals 1/2 day.~~
- ~~e. Total is 1 1/2 days.~~

~~After determining the total number of parenting time days, refer to "Parenting Time Table A" below. The left column of the table sets forth numbers of parenting time days in increasingly higher ranges. Adjacent to each range is an adjustment percentage. The parenting time adjustment is calculated as follows: locate the total number of parenting time days per year in the left column of "Parenting Time Table A" and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 8 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 parenting time.~~

PARENTING TIME TABLE A	
Number of Parenting Time 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
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~~EXAMPLE: The Basic Child Support Obligation from the Schedule is \$425 for two children. After making all applicable adjustments under Section 9, the Total Child Support Obligation is \$500 and the noncustodial parent's proportionate share is 60%, or \$300. The noncustodial parent has parenting time with the children a total of 100 days. On Parenting Time Table A, the range of days for this amount of parenting time is from 88 to 115 days. The corresponding adjustment percentage is .161. Multiply the \$425 Basic Child Support Obligation by .161 or 16.1%. The resulting \$68 is subtracted from \$300 (the noncustodial parent's proportionate share of the Total Child Support Obligation), adjusting the child support obligation to \$232.~~

~~As the number of parenting time 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 Parenting Time Table B must be used to calculate the parenting time adjustment for this range of days. Locate the total number of parenting time days per year in the left columns of "Parenting Time Table B" and select the adjustment percentage from the adjacent column. Multiply the Basic Child Support Obligation determined under Section 8 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 parenting time.~~

PARENTING TIME TABLE B	
Number of Parenting Time Days	Adjustment Percentage
143—152	.275
153—162	.293
163—172	.312
173—182	.331

## ~~12. EQUAL CUSTODY~~

~~If the time spent with each parent is essentially equal, the expenses for the children are equally shared and adjusted gross incomes of the parents also are essentially equal, no child 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 9 and 13, the remaining child support obligation is \$1500. The parents' proportionate shares of the obligation are \$1000 and \$500. To equalize the child 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.

### ~~13.~~ ADJUSTMENTS FOR OTHER COSTS

If a parent pays a cost under Section 9.A. or 9.B. (except 9.B.4), deduct the cost from that parent's Proportionate Share of income to arrive at the Preliminary Child Support Amount.

EXAMPLE: A noncustodial parent pays for medical insurance through his or her employer. This cost is added to the Basic Child Support Obligation pursuant to Section 9.A, then prorated between the parents to arrive at each parent's proportionate child support obligation. Because the cost has already been paid to a third party (the insurance company), the cost must be deducted from the noncustodial parent's child support obligation because this portion of the child support obligation has already been paid.

### ~~14.K.~~ DETERMINING THE CHILD SUPPORT ORDER GUIDELINE SUPPORT AMOUNT

The court shall order the noncustodial a parent to pay child support in an the 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 directly on the children determined by the calculator.

EXAMPLE: On the Schedule, the Basic Child Support Obligation for a Combined Adjusted Gross Income of \$1,500 for one child is \$329. To this the court adds \$33 because the child is over 12 years of age (10% in this example). The Total Child Support Obligation is \$362.

The father's share is 60% of \$362, or \$217. The mother's share is 40% of \$362, or \$145. Custody is granted to the mother and under the court approved parenting plan, parenting time will be exercised by the father a total of 100 days per year resulting in an adjustment of \$53 ( $\$329 \times 16.1\%$ ). After adjusting for parenting time, the father's share is \$164 ( $\$217$  less  $\$53$ ). The father shall pay the child support amount of \$164 per month. The value of the mother's contribution is \$145, and she spends it directly on the child.

**15.L. 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 \$775 (the Self Support Reserve amount) 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 parent's household. The test applies only to the current child support obligation, but does not prohibit an additional amount to be ordered to reduce an obligor's arrears.~~

~~The guideline calculator is set up to protect a minimum subsistence level for those parents obligated to pay child support whose gross monthly income is less than \$903 per month.~~

~~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 amount of \$775 from the noncustodial parent's adjusted gross income of \$850 leaves \$75. 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, the non paying parent's proportionate share of the total child support obligation calculated under the guidelines to be \$200. This parent's Adjusted Gross Income is \$892. Subtracting the self support reserve of \$775 from the non paying parent's Adjusted Gross Income of \$892 leaves \$117. 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.~~

**~~16. 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 child support to be paid by the parent having the greater child support~~

~~obligation shall be reduced by the amount of child support owed to that parent by the other parent.~~

~~EXAMPLE: (For simplicity, this example does not consider parenting time.) 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 child support for children in the mother's household. Locate the Combined Adjusted Gross Income figure of \$3,000 on the Schedule. Select the child support figure in the column for the two children in this household, \$817. The father's share is 33.3% of \$817 or \$272.~~

~~Prepare a Parent's Worksheet to determine child support for the child in the father's household. Locate the Combined Adjusted Gross Income figure of \$3,000. Select the child support figure in the column for the one child in this household, \$589. The mother's share is 66.6% of \$589, or \$392.~~

~~The mother is obligated to pay the father \$392 for child support. This amount is reduced by the \$272 obligation owed by the father to the mother. Thus, the mother shall pay \$120 per month.~~

#### ~~17. CHILD SUPPORT ASSIGNED TO THE STATE~~

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

#### ~~18.M. TRAVEL EXPENSES ASSOCIATED WITH PARENTING TIME~~

The court may allocate **parenting time** travel expenses of the child associated with parenting time ~~in cases where one-way travel exceeds 100 miles. 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 parenting time. To the extent possible, any allocation shall ensure that the child has continued contact with each parent. A parent party who is entitled to receive travel reimbursement from the other parent for allocated parenting time expenses shall, upon request of the other parent, provide receipts or other evidence of payments~~ **expenses** actually made **paid, if requested by the other party**. The allocation of expenses ~~does not change the amount of the child support ordered~~ **may be altered to reflect the travel related expenses**.

#### ~~19. 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 child support order except by court order.~~

## ~~20. DEVIATIONS~~

~~A. The court shall deviate from the guidelines, i.e., order child 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 child 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 in the Child Support Order, Minute Entry or Child Support Worksheet,~~
- ~~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 or stated on the record pursuant to the Arizona Rules of Civil Procedure, Rule 80(d),~~
- ~~2. All parties have entered into the agreement with knowledge of the amount of child support that would have been ordered under the guidelines but for the agreement,~~
- ~~3. All parties have entered into the agreement free of duress and coercion, and~~
- ~~4. The court complies with the requirements of Section 20.A.~~

## ~~21. THIRD PARTY CARE GIVERS~~

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

### III. Guideline Support Order

#### 22.A. COURT'S FINDINGS

The court shall make findings in the record as to: ~~G~~gross ~~I~~income, ~~A~~adjusted ~~G~~gross ~~I~~income, ~~B~~basic ~~C~~child ~~S~~support ~~O~~obligation, ~~preliminary support obligation~~ and ~~T~~total ~~C~~child ~~S~~support ~~O~~obligation ~~final 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 shall start on a date certain. ~~Absent good cause, the state date shall be the first day of a month.~~ A new child support order shall be filed upon any change in the amount or due date of the child support obligation.

#### 23.B. 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.

#### 19.C. 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 child support order except by court order.

#### 27.D. ~~FEDERAL TAX EXEMPTION FOR DEPENDENT CHILDREN~~ ~~DEPENDENCY~~ EXEMPTION

In any case in which the current child support obligation is at least \$1,200 per year, there ~~should~~ shall be an allocation of the federal tax exemptions applicable to the minor children which as closely as possible approximates the percentages of child 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.

EXAMPLE: Noncustodial parent's A's percentage of gross income is approximately 67% and custodial parent's B's percentage is approximately 33%. All payments are current. If there are three children, the noncustodial parent A would be entitled to claim two children and the custodial parent B would claim one child. If there is only one child, the noncustodial parent A would be entitled to claim the child two out of every three years, and the custodial parent B 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.

The parent ordered to pay child support is entitled to the tax exemption for the year if both of the following are true:

1. The monthly court-ordered child support is current as of December 31 of the tax year at issue; and,
2. Any court-ordered arrearage payments due during that calendar year for which the exemption is to be claimed are current.

To be considered current the child support and arrearage payments due by December 31 of that tax year must be received by the Clearinghouse by January 15 of the next tax year. If the paying parent is current on all the court-ordered child support obligations, the other parent shall execute the necessary IRS documents to allow the paying parent to claim the exemption. If the paying parent has failed to make these payments, the other parent shall be entitled to the tax deduction for that year.

While enforceable as child support, any unpaid contributions to medical expenses or extra-curricular expenses, do not affect the entitlement to the deduction unless reduced to a judgment and due by a date certain during that tax year.

Parties may agree to resolve the federal tax exemption in a way other than described above. Such agreement must be approved by the court.

## IV. Special Circumstances

### **20.A. DEVIATIONS**

#### **A.1. BY COURT**

The court ~~shall~~ **may** order support which is a ~~deviate~~-**deviation** from the guidelines, i.e., order child 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~~ **A.R.S. §25-320**, and applicable case law, ~~only~~ if all of the following criteria are met:

- ~~1.~~ **a.** Application of the guidelines is inappropriate or unjust in the particular case,
- ~~2.~~ **b.** The court has considered the best interests of the child(ren) in determining the amount of a deviation. A deviation that reduces the amount of child support paid is not, by itself, contrary to the best interests of the child(ren),
- ~~3.~~ **c.** The court makes written findings ~~regarding 1 and 2 above~~ in the ~~C~~child ~~S~~support ~~O~~order, ~~M~~minute ~~E~~entry or ~~C~~child ~~S~~support ~~W~~worksheet **regarding (a.) and (b.) above, the guidelines support amount and the amount after the deviation.**
- ~~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.2. BY AGREEMENT**

The court ~~may~~ **may** deviate from the guidelines based upon an agreement of the parties only if all of the following criteria are met:

- ~~1.~~ **a.** The agreement is in writing or stated on the record pursuant to ~~the Arizona Rules of Civil Procedure, Rule 80(D)~~ **69, ARFLP.**
- ~~2.~~ **b.** All parties have entered into the agreement with knowledge of the ~~amount of~~ **guidelines** child support **amount.** ~~that would have been ordered under the guidelines but for the agreement,~~
- ~~3.~~ **c.** All parties have entered into the agreement free of duress and coercion. ;  
~~and~~

4. The court complies with the requirements of Section ~~20.A~~ **IV(A)(1)**.
3. **IT IS NOT A DEVIATION WHEN THE COURT:**
  - a. Enters a zero order when the guidelines amount would be insignificant; or
  - b. Rounds off the calculated child support amount to the nearest ten dollars.

~~e~~**Excessive or abnormal expenditures, destruction, concealment or fraudulent disposition of community, joint tenancy and other property held in common, as provided in Arizona Revised Statutes Section A.R.S. §25 320.A.6: (D)(7), may provide a basis for deviation.**

#### **16.B. MULTIPLE CHILDREN, DIVIDED **PHYSICAL** 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. In that circumstance, separate child support calculations should be performed for the child or children in each parent's home. However, ~~the amount of current~~ **the resulting** child support to be paid by the parent having the greater child support obligation shall be reduced by the amount of child support owed to that parent by the other parent.

EXAMPLE: (For simplicity, this example does not consider parenting time.) ~~Combined Adjusted Gross Income is \$3,000 per month. Father's gross income is \$1,000~~ **\$2,000** per month (33.3%) and he has ~~custody~~ **primary care** of one child. Mother's gross income is ~~\$2,000~~ **\$4,000** per month (66.6%) and she has ~~custody~~ **primary care** of two children. Prepare a ~~Parent's Worksheet to determine child support for the one child children in the mother's father's~~ **parent's** household. **In a separate parent's worksheet determine child support for the two children in mother's home. Locate the Combined Adjusted Gross Income figure of \$3,000 on the Schedule. Select the child support figure in the column for the two children in this household, \$817. The father's share is 33.3% of \$817 or \$272. The m** ~~Mother is obligated to pay the father \$392~~ **\$787** for child support **for the one child**. This amount is reduced by the ~~\$272~~ **\$311** obligation owed by ~~the father to the mother~~ **for the two children**. Thus, the mother shall pay ~~\$120~~ **\$476** per month.

~~Prepare a Parent's Worksheet to determine child support for the child in the father's household. Locate the Combined Adjusted Gross Income figure of \$3,000. Select the child support figure in the column for the one child in this household, \$589. The mother's share is 66.6% of \$589, or \$392.~~

#### **C. MULTIPLE CHILDREN, VARYING PARENTING TIME SCHEDULE**

**When there are multiple children who are under a different parenting time schedule from one another, the parenting time adjustment cannot be determined with the same precision as when the children are under the same schedule. In that circumstance, two separate calculations should be performed. The first should be based upon the assumption that all of the children are under the lesser parenting time schedule. The second calculation should be based upon the assumption that**

all of the children are under the greater parenting time schedule. The two resulting child support amounts shall represent the range of the support obligation between the two parenting time schedules. Based upon the particular circumstances of the case, the child support award may be any amount that falls within the range of the two calculated figures.

**EXAMPLE:**

Father's gross income is \$4,000 and mother's gross income is \$4,000. The parties have three children, all of whom reside primarily with mother. One of the children has 50 days of parenting time with father and the other two children have 150 days of parenting time with father. Calculate the child support obligation for all three children assuming that they are each under the 50 day parenting time schedule. This results in a monthly obligation owed by father of \$796. Then calculate the child support obligation for all three children under the 150 day parenting time schedule. This results in a monthly obligation owed by father of \$479. The two resulting figures of \$796 and \$479 provide the range for the child support award. It is within the guideline result to utilize any appropriate amount that falls within this range.

**21.D. THIRD-PARTY CAREGIVERS**

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

~~22. 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.~~

~~23. 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.~~

**17.E. CHILD SUPPORT ASSIGNED TO THE STATE**

If child support and/or cash medical support has/have been assigned to the state under Arizona Revised Statutes Section A.R.S. §46 407, and/or A.R.S. §25-320(K)(1), the obligation of a parent to pay child support and/or cash medical support shall not be offset by child support arrearages that may be owed to that parent. Child support and/or cash medical support assigned to the state may not be waived or forgiven by the custodial parent.

