

FCIC - Child Support Guidelines Review Subcommittee

Monday, April 27, 2020

10:00 a.m. – 3:00 p.m.

Virtual Meeting

Conference Call Numbers: 1-408-792-6300

Access Code: 281 489 029

Time*	Agenda Items	Presenter
10:00 a.m.	Call to Order	JUDGE DAVID GASS, CHAIR
10:02	Housekeeping and Member Roll Call	SUSAN PICKARD, STAFF
10:05	Welcome, Opening Remarks, and Introductions	JUDGE GASS
10:25	Child Support Guideline Review Processes and Methodology	DR. JANE VENOHR CENTER FOR POLICY RESEARCH
12:00 p.m.	Lunch (on your own)	
12:30	Economic Studies and Arizona Economy Q&A	DENNIS HOFFMAN DIRECTOR OF L. WILLIAM SIDEMAN RESEARCH INSTITUTE AT W.P. CAREY SCHOOL OF BUSINESS AT ARIZONA STATE UNIVERSITY
1:30	Restyling Best Practices	JOHN W. ROGERS SENIOR STAFF ATTORNEY, ARIZONA SUPREME COURT
2:00	Workgroup Reports <ul style="list-style-type: none">Income Issues WorkgroupTax Issues WorkgroupDeviations Issues WorkgroupParenting Time Expense and Cost Issues WorkgroupRestyling Workgroup	STEVE WOLFSON CAROL PARK ADEN JANET SELL CHRIS GORMAN JUDGE BRUCE COHEN
2:45	Good of the Order/Call to the Public	JUDGE GASS
	Adjournment	

**All times are approximate and subject to change. The committee chair reserves the right to set the order of the agenda. Please contact Susan Pickard, FCIC-CSGRS staff, at (602) 452-3252 with any questions concerning this agenda. Any person with a disability may request a reasonable accommodation, such as auxiliary aids or materials in alternative formats, by contacting Angela Pennington at (602) 452-3547. Requests should be made as early as possible to allow time to arrange the accommodation.*

FAMILY COURT IMPROVEMENT COMMITTEE - CHILD SUPPORT GUIDELINES REVIEW SUBCOMMITTEE

Draft Minutes

February 21, 2019 10:00 a.m.

Arizona State Courts Building

Conference Room 119A/B

1501 W. Washington Street, Phoenix, AZ 85007

Present: Judge David Gass (Chair), Carol Park Aden, Laura C. Belleau, Mary K. Boyte Henderson, Kellie DiCarlo, Commissioner Joseph Goldstein, Joi Hollis, Jennifer Mihalovich, Janet Sell, Vance Simms, Steve Wolfson

Telephonic: Rosa Torrez, Cherie Wasiel

Absent/Excused: Judge Bruce Cohen, Amanda Stanford

Administrative Office of the Courts (AOC) Staff: Angela Pennington, Susan Pickard, Kathy Sekardi

I. REGULAR BUSINESS

A. Welcome and Opening Remarks

The February 21, 2020, meeting of the Family Court Improvement Committee – Child Support Guidelines Review Subcommittee (FCIC-CSGRS) was called to order at 10:11 a.m. by Judge David Gass, Chair. Staff reviewed housekeeping issues. Judge Gass discussed the importance of the subcommittee and the formation of workgroups. Using his experience with Arizona Townhall, the Judge asked the members to introduce themselves and participate in an ‘icebreaking’ activity.

II. BUSINESS ITEMS AND POTENTIAL ACTION ITEMS

A. Orientation

Staff presented Arizona Code of Judicial Administration § 1-202: Public Meetings, and Administrative Order (A.O.) 2019-142 which regulates the use of photographic and video recording devices at appellate courthouses and other designated facilities. She discussed the pre-meeting organization and notification processes. Then, Staff demonstrated and explained the subcommittee’s webpages. Member questions included the following:

- Do we still maintain a digital recording of the meetings?
 - Yes, for one year after the minutes for that meeting are approved, and we can provide copies of the recording if requested.
- Is the Public Comment page publicized in anyway?

