Adjustments for Additional Dependents in Child Support Guidelines

Submitted to:

Maryland Department of Human Resources
Child Support Enforcement Administration

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INTRODUCTION AND BACKGROUND

This brief analyzes adjustments for multiple families/additional children from other relationships. Either parent may have children with more than one partner. Child support is typically determined on a case-by-case basis for the joint children of a couple who has a legal financial responsibility to the child or children. Multiple families/additional children refer to the other families or other children of a parent besides the children for whom a child support award is being determined. Often the parent may have a pre-existing child support order for the other children or the other children currently live with that parent. In most states, the adjustment applies to other children for whom the parent has a legal duty to support, and does not apply to stepchildren unless the parent legally adopted them.

Child support compliance rates are lower among obligated parents with multiple orders. Analysis of a random sample from the state caseload of child support cases with orders established sometime between 2002 through 2006 found that 27.4 percent of obligated parents have multiple orders, and that their child support compliance rate among obligated parents with multiple orders is eight percentage points less than average.[1] Other states and studies also find that compliance is less among obligated parents with multiple orders. For example, data from Pennsylvania's most recent child support guidelines review found that the payment rate was 10 percentage points less among orders adjusted for an obligated parent's multiple orders than those without the adjustment.[2] Still another study, that assessed cases with child support arrears in nine large states,[3] found that obligors with multiple current orders owed a disproportionate share of arrears: obligors with multiple current orders comprised 12 percent of all obligors in the study, and those 12 percent of obligors owed 25 percent of all arrears. This is over twice as much as their proportionate share, which would be 12 percent.

Maryland's most recent case file review,[4] which comprised a random sample of over 5,000 cases from the state child support caseload with orders established or modified sometime between 2011 through 2014, found that 20.5 percent of noncustodial parents had a deduction from their income used to determine the support order because the noncustodial parent had a pre-existing child support order. The comparable percentage among custodial parents was considerably less: 1.1 percent of custodial parents had an income deduction for a pre-existing child support order. These percentages understate the percentage of Maryland parents in the state caseload with additional dependents because a parent

[1] Saunders, Correne, Logan Passerella, Letitia, and Born, Catherine. (Dec. 2014). *Reasonable Child Support Orders: The Relationship between Income and Collections.* University of Maryland School of Social Work, Baltimore, MD.

[2] Venohr, Jane. (March 2016). *2015-2016 Pennsylvania Child Support Guidelines Review: Economic Review and Analysis of Case File Data*. Report to the Pennsylvania Department of Human Services, Harrisburg, PA. Retrieved from http://www.pacourts.us/assets/uploads/Resources/Documents/2015%202016%20Pennsylvania%20Child%20Support%20Guidelines%20Review%20Econonic%20Review%20and%20Analysis%20of%20Case%20File%20Data%20-%20005119.pdf?cb=b3603 .

[3] Sorensen, Elaine, Liliana Sousa, and Simon Schaner. (July 2007.) *Assessing Child Support Arrears in Nine Large States and the Nation.* Prepared for U.S. Department of Health and Human Services. Retrieved from http://www.urban.org/sites/default/files/publication/29736/1001242-Assessing-Child-Support-Arrears-in-Nine-Large-States-and-the-Nation.PDF

[4] Hall, Lauren, Natalie Demyan, and Letitia Logan Passarella. (Nov. 2016). *Maryland Child Support Guidelines: 2011 – 2014 Case-Level Review.* University of Maryland School of Social Work, Baltimore, MD. Retrieved from http://www.familywelfare.umaryland.edu/reports1/guidelines2016.pdf .

may have additional dependents living with him or her or have additional dependents for whom there is no child support order.

So far, the cited statistics pertain to the frequencies of parents with multiple orders. In addition, parents may have other children who are not part of a child support order (*e.g.,* children who live with that parent and are from another relationship). Researchers use the general term, "multiple-partner fertility" to capture parents that have children with more than one partner. A child support order may or may not exist for all children of multiple-partner fertility. There are no Maryland-specific data currently available on the frequency of parents with multiple-partner fertility. Frequencies tabulated from national longitudinal surveys find that about 13 percent of men aged 40 to 44 have children with more than one partner, 19 percent of women aged 41 to 49 have children with more than one partner, 7 percent of men in their mid-20s and early 30s have children with more than one partner, and 12 percent of women in their mid-20s and early 30s have had children with more than one partner.[5] One study from Wisconsin provides some additional insights specific to state child support caseloads.[6] It finds that almost a third of couples in the Wisconsin child support system have multiple-partner fertility. Other studies also suggest that multiple-partner fertility is over 30 percent among obligated parents.[7] In other words, there is reason to believe that multiple-partner fertility is higher in state child support caseloads.

Treatment of Additional Dependents in State Child Support Guidelines

All state guidelines, including Maryland's guidelines, provide some sort of adjustment for additional dependents, albeit it may be just a criterion for a guidelines deviation. Exhibit 1 provides an excerpt of Maryland's provision. If there is a court order, the most common approach among states is what Maryland does: provides a subtraction from the parent's income for support actually paid. For children who are not subject to a court order, Maryland guidelines provide a deviation criterion based on the parent's other children for whom that parent has a duty to support. Most often, states also limit the adjustment to additional children living with that parent. Maryland's approach is not how most states address the issue. The most common adjustment for additional children without a court order is a theoretical order subtracted from that parent's income.

[5] Benjamin Guzzo, Karen. (Oct. 2, 2014). "New Partners, More Kids: Multiple-Partner Fertility in the United States." *Annals of the America Academy Political and Social Science*. 654(1): 66-86. Retrieved from https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4182921/ .

[6] Cancian, Maria and Meyer, Dan. (2006). *Alternative Approaches to Child Support Policy in the Context of Multiple-Partner Fertility.* University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin. Retrieved from http://www.irp.wisc.edu/research/childsup/cspolicy/pdfs/Cancian-Meyer-Task4B-2006.pdf

[7] For example, see Venohr, Jane and Everett, Carly. (2010.), *Review of the Illinois Child Support Guidelines, Report to the Illinois Child Support Advisory Committee*, Center for Policy Research, Denver, CO.

Exhibit 1: Maryland Child Support Guidelines Provisions Pertaining to Additional Dependents

(c) Adjusted actual income. -- "Adjusted actual income" means actual income minus:
(1) preexisting reasonable child support obligations actually paid;

§ 12-202. (a)(2)

(iii) In determining whether the application of the guidelines would be unjust or inappropriate in a particular case, the court may consider:

1. the terms of any existing separation or property settlement agreement or court order, …; and
2. the presence in the household of either parent of other children to whom that parent owes a duty of support and the expenses for whom that parent is directly contributing.