**~~24. Modification~~**

~~A. Standard Procedure~~

~~Pursuant to Arizona Revised Statutes Sections 25-327 and 25-503, 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 15% or more from the existing amount. A fifteen percent variation in the amount of the order will be considered 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 child support order. A modification of the medical assignment or responsibility does not need to vary by 15% 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 15% 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.~~

## ~~25. EFFECT OF CESSATION OF CHILD SUPPORT FOR ONE CHILD~~

~~If child 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 child support order, a request must be made in writing to the court to recalculate the child support obligation pursuant to these guidelines. The procedure specified in Section 24 may be used for this purpose.~~

~~EXAMPLE: The child support order for Combined Adjusted Gross Income of \$1,500, with four children is \$600. 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 \$450. Instead, determine a new child support order by applying the guidelines. (NOTE: This method varies from the one used in Section 9.B.4).~~

## **26.F. INCOME AND BENEFITS RECEIVED BY OR ON BEHALF OF CHILD**

### **A.1. INCOME OF A CHILD**

Income earned or money received by a child from any source other than court-ordered child support shall not be counted toward either parent's child support obligation except as stated herein **described below**. However, income earned or money received by or on behalf of a person for whom child support is ordered to continue past the age of majority pursuant to Arizona Revised Statute Sections 25-320.B and 25-809.F ~~may be credited against any child support obligation.~~

### **B.2. BENEFITS RECEIVED ON BEHALF OF A CHILD**

Benefits, such as Social Security Disability (SSDI) or **other** insurance, received by a custodial parent on behalf of a child, as a result of contributions made by the parent paying child support shall be credited as follows:

- ~~1.~~ **a.** If the amount of the child's benefit for a given month is equal to or greater than the paying parent's child support obligation, then that parent's obligation is satisfied.
- ~~2.~~ **b.** Any benefit received by the child for a given month in excess of the child support obligation shall not be treated as an arrearage payment nor as a credit toward future child support payments.
- ~~3.~~ **c.** If the amount of the child's benefit for a given month is less than the parent's child support obligation, the parent shall pay the ~~difference unless the court, in its discretion, modifies the child support order to equal the benefits being received at that time.~~

~~C. Except as otherwise provided in section 5.b, any benefits received directly, and not on behalf of a child, by either the custodial parent or the parent paying child support as a result of his or her own contributions, shall be included as part of that parent's gross income.~~

### **3. BENEFITS NOT INCLUDED IN PARENT'S INCOME**

**Benefits received by either parent on behalf of a child are not included as gross income pursuant to Section II(C)(2).**

#### 4. DISABLED ADULT CHILD

Pursuant to A.R.S. §25-320(E) and A.R.S. §25-809(F), the court may order support to continue past the age of majority for a disabled child if the child is severely mentally or physically disabled as demonstrated by the fact that the child is unable to live independently and be self-supporting. In such a case, the court may take into account income earned or money received by or on behalf of the disabled adult child against any child support obligation.

#### ~~27. 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 child 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 monthly 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 child 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.~~

#### 28.G. CHILD SUPPORT ARREARS

A.1. When setting an amount for a payment on arrears, the court should take into consideration that interest accrues on the principal balance shall balance all relevant considerations including the total amount of arrears, the accruing interest, the time it will take the obligor to pay these amounts, the obligee's financial circumstances and the obligor's reasonable ability to pay. ~~If the court sets a payment on arrears less than the~~

~~amount of the accruing monthly interest, the court shall make a finding why the amount is less than the accruing monthly interest. Upon a showing of substantial and continuing changed circumstances, the court may adjust the amount of payment on arrears.~~ The court shall not set the payment on arrears at an amount less than the accruing monthly interest unless there are compelling circumstances justifying a lower payment, and the court makes a finding explaining why the amount is justified.

~~B.2. When a current child support obligation terminates, before adjusting the order of assignment to an amount less than the current child support amount and the payment on arrears, the court shall consider the total amount of arrears and the accruing interest, and the time that it will take the obligor to pay these amounts.~~ the court shall consider the amount of the monthly child support obligation at the time of termination as evidence of the amount the obligor has the ability to pay monthly towards arrears.

3. The court may modify the amount of the payment on arrears upon a showing of substantial and continuing changed circumstances.

## V. Modification and Termination Of Support

### 4.A. DURATION OF CHILD SUPPORT

Duration of child support is governed by ~~Arizona Revised Statutes, Sections, SEE A.R.S. §25-320 and A.R.S. §25-501, except as provided in Arizona Revised Statutes, Section 25-648.~~ Child support shall continue until a child reaches the age of majority unless that child is attending high school or a certified high school equivalency program at the time that the child turns 18. In that case, child support shall continue so long as the child is actually attending high school or the equivalency program but only until the child reaches 19 years of age. In some circumstances, child support may continue after a child's 19<sup>th</sup> birthday but only if the child is severely mentally or physically disabled as demonstrated by the fact that the child is unable to live independently and be self-supporting.

The child support obligation terminates on the last day of the month of the 18<sup>th</sup> birthday of the youngest child included in the order unless the youngest child will not complete high school by age 18. In that event, the termination date shall be the last day of the month in which the child graduates from high school or turns age 19, whichever occurs first. **HOWEVER, THE WAGE ASSIGNMENT MAY NOT STOP AUTOMATICALLY. IN THAT EVENT A MOTION TO STOP THE WAGE ASSIGNMENT MAY BE NECESSARY.**

~~Upon entry of an initial or modified child support order, the court shall, or in any subsequent action relating to the child support order, the court may, establish a presumptive date for the termination of the current child support obligation. The presumptive termination date shall be the last day of the month of the eighteenth birthday of the youngest child included in the order unless the court finds that it is projected that the youngest child will not complete high school by age 18. In that event, the presumptive termination date shall be the last day of the month of the anticipated graduation date or age 19, whichever occurs first. The administrative income withholding order issued by the department or its agent in a title iv-d case and an order of assignment issued by the court shall include the presumptive termination date. The presumptive date may be modified upon changed circumstances.~~

~~An employer or other payor of funds honoring an order of assignment or an administrative income withholding order that includes the presumptive termination date and is for current child support only, shall discontinue withholding monies after the last pay period of the month of the presumptive termination date. If the order of assignment or administrative income withholding order includes current child support and arrearage payment, the employer or other payor of funds shall continue withholding the entire~~

~~amount listed on the order of assignment or administrative income withholding order until further order.~~

~~For purposes of determining the presumptive termination date, it is further presumed:~~

~~A. That a child not yet in school will enter first grade if the child reaches age six on or before September 1 of the year in which the child reaches age six; otherwise, it is presumed that the child will enter first grade the following year; and,~~

~~B. That a child will graduate in the month of May after completing the 12th grade.~~

## ~~27. 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 child 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 monthly 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 child 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.~~

## ~~28. CHILD SUPPORT ARREARS~~

- ~~A. When setting an amount for a payment on arrears, the court should take into consideration that interest accrues on the principal balance. If the court sets a payment on arrears less than the amount of the accruing monthly interest, the court shall make a finding why the amount is less than the accruing monthly interest. Upon a showing of substantial and continuing changed circumstances, the court may adjust the amount of payment on arrears.~~
- ~~B. When a current child support obligation terminates, before adjusting the order of assignment to an amount less than the current child support amount and the payment on arrears, the court shall consider the total amount of arrears and the accruing interest, and the time that it will take the obligor to pay these amounts.~~

## **24.B. MODIFICATION**

### **1. PROCESS FOR MODIFICATION**

Child support orders can only be modified by court order. An order to modify child support can be obtained through any of the following procedures:

- ~~A.a. Standard procedure **STANDARD PROCEDURE**  
Pursuant to Arizona Revised Statutes sections- A.R.S. §§25-327 and 25-503, 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.b. Simplified procedure **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 15% or more from the existing amount. A fifteen percent 15% variation in the amount of the order will be considered evidence of substantial and continuing change of circumstances. A request for modification of the child support amount must be accompanied by the following documents: a completed and sworn "Parent's Worksheet For Child Support Amount," "Affidavit of Financial Information" and documentation supporting the incomes if different from the court's most recent findings regarding income of the parents (including without limit, copies of the last three years' tax returns filed by or on behalf of the applicant and/or any entity in which the applicant has an interest and the last six pay roll stubs for the applicant); the last child support order entered by the Court; evidence of whether the applicant, if the child support obligor, has paid child support for the past 12 months; and evidence of every category of adjustment within the child support worksheet (i.e., insurance expense, education expense, etc.). If the party requesting the modification applicant is unable to provide documentation supporting regarding the other party's parent's income, the requesting~~

party shall indicate that the income amount for that parent is attributed/ and/or estimated and state shall set forth the basis relied upon to include that income figure for the amount listed. The state Title IV-D agency may submit a parent's worksheet.

The simplified procedure shall not be applicable to any self-employed parties where said self-employment is a significant source of income absent the agreement of both parents. In the event a self-employed parent files a simplified modification action, the other parent shall either file a request for hearing as provided for herein, or an objection to simplified process. In the event the objection is filed, the matter shall be heard under the standard procedure.

The simplified procedure shall not be applicable to any party represented by a lawyer absent the agreement of the represented party. In the event a parent who files a simplified modification action is represented by counsel, that party is presumed to have consented to the simplified modification process. If the applicant retains counsel following the initiation of the simplified modification action and no request for hearing has been filed, the applicant may, through counsel, opt out of the simplified modification process. The other parent, if represented by counsel, and if he or she opposes proceeding by simplified process shall file an objection to simplified process within the time allowed to file a request for hearing as provided herein. In the event an objection is filed, the matter shall be heard under the standard procedure.

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 child support order. A modification of the medical assignment or responsibility does not need to vary by 15% 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 15% 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~~ **Rule 27, ARFLP**.

If the requested modification is disputed, the parent receiving service **disputing the modification** 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, 42, ARFLP~~ 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 ~~44~~ *ARFLP*, 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.

**c. BY AGREEMENT**

The parties may agree to modify a child support order. To become effective, the agreement must be in writing, signed by all parties, filed with the clerk of court, and approved by the court. If the agreed upon amount is different from the amount calculated under the guidelines, it must be explained as required by Section IV(A) above.

**2. LIMITATIONS**

**a. EFFECT OF EMANCIPATION**

If child support is ordered for more than one child, the amount of child support does not automatically change if one of the children graduates from high school, reaches the age of majority, or is otherwise emancipated. To obtain a modification of the child support order, a request, petition or agreement must be made in writing to the court to recalculate the child support obligation pursuant to these guidelines.

**b. TERMINATION OF SUPPORT**

Arizona law provides that a child support order terminates when the child or children have graduated from high school, reached the age of majority, or are otherwise emancipated.

Upon entry of an initial or modified child support order, the court shall, or in any subsequent action relating to the child support order, the court may, establish a presumptive date for the termination of the current child support obligation. The presumptive termination date shall be the last day of the month of the 18<sup>th</sup> birthday of the youngest child included in the order unless the court finds that it is projected that the youngest child will not complete high school by age 18. In that event, the presumptive termination date shall be the last day of the month of the anticipated graduation date or age 19, whichever occurs first. The administrative income withholding order issued by the department or its agent in Title IV-D cases and an order of assignment issued by the court shall include the presumptive termination date. The presumptive date may be modified upon changed circumstances. An employer or other payor of funds honoring an order of assignment or an administrative income withholding order that includes the presumptive termination date and is for current child support only, shall discontinue withholding monies after the last pay period of the month of the presumptive termination date. If the order of assignment or administrative income withholding order includes current child support and arrearage payment, **notwithstanding the presumptive termination date**, the employer or other payor of funds shall continue withholding the entire amount listed on the order of assignment or administrative income withholding order until further order. For purposes of determining the presumptive termination date, it is further presumed:

- i. That a child not yet in school will enter 1<sup>st</sup> grade if the child reaches age 6 on or before September 1 of the year in which the child reaches age 6; otherwise, it is presumed that the child will enter 1<sup>st</sup> grade the following year; and,
- ii. That a child will graduate in the month of May after completing the 12<sup>th</sup> grade.

Even if your child support obligation has stopped, any order of assignment may not terminate. If your order of assignment does not stop, you must go to court to get a specific order stopping the wage assignment. In a Title IV-D case, you may stop the wage assignment by contacting the IV-D agency.

#### c. RETROACTIVE MODIFICATION

Arizona law limits retroactive modification of child support. If there is a substantial and continuing change in circumstances that a party believes would warrant modification of the child support order, the party is required to file for the necessary relief from the court.

#### d. RELIEF FROM A CHILD SUPPORT JUDGMENT

In certain cases relief from a child support judgment may be available as provided in Rule 85(C), *ARFLP*.

**29. EFFECTIVE DATE AND GROUNDS FOR MODIFICATION**

~~A. Except for defaults or as otherwise agreed upon by the parties, all child support orders entered after December 31, 2004, shall be made pursuant to these guidelines, whether they be original orders or modifications of pre-existing orders, unless the court determines otherwise based on good cause shown. In cases of default, the guidelines in effect at the time of filing the action will be used. The parties may agree to use either the guidelines in effect at the time of filing the action or those in effect at the time the order is entered.~~

**e. GROUNDS FOR MODIFICATION**

~~B.~~ A substantial variance between an existing child support order and an amount resulting from application of the ~~new~~ **most recently enacted** guidelines may be considered evidence of a substantial and continuing change of circumstances for purposes of a modification. A variance of at least 15% would be evidence of a substantial and continuing change of circumstances.

The court may, in its discretion, order the modified child support be implemented over a period of not greater than eighteen (18) months and not more than three (3) graduated steps when the substantial and continuing basis for the modified child support order is the enactment of new child support guidelines and if the order modifying child support results in an increase in child support of 25% or more. This implementation shall not be considered a deviation.



**Table 1**

**HOW THE COBS APPROACH WOULD CHANGE EXISTING SUPPORT ORDERS**

This table summarizes the differences between existing final support orders from a representative sample of actual cases and the final support orders that the COBS approach would produce for the same cases. Final support orders include income adjustments, parenting time adjustments, add-ons that parents pay out-of-pocket for health insurance, childcare, education or extraordinary child expenses, as well as the self support reserve. COBS computations follow the draft guidelines of 4/8/2010. The cases are from the most recent Arizona Case File Review. Cases with deviations or split custody are excluded. Otherwise all cases are included, for a total of 416 cases. All existing support orders are from 2007.

<b>PERCENT DIFFERENCES (Difference between COBS and existing order as a percent of the existing order)</b>	<b>Percent of cases in range*</b>	<b>DOLLAR DIFFERENCES (COBS amount less existing order)</b>	<b>Percent of cases in range*</b>
<b>COBS amount is same or less**</b>	49.4		49.1
Percent decrease under COBS		Dollar decrease under COBS	
0%	3.8	\$0	5.3
1% - <15%	15.4	\$1 - <\$50	14.2
15% - < 25%	5.5	\$50 - <\$100	9.6
25% - <50%	12.5	\$100 - <\$200	15.4
50% - <100%	9.6	\$200+	4.6
100% (zero payment)	2.6		
<b>COBS amount is more **</b>	50.6		51.0
Percent increase under COBS		Dollar increase under COBS	
1% - <15%	16.1	\$1 - <\$50	10.1
15% - < 25%	7.0	\$50 - <\$100	9.6
25% - <50%	12.3	\$100 - <\$200	13.2
50% - <100%	6.3	\$200 - <\$500	11.1
100% - <200%	3.6	\$500 - <\$1000	5.3
200%+	2.9	\$1000+	1.7
cannot be computed***	2.4		

\* Percent of 416 cases.

\*\* Discrepancy in totals is caused by rounding errors in some cases with very small dollar differences.

\*\*\* Percent difference cannot be computed because the existing order amount is zero. Percent change is considered to be 0% when both methods produce \$0 orders.