- There is no formal advertisement for the Public Comment page at this time, but we can have one of the workgroups provide guidance for marketing.

Judge Gass and Staff provided advice and guidelines for Call to the Public comments, sidebar conversations with the public, and the distinctions between subcommittee and workgroup meetings.

B. Review of Administrative Order No. 2020-10

Judge Gass discussed the establishing A.O. and the charge of the subcommittee.

C. Data and Case File Review (Taken Out of Order)

Staff announced that Dr. Jane Venohr with the Center for Policy Research has been contracted to conduct the economic and case file review. Dr. David M. Betson has been subcontracted by Dr. Venohr to conduct a full update of his data set. Dr. Betson's data set will be used as the basis for the Child Support Guidelines. Both contractors are working under a deadline of June 30, 2020.

Members requested that Dr Venohr be invited to the next meeting to discuss the report's methodology and data.

Action Item: Staff will invite Dr. Venohr to the next meeting.

D. Approval of Committee Rules for Conducting Business

The rules for conducting business were discussed:

- Parameters of a quorum, ex-officio members do not count towards quorum ad do not vote.

Motion: A quorum will be 50% +1 of the subcommittee's voting members. **Moved by Janet Sell. Seconded by Joi Hollis.** Motion passed unanimously.

- Vote that constitutes a subcommittee action.

Motion: A vote that constitutes an interim action requires 50% +1 of the voting members attending the meeting. A vote that constitutes an action to approve the final report and recommendations of subcommittee requires a vote of 50%+1 of the subcommittee's voting members. **Moved by Janet Sell. Seconded by Steve Wolfson.** Motion passed unanimously.

- Proxy

Motion: Members are permitted to designate a proxy not more than twice for the subcommittee's duration. Members are not permitted the use of a proxy for the final vote. **Moved by Steve Wolfson. Seconded by Vance Simms.** Motion passed unanimously.

- Meeting Schedule – tabled until later in the meeting.

E. Final Report and Recommendations from the Committee for an Interim Review of the Child Support Guidelines

Janet Sell, a member of the 2018 Committee for an Interim Review of the Child Support Guidelines, discussed the important substantive issues that were determined to be outside the scope of that review and which were recommended to be addressed during the current review. There were three:

- Section 27. Federal Tax Exemption for Dependent Children and the penalties of the Affordable Care Act
 - Passage of the Tax Cuts and Jobs Act has removed exemptions for dependent children and the penalty for lack of health insurance
- Section 5(A). Determination of Gross Income of Parents and the question, “may a court attribute income beyond that of regular full-time employment without a showing that the income was historically earned from a regular schedule and is anticipated to continue into the future?”
- Allocating insufficient funds for multiple orders

The intent and steps taken by the previous review committee were discussed. Judge Gass made clear that this subcommittee should focus on drafting the guidelines that are clear without explanation and do not require an intent or purpose statement.

F. Open Discussion and Strategic Planning

Members discussed other issues or matters which may need focus. Topics included:

- Term changes, custodial parent vs. primary parent, paying parent vs. receiving parent
 - Term changes and restyling are fine, the substance should not be changed.
 - Must be able to work as an algorithm in the Child Support Worksheet
- Tables
 - Capping the Schedule of Basic Support Obligations at \$20,000
 - Table B relevance
- Adjustments and deviations
- Costs associated with parenting
 - Based on parenting time
 - Extracurriculars and others not covered specifically by statute
- Gross income vs. net income on spousal support
- Credit for new spouses covering costs
- Remarriages where one parent no longer has to work

- Military pay and benefits
- Adoption subsidies
- Social security benefits
- High income earners vs low income earners
- Insufficient funds amongst multiple families
- Health insurance
 - High Deductible Health Plans with a Health Spending Account
 - Unreimbursed costs vs uncovered costs
- Old vs. new orders
- Steppedown orders
- Intrastate orders
- Using federal language
 - Income Withholding Order instead of Order of Assignment
 - There is no presumptive termination date on federal forms
- Using the Maricopa County worksheets instead of the Supreme Court worksheets

These topics will be organized into topic area workgroups. Staff will distribute the workgroup information and request member and chairs volunteers.