(iv) The presumption may not be rebutted solely on the basis of evidence of the presence in the household of either parent of other children to whom that parent owes a duty of support and the expenses for whom that parent is directly contributing.

Most states that consider the income of both parents in the calculation of support, provide that any adjustment for additional dependents can apply to either party. Maryland's deviation criterion for children in the home of a parent is an example of language that makes it clear that the adjustment can apply to either party, rather than just applying the adjustment to the obligated parent.

The remainder of this section explores the common approaches as well other approaches provided in state guidelines.

Income Deductions for Court-Ordered Child Support

Most (40 states) subtract the amount of the court-ordered child support from the parent's income. Most (31 states of the 40 states providing an income deduction), including Maryland, limit the adjustment to court-ordered child support **actually paid**. Exhibit 2 shows Connecticut's documented rationale for limiting it to actual payments. Essentially, Connecticut prioritizes the interest of the child by recognizing that the child of the prior order should receive the total amount of the order and that order amount is set at an appropriate level. In contrast, Texas provides that the deduction for additional dependents applies even if the parent is in arrears. (Exhibit 2 shows the Texas adjustment.)

Exhibit 2: Excerpts from Connecticut and Texas Child Support Guidelines

Connecticut's Rationale for Limiting the Deduction to Actual Payments

The commission recognizes that limiting this deduction to actual payments can be interpreted as a failure to give full effect to an existing court order. Such interpretation relies on at least two principles: one, that a valid court order should be presumed to be paid as ordered in deference to judicial authority; and two, that unpaid orders remain subject to enforcement and future collection. The commission finds that the interest of the child in receiving an appropriate level of support based on the actual disposable income of the parents outweighs these concerns. This determination rests on the commission's reluctance to reward a parent who neglects to pay a pre-existing child support obligation with a reduced obligation for the child whose support order is now being established. That being said, however, the commission specifically intends that the downward modification remedy be available in appropriate circumstances, subject to applicable state law, to obligors who are faced with an inflated order because they failed to make payments on another pre-existing order.

Texas' Non-Limiting Deduction

The child support credit with respect to children for whom the obligor is obligated by an order to pay support is computed, regardless of whether the obligor is delinquent in child support payments, without regard to the amount of the order.

The reality is that very low-income obligated parents often do not fully pay their orders, so are ineligible for the additional dependents adjustment. The underlying problem in many states, including Maryland, is that they lack an adequate low-income adjustment or self-support reserve. Setting order amounts

that can be paid reasonably by obligated parents with very low income, such as what would be achieved by using guidelines that consider the subsistence needs of the obligated parent, is an important part of the new federal requirements (*i.e.*, 2016 *Flexibility, Efficiency and Modernization Rule:* FEM).[8] States will have a year after their next guidelines review to meet this requirement. Even before FEM was finalized, Maryland was aware of the issue, researching it,[9] and exploring several policy options.[10] One of the policy options became HB731 which was introduced to the 2016 Maryland legislature. It would have resulted in a more systematic and consistent application of the minimum order.

Setting support orders at levels that low-income parents, who face barriers to employment and earnings (*e.g.*, parents recently released from prison), can fully and regularly pay is consistent with the best interest of the child. Further, another reason for guidelines that result in order amounts that parents can reasonably pay are automatic enforcement remedies triggered by less than full compliance (*e.g.*, driver's license suspension that is automatically triggered by delinquency of more than 30 days) can exacerbate employment and earnings barriers by creating transportation or other issues and even impede father-child contact.

The limitation imposed by the language, "actually paid," can be rectified at least two ways. The first way is to simply eliminate the language from the provision. In practice, some states with this limiting factor use the order amount anyway, rather than the amount actually paid. Often, this is because information about the amount paid is not readily available, while the amount of the order is. A second way would be to provide a sufficient low-income adjustment such as a self-support reserve in which a low-income obligated parent is eligible for the self-support reserve regardless of whether the deduction for court-ordered child support is applied. (Appendix A contains an example of a self-support reserve including scenarios with and without an income deduction for a previous child support.)

Prior Born/Previous Children and Number of Children

Only 10 of the 40 states limit the adjustment for previous children. In contrast, some states (*e.g.*, North Carolina as shown in Exhibit 3) clarify that the adjustment is applicable to all sets of children regardless of the birth order of the children.

Exhibit 3: North Carolina's Provision that Clarifies Birth Order Does Not Matter in the Application of the Additional Dependents Adjustment

Current child support payments actually made by a parent under any existing court order, separation agreement, or voluntary support arrangement are deducted from the parent's gross income, regardless of whether the child or children for whom support is being paid was/were born before or after the child or children for whom support is being determined.

The premise of limiting the adjustment to prior-born children is that the parent or parents knew of the previous children before making the decision to have additional children, so theoretically knew that they

[8] U.S. Department of Health and Human Services. (Dec. 20, 2016). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs." Federal Register, Vol. 81, No. 244, p. 93562. https://www.gpo.gov/fdsys/pkg/FR-2016-12-20/pdf/2016-29598.pdf .

[9] For example, see Saunders, Correne, Letitia Logan Passarella, and Catherine Born. (Dec. 2014). *Reasonable Child Support Orders: The Relationship between Income and Collections.* University of Maryland School of Social Work, Baltimore, MD.

[10] For example see Venohr, Jane. (July 31, 2014). *Options for Maryland: Setting Child Support Orders for Very Low-Income Parents.* Report to Maryland Department of Human Resources Child Support Enforcement Administration, Center for Policy Research, Denver, CO.

would be financially responsible for subsequent children. One limitation to this is that it does not treat all children equally; rather, the first born or first to the court house is prioritized. Another limitation is that a parent's existing financial responsibility to children is not a significant deterrent to having more children: at least, fertility research suggests it is not.

There are other limitations to the income deduction. When there are multiple orders, the last order established is based on the least amount of income. As each subsequent order is established, the income deduction for pre-existing orders becomes larger, and the remaining income to be used for determining the amount of support award for the last child support order becomes smaller. One solution to this issue is the proportional reduction used by Pennsylvania, which is discussed later in this document. In 2008, Louisiana also developed an algorithm for a proportional reduction: it can be applied to up to 10 children and considers the subsistence needs of the obligated parent. The adjustment was piloted in Eastern Baton Rogue but rarely applied because eligibility was contingent on the obligated parent paying all of his or her current orders.