**COBS OUTCOMES , 1 CHILD, 100 DAYS PARENTING TIME**

**COMPUTED USING COBS CALCULATOR (rev 5-9-09) WITH PARENTING ADJ. SELF SUPPORT RESERVE = \$903**

**Assumptions for this case**

Calculation method for this scenario:

Method E - User-Input Support Payments

Number of children

1

Middle Income Standard of Living (SOL) Benchmarks:

2007 AZ Middle Income Benchmarks AFTER TAXES (Smoothed)

Minimally Adequate Income SOL Benchmark:

Pima county Jury Pool - spending to be "just out of poverty"

Self support reserve for NCP applied?

Yes Self support \$ if applicable: \$ 903

Parenting time adjustment?

No parenting adjustment

Parenting days

100 (Note: Unless days = 0, benchmarks are adjusted for Parenting Days)

See complete assumptions below chart

**OUTCOMES BASED ON AFTER TAX INCOMES \*\***

**Custodial Household Income**

Gross income	\$1,000		\$2,000		\$4,000		\$6,000		\$8,000		\$10,000			
	After tax*		\$1,109		\$1,895		\$3,343		\$4,777		\$6,086		\$7,496	
<b>NCP gross</b>	<b>\$1,000</b>		<b>1</b>		<b>2</b>		<b>3</b>		<b>4</b>		<b>5</b>		<b>6</b>	
After Tax	\$887													
% middle income SOL - If single, childless	44%	44%	83%	44%	155%	44%	224%	44%	291%	44%	364%	44%		
- As intact family w children	46%	46%	64%	64%	102%	102%	137%	137%	171%	171%	204%	204%		
- Custodial household before pmt	37%		63%		111%		158%		202%		249%			
Support Payment	<b>\$50</b>		<b>-\$47</b>		<b>-\$197</b>		<b>-\$301</b>		<b>-\$384</b>		<b>-\$467</b>			
Income After Pmt	\$1,159	\$837	\$1,848	\$934	\$3,146	\$1,084	\$4,476	\$1,188	\$5,702	\$1,271	\$7,029	\$1,354		
% mid-income SOL after pmt, bnchmk adj	40%	35%	64%	39%	108%	46%	154%	50%	196%	54%	242%	57%		
Ratio of SOLs (adj CP divided by adj NCP)	1.128		1.613		2.365		3.071		3.657		4.232			
% min. adequate inc - after pmt, adj for parent	60%	50%	95%	56%	162%	65%	230%	71%	293%	76%	361%	81%		
NCP's Payment Rate		0.06		-0.05		-0.22		-0.34		-0.43		-0.53		
<b>NCP gross</b>	<b>\$2,000</b>		<b>7</b>		<b>8</b>		<b>9</b>		<b>10</b>		<b>11</b>		<b>12</b>	
After Tax	\$1,667													
% middle income SOL - If single, childless	44%	83%	83%	83%	155%	83%	224%	83%	291%	83%	364%	83%		
- As intact family w children	64%	64%	83%	83%	120%	120%	154%	154%	187%	187%	220%	220%		
- Custodial household before pmt	37%		63%		111%		158%		202%		249%			
Support Payment	<b>\$331</b>		<b>\$180</b>		<b>-\$27</b>		<b>-\$190</b>		<b>-\$299</b>		<b>-\$410</b>			
Income After Pmt	\$1,440	\$1,336	\$2,075	\$1,487	\$3,316	\$1,694	\$4,587	\$1,857	\$5,787	\$1,966	\$7,086	\$2,077		
% mid-income SOL after pmt, bnchmk adj	50%	56%	71%	63%	114%	71%	158%	78%	199%	83%	244%	88%		
Ratio of SOLs (adj CP divided by adj NCP)	0.879		1.138		1.596		2.015		2.400		2.782			
% min. adequate inc - after pmt, adj for parent	74%	80%	107%	89%	170%	101%	236%	111%	297%	117%	364%	124%		
NCP's Payment Rate		0.20		0.11		-0.02		-0.11		-0.18		-0.25		
<b>NCP gross</b>	<b>\$4,000</b>		<b>13</b>		<b>14</b>		<b>15</b>		<b>16</b>		<b>17</b>		<b>18</b>	
After Tax	\$3,114													
% middle income SOL - If single, childless	44%	155%	83%	155%	155%	155%	224%	155%	291%	155%	364%	155%		
- As intact family w children	102%	102%	120%	120%	154%	154%	187%	187%	218%	218%	251%	251%		
- Custodial household before pmt	37%		63%		111%		158%		202%		249%			
Support Payment	<b>\$784</b>		<b>\$598</b>		<b>\$300</b>		<b>\$89</b>		<b>-\$84</b>		<b>-\$236</b>			
Income After Pmt	\$1,893	\$2,330	\$2,493	\$2,516	\$3,643	\$2,814	\$4,866	\$3,025	\$6,002	\$3,198	\$7,260	\$3,350		
% mid-income SOL after pmt, bnchmk adj	65%	98%	86%	106%	125%	119%	168%	128%	207%	135%	250%	141%		
Ratio of SOLs (adj CP divided by adj NCP)	0.662		0.808		1.056		1.312		1.530		1.767			
% min. adequate inc - after pmt, adj for parent	97%	139%	128%	150%	187%	168%	250%	180%	309%	190%	373%	200%		
NCP's Payment Rate		0.25		0.19		0.10		0.03		-0.03		-0.08		
<b>NCP gross</b>	<b>\$6,000</b>		<b>19</b>		<b>20</b>		<b>21</b>		<b>22</b>		<b>23</b>		<b>24</b>	
After Tax	\$4,494													
% middle income SOL - If single, childless	44%	224%	83%	224%	155%	224%	224%	224%	291%	224%	364%	224%		
- As intact family w children	137%	137%	154%	154%	187%	187%	218%	218%	249%	249%	280%	280%		
- Custodial household before pmt	37%		63%		111%		158%		202%		249%			
Support Payment	<b>\$1,227</b>		<b>\$982</b>		<b>\$633</b>		<b>\$426</b>		<b>\$196</b>		<b>-\$31</b>			
Income After Pmt	\$2,336	\$3,267	\$2,877	\$3,512	\$3,976	\$3,861	\$5,203	\$4,068	\$6,282	\$4,298	\$7,465	\$4,525		
% mid-income SOL after pmt, bnchmk adj	80%	138%	99%	148%	137%	163%	179%	172%	216%	181%	257%	191%		
Ratio of SOLs (adj CP divided by adj NCP)	0.583		0.668		0.840		1.043		1.192		1.345			
% min. adequate inc - after pmt, adj for parent	120%	195%	148%	209%	204%	230%	268%	242%	323%	256%	384%	270%		
NCP's Payment Rate		0.27		0.22		0.14		0.09		0.04		-0.01		
<b>NCP gross</b>	<b>\$8,000</b>		<b>25</b>		<b>26</b>		<b>27</b>		<b>28</b>		<b>29</b>		<b>30</b>	
After Tax	\$5,856													
% middle income SOL - If single, childless	44%	291%	83%	291%	155%	291%	224%	291%	291%	291%	364%	291%		
- As intact family w children	171%	171%	187%	187%	218%	218%	249%	249%	278%	278%	311%	311%		
- Custodial household before pmt	37%		63%		111%		158%		202%		249%			
Support Payment	<b>\$1,671</b>		<b>\$1,414</b>		<b>\$1,015</b>		<b>\$750</b>		<b>\$518</b>		<b>\$289</b>			
Income After Pmt	\$2,780	\$4,185	\$3,309	\$4,442	\$4,358	\$4,841	\$5,527	\$5,106	\$6,604	\$5,338	\$7,785	\$5,567		
% mid-income SOL after pmt, bnchmk adj	96%	177%	114%	187%	150%	204%	190%	216%	227%	225%	268%	235%		
Ratio of SOLs (adj CP divided by adj NCP)	0.542		0.608		0.734		0.883		1.009		1.140			
% min. adequate inc - after pmt, adj for parent	143%	249%	170%	265%	224%	288%	284%	304%	339%	318%	400%	332%		
NCP's Payment Rate		0.29		0.24		0.17		0.13		0.09		0.05		
<b>NCP gross</b>	<b>\$10,000</b>		<b>31</b>		<b>32</b>		<b>33</b>		<b>34</b>		<b>35</b>		<b>36</b>	
After Tax	\$7,318													
% middle income SOL - If single, childless	44%	364%	83%	364%	155%	364%	224%	364%	291%	364%	364%	364%		
- As intact family w children	204%	204%	220%	220%	251%	251%	280%	280%	311%	311%	341%	341%		
- Custodial household before pmt	37%		63%		111%		158%		202%		249%			
Support Payment	<b>\$2,113</b>		<b>\$1,844</b>		<b>\$1,410</b>		<b>\$1,072</b>		<b>\$839</b>		<b>\$608</b>			
Income After Pmt	\$3,222	\$5,205	\$3,739	\$5,474	\$4,753	\$5,908	\$5,849	\$6,246	\$6,925	\$6,479	\$8,104	\$6,710		
% mid-income SOL after pmt, bnchmk adj	111%	220%	129%	231%	164%	249%	201%	264%	238%	273%	279%	283%		
Ratio of SOLs (adj CP divided by adj NCP)	0.505		0.557		0.656		0.764		0.872		0.985			
% min. adequate inc - after pmt, adj for parent	166%	310%	192%	326%	244%	352%	301%	372%	356%	386%	417%	400%		
NCP's Payment Rate		0.29		0.25		0.19		0.15		0.11		0.08		

**COBS OUTCOMES , 2 CHILDREN, 100 DAYS PARENTING TIME**

**COMPUTED USING COBS CALCULATOR (rev 5-9-09) WITH PARENTING ADJ. SELF SUPPORT RESERVE = \$903**

**Assumptions for this case**

Calculation method for this scenario:

Method E - User-Input Support Payments

Number of children

2

Middle Income Standard of Living (SOL) Benchmarks:

2007 AZ Middle Income Benchmarks AFTER TAXES (Smoothed)

Minimally Adequate Income SOL Benchmark:

Pima county Jury Pool - spending to be "just out of poverty"

Self support reserve for NCP applied?

Yes Self support \$ if applicable: \$ 903

Parenting time adjustment?

No parenting adjustment

Parenting days

100 (Note: Unless days = 0, benchmarks are adjusted for Parenting Days)

See complete assumptions below chart

**OUTCOMES BASED ON AFTER TAX INCOMES \*\***

**Custodial Household Income**

Gross income	\$1,000	\$2,000	\$4,000	\$6,000	\$8,000	\$10,000
After tax*	\$1,221	\$2,040	\$3,447	\$4,882	\$6,240	\$7,554
<b>NCP gross</b>	<b>\$1,000</b>					
<b>After Tax</b>	<b>\$887</b>					
% middle income SOL - If single, childless	44%	44%	83%	44%	224%	44%
- As intact family w children	41%	41%	57%	57%	119%	119%
- Custodial household before pmt	32%	53%	90%	127%	162%	196%
Support Payment	<b>\$50</b>	<b>-\$57</b>	<b>-\$253</b>	<b>-\$410</b>	<b>-\$517</b>	<b>-\$629</b>
Income After Pmt	\$1,271	\$837	\$1,983	\$944	\$3,194	\$1,140
% mid-income SOL after pmt, bnchmk adj	35%	31%	54%	35%	88%	43%
Ratio of SOLs (adj CP divided by adj NCP)	1.110	1.536	2.048	2.521	2.980	3.340
% min. adequate inc - after pmt, adj for parent	52%	45%	82%	50%	131%	61%
NCP's Payment Rate		0.06	-0.06	-0.29	-0.46	-0.58
	<b>\$2,000</b>					
<b>After Tax</b>	<b>\$1,667</b>					
% middle income SOL - If single, childless	44%	83%	83%	83%	155%	83%
- As intact family w children	57%	57%	72%	72%	104%	104%
- Custodial household before pmt	32%	53%	90%	127%	133%	133%
Support Payment	<b>\$370</b>	<b>\$219</b>	<b>-\$35</b>	<b>-\$238</b>	<b>-\$373</b>	<b>-\$515</b>
Income After Pmt	\$1,591	\$1,297	\$2,259	\$1,448	\$3,412	\$1,702
% mid-income SOL after pmt, bnchmk adj	44%	49%	62%	54%	94%	64%
Ratio of SOLs (adj CP divided by adj NCP)	0.897	1.141	1.466	1.783	2.104	2.360
% min. adequate inc - after pmt, adj for parent	65%	69%	93%	77%	140%	91%
NCP's Payment Rate		0.22	0.13	-0.02	-0.14	-0.22
	<b>\$4,000</b>					
<b>After Tax</b>	<b>\$3,114</b>					
% middle income SOL - If single, childless	44%	155%	83%	155%	155%	155%
- As intact family w children	88%	88%	104%	104%	133%	133%
- Custodial household before pmt	32%	53%	90%	127%	127%	127%
Support Payment	<b>\$876</b>	<b>\$698</b>	<b>\$403</b>	<b>\$147</b>	<b>-\$61</b>	<b>-\$225</b>
Income After Pmt	\$2,097	\$2,238	\$2,738	\$2,416	\$3,850	\$2,711
% mid-income SOL after pmt, bnchmk adj	58%	84%	75%	91%	106%	102%
Ratio of SOLs (adj CP divided by adj NCP)	0.685	0.829	1.039	1.240	1.424	1.606
% min. adequate inc - after pmt, adj for parent	86%	119%	113%	129%	158%	145%
NCP's Payment Rate		0.28	0.22	0.13	0.05	-0.02
	<b>\$6,000</b>					
<b>After Tax</b>	<b>\$4,494</b>					
% middle income SOL - If single, childless	44%	224%	83%	224%	224%	224%
- As intact family w children	119%	119%	133%	133%	160%	160%
- Custodial household before pmt	32%	53%	90%	127%	127%	127%
Support Payment	<b>\$1,367</b>	<b>\$1,148</b>	<b>\$811</b>	<b>\$571</b>	<b>\$322</b>	<b>\$78</b>
Income After Pmt	\$2,588	\$3,127	\$3,188	\$3,346	\$4,258	\$3,683
% mid-income SOL after pmt, bnchmk adj	71%	117%	87%	125%	117%	138%
Ratio of SOLs (adj CP divided by adj NCP)	0.605	0.697	0.846	1.017	1.017	1.151
% min. adequate inc - after pmt, adj for parent	106%	167%	131%	179%	175%	197%
NCP's Payment Rate		0.30	0.26	0.18	0.13	0.07
	<b>\$8,000</b>					
<b>After Tax</b>	<b>\$5,856</b>					
% middle income SOL - If single, childless	44%	291%	83%	291%	224%	291%
- As intact family w children	147%	147%	160%	160%	186%	186%
- Custodial household before pmt	32%	53%	90%	127%	127%	127%
Support Payment	<b>\$1,852</b>	<b>\$1,601</b>	<b>\$1,190</b>	<b>\$913</b>	<b>\$665</b>	<b>\$421</b>
Income After Pmt	\$3,073	\$4,004	\$3,641	\$4,255	\$4,637	\$4,666
% mid-income SOL after pmt, bnchmk adj	84%	150%	100%	160%	127%	175%
Ratio of SOLs (adj CP divided by adj NCP)	0.561	0.626	0.727	0.858	0.858	0.973
% min. adequate inc - after pmt, adj for parent	126%	214%	150%	227%	191%	249%
NCP's Payment Rate		0.32	0.27	0.20	0.16	0.11
	<b>\$10,000</b>					
<b>After Tax</b>	<b>\$7,318</b>					
% middle income SOL - If single, childless	44%	364%	83%	364%	224%	364%
- As intact family w children	175%	175%	188%	188%	214%	214%
- Custodial household before pmt	32%	53%	90%	127%	127%	127%
Support Payment	<b>\$2,334</b>	<b>\$2,048</b>	<b>\$1,600</b>	<b>\$1,251</b>	<b>\$1,004</b>	<b>\$760</b>
Income After Pmt	\$3,555	\$4,984	\$4,088	\$5,270	\$5,047	\$5,718
% mid-income SOL after pmt, bnchmk adj	98%	187%	112%	198%	138%	214%
Ratio of SOLs (adj CP divided by adj NCP)	0.522	0.567	0.646	0.739	0.739	0.839
% min. adequate inc - after pmt, adj for parent	146%	266%	168%	281%	208%	305%
NCP's Payment Rate		0.32	0.28	0.22	0.17	0.14

## COBS OUTCOMES , 2 CHILDREN, EQUAL PARENTING TIME

### Assumptions for this case

Calculation method for this scenario:

Method E - User-Input Support Payments

Number of children

2

Middle Income Standard of Living (SOL) Benchmarks:

2007 AZ Middle Income Benchmarks AFTER TAXES (Smoothed)

Minimally Adequate Income SOL Benchmark:

Pima county Jury Pool - spending to be "just out of poverty"

Self support reserve for NCP applied?

Yes Self support \$ if applicable: \$ 903

Parenting time adjustment?

No parenting adjustment

Parenting days

182 (Note: Unless days = 0, benchmarks are adjusted for Parenting Days)

See complete assumptions below chart

### OUTCOMES BASED ON AFTER TAX INCOMES \*\*

#### Custodial Household Income

Gross income	\$1,000		\$2,000		\$4,000		\$6,000		\$8,000		\$10,000	
After tax*	\$1,221		\$2,040		\$3,447		\$4,882		\$6,240		\$7,554	
NCP gross	\$1,000											
After Tax	\$887											
% middle income SOL - If single, childless	CP	NCP	CP	NCP	CP	NCP	CP	NCP	CP	NCP	CP	NCP
- As intact family w children	44%	44%										
- Custodial household before pmt	41%	41%										
Support Payment												
Income After Pmt	\$0											
% mid-income SOL after pmt, bnchmk adj	\$1,221	\$887										
Ratio of SOLs (adj CP divided by adj NCP)	35%	26%										
% min. adequate inc - after pmt, adj for parent	1.375											
NCP's Payment Rate	52%	38%										
	0.00											
NCP gross	\$2,000											
After Tax	\$1,667											
% middle income SOL - If single, childless	44%	83%	83%	83%								
- As intact family w children	57%	57%	72%	72%								
- Custodial household before pmt	32%		53%									
Support Payment	\$255		\$1									
Income After Pmt	\$1,476	\$1,412	\$2,041	\$1,666								
% mid-income SOL after pmt, bnchmk adj	42%	41%	59%	48%								
Ratio of SOLs (adj CP divided by adj NCP)	1.045		1.225									
% min. adequate inc - after pmt, adj for parent	63%	60%	87%	71%								
NCP's Payment Rate	0.15		0.00									
NCP gross	\$4,000											
After Tax	\$3,114											
% middle income SOL - If single, childless	44%	155%	83%	155%	155%	155%						
- As intact family w children	88%	88%	104%	104%	133%	133%						
- Custodial household before pmt	32%		53%		90%							
Support Payment	\$693		\$434		\$1							
Income After Pmt	\$1,914	\$2,421	\$2,474	\$2,680	\$3,448	\$3,113						
% mid-income SOL after pmt, bnchmk adj	55%	70%	71%	77%	99%	90%						
Ratio of SOLs (adj CP divided by adj NCP)	0.790		0.923		1.107							
% min. adequate inc - after pmt, adj for parent	82%	104%	106%	115%	147%	133%						
NCP's Payment Rate	0.22		0.14		0.00							
NCP gross	\$6,000											
After Tax	\$4,494											
% middle income SOL - If single, childless	44%	224%	83%	224%	155%	224%	224%	224%				
- As intact family w children	119%	119%	133%	133%	160%	160%	186%	186%				
- Custodial household before pmt	32%		53%		90%		127%					
Support Payment	\$1,150		\$860		\$382		\$2					
Income After Pmt	\$2,371	\$3,344	\$2,900	\$3,634	\$3,829	\$4,112	\$4,884	\$4,492				
% mid-income SOL after pmt, bnchmk adj	68%	96%	83%	104%	110%	118%	140%	129%				
Ratio of SOLs (adj CP divided by adj NCP)	0.709		0.798		0.931		1.087					
% min. adequate inc - after pmt, adj for parent	101%	143%	124%	156%	164%	176%	209%	192%				
NCP's Payment Rate	0.26		0.19		0.09		0.00					
NCP gross	\$8,000											
After Tax	\$5,856											
% middle income SOL - If single, childless	44%	291%	83%	291%	155%	291%	224%	291%	291%	291%		
- As intact family w children	147%	147%	160%	160%	186%	186%	212%	212%	237%	237%		
- Custodial household before pmt	32%		53%		90%		127%		162%			
Support Payment	\$1,605		\$1,282		\$728		\$346		\$2			
Income After Pmt	\$2,826	\$4,251	\$3,322	\$4,574	\$4,175	\$5,128	\$5,228	\$5,510	\$6,242	\$5,854		
% mid-income SOL after pmt, bnchmk adj	81%	122%	95%	132%	120%	147%	150%	158%	179%	168%		
Ratio of SOLs (adj CP divided by adj NCP)	0.664		0.726		0.814		0.948		1.066			
% min. adequate inc - after pmt, adj for parent	121%	182%	142%	196%	179%	219%	224%	236%	267%	251%		
NCP's Payment Rate	0.27		0.22		0.12		0.06		0.00			
NCP gross	\$10,000											
After Tax	\$7,318											
% middle income SOL - If single, childless	44%	364%	83%	364%	155%	364%	224%	364%	291%	364%	364%	364%
- As intact family w children	175%	175%	188%	188%	214%	214%	239%	239%	263%	263%	290%	290%
- Custodial household before pmt	32%		53%		90%		127%		162%		196%	
Support Payment	\$2,052		\$1,693		\$1,133		\$681		\$337		\$2	
Income After Pmt	\$3,273	\$5,266	\$3,733	\$5,625	\$4,580	\$6,185	\$5,563	\$6,637	\$6,577	\$6,981	\$7,556	\$7,316
% mid-income SOL after pmt, bnchmk adj	94%	151%	107%	162%	132%	178%	160%	191%	189%	201%	217%	210%
Ratio of SOLs (adj CP divided by adj NCP)	0.621		0.663		0.740		0.838		0.942		1.032	
% min. adequate inc - after pmt, adj for parent	140%	225%	160%	241%	196%	265%	238%	284%	281%	299%	323%	313%
NCP's Payment Rate	0.28		0.23		0.15		0.09		0.05		0.00	

**COBS OUTCOMES , 1 CHILD, EQUAL PARENTING TIME**

**Assumptions for this case**

Calculation method for this scenario:

Method E - User-Input Support Payments

Number of children

1

Middle Income Standard of Living (SOL) Benchmarks:

2007 AZ Middle Income Benchmarks AFTER TAXES (Smoothed)

Minimally Adequate Income SOL Benchmark:

Pima county Jury Pool - spending to be "just out of poverty"

Self support reserve for NCP applied?

Yes Self support \$ if applicable: \$ 903

Parenting time adjustment?

No parenting adjustment

Parenting days

182 (Note: Unless days = 0, benchmarks are adjusted for Parenting Days)

See complete assumptions below chart

**OUTCOMES BASED ON AFTER TAX INCOMES \*\***

**Custodial Household Income**

Gross income	\$1,000	\$2,000	\$4,000	\$6,000	\$8,000	\$10,000	
After tax*	\$1,109	\$1,895	\$3,343	\$4,777	\$6,086	\$7,496	
<b>NCP gross</b>	<b>\$1,000</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
After Tax	\$887	CP	NCP	CP	NCP	CP	NCP
% middle income SOL - If single, childless	44%	44%					
- As intact family w children	46%	46%					
- Custodial household before pmt	37%						
Support Payment	\$0						
Income After Pmt	\$1,109	\$887					
% mid-income SOL after pmt, bnchmk adj	39%	32%					
Ratio of SOLs (adj CP divided by adj NCP)	1.249						
% min. adequate inc - after pmt, adj for parent	58%	47%					
NCP's Payment Rate		0.00					
<b>NCP gross</b>	<b>\$2,000</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
After Tax	\$1,667	CP	NCP	CP	NCP	CP	NCP
% middle income SOL - If single, childless	44%	83%	83%	83%			
- As intact family w children	64%	64%	83%	83%			
- Custodial household before pmt	37%		63%				
Support Payment	\$230	\$0					
Income After Pmt	\$1,339	\$1,437	\$1,895	\$1,667			
% mid-income SOL after pmt, bnchmk adj	48%	51%	67%	59%			
Ratio of SOLs (adj CP divided by adj NCP)	0.931		1.137				
% min. adequate inc - after pmt, adj for parent	70%	76%	100%	88%			
NCP's Payment Rate		0.14	0.00				
<b>NCP gross</b>	<b>\$4,000</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>
After Tax	\$3,114	CP	NCP	CP	NCP	CP	NCP
% middle income SOL - If single, childless	44%	155%	83%	155%	155%		
- As intact family w children	102%	102%	120%	120%	154%	154%	
- Custodial household before pmt	37%		63%		111%		
Support Payment	\$642	\$404	\$1				
Income After Pmt	\$1,751	\$2,472	\$2,299	\$2,710	\$3,344	\$3,113	
% mid-income SOL after pmt, bnchmk adj	62%	88%	82%	96%	119%	111%	
Ratio of SOLs (adj CP divided by adj NCP)	0.708		0.848		1.074		
% min. adequate inc - after pmt, adj for parent	92%	130%	121%	143%	176%	164%	
NCP's Payment Rate		0.21	0.13	0.00			
<b>NCP gross</b>	<b>\$6,000</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>
After Tax	\$4,494	CP	NCP	CP	NCP	AC	AD
% middle income SOL - If single, childless	44%	224%	83%	224%	155%	224%	
- As intact family w children	137%	137%	154%	154%	187%	187%	
- Custodial household before pmt	37%		63%		111%		
Support Payment	\$1,067	\$767	\$313		\$1		
Income After Pmt	\$2,176	\$3,427	\$2,662	\$3,727	\$3,656	\$4,181	\$4,778
% mid-income SOL after pmt, bnchmk adj	77%	122%	95%	132%	130%	149%	170%
Ratio of SOLs (adj CP divided by adj NCP)	0.635		0.714		0.874		1.063
% min. adequate inc - after pmt, adj for parent	114%	180%	140%	196%	192%	220%	251%
NCP's Payment Rate		0.24	0.17	0.07	0.00		
<b>NCP gross</b>	<b>\$8,000</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>
After Tax	\$5,856	CP	NCP	CP	NCP	CP	NCP
% middle income SOL - If single, childless	44%	291%	83%	291%	155%	291%	
- As intact family w children	171%	171%	187%	187%	218%	218%	
- Custodial household before pmt	37%		63%		111%		
Support Payment	\$1,486	\$1,175	\$671		\$316	\$1	
Income After Pmt	\$2,595	\$4,370	\$3,070	\$4,681	\$4,014	\$5,185	\$5,093
% mid-income SOL after pmt, bnchmk adj	92%	155%	109%	166%	143%	184%	181%
Ratio of SOLs (adj CP divided by adj NCP)	0.594		0.656		0.774		0.919
% min. adequate inc - after pmt, adj for parent	137%	230%	162%	246%	211%	273%	268%
NCP's Payment Rate		0.25	0.20	0.11	0.05	0.00	
<b>NCP gross</b>	<b>\$10,000</b>	<b>31</b>	<b>32</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>36</b>
After Tax	\$7,318	CP	NCP	CP	NCP	CP	NCP
% middle income SOL - If single, childless	44%	364%	83%	364%	155%	364%	
- As intact family w children	204%	204%	220%	220%	251%	251%	
- Custodial household before pmt	37%		63%		111%		
Support Payment	\$1,901	\$1,579	\$1,053		\$627	\$312	\$2
Income After Pmt	\$3,010	\$5,417	\$3,474	\$5,739	\$4,396	\$6,265	\$5,404
% mid-income SOL after pmt, bnchmk adj	107%	193%	123%	204%	156%	223%	192%
Ratio of SOLs (adj CP divided by adj NCP)	0.555		0.605		0.701		0.807
% min. adequate inc - after pmt, adj for parent	158%	285%	183%	302%	231%	330%	284%
NCP's Payment Rate		0.26	0.22	0.14	0.09	0.04	0.00

CORRELATION TABLE FOR 2005/2010 GUIDELINES	
2005 GUIDELINE SECTION	2010 GUIDELINE SECTION
	Table of Contents
Background	Stricken - no correlation
1. Purposes	I(A) Purposes
1.(A)	
1.(B)	
1.(C)	
1.(D)	
2. Premises	I(B) Premises
2.(A)	I(B)(1) Premises
2.(B)	I(B)(2) Premises
2.(C)	I(B)3 Premises
2.(D)	I(B)(4) Premises
2.(E)	I(C) Presumption
2.(F)	I(B)(5) Premises
2.(G)1	II(I) When More than Four Children
2.(G)2	II(H)(2),(3) When Parent Income More than \$12,000
3. Presumption	I(C) Presumption
4. (A), (B) Duration of Child Support	V(A) Duration of Child Support
5.(A) Determination of the Gross Income of the Parents	II(B)(1) Gross Income
5.(B)	II(C)(1) Exclusions from Gross Inc.
5.(C)	II(B)(3) Self-Employment
5.(D)	II(B)(4) Expense Reimbursements
5.(E)	II(B)(5) Unemployed
5.(E)1	II(B)(5)(a) Unemployed