Limitations on Modifications

Another issue is whether a new order can be used to modify an existing order. Several states (17 states) specifically address how and whether a new order can affect a modification. The most common treatment is to provide that a new order alone cannot be considered a change in circumstance necessary for a modification of a previous order, but if there is another change of circumstances (*e.g.*, significant change in income) pertaining to the previous order, the new order can be considered in the child support calculation when modifying the previous order. Exhibit 4 provides excerpts from selected states that limit modifications based on a new order. Virginia's provision, which is shown in Exhibit 4, also provides for the consideration of the subsistence needs of the custodial household in applying the adjustment. Delaware and District of Columbia, which neighbor Maryland, do not address additional dependents in their modification provisions.

Exhibit 4: Examples of States that Limit Modifications Based on a New Order

MA	Obligations to a subsequent family may be used as a defense to a request to modify an order seeking an increase in the existing order but such obligations should not be considered a reason to decrease existing orders.
PA	…[T]here will generally be no deviation from the guideline amount of support on the ground of the existence of a new family. For example, where the obligor requests a reduction of support for one child of the first marriage on the basis that there is a new child of the second intact marriage, and the relevant monthly net incomes are $2,500 for the obligor, $500 for the former spouse and $1,300 for the current spouse, the request for a reduction will be denied because the total support obligation of $1,140 ($584 for the first child and $556 for the second child) is less than half of the obligor's monthly net income.
VA	Provided, however, that the existence of a party's financial responsibility for such a child or children shall not of itself constitute a material change in circumstances for modifying a previous order of child support in any modification proceeding. Any adjustment to gross income under this subsection shall not create or reduce a support obligation to an amount which seriously impairs the custodial parent's ability to maintain minimal adequate housing and provide other basic necessities for the child, as determined by the court.
WV	However, in cases where a modification is sought, the adjustment should not be used to the extent that it results in a support amount lower than the previously existing order for the children who are the subject of the modification.

Income Deductions for Additional Dependents with No Court Order

Over two-thirds of states (37 states) also provide an income deduction for additional dependents with no court order. However, in some of these states, whether to make the actual adjustment is discretionary. In addition, two states (*i.e.*, Pennsylvania and Washington) provide another formulaic adjustment. Still another seven states (including Maryland) provide that a guidelines deviation can be made for additional dependents without a support order, but do not specify a formula or adjustment method. For the adjustment to apply, most states also require that the parent have a financial responsibility to the child and the child lives in the home with the parent. There are some states (*e.g.*, Tennessee) that provide the adjustment even if the child does not live in the home (*e.g.*, child is in boarding school).

For those states that provide an income deduction, the amount of the deduction varies by state. The most common approach is to subtract a theoretical order for the additional dependents using the guidelines schedule or formula. Calculation of the theoretical order is a straightforward adjustment for states using percentage-of-obligor guidelines states (*i.e.*, Alaska, North Dakota, and Wisconsin). In contrast, there are variations to how the theoretical order is calculated in income shares guidelines because the income shares guidelines model uses the income of each parent in the calculation. For an additional dependent, the income of the other parent to the additional dependent is often unknown or not available. Nonetheless, a few income shares states (*i.e.*, Massachusetts and New Jersey) require the other parent's income for the calculation of the theoretical order for the additional dependent. This can limit the application of the adjustment because often the other parent may not make that information available. Most income shares states that use a theoretical order, however, do not require the other parent's income in the calculation. Instead, most states use only the income of the parent with the additional dependent to calculate the theoretical order: 13 of these states use only the income of the parent with the additional dependents to calculate the theoretical order, eight of these states use 75 percent of the income of the parent with the additional dependent to calculate the theoretical order, and one state uses 50 percent of the income of the parent with the additional dependent to calculate the theoretical order. Oregon and Texas use a theoretical order prorated for additional dependents; that is, they calculate a theoretical order for *all* of the parent's children including the children for whom support is being determined and the additional dependents, then prorate the theoretical order for the additional dependents. For example, if there are two additional dependents and one child for whom support is being determined, the amount subtracted for the additional dependents is two-thirds of the theoretical order for three children. The prorating essentially produces a lower theoretical order amount.

The differences resulting from using 100 percent, 75 percent, 50 percent and a prorated amount are examined later in this document. The rationale of using a lower percentage is to close the gap in what each set of children is to receive in financial support from the parent, or to simulate the order amount if the income of the other parent of the additional dependent was considered.

Besides the use of a theoretical order, several state guidelines provide for a subtraction of an alternative amount unique to their state.

- California provides for the subtraction of the "minimum basic living expenses" for the additional dependents;
- Delaware provides for a 30-percent deduction in income;
- Indiana provides a sliding-scale deduction of 6.5 to 17.3 percent of income depending on the number of children;
- Iowa provides a sliding-scale deduction of 8 to 16 percent of income with a cap of $800 to $1,600 per month depending on the number of children;
- Michigan essentially provides a sliding scale deduction of 15 to 33 percent of income depending on the number of children; and
- Montana, which is a Melson formula state, provides for an income deduction of half of the primary support allowance (which is a basic needs amount for the children).
- Oregon and Texas, as mentioned earlier, subtract a theoretical order for all of a parent's children that is prorated for the number of children that are additional dependents.

With the exceptions of the Delaware and Michigan percentages, these unique percentages and amounts are generally less than what the theoretical order amounts under the Maryland guideline schedule would be. The Maryland schedule for one child starts at about 20 percent of the parents' combined gross income (once the self-support reserve no longer applies) and gradually decreases to about 13 percent of the parents' combined gross income for incomes above $8,350 per month. In other words, a theoretical order for one child would never be more than 20 percent of an individual parent's gross income at low incomes and never more than 13 percent of an individual parent's combined gross income at higher incomes. If only 75 percent of the theoretical order was used, these thresholds would be 15 percent at low incomes and about 10 percent at high incomes for one child. When compared to Indiana's and Iowa's lowest percentages, 8 and 15 percent, theoretical order amounts under the Maryland schedule are higher. They are also higher than the basic needs amount provided by California and Montana.

Other Adjustments for Additional Dependents

There are seven states (*i.e.*, Delaware, Indiana, Iowa, Michigan, Oregon, Pennsylvania, and Texas) that apply the same formula for additional dependents regardless of whether there is an order for support. In other words, the formula is used even if there is a court order. The formulas for Delaware, Indiana, Iowa, Michigan, Oregon, and Texas are described in the previous section.