CORRELATION TABLE FOR 2005/2010 GUIDELINES	
2005 GUIDELINE SECTION	2010 GUIDELINE SECTION
5.(E)2	II(B)(5)(b)
5.(E)3	II(B)(5)(c)
5.(E)4	Stricken - no correlation
5.(F)	II(A) Income Considered
5.(G)	IV(A) Deviation
5.(H)	I(B)(6) Premises
6. Adjustments to Gross Income	II(D)(2) Support of Other Children
6.(A)	II(D)(1) Spousal Maintenance
6.(B)	II(D)(2) Adjustments to Income
6.(C)	Stricken - no correlation
6.(D)	II(D)(2)(b) Adjustments to Income
7. Determining the Adjusted Gross Income of the Parties	II(G) Preliminary Support Oblig.
8. Determining the Basic Child Support Obligations	II(G), (H) Preliminary Support Obligation & When Parent's Income is More than \$12,000
9.(A) Determining the Total Child Support Obligation	II(J)(4) Medical Support
9.(B)	II(J)(1) Childcare Costs
9.(B)2	II(J)(2) Education Expenses
9.(B)3	II(J)(3) Extraordinary Child
9.(B)4	Stricken - no correlation
10. Determining Each Parent's Proportionate Share of the Total Child Support Obligation	Stricken - no correlation
11. Adjustment for Costs Associated with Parenting Time	II(F) Parenting Time and Other Costs Adjustments
11.(A)	II(F)(1)
11.(B)	II(F)(2)
11.(C)	II(F)(3)
11.(C)1	II(F)(3)(a)

2005 GUIDELINE SECTION	2010 GUIDELINE SECTION
11.(C)2	<b>II(F)(3)(b)</b>
11.(C)3	<b>II(F)(3)(c)</b>
11.(C)4	<b>II(F)(3)(d)</b>
Parenting Time Tables A and B	<b>Stricken - no correlation</b>
12. Equal Custody	<b>Stricken - no correlation</b>
13. Adjustments for Other Costs	<b>Stricken - no correlation</b>
14. Determining the Child Support Order	<b>II(K) Guideline Support Amount</b>
15. Self Support Reserve Test	<b>II(L) Self Support Reserve</b>
16. Multiple Children, Divided Custody	<b>IV(B) Multiple Children, Divided Physical Custody</b>
17. Child Support Assigned to the State	<b>IV(E) Support Assigned to State</b>
18. Travel Expenses Associated with Parenting Time	<b>II(M) Travel Expenses</b>
19. Gifts in Lieu of Money	<b>III(C) Gifts in Lieu of Money</b>
20.(A) Deviations	<b>IV(A)(1) Deviation By Court</b>
20.(A)1	<b>IV(A)(1)(a)</b>
20.(A)2	<b>IV(A)(1)(b)</b>
20.(A)3	<b>IV(A)(1)(c)</b>
20.(A)4	<b>Stricken - no correlation</b>
20.(A)5	<b>Stricken - no correlation</b>
20.(B)	<b>IV(A)(2)</b>
20.(B)1	<b>IV(A)(2)(a) Deviation by Agreement</b>

2005 GUIDELINE SECTION	2010 GUIDELINE SECTION
20.(B)3	<b>IV(A)(2)(c) Deviation by Agreement</b>
20.(B)4	<b>IV(A)(2)(d) Deviation by Agreement</b>
21. Third Party Care Givers	<b>IV(D) Third Party Caregivers</b>
22. Court's Findings	<b>III(A) Court's Findings</b>
23. Exchange of Information	<b>III(B) Exchange of Information</b>
24. Modification	<b>V(B) Modification</b>
24.(A)	<b>V(B)(1)(a) Standard Procedure</b>
24.(B)	<b>V(B)(1)(b) Simplified Procedure</b>
25. Effect of Cessation of Child Support for One Child	<b>V(B)(2)(a) Effect of Emancipation</b>
26.(A) Income and Benefits Received by or on Behalf of a Child	<b>IV(F)(1) Income of a Child</b>
26.(B)1	<b>IV(F)(2)(a) Benefits Received on Behalf of a Child</b>
26.(B)2	<b>IV(F)(2)(b) Benefits Received on Behalf of a Child</b>
26.(B)3	<b>IV(F)(2)(c) Benefits Received on Behalf of a Child</b>
26.(C )	<b>IV(F)(3) Benefits Not Included in Parent's Income</b>
27. Federal Tax Exemption for Dependent Children	<b>III(D) Dependency Exemption</b>
28.(A) Child Support Arrears	<b>IV(G)(1) Setting an Amount for Payment on Arrears</b>
28.(B)	<b>IV(G)(2) When the Current Child Support Order Obligation Terminates</b>
29.(B)	<b>V(B)(2)(d)</b>
29.(A) Effective Date and Grounds for Modification	<b>Stricken - no correlation</b>
29.(B)	<b>V(B)(2)(e) Grounds for Modification</b>

## **METHOD EMPLOYED TO CREATE THE COBS SCHEDULE**

Both the substance and the procedure used for implementing COBS followed the recommendations contained in Section VI of the Report of the Interim Committee on Child Support, as approved in June 2006 by the legislative Child Support Committee. The method employs six basic steps:

1. Deciding on the outcome measures or benchmarks to use in evaluating the effect on both parents and the child of any particular support amount.
2. Examining the current guidelines numbers against these benchmarks, as well as the updated income shares schedules, and the numbers contained in the guidelines of other states.
3. Generating proposed new numbers.
4. Generating a method for incorporating a parenting adjustment into the new numbers.
5. Looking back to examine the patterns of the number to check for anomalies.
6. Taking the final set of numbers and comparing them to other states.

We provide here a further description of how the committee implemented these steps.

### **A. Choosing and Employing Outcome Benchmarks (Step 1).**

The Committee wanted to be able to assess outcomes against the five factors that A.R.S. § 25-320 requires the guideline schedule to consider. They are:

1. The financial resources and needs of the child.
2. The financial resources and needs of the custodial parent.
3. The financial resources and needs of the noncustodial parent.
4. The standard of living the child would have enjoyed had the marriage not been dissolved.
5. The duration of parenting time and related expenses.

What is required to balance the statutory factors is a common metric so that the living standard of each parent and the children can be compared with one another and with the marital living standard. One cannot simply compare the incomes of the parties, because the intact household of two parents and their children requires a different income to maintain at any given living standard than does a household of a single parent with the children, and different again from a single adult living without children. When parenting time is taken into account, as A.R.S. § 25-320(D) also requires, the comparison becomes more complex, as it is more accurate in most cases to talk about a primary custodian with whom the child lives a majority of the time, and a secondary custodian with whom the child lives a substantial enough period of time that their presence affects the income required to maintain any given living standard in both households.

With the help of its consultants, and after some trial and error working with different possibilities, the subcommittee settled on two living standard measures to serve as these common metrics, a measure of a middle class living standard based on Arizona data, and a measure of

minimally adequate income to meet basic needs and no more, informed by Arizona data. Each measure could be adjusted as needed to reflect the household composition and the parenting time arrangements. They are each described below.

a. ***Middle Income*** is based on the median household income in Arizona for families of four, which our Johns Hopkins consultant identified as \$69,210.<sup>1</sup> (Half of all Arizona families of four have incomes below this amount, and half above.) The committee took this figure as the income required for an intact Arizona family of four to enjoy an “average” middle class living standard. Having established that, the consultant employed an equivalence formula recommended by the National Academy of Sciences<sup>2</sup> to determine the income households of other compositions (such as a single person, or a single mother and two children) would need to have an equivalent living standard. Adjustments of this measure to reflect parenting time arrangements used the same methodology as the parenting time adjustment itself, which is described later in this section.

b. ***Minimally Adequate Income*** is the income required to buy basic necessities with nothing left over for any extras. The minimally adequate income is not the same as the poverty threshold. The official poverty threshold is a political rather than economic measure. It is based on a formula first devised more than fifty years ago that assumes a relationship between the cost of food and the cost of other necessities that is now outdated.<sup>3</sup> Because many government programs set eligibility requirements with reference to it, changes in the poverty threshold have budgetary implications that have made its reform difficult. The consequence is that the method for setting the poverty measure itself has never been revised. Instead, most means-tested federal programs to assist the poor include people with incomes above the official poverty threshold. For example, a household is eligible for food stamps so long as the gross income of household members does not exceed 130% of the poverty threshold, while the maximum income allowed to be eligible for WIC (the Special Supplemental Nutrition Program for

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1. This estimate is based on the American Community Survey, administered by the Census Bureau, for 2007, the most recent available at this time. The margin of error of this estimate is \$2,614, at a 90% confidence interval. The spreadsheet prepared by the Census Bureau that provides median family income by state and household size can be found at <http://www.census.gov/hhes/www/income/statmedfaminc.html>.

2. The NAS formula assumes that there are economies of scale when an additional person (adult or child) is added to any household, and that the marginal cost of a child is .7 of the cost of an adult. Using this NAS equivalence formula, Professor Barnow constructed a table showing the income that couples and single persons, with children, would require to have a living standard equivalent to the standard of a couple with two children with an income of \$69,210. The table covers couples with anywhere from one to six children, single persons with anywhere from one to six children, and single persons living alone.

3. The current poverty threshold for a single person is a monthly income of \$903. For a basic understanding of the poverty threshold, prepared by the Census Bureau, see <http://www.census.gov/hhes/www/poverty/povdef.html>. For a broad overview of the history and issues with the poverty threshold, see the HHS account at <http://aspe.hhs.gov/poverty/contacts.shtml>. For a description of efforts to update the measure, undertaken by a panel of the National Academy of Sciences at the direction of the Census Bureau, see <http://www.cbpp.org/cms/index.cfm?fa=view&id=1385>. For a summary of the recommendations of that panel prepared by the Rapporteur, see [http://www.nap.edu/catalog.php?record\\_id=11166](http://www.nap.edu/catalog.php?record_id=11166).

Women, Infants and Children) is 185% of the poverty threshold.<sup>4</sup> Some programs do not use the official poverty threshold at all, but rely instead on other measures for the eligibility rules.<sup>5</sup>

The dollar amount the committee employed for a “minimally adequate income” was 170% of the federal poverty threshold, which is higher than the income cut-off for some means-tested programs to assist the poor, but lower than others. This choice was informed in part by the results of the Tucson jury pool study. The following question was among those answered by more than 400 members of the jury pool:

*“Imagine that a young single woman with a 9 year-old child wished to move to Tucson, and asked you how much money she would need to spend each month just to keep herself out of poverty (in other words, have enough to eat, a safe place to live, clean clothing, transportation, and health care, but no extras.) What would you tell her is your best guess of how much money she would need to spend per month for this?”*

The respondents’ mean answer to this question was a dollar figure equal to 170% of the poverty threshold for a single mother with one child. This confirmed our tentative conclusion that 170% was a reasonable choice to use as a benchmark for a minimally adequate income.

One cannot treat either the middle income benchmark or the minimal income benchmark as a uniform scale of living standards. It is not correct, for example, to assume that a household at 300 % of the middle income living standard is three times as well off as a middle income household. It is better off, but the benchmark cannot provide this kind of precision in judging how much better off it is. As a general rule, a benchmark of this kind is more meaningful at income levels close to it, and less meaningful as one moves to many multiples of it. Use of the two benchmarks, (minimal income and a middle income), therefore, facilitates comparisons across a wider income range than would be reasonable with either one alone.

Our consultant Tara Ellman created a spreadsheet program named *Childshare* that allowed the committee to examine a set of outcome measures employing these benchmarks for any proposed set of child support payments. Figures 6 and 7 provide examples of the output of *Childshare*, as used by the committee. These examples provide outcome measures for the child support amounts in a set of cases in which each parent’s gross income is either \$1,000, \$2,000, \$4,000, \$6,000, or \$10,000. It produces a grid with 36 cells analyzing outcomes for the 36 possible combinations of parental incomes (six incomes for the custodial parent, times six for the support obligor). Figure 6 presents this outcome analysis for the updated income shares schedules, while Figure 7 presents the same analysis for the support amounts that result from application of the new COBS system.

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4. States are permitted to set a lower income level.

5. See <<http://aspe.hhs.gov/poverty/faq.shtml#programs>>.

Each cell is the intersection of the two parental gross incomes because Arizona has traditionally adopted guidelines based on the parents' gross income. Note, however, that below each gross income on the outcome grid is an "after-tax" income, and the outcome measures are based on after-tax income. Any method of calculating the after-tax equivalent of a gross income necessarily requires assumptions that will not correctly apply to some cases, a difficulty faced in preparing Arizona's current guidelines as well.<sup>6</sup> *Childshare* calculates the equivalent after-tax income for any given gross income by first assuming that the noncustodial parent is taxed as a single person and the custodial parent is taxed as a head of household with exemptions equal to herself plus the number of children.<sup>7</sup> We obtained from the Internal Revenue Service the average federal income tax actually paid by single persons and by heads of households across a set of gross incomes. For any particular income, we added to this federal tax liability an additional 20 percent as an estimate of the state income tax. Finally, we added estimates of the FICA and Medicare tax paid by applying the applicable rates to the income, assuming all income was earned income that is subject (below the applicable income caps) to these levies. Note that the Earned Income Tax Credit gives custodial parents with a gross income of \$1,000 an after-tax income that is, on average, higher--\$1,187.<sup>8</sup>

The outcome measures calculated by *Childshare* for each cell require some explanation. Many entries are stated as a percentage, because the outcome measure is the income of the parent as a percentage of the benchmark in question. These benchmark percentages are based, in most cases, on after-tax incomes, as explained below. Going down the contents of any cell, from top to bottom, the entries are as follows:

a. **% middle income SOL - If single, childless.** This entry compares the income of each parent to the income a single, childless individual would need to enjoy the middle income living standard. An entry of 100% means that parent, after adjustments for taxes and household composition, has the income required to live as well as the median Arizona family of four. A parent at 50% has half the required income; a parent at 200% has twice the required income. This measure is in addition to those that are tied more directly to the statutory factors. It allows one to compare the living standard the primary custodian

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6. The calculations that underlie the Table of Basic Support Obligations in both the current guidelines and the updated income shares schedules are also based on net incomes, but of course users are told to look up the Basic Support Obligation in the Table on the basis of the parents' total gross income. The support amounts in the table for any gross particular income is the amount that has been calculated for the equivalent net income. See *Basis Of An Updated Child Support Schedule For Arizona*, pages 40-41. To calculate the net income equivalent to the gross incomes in the table, it is assumed that *all* parental income is *earned* income, and that both parents are taxed at the withholding table rate applicable to a single person. *Id.* This set of assumptions yields higher tax rates, and therefore, lower support amounts, than the plausible alternative assumptions that might have been used (e.g., that the custodial parent is taxed at the head of household rate, that one of the parents at least has remarried, or that some of the income is taxed at the more favorable rates that apply to capital gain income). Of course, any assumption that is used will be wrong for some cases.

7. For this purpose the tax information provided by the IRS groups together all households with 3 or more children; there is no separate information for households of four, five or six children.

8. For the purpose of this calculation, it is assumed that anyone who receives an EITC payment from the federal government has a zero state income tax liability.

would have if single and childless to the living standard that parent has as the primary custodian receiving a support payment and living with the child or children.

Here's what's meant when it is said that taxes are taken into account for all other middle income benchmarks (b, c, f, g, and h, below). The original middle income benchmark, a gross income measure, is converted to net income. The parental gross income is also converted. The percentage given is the after-tax parental income as a percentage of the after-tax income equivalent to the benchmark amount. The conversion from gross to net follows the method described above.

b. *As intact family w children.* This measure compares the living standard the parents and children had, or would have had, as an intact family (all living together with their combined parental income), to the middle income benchmark. One hundred percent means that the intact family had, or would have had, the income required to live as well as the median Arizona family of four. This measure provides a benchmark with which to assess statutory factor 4, the living standard the child would have had if the marriage had not been dissolved.

c. *Custodial household before payment.* This entry shows the income of the custodial parent, before child support is added, as a percentage of the middle income benchmark for a single person who has the children living with him or her full time. For most cases it provides a measure of two statutory factors, 1 and 2--the resources and needs of the child and of the custodial parent.

d. *Support Payment.* The support payment that is assumed in calculating the post-payment outcomes that follow.

e. *Income After Pmt.* Each parent's income in dollars after the support payment is deducted from the obligor's income and added to the custodial parent's income.

f. *% mid-income SOL after pmt, bnchmk adj.* Each parent's income, after adjusting for the child support transfer, is compared to the income that parent needs to live as well as the median Arizona family of four. For the purpose of this comparison the middle income benchmark is adjusted to reflect the allocation of parenting time. That is, the benchmark states the income needed, e.g., by a noncustodial parent who has the children 100 days a year, or a custodial parent who has the children 265 days a year.<sup>9</sup> One may compare this

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9. The calculation assumes neither parent is married, and the initial benchmark figures compare the noncustodial parent's income to the income a single person would require for that benchmark, and the custodial parent to the income a single parent with the appropriate number of children would require. A parenting time adjustment to the benchmark figures are then made to reflect whatever parenting time is assumed for the calculation. That adjustment is made by first identifying the marginal cost of the children's presence in the household by subtracting the benchmark figure for a single person from the figure for the same benchmark for a household with the custodial parent's composition. One-half of this dollar marginal cost figure is assumed to be variable costs that rise and fall proportionately with the children's presence in the household, and the benchmark figure for the custodial parent is therefore reduced by the proportion of these variable costs equal to the proportion of parenting days that the children are with the noncustodial parent. The other half of these marginal costs are assumed to be duplicated costs--expenses

figure with the intact family figure (benchmark b), to gauge the impact of the separation on each of the households, and to see how the income and resources of each household, after any proposed support payment, compare to one another and to the intact household.

g. **Ratio of SOLs (*adj CP divided by adj NCP*)**. The custodial parent's percentage of the middle income benchmark, as calculated in f, divided by the noncustodial parent's percentage as calculated in f. If this number is 1, then the two post-separation households have approximately the same living standard after the child support payment is taken into account. If the number is more than 1, then the custodial parent household has a higher living standard; if it is less than one, then the noncustodial household has a higher living standard. This assists in seeing how any particular support payment balancing the needs and resources of the secondary custodian against the needs and resources of the child and primary custodian. While this statistic is useful, one must keep in mind that as the parental incomes in question get further from the middle income benchmark, the less meaningful are these numbers.

h. **% *min. adequate inc - after pmt, adj for parenting***. This is same calculation as benchmark f, including adjustments for parenting time, except that the parental incomes are compared to the minimally adequate income benchmark rather than to the middle income benchmark. This benchmark is a very helpful supplement to the middle income benchmark for cases in which one or both parents are low income.

i. ***NCP's Payment Rate***. This is the support payment as a percentage of the noncustodial parent's after-tax income. It is an important consideration ensuring that statutory factor 4 is given appropriate consideration.

## **B. Examining Existing Guideline Numbers Against These Benchmarks (Step 2), Generating New Numbers (Step 3), and Checking Them for Anomalies (Step 5).**

The committee initially used *Childshare* to examine the existing guidelines, but once the existing guidelines were updated, it made more sense to focus on the new schedule. As previously explained, Figure 6 is a *Childshare* analysis of the updated income shares schedule, including the existing method for setting a parenting time adjustment, for one set of cases: one child, 100 days parenting time for the noncustodial parent, and six possible incomes for each of the parents. The committee of course went through this analysis for many different sets of facts. This example, however, presents a common fact pattern. About half the support cases involve one child, 100 parenting days is in the most common range seen in the cases, and the income range displayed here, from \$1,000 to \$10,000 for each parent, covers well over 90% of the incomes seen in Arizona child support cases.

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that the noncustodial parent incurs by virtue of the children's visitation, but which do not reduce the expenses of the custodial household. Duplicated costs as well as variable costs are therefore added to the benchmark figure for the noncustodial parent, again in proportion to parenting days (with duplicated costs assigned by the same 15 to 45% function used for the parenting time adjustment to the support amounts; see \_\_\_ below.

The *Childshare* analysis of the updated income shares schedule reveals the same basic pattern that concerned the 2004 Guidelines Committee and the Interim Committee: reasonable results when the parents are equal earners, but increasingly problematic results as the earnings of the two parents become more disparate.

### 1. The Equal Earner Diagonal

The shaded cells that form a diagonal line from Cell 1 to Cell 36 are called the equal earner diagonal because they present the cases in which the two parents earn the same income as one another. This is the place to start in evaluating or generating any set of child support guidelines because it generally presents the easiest case in which to balance the key statutory factors: the financial resources and needs of the child and each of the parents, and the living standard that the child enjoyed when the family was intact. Parents who are equal earners are entitled to equal living standards in their post-separation households; the allocation of custody should not itself put one parent's household at a financial advantage to the others. Equal outcomes for the two parental households also mean that the child has the same post-separation living standard as both parents. While the resulting living standard is typically less than during the intact marriage, because it costs more to maintain two households than one, the shortfall is shared equally among all parties. The *Childshare* grid shows that the updated income shares schedule comes close to this result for the four cases in which the parents each earn \$4000, \$6000, \$8000, and \$10,000. Outcome measure g, the standard of living ratio, is close to "1" in all four of these cases. One can also see that while the two post-separation households in these four cases have a lower living standard than did the intact household, as one would expect, (compare outcome measure b to outcome measure f) the decline is not precipitous, and both households still exceed the middle income benchmark in all four cases (as indicated by the fact that outcome measure f exceeds 100%).

For the two lowest income cases on the equal earner diagonal, \$1,000 and \$2,000, the updated schedule favors the custodial household with a payment that leaves it better off than the support obligor's household. While the needs of the child in a low income custodial household might seem to require this result, at these income levels the obligor also has a difficult time providing for his own basic needs.<sup>10</sup> These two cases present a difficult choice. On one hand one might believe the child's needs should be given more weight. On the other hand, Arizona, like most states, has long followed a policy protecting the very lowest income obligors from support demands that would drive them into poverty—or would take money from obligors already in poverty. The existing system relies entirely on a self support reserve based on the federal poverty threshold to protect low-income obligors, and its application to Cell 1 in fact reduced the support order to \$97 from \$142. But the \$97 support amount that the updated income shares schedule requires in Cells 1 leaves the support obligor with less than half the "minimally adequate" income (outcome measure h), arguably too much. Because the COBS system also considers the

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10. For the purpose of analyzing a guideline schedule, one must assume that the incomes fairly present each parent's best efforts. If a parent is shirking, the proper remedy is for the court to impute more income to that parent in applying the guideline; one cannot assume shirking in designing the guideline. The guidelines expressly authorize such imputation when the court finds a parent is voluntarily underemployed.

minimally adequate income as a benchmark, it requires a bit less of the support obligor—\$50—which leaves him with half the minimally adequate income. (See Figure 7, presenting the same grid for the COBS support amounts.) The custodial household is still favored, but by less. There is a similar result in Cell 8.

These are difficult cases as to which reasonable people may differ. Both COBS and the updated income shares schedule favor the custodial household when both parents have low parental incomes, but neither really does much for the child in question, because no private child support system can help the child much in these cases. When both parents are poor, government help or private charity are the only ways to improve the children's circumstances. But while the child support system alone cannot help much, it can cause additional difficulties for one or both parents by setting support at levels one cannot realistically expect the obligor to pay. The amounts in Cells 1 and 8 represent an unavoidable compromise between that concern, and concern about the child's financial needs, both embraced by statutory factors that are necessarily in tension.

## 2. Cell Pairs: Examining Cases With Disparate Incomes

**Examining the updated income shares schedule (Step 2).** Once the equal earner diagonal is fixed, one moves to consider the cells in pairs that present a single total parental income. Cells 10 and 20 provide a convenient example. Total parental income is \$8,000 in both cases, but the primary custodial parent is the low earner in Cell 20 while the secondary custodial parent is the low earner in Cell 10. From the child's perspective, the two households were financially equivalent when intact, and one might therefore expect the outcome for the child to be same in each case after separation. But they will not be.

Both families had the same comfortable middle class living standard when intact, at 154% of the median Arizona family (outcome measure b). In Cell 10, the living standard of the primary custodial parent's household hardly changes after the separation; the figure of 158% (outcome measure c) is essentially identical because the other's parent's departure saves at least as much money as she earns. The lower earning secondary custodian household living standard would sink to 83% of that middle class benchmark if he were childless (outcome measure a), having lost the benefit of sharing in the other parent's earnings; it is actually lower if the impact of that parent's 100 visitation days are taken into account. Requiring the secondary custodial parent to pay the other parent \$91 in support, under the updated income shares schedule, pushes her living standard to 67% of the middle income benchmark (outcome measure f), taking account of the parenting time. This is actually below the minimally adequate income for a single parent with 100 days of parenting time, at 94% (outcome measure h). Put another way, the secondary custodian's living standard falls from 154% of middle income in the intact family, to about 80% after separation, to 67% after the required payment of \$91, while the primary custodian's living standard across this same set of changes goes from 154% to 158% to 168% of the middle income benchmark. If there are health insurance costs for the child, they will normally be allocated between the parents, which will normally add to the support payment, reducing further the secondary custodian's living standard.

Compare these results to Cell 20, which could be the same family but with a different custodial allocation: the lower earner is now the primary custodial parent, and the higher earner has 100 parenting days each year. Here the support payment may seem large—\$601—but it is not actually large enough to have much impact. The living standard in the primary custodian’s household sinks from 154% middle income in the intact family, to 63% after separation and before receipt of the support payment. But it rises to only 86% of middle income after receipt of the support payment. Put another way, two children in financially equivalent households before divorce come out dramatically differently after separation: the child living primarily with the higher earning parent (Cell 20) suffers no decline in living standard at all—for this child the marital living standard has been preserved. By contrast, the child living primarily with the lower earning parent (Cell 10) suffers a large decline in living standard, from 158% of the middle income benchmark to 86%.

This guideline result seems inappropriate under the mandates of § 25-320(D). Cell 20 gives great weight to the support obligor’s needs and finances and very little to the child’s or the primary custodian’s, while Cell 10 does the opposite. In Cell 20 the secondary custodian profits from the separation; in Cell 10 the primary custodian profits. The dramatic difference between these two cells in the outcome for the child suggests that the child’s interests are not weighed very much in the process reaching these results.

Every cell on the grid outside the equal earner diagonal is a member of a cell pair, and similar comparisons can be made between the members of each of these other pairs. The pairs are: 2-7; 3-13, 4-19, 5-25, 6-31, 9-14, 10-7, 11-26, 12-32, 16-21, 17-27, 18-33, 24-34, 28-23, and 30-35. A comparison of the cells in each pair reveals similar results in each case, but the greater the parental income disparity, the greater the disparity between the cells in the child’s outcome. The closer the two parental incomes are to one another, the closer the results are to the reasonable outcomes one sees along the equal earner diagonal. This analysis reveals more systematically the patterns that were a cause for concern for prior committees: the current guidelines are fine when parental incomes are close to one another, but become problematic as the incomes diverge.

To be sure, the child’s interests are not the only interests that must be considered under § 25-320(D), and appropriately so. Because the child and primary custodian share a household, the child’s living standard cannot be separated from the primary custodian’s. One cannot set the amount of the support payment with the goal of ensuring the child a decent middle class dwelling without providing it to the primary custodian as well. This unavoidable fact underlines why one must strike a balance among the statutory factors the guidelines must consider. An exclusive focus on the needs of the child, and on providing the child a living standard at or close to the marital standard, would necessarily give little if any weight to the needs and resources of the support obligor. It would therefore be inappropriate under the statute. Similarly, an exclusive focus on the obligor’s needs and resources is also inappropriate. Yet an examination of Cell 20, and of similar cells in which the support obligor’s income is much higher than the primary custodian’s,

suggests this is the result under the updated income shares schedule.

The committee believes the cause is the marginal analysis that underlies the income shares model guidelines, which necessarily overweighs the support obligor's interests for the cases like Cell 20, for the very reason that it ignores the unavoidable link between the child's living standard and the living standard of the other members of the same household. Living standard is an attribute of households as whole, not of the individuals within them. The method's assumption is that the child's interests are protected when the obligor's share of the marginal expenditures on children in a high-income intact household are added to the post-separation household of the low-income custodial parent, but one can see from this outcome grid that a transfer of just the marginal expenditures has a relatively small impact on living standard of either household. The support obligor's interest is protected fully because he is asked to pay no more after separation than was his share of the additional costs of the child during the marriage. He is held harmless with respect to the additional expenses arising from the separation of the marital household into two, all of which are borne by the lower-income custodial household.

The committee found that the examination of cell pairs through a series of cases was an effective way of focusing on the appropriate way to balance the competing statutory factors, and was one key part of the method employed to construct the COBS support schedule.

# The Development and History of the U.S. Poverty Thresholds — A Brief Overview

by  
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In view of the recent major proposal to revise the way in which the United States measures poverty, it may be useful to review the development and subsequent history of the current official poverty thresholds.

The poverty thresholds were originally developed in 1963-1964 by Mollie Orshansky of the Social Security Administration. She published an analysis of the poverty population using these thresholds in a January 1965 **Social Security Bulletin** article. Orshansky based her poverty thresholds on the economy food plan — the cheapest of four food plans developed by the Department of Agriculture. The actual combinations of foods in the food plans, devised by Agriculture Department dietitians using complex procedures, constituted nutritionally adequate diets; the Agriculture Department described the economy food plan as being "designed for temporary or emergency use when funds are low." (Orshansky also developed a second set of poverty thresholds based on the Agriculture Department's somewhat less stringent low-cost food plan, but relatively little use was ever made of these higher thresholds.)

Orshansky knew from the Department of Agriculture's 1955 Household Food Consumption Survey (the latest available such survey at the time) that families of three or more persons spent about one third of their after-tax money income on food in 1955. Accordingly, she calculated poverty thresholds for families of three or more persons by taking the dollar costs of the economy food plan for families of those sizes and multiplying the costs by a factor of three — the "multiplier." In effect, she took a hypothetical average family spending one third of its income on food, and assumed that it had to cut back on its expenditures sharply. She assumed that expenditures for food and non-food would be cut back at the same rate. When the food expenditures of the hypothetical family reached the cost of the economy food plan, she assumed that the amount the family would then be spending on non-food items would also be minimal but adequate. (Her procedure did not assume specific dollar amounts for any budget category besides food.) She derived poverty thresholds for two-person families by multiplying the dollar cost of the food plan for that family size by a somewhat higher multiplier (3.7) also derived from the 1955 survey. She derived poverty thresholds for one-person units directly from the thresholds for two-person units, without using a multiplier. The base year for the original thresholds was calendar year 1963.