The Pennsylvania adjustment is another adjustment method. It is described below. This section also describes the "whole family approach" that is a formulaic option used in Washington. The Washington guidelines also indicate that an income deduction can be made for the order amount that was actually paid.

Pennsylvania Adjustment

As shown in Exhibit 5, the Pennsylvania guidelines provide that the obligor's child support orders can be reduced if the total of the obligor's basic child support obligations equals more than 50 percent of his or

her monthly net income. The 50-percent threshold relates to the wage withholding limit on child support. The adjustment is proportional across all of the obligor's orders. The intent of the adjustment is to treat all children of the obligor equally and not give preference to an obligor's first or later family. This is also the major strength of this approach. The major weakness is it is a legal challenge to modify all orders when the original orders were established in different jurisdictions.

According to Pennsylvania's most recent case file review, the adjustment is applied to 14 percent of new orders and 16 percent of modified orders.[11] The case file review also found that the adjustment reduces the order amount: the average order among cases adjusted for multiple families is $223 per month compared to $465 among cases with no multiple-family adjustment.

Exhibit 5: Pennsylvania Guidelines when There Are Multiple Families

Rule 1910.16-7. Support Guidelines. Awards of Child Support When There are Multiple Families.

(a) When the total of the obligor's basic child support obligations equals fifty percent or less of his or her monthly net income, there will generally be no deviation from the guideline amount of support on the ground of the existence of a new family. For example, where the obligor requests a reduction of support for one child of the first marriage on the basis that there is a new child of the second intact marriage, and the relevant monthly net incomes are $2,500 for the obligor, $500 for the former spouse and $1,300 for the current spouse, the request for a reduction will be denied because the total support obligation of $1,141 ($593 for the first child and $548 for the second child) is less than half of the obligor's monthly net income.

(b) When the total of the obligor's basic support obligations exceeds fifty percent of his or her monthly net income, the court may consider a proportional reduction of these obligations. Since, however, the goal of the guidelines is to treat each child equitably, in no event should either a first or later family receive preference. Nor shall the court divide the guideline amount for all of the obligor's children among the households in which those children live.

Example. The obligor is sued for support of three children of a second marriage. There is already an order in effect for two children of the first marriage. The relevant monthly net incomes are $1,500 for the obligor, $0 for the first spouse and $500 for the second spouse. The obligor's basic support obligations to each family are $531 for the two children of the first marriage and $615 for the three children of the second marriage for a total support obligation of $1,146. Since this total obligation leaves the obligor with only $354 on which to live, the order for the three children of the second family is too high. However, reducing the order for three children while leaving the existing order intact would give preference to the first family, contrary to the rule. Therefore, both orders must be reduced proportionally.

(c) For purposes of this rule, the presumptive amount of the obligor's basic support obligation is calculated using only the basic guideline amounts of support, as determined from the formula in Rule 1910.16-4, and does not include any additional expenses that may be added to these amounts pursuant to Rule 1910.16-6. In calculating the presumptive amount of the obligor's basic support obligation, the court should ensure that obligor retains at least $867 per month consistent with Rule 1910.16-2(e).

WASHINGTON'S WHOLE FAMILY APPROACH

Washington is one of a few states that provide for court discretion for the "whole family" (in other words, all of the children of both parents). Washington takes it several steps further than the states that mention it as a guidelines deviation factor. As shown in Exhibit 6, one provision that makes

[11] Venohr, Jane. (March 2016). 2015-2016 Pennsylvania Child Support Guidelines Review: Economic Review and Analysis of Case File Data. Report to the Pennsylvania Department of Human Services, Harrisburg, PA. Retrieved from http://www.pacourts.us/assets/uploads/Resources/Documents/2015%202016%20Pennsylvania%20Child%20Support%20Guidelines%20Review%20Econonic%20Review%20and%20Analysis%20of%20Case%20File%20Data%20-%20005119.pdf?cb=b3603 .

Washington's approach unique is that its guidelines instruct the courts to consider all income available to a parent (including the parent's spouse). Exhibit 6 also shows that the Washington guidelines provide that if the court does indeed adjust for the whole family that it consider the schedule amount in the adjustment. The Washington State IV-D agency and several other guidelines users have taken the whole-family formula a step further and have developed a formula for it that does not appear in the guidelines.

The formula essentially consists of counting the total number of children (including those for whom support is being determined and those for whom support is not being determined) and the incomes of both parents' households to arrive at the total number of children and income when applying the child support schedule.[12] In turn, the schedule amount is prorated among all of the children. A 2005 analysis of the whole family order found that it produces significantly lower award amounts than a theoretical order even when adjusted by 75 percent. The same analysis also finds that the whole family formula reduces the award amount when the custodial parent has additional dependents. In contrast, the theoretical order raises the award amount when the custodial parent has additional dependents.

Exhibit 6: Washington's Whole Family Formula

RCW 26.19.075 Standards for deviation from the standard calculation.

(e) Children from other relationships. The court may deviate from the standard calculation when either or both of the parents before the court have children from other relationships to whom the parent owes a duty of support.

(i) The child support schedule shall be applied to the mother, father, and children of the family before the court to determine the presumptive amount of support.

(ii) Children from other relationships shall not be counted in the number of children for purposes of determining the basic support obligation and the standard calculation.

(iii) When considering a deviation from the standard calculation for children from other relationships, the court may consider only other children to whom the parent owes a duty of support. The court may consider court-ordered payments of child support for children from other relationships only to the extent that the support is actually paid.

(iv) When the court has determined that either or both parents have children from other relationships, deviations under this section shall be based on consideration of the total circumstances of both households. All child support obligations paid, received, and owed for all children shall be disclosed and considered.

(2) All income and resources of the parties before the court, new spouses or new domestic partners, and other adults in the households shall be disclosed and considered as provided in this section. The presumptive amount of support shall be determined according to the child support schedule. Unless specific reasons for deviation are set forth in the written findings of fact and are supported by the evidence, the court shall order each parent to pay the amount of support determined by using the standard calculation.

(3) The court shall enter findings that specify reasons for any deviation or any denial of a party's request for any deviation from the standard calculation made by the court. The court shall not consider reasons for deviation until the court determines the standard calculation for each parent.

(4) When reasons exist for deviation, the court shall exercise discretion in considering the extent to which the factors would affect the support obligation.

(5) Agreement of the parties is not by itself adequate reason for any deviations from the standard calculation.

A 2003 analysis of Washington case file data[13] found that 29 percent of orders contained deviations for additional dependents and the whole family formula was used to calculate the support award amount in

[12] Venohr, Jane and Griffith, Tracy (2005). *Washington State Child Support Schedule: Selected Issues Affecting Predictability and Adequacy*, Report to Washington Department of Social and Health Services, Policy Studies Inc. Denver, Co. http://www.dshs.wa.gov/pdf/esa/dcs/reports/AppendixIV-d.pdf .

[13] Kate Stirling, Professor of Economics, University of Puget Sound, *A Review of the Washington State Child Support Schedule*, Report to Washington State Division of Child Support (March 2003).

about half of those deviations. A subsequent Washington child support guidelines review committee recommended putting the formula in the guidelines and other refinements, including a clarifying definition of additional dependents, and advising against applying the adjustment when the custodial household has very low income. The recommendation was not adopted by the Washington legislature.

COMPARISONS

The comparisons concern the adjustment for additional dependents without a court order. Specifically, they concern income deductions based on a theoretical order calculated from the parent with the additional dependent only. The income deductions considered in the comparisons are:

- 100 percent of a theoretical order (which is used in several states);
- 75 percent of a theoretical order (which is the most common amount used among states based on the income shares model);
- 50 percent of a theoretical order (which is used by one state: Minnesota); and
- A prorated theoretical order (which is used in Oregon and Texas).

The comparisons consider a range of incomes for the four scenarios summarized in Exhibit 7.

Exhibit 7: Summary of Case Scenarios Used for Comparisons

	Case A	Case B	Case C	Case D
Number of children for whom support is being determined	1 child	1 child	1 child	1 child
Number of additional dependents of obligated parent	1 child	1 child	2 children	2 children (each with a different mother)
Number of additional dependents of primary custodian	0 children	1 child	0 children	0 children

The incomes of the obligated parent considered for each scenario are gross incomes of $1,500 per month, $3,000 per month, $4,500 per month and so forth up to $15,000 per month, which is the maximum income considered in the Maryland schedule. There are three sets of comparisons for each of the four scenarios to capture the impact of the income of the primary custodians: the first assumes the primary custodian has no income; the second assumes the primary custodian's income is half the income of the obligated parent; and the third assumes the primary custodian's income equals the income of the obligated parent. Data analyzed for the most recent case file review suggests that on average, the primary custodial parent's income is about 70 percent of the obligated parent's income.

When the primary custodian (called the "obligee" in the exhibits) has income, the highest income of the obligated parent is less than $15,000 per month because the schedule only considers *combined* incomes up to $15,000 per month. For example, in the situation where the obligee's income is half of the obligor's income, if the obligor's income equals $15,000 per month, the obligee's income would be $7,500 per month. The combined income for this scenario would be $22,500, which is beyond the highest income considered by the schedule. Instead, the highest income of the obligated parent is $9,000 per month. In this situation, the obligee income would be $4,500 per month and the combined income would be $13,500 per month.

All of the scenarios involve support being determined for one child. Data analyzed for the most recent case file review found that 74 percent of Maryland orders are for one child, 20 percent of are for two children, and 6 percent are for three or more children.[14]

FINDINGS FROM THE COMPARISONS

In viewing the results, the top cluster of each scenario summary is where the obligee has zero income, the middle cluster is the scenario where obligee income is half of the obligor income, the bottom cluster is the scenario where obligee income equals obligor income. The first vertical cluster is the amount of the income deduction, the second vertical cluster is the support order amount, and the third cluster is the ratio of the income deduction to the support order amount. If the obligated parent has one additional dependent and support is being determined for one child, a ratio of 1.0 indicates equal treatment of the children.

To illustrate how to read the comparison, refer to Exhibit 8, which shows the outcomes for the first scenario (*i.e.*, support is being set for one child and the obligated parent has one child). If the obligated parent's income is $1,500 per month, the income deduction would be: $310 using 100 percent of the theoretical order, $233 using 75 percent of the theoretical order, $155 using 50 percent of the theoretical order, and $150 using the prorated amount like Oregon and Texas do. This would result in monthly order amounts of $150, $162, $229, and $229, respectively. Note that the order amounts using 50 percent of the theoretical order and the prorated amount are the same because of the structure of the Maryland schedule; specifically, the schedule shows basic obligations for $50 income ranges. To that end, the $5 difference in the amount deducted for 50 percent of the theoretical order ($155) and the prorated deduction ($150), only make a $5 difference in the obligated parent's adjusted gross income that is plugged into the schedule; hence, the final support amount is the same.

The ratios at this income are: 2.1 when the income deduction for additional dependents is 100 percent of the theoretical order; 1.4 when the income deduction for additional dependents is 75 percent of the theoretical order, 0.7 when the income deduction for additional dependents is 50 percent of theoretical order, and 0.7 when the income deduction is based on a proration. In other words, use of a 100 percent of the theoretical order results in the additional dependent entitled to just over twice as much (*i.e.*, 2.1) as the child for whom support is being determined. Based on the ratios, a theoretical order set somewhere between 75 percent (which yields a ratio of 1.4) and 50 percent (which yields a ratio of 0.7) would equalize support between the two children.

A major conclusion from examining the ratios for the various income ranges is that there is not one adjustment formula that consistently results in a 1.0 ratio, which would be perfect equalization between the two children. The ratio varies depending on the income of each parent and the gap in the parents' incomes. An income deduction of 75 percent of the theoretical order produces the closest to 1.0 ratio when the primary custodian has income. If the primary custodian does not have income, an income

[14] Hall, Lauren, Natalie Demyan, and Letitia Logan Passarella. (Nov. 2016). Maryland Child Support Guidelines: 2011 – 2014 Case-Level Review. University of Maryland School of Social Work, Baltimore, MD. Retrieved from http://www.familywelfare.umaryland.edu/reports1/guidelines2016.pdf .

deduction of 100 percent of a theoretical order works about as well as an income deduction of 75 percent of a theoretical order. The 100 percent favors the additional dependent and the 75 percent favors the child for whom support is being determined.