Orshansky differentiated her thresholds not only by family size but also by farm/nonfarm status, by the sex of the family head, by the number of family members who were children, and (for one- and two-person units only) by aged/non-aged status. The result was a detailed matrix of 124 poverty thresholds, although the figures generally cited were weighted average thresholds for each family size.

In her January 1965 article, Orshansky presented the poverty thresholds as a measure of income inadequacy, not of income adequacy — "if it is not possible to state unequivocally 'how much is enough,' it should be possible to assert with confidence how much, on an average, is too little."

While the poverty thresholds had been calculated on the basis of after-tax money income, they were applied to income data — the Census Bureau's Current Population Survey — that used a before-tax definition of money income; this was done because when the thresholds were being developed, the Current Population Survey was the only good source of nationally representative income data. Orshansky was aware of the inconsistency involved, but there was no other alternative; she reasoned that the result would yield "a conservative underestimate" of poverty.

In April-May 1965, it was decided to set farm poverty thresholds at 70 percent of the corresponding nonfarm thresholds, and to update the thresholds for annual price changes by the yearly change in the per capita cost of the economy food plan. In May 1965 — just over a year after the Johnson Administration had initiated the War on Poverty — the Office of Economic Opportunity adopted Orshansky's poverty thresholds as a working or quasi-official definition of poverty.

As early as November 1965, Social Security Administration policymakers and analysts began to express concern about how to adjust the poverty thresholds for increases in the general standard of living. (There is extensive historical evidence from the U.S. and other countries that successive poverty lines developed as absolute poverty lines show a pattern of getting higher in real terms as the real income of the general population rises; this evidence is discussed in the author's "Relative or Absolute — New Light on the Behavior of Poverty Lines Over Time," in the Summer 1996 issue of this newsletter.) In 1968, the Social Security Administration tried to take a very modest step towards raising the poverty thresholds to reflect increases in the general standard of living. The Bureau of the Budget (the predecessor of the Office of Management and Budget) prohibited the modest increase in the poverty thresholds, but initiated an interagency Poverty Level Review Committee to re-evaluate the poverty thresholds. This Committee decided to adjust the thresholds only for price changes, and not for changes in the general standard of living. In 1969, the Committee decided that the thresholds would be indexed by the Consumer Price Index instead of by the per capita cost of the economy food plan, and that farm poverty thresholds would be set at 85 percent rather than 70 percent of corresponding nonfarm thresholds. In August 1969, the Bureau of the Budget designated the poverty thresholds with these revisions as the federal government's official statistical definition of poverty.

In 1973, three interagency subcommittees were formed to conduct a thorough review of federal income and poverty statistics. The Subcommittee on Updating the Poverty Threshold recommended that the poverty thresholds be updated every ten years using a revised food plan and a multiplier derived from the latest available food consumption survey; this would generally have resulted in higher poverty thresholds at each decennial revision. The Subcommittee also recommended that the definition of income used to measure overall income should also be the income definition used to calculate the multiplier for revised poverty thresholds. No changes were made in the poverty definition as a result of the 1973 review of poverty and income statistics.

In 1974, in response to a Congressional requirement, an interagency Poverty Studies Task Force was established to undertake an intensive review of the current poverty measure and alternative measurement schemes. A final report, **The Measure of Poverty**, was submitted to

Congress in 1976 along with seventeen Technical Papers. This report thoroughly explored the issues involved in developing and revising poverty measures, but did not recommend specific changes in the current poverty measure.

In 1981, several minor changes were made in the poverty thresholds in accordance with recommendations of an interagency committee. The farm/nonfarm differential was eliminated by applying nonfarm poverty thresholds to all families. The distinction between thresholds for "female-headed" and "male-headed" families was eliminated by averaging. The poverty threshold matrix was extended to make the largest family size category "nine persons or more" rather than "seven or more persons." These changes reduced the number of thresholds in the detailed matrix of poverty thresholds from 124 to 48.

During the 1980s, there were extensive debates about poverty measurement — particularly about proposals to count government noncash benefits as income for measuring poverty without making corresponding changes in the poverty thresholds. (For comments on these proposals, see pp. 9, 65-66, 205, and 227-231 of the report cited in the next paragraph.) However, no changes were made in the official poverty definition during the 1980s.

In 1990, a Congressional committee requested a study of the official U.S. poverty measure by the National Academy of Sciences/National Research Council to provide a basis for a possible revision of the poverty measure. In 1992, the NRC's Committee on National Statistics appointed a Panel on Poverty and Family Assistance to conduct this study. In May 1995, the Panel published its report of the study (Constance F. Citro and Robert T. Michael (editors), **Measuring Poverty: A New Approach**, Washington, D.C., National Academy Press, 1995). In the report, the Panel proposed a new approach for developing an official poverty measure for the U.S. — although it did not propose a specific set of dollar figures. The Panel's proposal has been summarized and discussed in a number of sources, including earlier issues of this newsletter.

*(This article is a summary of Gordon M. Fisher, "The Development and History of the Poverty Thresholds," **Social Security Bulletin**, Vol. 55, No. 4, Winter 1992, pp. 3-14; the **Bulletin** article was condensed from a 75-page unpublished paper. [This unpublished paper — subsequently revised to 88 pages — is available on the Census Bureau's Poverty Measurement Web site at <http://www.census.gov/hhes/www/povmeas/papers/orshansky.html>.] For additional information, you may contact Gordon Fisher by telephone (202-690-6143) or e-mail [gordon.fisher@hhs.gov](mailto:gordon.fisher@hhs.gov). The views expressed here are those of the author, and do not represent the position of the Department of Health and Human Services.)*

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[A list of selected articles and papers by Orshansky on the poverty thresholds and the poverty population is available.]

[Return to the page of Further Resources on Poverty Measurement, Poverty Lines, and Their History]

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## **Additional Data Statement of Work**

### **Introduction and Background**

In conducting its quadrennial review of Arizona's child support guidelines, the Arizona Supreme Court has decided to go beyond updating its income shares guidelines by exploring the development of guidelines that focus on the goals of protecting child welfare and treating the parents equitably rather than on maintaining the expenditures of the parents that would have been made in an intact family, as is intended under the income shares guideline currently in use. In this section of the proposal, we first provide background on the issues involved in determining appropriate child support guidelines and then describe the work we would perform on each of the four tasks identified.

Since 1988, federal law has required all states to establish presumptive child support guidelines and to review their guidelines at least once every four years. However, states have great flexibility in the approach they use to formulate their guidelines, the levels at which the guidelines are set, and adjustments that are made for factors such as expenses for health care, child care, education, and shared custody.

Setting child support guidelines is a complex matter for several reasons. First, when intact families split up, there is a loss of well-being in at least one of the family units because of the loss of what economists refer to as economies of scale; that is, if the combined income of the two new units is equal to the income of the combined prior unit, at least one of the units must be worse off than before as goods that were formerly shared, such as transportation and housing, must now be purchased separately for each household. Second, the well-being of the custodial parent and the child are inseparably linked.

Funds paid to the custodial child's household cannot be isolated and spent entirely on the child; thus any funds transferred by the noncustodial parent invariably increase the well-being of the custodial parent as well as the child. Third, over 90 percent of family expenditures are either on shared goods, such as housing, or on private goods, such as food, that cannot be easily allocated to particular family members.

Fourth, there is no single rule that is universally agreed upon for setting appropriate child support levels. In the past, proposals have ranged from setting guidelines so that the child's well-being would remain the same, which would result in the noncustodial parent bearing the entire burden of the loss of economies of scale, to setting support levels as the minimum necessary amount to provide the child with basic necessities.

Neither of the extreme versions mentioned above have been adopted by the states. Instead, three general forms of guidelines have been used by the states.<sup>1</sup> The most popular type of guideline is the *income shares* model. In this approach, each parent contributes child support in proportion to the parent's share of combined income. The level of total support is determined by estimating what proportion of income the family would have spent on the child had the family remained intact and requiring each parent to pay a proportional share of that amount. The custodial parent is assumed to provide the support called for, and the noncustodial parent is required to pay the other parent his or her share of the support. In fact, however, the income shares guidelines are not based on how much parents spend on their children. Instead, the amount is estimated by computing the amount of additional income that a family unit must receive to maintain their level of well-being when a child is added. The development and use of these equivalence scales is elaborated on below.

Although income shares guidelines are by far the most common approach in use, this approach has been criticized on several grounds.<sup>2</sup> First, although its advocates portray the income shares approach as being based on a sound principle based on equity, critics charge that there is nothing sacred about the standard used. Second, to properly use the income shares approach, one must have a good theoretical basis for estimating equivalence scales and one must have good consumption and income data to develop the specific guidelines. Critics argue that neither of these criteria is fulfilled.<sup>3</sup>

The second common approach to establishing child support guidelines is the *percentage of income* approach. In this approach, the support order is only a function of the noncustodial parent's income.

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<sup>1</sup> See Bassi and Barnow (1993), Barnow (1994), and Williams (1994) for more details on the three approaches.

<sup>2</sup> See Ellman (2004) for detailed discussion of these issues.

<sup>3</sup> Ellman (2004) provides evidence on these issues.

The major virtue of the percentage of income approach is its simplicity—in most states using the percentage of income approach, the child support order is a flat percentage of the noncustodial parent’s income. The simplicity of this approach is also its major shortcoming—there is no basis for selecting the “right” guidelines.

The third approach is the *Melson* guidelines, named after the Delaware judge who developed the approach. In states using Melson guidelines, the noncustodial parent is permitted to retain a self-support reserve to meet his or her basic living requirements. Next, the noncustodial parent’s income is used to meet the basic needs of the child. Once both parties’ basic needs have been met, additional income is split equitably between the noncustodial parent and the child. The Melson guidelines take into account the importance of meeting basic needs before providing support for another person. Concerns with the Melson guidelines involve the lack of specific criteria for setting the cutoffs for basic needs and the percentage rate that should be used to share income once the basic needs have been met.

Like a majority of states, Arizona currently uses the income shares approach. Phase 2 of the RFP is an effort to explore an alternative approach to developing guidelines where the state would develop potential guidelines based on alternatives to the principles underlying the income shares guidelines—protecting child well-being and sharing the burden of paying for the children equitably. Recognizing the exploratory nature of the exercise, the Arizona RFP calls for the researcher to develop more than one estimate for parameters where there is no strong evidence to select a single number and for the model developed to be placed in a spreadsheet where state committee members can make changes to some parameters themselves. The research called for in Phase 2 is a continuation and refinement of the concepts presented to the Arizona Child Support Guidelines Economics Subcommittee by Ira Ellman and Tara Ellman. The Ellmans have posted a preliminary version of their work on the theory of child support on the Internet at <http://homepages.law.asu.edu/~ira01/articles.htm>.

In the following sections we describe our approach to the tasks described in the RFP. For all of the tasks we have developed preliminary ideas on how we would pursue the research, and in some cases we have identified sources of data.

For this project to be of most use to the state, it is important to actively communicate with the state and maintain the focus on the issues and approaches of greatest concern to the officials responsible for the development of child support guidelines. Our budget includes two trips to Phoenix, but depending on the state's resources and needs, we can increase or decrease the number of visits to Arizona.

### **Task 1**

The first task requires the researcher to develop benchmark estimates of some key numbers that can be used to develop appropriate child support guidelines. Specifically, the RFP calls for answering four questions, and each is addressed below.

1. What is the minimum household income required in Arizona to provide a single-parent household the living standard necessary to maintain the basic welfare of the children: adequate nutrition, safe and clean housing, and appropriate clothing and other items needed to successfully attend school? (This will be referred to as *the minimum decent living standard*).

An important aspect of child support is to assure that the child receives enough support from the two parents to be assured of adequate nutrition, housing, clothing, and other necessities. As a starting point one might naturally think of using the official poverty level to address this question. Although the official poverty level has been used since it was developed by Molly Orshansky in the 1960s, this measure has been criticized since its introduction, and most observers believe it has become more flawed over time.<sup>4</sup> The poverty measure was established by determining how much a family of a particular size would have to spend on food based on the lowest-cost diet developed by the U.S. Department of Agriculture. This figure was multiplied by a factor of three because the average family spent approximately one-third of its budget on food. In the 1990s, a National Academy of Sciences panel reviewed the adequacy of the official poverty measure, and the panel found it deficient in six ways:

- The current measure does not distinguish between the needs of workers and those who do not work.
- The current measure does not account for the fact that different population groups face significant variations in medical care costs.

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<sup>4</sup> See Citro and Michael (1995) for a detailed discussion of the issues summarized here.

- The current measure does not account for regional variation in the cost of important commodities such as housing.
- The adjustments for family size are anomalous in many respects.
- Changes in the general living standard call into question retaining the original poverty levels and adjusting only for inflation.
- The current measure is based on gross money income and does not take into account important policy initiatives such as payroll taxes and food stamps.

The NAS panel called for a major revamping of the measurement of poverty. Among the changes recommended by the panel are basing the poverty measure on food, clothing, and shelter; including money and near-money benefits (such as food stamps); and using new equivalency measures to set the poverty thresholds for families of different compositions.<sup>5</sup>

Given the dissatisfaction with the current measure of poverty, we believe that for the purposes of setting child support guidelines it would be wise to look beyond the current official poverty measure. Even if the state prefers to use the official poverty measure, we would have some difficulty adapting the national measures to the cost of living in Arizona. The Bureau of Labor Statistics does produce consumer price indexes for metropolitan areas such as Phoenix, but these indexes cannot be used to compare the cost of living across cities. In addition, BLS only measures prices in the Phoenix-Mesa metropolitan statistical area, and therefore the rest of the state is not covered.

Given the importance of this task, we would conduct research on other poverty measures that are available for Arizona. At this time we have identified two potential measures, but we have not conducted an exhaustive search. The first measure is the Self-Sufficiency Standard for Arizona developed by Pearce and Brooks (2002). This measure was developed for Wider Opportunities for Women to estimate “How much money does it take for families to live and work without public or private assistance or subsidies?” The self-sufficiency standard is based on readily available data for housing, child care, transportation, health care, miscellaneous expenditures, and tax

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<sup>5</sup> See Chapter One of Citro and Michael (1995).

credits. Separate standards are created for different numbers of adults and children, and the standards also vary by the age of the children. A separate set of standards is calculated for each county in Arizona. There are, however, several shortcomings of this data source. First, it appears to have only been computed for 2002. It would be possible to update the estimates, but the resources to do so might exceed the budget for the project. Second, the Self Sufficiency Standards, as published, do not appear to cover all the combinations of children and parents needed to estimate child support guidelines. We would contact the authors of the Arizona Self-Sufficiency Standard to determine the current status of the measure and to explore how readily it could be adapted to Arizona's needs.