Exhibit 8: Support Being Set for 1 Child: Obligated Parent Has 1 Additional Dependent, Primary Custodian Has 0 Additional Dependents

Obligee Income = $0

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 310	$ 233	$ 155	$ 150	$ 150	$ 162	$ 229	$ 229	2.1	1.4	0.7	0.7
3000	$ 561	$ 421	$ 281	$ 406	$ 470	$ 495	$ 511	$ 495	1.2	0.9	0.5	0.8
4500	$ 784	$ 588	$ 392	$ 567	$ 673	$ 702	$ 730	$ 702	1.2	0.8	0.5	0.8
6000	$ 976	$ 732	$ 488	$ 703	$ 859	$ 891	$ 915	$ 891	1.1	0.8	0.5	0.8
7500	$ 1,092	$ 819	$ 546	$ 782	$ 1,020	$ 1,040	$ 1,057	$ 1,040	1.1	0.8	0.5	0.8
9000	$ 1,181	$ 886	$ 591	$ 842	$ 1,103	$ 1,115	$ 1,127	$ 1,117	1.1	0.8	0.5	0.8
10500	$ 1,359	$ 1,019	$ 680	$ 997	$ 1,199	$ 1,232	$ 1,255	$ 1,232	1.1	0.8	0.5	0.8
12000	$ 1,554	$ 1,166	$ 777	$ 1,139	$ 1,359	$ 1,405	$ 1,450	$ 1,405	1.1	0.8	0.5	0.8
13500	$ 1,748	$ 1,311	$ 874	$ 1,282	$ 1,521	$ 1,580	$ 1,638	$ 1,580	1.1	0.8	0.5	0.8
15000	$ 1,942	$ 1,457	$ 971	$ 1,424	$ 1,690	$ 1,754	$ 1,819	$ 1,761	1.1	0.8	0.5	0.8

Obligee Income = 50% Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 310	$ 233	$ 155	$ 150	$ 237	$ 248	$ 265	$ 265	1.3	0.9	0.6	0.6
3000	$ 561	$ 421	$ 281	$ 406	$ 439	$ 462	$ 480	$ 463	1.3	0.9	0.6	0.9
4500	$ 784	$ 588	$ 392	$ 567	$ 608	$ 635	$ 656	$ 637	1.3	0.9	0.6	0.9
6000	$ 976	$ 732	$ 488	$ 703	$ 696	$ 716	$ 733	$ 717	1.4	1.0	0.7	1.0
7500	$ 1,092	$ 819	$ 546	$ 782	$ 829	$ 863	$ 900	$ 872	1.3	0.9	0.6	0.9
9000	$ 1,181	$ 886	$ 591	$ 842	$ 1,011	$ 1,049	$ 1,088	$ 1,056	1.2	0.8	0.5	0.8

Obligee Income = Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 310	$ 233	$ 155	$ 150	$ 226	$ 238	$ 253	$ 254	1.4	1.0	0.6	0.6
3000	$ 561	$ 421	$ 281	$ 406	$ 408	$ 429	$ 447	$ 430	1.4	1.0	0.6	0.9
4500	$ 784	$ 588	$ 392	$ 567	$ 506	$ 524	$ 542	$ 526	1.5	1.1	0.7	1.1
6000	$ 976	$ 732	$ 488	$ 703	$ 649	$ 681	$ 713	$ 673	1.5	1.1	0.7	1.0
7500	$ 1,092	$ 819	$ 546	$ 782	$ 829	$ 866	$ 906	$ 869	1.3	0.9	0.6	0.9

Exhibit 9 considers the same scenario as Exhibit 8 except the obligee has one additional dependent. (The obligee had no additional dependents in Exhibit 8.) The findings from Exhibit 8 and Exhibit 9 are similar: no income deduction produces the same ratio for every income scenario; and, an income deduction of 75 percent of the theoretical order gets the closest to the 1.0 ratio; hence, equalizing support for the obligated parent's two children.

Exhibit 9: Support Being Set for 1 Child: Obligated Parent Has 1 Additional Dependent, Primary Custodian Has 0 Additional Dependents

Obligee Income = $0

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 310	$ 233	$ 155	$ 150	$ 150	$ 162	$ 229	$ 229	2.1	1.4	0.7	0.7
3000	$ 561	$ 421	$ 281	$ 406	$ 470	$ 495	$ 511	$ 495	1.2	0.9	0.5	0.8
4500	$ 784	$ 588	$ 392	$ 567	$ 673	$ 702	$ 730	$ 702	1.2	0.8	0.5	0.8
6000	$ 976	$ 732	$ 488	$ 703	$ 859	$ 891	$ 915	$ 891	1.1	0.8	0.5	0.8
7500	$ 1,092	$ 819	$ 546	$ 782	$ 1,020	$ 1,040	$ 1,057	$ 1,040	1.1	0.8	0.5	0.8
9000	$ 1,181	$ 886	$ 591	$ 842	$ 1,103	$ 1,115	$ 1,127	$ 1,117	1.1	0.8	0.5	0.8
10500	$ 1,359	$ 1,019	$ 680	$ 997	$ 1,199	$ 1,232	$ 1,255	$ 1,232	1.1	0.8	0.5	0.8
12000	$ 1,554	$ 1,166	$ 777	$ 1,139	$ 1,359	$ 1,405	$ 1,450	$ 1,405	1.1	0.8	0.5	0.8
13500	$ 1,748	$ 1,311	$ 874	$ 1,282	$ 1,521	$ 1,580	$ 1,638	$ 1,580	1.1	0.8	0.5	0.8
15000	$ 1,942	$ 1,457	$ 971	$ 1,424	$ 1,690	$ 1,754	$ 1,819	$ 1,761	1.1	0.8	0.5	0.8

Obligee Income = 50% Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 310	$ 233	$ 155	$ 150	$ 239	$ 253	$ 265	$ 267	1.3	0.9	0.6	0.6
3000	$ 561	$ 421	$ 281	$ 406	$ 447	$ 465	$ 484	$ 468	1.3	0.9	0.6	0.9
4500	$ 784	$ 588	$ 392	$ 567	$ 619	$ 642	$ 666	$ 642	1.3	0.9	0.6	0.9
6000	$ 976	$ 732	$ 488	$ 703	$ 748	$ 742	$ 751	$ 743	1.3	1.0	0.7	0.9
7500	$ 1,092	$ 819	$ 546	$ 782	$ 833	$ 851	$ 899	$ 856	1.3	1.0	0.6	0.9
9000	$ 1,181	$ 886	$ 591	$ 842	$ 1,013	$ 1,049	$ 1,087	$ 1,057	1.2	0.8	0.5	0.8

Obligee Income = Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 310	$ 233	$ 155	$ 150	$ 227	$ 243	$ 256	$ 257	1.4	1.0	0.6	0.6
3000	$ 561	$ 421	$ 281	$ 406	$ 419	$ 436	$ 455	$ 439	1.3	1.0	0.6	0.9
4500	$ 784	$ 588	$ 392	$ 567	$ 545	$ 552	$ 560	$ 554	1.4	1.1	0.7	1.0
6000	$ 976	$ 732	$ 488	$ 703	$ 651	$ 683	$ 712	$ 686	1.5	1.1	0.7	1.0
7500	$ 1,092	$ 819	$ 546	$ 782	$ 829	$ 864	$ 900	$ 871	1.3	0.9	0.6	0.9

Exhibits 10 and 11 illustrate the outcomes in scenarios when the obligated parent has three children. The scenario depicted in Exhibit 10 involves the obligated parent having two additional dependents from the same partner while support is being determined for one child from a different partner. Exhibit 11 involves the obligated parent having two additional dependents from different partners while support is being determine for one child from a third partner.

In examining the results when there are three children, the 1.0 ratio no longer indicates equal treatment between two children. In the scenario involving two sets of children, where one set consists of two additional dependents and the other is the one child for whom support is being determined, a ratio of 1.4 to 1.5 indicates equalization in treatment. This ratio range aligns with 145 percent. Throughout the Maryland schedule, the two-child obligations are about 45 percent more than the one-child obligation amounts. The fact that it is not 2.0 suggests that there is some economies of scale to having more children; that is, the second child does not cost as much as the first child. As shown in Exhibit 11, when the obligee has income, an income deduction of 75 percent of the dummy order comes the closest to equalizing support between the two sets of children.

Exhibit 10: Support Being Set for 1 Child: Obligated Parent Has 1 Additional Dependent, Primary Custodian Has 0 Additional Dependents

Obligee Income = $0

Obligor Income	Obligated Parent's Income Deduction for 2 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 330	$ 248	$ 165	$ 223	$ 150	$ 162	$ 229	$ 162	2.2	1.5	0.7	1.4
3000	$ 812	$ 609	$ 406	$ 637	$ 428	$ 462	$ 495	$ 462	1.9	1.3	0.8	1.4
4500	$ 1,133	$ 850	$ 567	$ 889	$ 620	$ 665	$ 709	$ 658	1.8	1.3	0.8	1.4
6000	$ 1,406	$ 1,055	$ 703	$ 1,098	$ 798	$ 852	$ 891	$ 838	1.8	1.2	0.8	1.3
7500	$ 1,563	$ 1,172	$ 782	$ 1,213	$ 970	$ 1,016	$ 1,040	$ 1,013	1.6	1.2	0.8	1.2
9000	$ 1,684	$ 1,263	$ 842	$ 1,303	$ 1,080	$ 1,101	$ 1,117	$ 1,099	1.6	1.1	0.8	1.2
10500	$ 1,993	$ 1,495	$ 997	$ 1,567	$ 1,132	$ 1,181	$ 1,232	$ 1,170	1.8	1.3	0.8	1.3
12000	$ 2,278	$ 1,709	$ 1,139	$ 1,802	$ 1,248	$ 1,334	$ 1,405	$ 1,321	1.8	1.3	0.8	1.4
13500	$ 2,563	$ 1,922	$ 1,282	$ 2,027	$ 1,418	$ 1,502	$ 1,580	$ 1,489	1.8	1.3	0.8	1.4
15000	$ 2,847	$ 2,135	$ 1,424	$ 2,253	$ 1,573	$ 1,670	$ 1,761	$ 1,651	1.8	1.3	0.8	1.4

Obligee Income = 50% Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 2 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 330	$ 248	$ 165	$ 223	$ 236	$ 247	$ 264	$ 260	1.4	1.0	0.6	0.9
3000	$ 812	$ 609	$ 406	$ 637	$ 395	$ 431	$ 463	$ 429	2.1	1.4	0.9	1.5
4500	$ 1,133	$ 850	$ 567	$ 889	$ 556	$ 596	$ 637	$ 594	2.0	1.4	0.9	1.5
6000	$ 1,406	$ 1,055	$ 703	$ 1,098	$ 663	$ 690	$ 717	$ 687	2.1	1.5	1.0	1.6
7500	$ 1,563	$ 1,172	$ 782	$ 1,213	$ 765	$ 821	$ 872	$ 815	2.0	1.4	0.9	1.5
9000	$ 1,684	$ 1,263	$ 842	$ 1,303	$ 946	$ 1,003	$ 1,056	$ 997	1.8	1.3	0.8	1.3

Obligee Income = Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 2 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 330	$ 248	$ 165	$ 223	$ 224	$ 237	$ 252	$ 243	1.5	1.0	0.7	0.9
3000	$ 812	$ 609	$ 406	$ 637	$ 370	$ 400	$ 430	$ 395	2.2	1.5	0.9	1.6
4500	$ 1,133	$ 850	$ 567	$ 889	$ 474	$ 500	$ 527	$ 496	2.4	1.7	1.1	1.8
6000	$ 1,406	$ 1,055	$ 703	$ 1,098	$ 595	$ 641	$ 686	$ 634	2.4	1.6	1.0	1.7
7500	$ 1,563	$ 1,172	$ 782	$ 1,213	$ 769	$ 820	$ 869	$ 815	2.0	1.4	0.9	1.5

For Exhibit 11, the obligor had children with three different partners. The obligor had one child with each partner; hence, a total of three children. Since two or more children are not living together, there are not economies of scale; instead, a ratio of 2.0 equalizes support between the three sets of children. For this scenario, an income deduction of 75 percent or 50 percent of a theoretical order comes the closest to a ratio of 2.0 for the income ranges considered.