The Economic Policy Institute (EPI) also produces state-level basic family budgets. In constructing their basic family budgets, EPI considers housing, food child care, transportation, health care, other necessities, and taxes. The EPI methodology is well documented, so one can see if meets the user's needs.<sup>6</sup> The data are presented for five metropolitan statistical areas (Flagstaff, Phoenix-Mesa, Tucson, Yuma, and the Arizona portion of the Las Vegas area) and the rural part of the state. EPI updates the data annually, and the latest data available are for 2005. A shortcoming of the EPI basic family budget is that budgets are only developed for families with one, two, or three children. No estimates are available for childless individuals or couples, nor are figures available for families with more than three children..

The EPI basic family budget appears at this time to be a good starting point for our analysis. After reviewing the construction of the budget and the figures it produces, we would consult with the Child Support Guidelines Committee to determine if the budgets created by EPI appear reasonable. If so, we would seek to obtain budgets for larger families and childless units either by obtaining the data EPI used to construct the budgets or by using an appropriate equivalence scale. As noted earlier in the proposal, equivalence scales indicate how much income family units of different composition must have to achieve similar levels of well-being. There is some disagreement among economists about what the best equivalence scales are. Citro and Michael (1995) suggest a relatively simple way to develop equivalence scales, but Short (2001) indicates that a more complex equivalence

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<sup>6</sup> See Allegretto and Fungard (undated).

scale may be more appropriate. It is fairly straightforward to develop family budgets by applying the various equivalence scales that have been developed. We can then work with the guidelines committee to identify the equivalence scales that appear most appropriate.

In summary, we have identified two potential Arizona-specific data bases that provide low-budget living standards. If awarded the contract, we would search to determine if others are available. After the search is complete, we would inform the state about the alternative sources available, noting the advantages and disadvantages of each. Neither of the two sources identified so far cover all the family configurations identified in the RFP. Two approaches are available to expand the coverage. First, we could gather the required data for the missing configurations, which consist mostly of larger families. The two problems with this approach are that the costs of gathering the data may be prohibitive and the data required may simply not be available for families with more than three children for Arizona. The alternative strategy is to rely on equivalence scales to develop estimates. In that case, because there is not agreement on the most accurate equivalence scale, we would present a range of estimates based on the recommendations of the National Academy of Sciences panel and the scales used by the Bureau of the Census in their work on experimental poverty measures.

2. What is the income above which additional dollars will contribute relatively little additional well-being to children in an Arizona single-parent household? (This will be referred to as *the well-being maximum*).

In developing child support guidelines, it is reasonable to assume that if there is a point at which additional child support no longer increases the well-being of the child, one of the key rationales for relating child support guidelines to the income of the noncustodial parent disappears. We reviewed some recent literature to determine if there is research that suggests that there is an income level at which additional income ceases to provide any or little additional well-being to the child, but we found few relevant articles. This does not mean that such a maximum does not exist, but rather that identifying this level is not the most pressing research issue for social scientists. Indeed, there is a great deal of literature analyzing how additional income affects the well-being of poor children, and some of that literature does deal with the issue of whether the impacts diminish as income increases.

Dearing et al. (2001) found that change in income-to-needs (where “needs” is defined as the poverty level) was not very important for children in households above poverty, but was very important for children in families below poverty. Also, Brooks-Gunn and Duncan (1997) found that family income is associated with measures of cognitive achievement and that the effects of increased income are larger for children living in poverty.

Some of that literature does deal with the issue of whether the impacts diminish as income increases. For example, Blau (1999) found, contrary to much of the literature, that increased income adds relatively little to child well-being: “If these results hold up under further scrutiny, they suggest that upward economic mobility and government income support programs have little direct impact on child development.” The most useful study we have identified for this task is Mistry et al. (2004). They conclude:

Two conclusions emerge from an examination of Figure 2 [in their article]. First, the income to needs ratio is strongly related to both family processes and child outcomes (but moderately related to child behavioral problems). Second, the nature of this relationship is nonlinear. Income has a strong linear relationship with our indicators of family and child well-being for families with income-to-needs ratios below approximately 5 (approximately 75% of our sample), but thereafter the relationship clearly begins to asymptote. To put this in perspective, the latest Census Bureau estimates indicate that in 2002, an income-to-needs ratio of 5 for a family of four equaled \$91,960.

Unfortunately, we have been unable so far to identify other research that finds a well-being maximum. We would conduct a more in-depth search in the initial phase of the contract, but it is likely that we will find few studies that address this issue or if they do, they may find conflicting income levels associated with maximum well-being, particularly if the studies examine alternative measures of well-being. In the context of this contract, it is unlikely that we can do more than use some consensus measures of a reasonable ceiling on well-being. For example, we could use multiples of the poverty level or the minimum well-being level established for the first question. This procedure would at least create a good starting point for the exercises in the following tasks. In the longer run, it might be possible to conduct surveys to develop a consensus or average measure of this concept; in their draft paper, Ellman, Braver, and MacCoun (2007) show that surveys can be used to determine attitudes of the general public about some aspects of child support guidelines.

3. What is the approximate income required to provide an Arizona single-parent household the same living standard as that of the median-income two-parent Arizona family with the same number of children? What is the approximate income required to provide that same living standard to a single person in Arizona?

Answering this question requires data on the median income of Arizona two-parent families with one to six children and appropriate equivalence scales to compute the income required for the other family configurations specified.

Income for Arizona families can be computed from the Current Population Survey or the American Community Survey (ACS). Preliminary research shows that median household income for households of various sizes can easily be obtained from the Internet:

2006 Median Household Income	Arizona	
	Estimate	Margin of Error
Total:	47,265	+/-439
1-person households	27,782	+/-838
2-person households	53,196	+/-909
3-person households	60,323	+/-1,380
4-person households	65,274	+/-1,661
5-person households	58,195	+/-2,654
6-person households	54,028	+/-3,617
7-or-more-person households	55,945	+/-4,087

Source: U.S. Census Bureau, 2006 American Community Survey. Downloaded October 31, 2007 from [http://factfinder.census.gov/servlet/DITTable?\\_bm=y&-context=dt&-ds\\_name=ACS\\_2006\\_EST\\_G00\\_&-CONTEXT=dt&-mt\\_name=ACS\\_2006\\_EST\\_G2000\\_B19019&-tree\\_id=306&-redoLog=false&-geo\\_id=04000US04&-search\\_results=01000US&-format=&-lang=en](http://factfinder.census.gov/servlet/DITTable?_bm=y&-context=dt&-ds_name=ACS_2006_EST_G00_&-CONTEXT=dt&-mt_name=ACS_2006_EST_G2000_B19019&-tree_id=306&-redoLog=false&-geo_id=04000US04&-search_results=01000US&-format=&-lang=en)

The table above is useful, but not exactly what is required. The table provides median income by household size, but we would like median income for a family (rather than household) with two parents (rather than an unspecified number of parents). Based on other tables available on the Internet from the ACS, we are confident that we can obtain the desired income data from the Bureau of the Census.

As noted previously, there is a lack of agreement on the appropriate equivalence scales that should be used to identify comparable living standards for families with different compositions. Short (2001) summarizes six equivalence scales that the Bureau of the Census has used for its experimental poverty measures for families of various sizes and compositions. For example, the equivalence scales for a family with one adult and two children (relative to a family with two adults and two children) range from .770 to .866.

Using six equivalence scales would be cumbersome, so we would attempt to ascertain the equivalence scales with the most support or take the upper and lower bound equivalence scales to provide the data requested

4. What is the percentage increase in expenditures required to allow a single person to maintain his or her living standard when children are added to the household? (As used in calculating, or implied by, the answer to Question 3.)

This is a fairly straightforward exercise making use of an appropriate equivalence scale. Once again, we would use several equivalence scales to generate the required figures. Both the National Academy of Sciences panel and the Census experimental poverty equivalency scales make use of formulas to determine how much income must be added to a household as additional children are added. To illustrate how this is calculated, consider the scale recommended by the NAS panel. The NAS panel assumes that children under 18 consume 70 percent of what an adult consumes. The equivalence scale is computed by adding .70 by the number of children, adding that figure to the number of adults in the household, and raising the resulting number to a power between 0.65 and 0.75. Taking the midpoint of the range for the power that is used, we obtain the formula  $E = (A + 0.7C)^{.70}$ . The table below shows the equivalence scale and the marginal percentage increase as children are added to a household with one adult:

Number Children	Equivalence Scale	Percentage Increase
0	1	
1	1.449821	44.98%
2	1.845644	27.30%
3	2.207767	19.62%
4	2.545942	15.32%
5	2.865819	12.56%
6	3.171045	10.65%

Note that there are economies of scale present—as each additional child is added to the household, the increase in required expenditures declines.

## Task 2

The purpose of this task is to construct a spreadsheet that enables the Committee to examine alternative child support guidelines and assess their fairness in terms of meeting the criteria developed by Ellman and Ellman (2007). Specifically, the Ellmans propose that child support guidelines look at the post-separation positions of the two households rather than compute the support amount based on the situation that would pertain if the household were intact. The Ellmans propose that the guidelines be constructed to take account of four principles that they have developed, which are summarized in the table below. By using a spreadsheet to present the information, the Committee can use its own judgment on what is equitable and fair rather than rely on a formula.<sup>7</sup>

### **Dual obligation component:**

The custodial parent has a strong claim that the NCP will pay a share of the CP's marginal cost of the children's presence in the CP's home.

### **Child well-being component**

Children have a strong claim to as good a level of well-being as their parents can reasonably provide, at least up to the point where their standard of living is so high that they would derive little benefit from additional household income. This claim is especially strong for children with a low standard of living.

### **Gross disparity:**

Children of a high income NCP have a claim to a standard of living that is not grossly disproportional to that of their NCP.

### **Earners' priority principle:**

Earners have a strong claim to keep their own income, especially in the case of low income earners.

The Ellman spreadsheet has five components:

- The Introduction, which explains how the spreadsheet works and provides some overall instructions on its use.
- The Work Grid, which shows the child support amount that would be generated by the dual obligation component and the resulting child support and other outcomes after the user makes adjustments. The work grid is also the worksheet where the user modifies the child support order to account for the child well being component and other factors.

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<sup>7</sup>

The table is excerpted from the spreadsheet prepared by Tara Ellman, for the Arizona Child Support Committee and was attached to the RFP.

- The Output Grid, which rearranges the output section of the Work Grid in an easier to view format.
- The Line Charts, which show how the noncustodial parent's child support order as a percentage of income changes as income varies.
- The Main Table, which lays out all the inputs and outputs for the 16 scenarios covered
- Info, which provides background information and assumptions for the computations.

The Tara Ellman spreadsheet is very elegant, but there are several features we would change, as well as many we would retain. The main virtues of the spreadsheet are that it is easy to use, it permits the user to modify the child support awards easily and see how it affects the outcomes and the equity considerations, and it displays the key outcomes graphically as well as in tabular formats. The most important change we would consider is starting with the child well being component. As a starting point, this principle could be mapped by assuming that the noncustodial parent would pay sufficient child support so that the child would be at the minimum standard of living determined under Task 1 for a family of the appropriate composition.<sup>8</sup> We would then enable the user to modify the initial output by taking into account the dual obligation component; the user would add additional support to take account of the income of the noncustodial parent and his or her ability to help support the child. Next, we would permit changes to accommodate the earner's priority principle.

Unlike the dual obligation principle, which applies primarily to high earners, this principle could be used to adjust the guidelines for low earners. Some states take this principle implicitly into account by setting orders at zero or some nominal amount until the noncustodial parent's income exceeds a minimum standard of living. They then might further limit the increase in child support so that the amount paid in child support out of every additional dollar earned does not exceed a certain percentage, e.g., 50 percent.<sup>9</sup> Finally, we would permit users to add in changes to reflect the gross disparity principle.

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<sup>8</sup> One obvious complication is how to deal with the income of stepparents in the custodial parent's household. For now, we ignore this issue, but the committee will have to deal with the issue.

<sup>9</sup> We built this type of adjustment into the guidelines we developed for Nebraska. Although related to the earner's priority principle, we would consider the limitation on the marginal implicit tax rate to be a separate principle that could be called the labor incentive principle. Note that with 50 percent of marginal income going for child support, the actual tax rate on the noncustodial parent could be much higher with social security and state income taxes factored in.

We recommend retaining the easy to use structure of the Tara Ellman spreadsheet, with tables that show how child support orders vary with income of the two parents. We would construct separate spreadsheets for one through six children, and each spreadsheet would include an input page where the user would enter all the assumptions needed to develop the basic guidelines such as minimum adequate budget for the custodial and noncustodial families of the relevant size. This initial spreadsheet would include no more than four levels of income for each parent—with spreadsheets for one through six children, this seemingly simple arrangement would provide 96 different child support amounts. We would include initial values for the cases covered by the spreadsheet and work with the committee to develop alternative adjustments to the basic guidelines.

### **Task 3**

Under Task 3, the guidelines spreadsheets will be expanded to cover the entire range of incomes for the custodial and noncustodial parents, ranging from no income to \$20,000 per month. The guidelines will closely follow the work conducted under Task 1 and Task 2, so most of the guideline amounts will be calculated by interpolating and extrapolating the previous work. The resulting guidelines will be displayed in tables and graphically. Of particular interest will be graphs showing how the guideline amounts change when income of one parent or the other is varied and as children are added to the family.

Based on our previous work with Nebraska and New York, we anticipate that the most difficult cases to set appropriate orders are for very low incomes of one or both parents and for very high incomes of one or both parents. These are the situations where the various principles tend to be in conflict. If both parents have very low incomes, for example, it is very difficult to meet the child's basic needs and to still respect the noncustodial parent's basic needs. Even a low level of child support might create a large disparity in the well-being of the two parents, with the noncustodial parent potentially bearing most of the decrease in well-being. If both parents have very high incomes, high levels of child support provide little or no benefit to the child, but might still be called for to share the support of the child equitably.

After developing the draft comprehensive spreadsheets, we would present the results to the committee. We would flag the cases that appear anomalous or controversial and suggest alternative ways of developing the guidelines. We expect that several rounds of discussion might be necessary to achieve consensus on how the guidelines should be structured.

#### **Task 4**

After Task 3 is complete, the last step will be to create the final guidelines. These guidelines will be presented in several forms: 1) a calculator, where the user can input relevant family data and the size of the child support order will be computed, and 2) a PDF file with a table where the user can determine the amount of the order corresponding to the income of the custodial and noncustodial parents. If desired, we would prepare the calculator so it could be included on the state's Internet site.

## Limitations of the Approach

The approach suggested for Phase 2 and described above will provide the state with a potentially useful alternative to the income shares approach that is currently used. Neither approach, however, can deal well with the complications that often arise in child support cases. A few of the issues that are not addressed by the approach we have described include shared physical custody, work-related child care expenses of the custodial parent, extraordinary health and medical care expenses, and the presence of other children and adults in either parent's household. It should be noted, however, that the income shares approach must also deal with these same issues.

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