Exhibit 11: Support Being Set for 1 Child: Obligated Parent Has 1 Additional Dependent, Primary Custodian Has 0 Additional Dependents

Obligee Income = $0

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 460	$ 395	$ 384	$ 223	$ 150	$ 150	$ 150	$ 150	3.1	2.6	2.6	1.5
3000	$ 1,031	$ 916	$ 792	$ 637	$ 395	$ 412	$ 428	$ 453	2.6	2.2	1.8	1.4
4500	$ 1,457	$ 1,290	$ 1,122	$ 889	$ 570	$ 595	$ 629	$ 658	2.6	2.2	1.8	1.4
6000	$ 1,835	$ 1,623	$ 1,403	$ 1,098	$ 737	$ 771	$ 798	$ 838	2.5	2.1	1.8	1.3
7500	$ 2,112	$ 1,859	$ 1,603	$ 1,213	$ 903	$ 934	$ 964	$ 1,013	2.3	2.0	1.7	1.2
9000	$ 2,284	$ 2,001	$ 1,718	$ 1,303	$ 1,040	$ 1,060	$ 1,080	$ 1,099	2.2	1.9	1.6	1.2
10500	$ 2,558	$ 2,251	$ 1,935	$ 1,567	$ 1,199	$ 1,232	$ 1,255	$ 1,176	2.1	1.8	1.5	1.3
12000	$ 2,913	$ 2,571	$ 2,227	$ 1,802	$ 1,193	$ 1,228	$ 1,255	$ 1,321	2.4	2.1	1.8	1.4
13500	$ 3,269	$ 2,891	$ 2,512	$ 2,027	$ 1,327	$ 1,372	$ 1,424	$ 1,482	2.5	2.1	1.8	1.4
15000	$ 3,632	$ 3,211	$ 2,790	$ 2,253	$ 1,476	$ 1,528	$ 1,567	$ 1,651	2.5	2.1	1.8	1.4

Obligee Income = 50% Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 547	$ 481	$ 420	$ 414	$ 192	$ 208	$ 213	$ 150	2.8	2.3	2.0	2.8
3000	$ 1,000	$ 882	$ 760	$ 869	$ 368	$ 385	$ 407	$ 412	2.7	2.3	1.9	2.1
4500	$ 1,392	$ 1,223	$ 1,048	$ 1,203	$ 566	$ 593	$ 615	$ 603	2.5	2.1	1.7	2.0
6000	$ 1,672	$ 1,448	$ 1,221	$ 1,420	$ 640	$ 659	$ 678	$ 771	2.6	2.2	1.8	1.8
7500	$ 1,921	$ 1,682	$ 1,446	$ 1,654	$ 786	$ 819	$ 855	$ 940	2.4	2.1	1.7	1.8
9000	$ 2,192	$ 1,935	$ 1,678	$ 1,898	$ 881	$ 918	$ 946	$ 1,117	2.5	2.1	1.8	1.7

Obligee Income = Obligor Income

Obligor Income	Obligated Parent's Income Deduction for 1 Additional Dependent				1-Child Order Amount				Ratio of Income Deduction to Order			
	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children	100% of Theoretical	75% of Theoretical	50% of Theoretical	Prorated by Number of Children
1500	$ 536	$ 471	$ 408	$ 403	$ 187	$ 195	$ 208	$ 150	2.9	2.4	2.0	2.7
3000	$ 969	$ 849	$ 727	$ 836	$ 347	$ 364	$ 384	$ 412	2.8	2.3	1.9	2.0
4500	$ 1,290	$ 1,336	$ 934	$ 1,092	$ 458	$ 454	$ 493	$ 603	2.8	2.9	1.9	1.8
6000	$ 1,625	$ 1,413	$ 1,201	$ 1,376	$ 568	$ 594	$ 621	$ 771	2.9	2.4	1.9	1.8
7500	$ 1,921	$ 1,685	$ 1,452	$ 1,650	$ 723	$ 752	$ 783	$ 940	2.7	2.2	1.9	1.8

Conclusions and Recommended Next Steps

In conclusion, there are many nuances to be considered in an additional dependents adjustment. Most of them are policy decisions. The only economic or mathematical factors are when the policy objective is to equalize support across families. Based on the comparisons, an income deduction of 75 percent of the theoretical order comes the closest to equalizing support across families.

With regard to the policy decisions, the recommended next step is for a committee to deliberate the issue. The following questions can guide the conversation.

- Is Maryland's current provision adequate, particularly the use of a deviation for additional dependents with no court order? Could it be improved to better serve the best interest of the child and encourage full and regular payments?

- Should the "actually paid" requirement be eliminated, so the adjustment can be applied more often to obligated parents with limited ability to pay?

    - If not, will any proposed changes to the low-income adjustment/self-support reserve sufficiently address the unique circumstances of low-income, obligated parents who also have multiple orders or additional dependents living in the home?

- Should Maryland adopt a provision to limit the use of the additional dependent adjustment in modifications?

- Is the Pennsylvania adjustment, which treats all sets of children equally, a reasonable policy objective? If so, is it feasible to implement in Maryland?

- Should Maryland adopt a formulaic provision (*e.g.*, such as 75 percent of the theoretical order amount) for additional dependents without an order? If so, what should the income deduction be?

Consideration of these issues and any recommendations that come out of the deliberation that also adopted into legislation could improve the predictability of the guidelines, particularly if a formula for additional dependents without a court order is adopted. Other recommendations could improve the application of the guidelines, and the equity and fairness of the guidelines as a whole.

Appendix A: Illustration of the Self-Support Reserve Test

Exhibit A.1: Illustration of Self-Support Reserve When There Is No Income Deduction for Other Child Support			
	Primary Custodian	**Obligated Parent**	**Combined**
1. Gross Income	$1,500	$1,500	$3,000
2. Other child support orders		$0	
3. Income available for support (Line 1 minus Line 2)	$1,500	$1,500	$3,000
4. Percent of combined income	50%	50%	100%
5. Monthly obligation from schedule (for 1 child)			$561
6. Each parent's prorated share (Each parent's Line 4 times line 5 combined)	$280.50	$280.50	
7. Self-support reserve (SSR) (133% of 2017 Fed. Poverty level = $1,337)	$1,337	$1,337	
8. Each parent's income above self-support reserve (Line 3 minus Line 7: IF less than $50, insert $50)	$163	$163	
9. Monthly support order (Lesser of obligated parent's line 6 and line 8)		$163	

Exhibit A.2: Illustration of Self-Support Reserve and Income Deduction for Other Child Support Orders			
	Primary Custodian	**Obligated Parent**	**Combined**
1. Gross Income	$1,500	$1,500	$3,000
2. Other child support orders		$300	
3. Income available for support (Line 1 minus Line 2)	$1,500	$1,200	$2,700
4. Percent of combined income	56%	44%	100%
5. Monthly obligation from schedule (for 1 child)			$511
6. Each parent's prorated share (Each parent's Line 4 times line 5 combined)	$286	$225	
7. Self-support reserve (SSR) (133% of 2017 Fed. Poverty level = $1,337)	$1,337	$1,337	
8. Each parent's income above self-support reserve (Line 3 minus Line 7: IF less than $50, insert $50)	$163	$50	
9. Monthly support order (Lesser of obligated parent's line 6 and line 8)		$50	