D. Approval of Committee Rules for Conducting Business (continued)

- Meeting Schedule – The following meeting dates were offered, discussed, and agreed upon by the members.

○ March 30	○ October 5
○ April 27	○ October 26
○ June 8	○ November 2
○ June 30	○ November 9
○ July 27	○ November 16
○ August 24	

III. OTHER BUSINESS

A. Announcements/Call to the Public

- No one responded to the call to the public.
- Members with an interest in the methodology for the economic basis for the schedule suggested that an expert be included in the discussion with Dr. Venohr.

Action Item: Chris Gorman will identify an expert, most likely someone from ASU's Siedman Research Institute, and will share that person's contact information with staff.

- #### B. Next Meeting.
- Monday, March 30, 2020; 10 a.m.
Arizona State Courts Building, Conference Room 119 A/B
1501 W. Washington, Phoenix, AZ 85007

The meeting adjourned at 2:00 pm.

Review of the Arizona Child Support Guidelines

Presentation to:

Child Support Guidelines Review Subcommittee

(March 30, 2020)

Jane Venohr, Ph.D. Economist/Research Associate

jvenohr@centerforpolicyresearch.org

303-837-1555



Objectives of Presentation and Covered Topics

Objectives

- Shared understanding of how Arizona will/is meeting federal requirements
- Shared understanding of the economic basis of the existing schedule and what could be updated

Topics

- Federal requirements of
 - Guidelines Review
 - Guidelines
- Basis of child support schedule
 - Economic measurements of child-rearing expenditures
 - Other

Quadrennial Child Support Guidelines Reviews

Required by

- Arizona Revised Statutes (25-320.D) requires Court to review
- Federal regulation (45 C.F.R. §302.56)

Federal requirements expanded in December 2016

- **Imposed New Requirements of State Guidelines**
 - Appears most were addressed by the 2017 Committee for an Interim Review of the Child Support Guidelines
<https://www.azcourts.gov/Portals/31/FinalReportDec2017.pdf?ver=2019-04-10-163620-397>
- **Requirements of Guidelines Reviews**
 - **This is where CPR's assistance will be concentrated**

Previous CPR Studies

<http://www.azcourts.gov/Portals/31/GuidelinesReview/EconomicReviewoftheAZChildSupportSchedule082014RED.pdf>

Economic Review of the Arizona Child Support Schedule



Prepared for:
Arizona Supreme Court
Administrative Office of the Courts

Prepared by:
Jane Venohr, Ph.D.
Center for Policy Research
Denver, CO 80218
www.centerforpolicyresearch.org
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June 27, 2014

<http://www.azcourts.gov/Portals/31/GuidelinesReview/AZChildSupportGuidelinesReviewFindingsfromCaseFileData082014RED.pdf>

Arizona Child Support Guidelines Review: Findings from Case File Data



Prepared for:
Arizona Supreme Court
Administrative Office of the Courts

Prepared by:
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August 5, 2014

Federal Requirements of Guidelines Reviews

(h) As part of the review of a State's child support guidelines required under paragraph (e) of this section, a State must:

(1) **Consider economic data on the cost of raising children**, labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders;

(2) Analyze case data, gathered through sampling or other methods, on the application of and deviations from the child support guidelines, as well as the rates of default and imputed child support orders and orders determined using the low-income adjustment required under paragraph (c)(1)(ii) of this section. The analysis must also include a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment required under paragraph (c)(1)(ii). The analysis of the data must be used in the State's review of the child support guidelines to ensure that deviations from the guidelines are limited and guideline amounts are appropriate based on criteria established by the State under paragraph (g); and

(3) Provide a meaningful opportunity for public input, including input from low-income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV–D of the Act.

Summary	Rationale
Review economic data on the cost of child rearing	Possible update to schedule
Analyze case data and labor market information	<ul style="list-style-type: none">Information useful toward keeping deviations to a minimumInform recommendations concerning self-support reserve, income imputation, and low-income provisions

Plan to Fulfill Federal Requirements of Reviews

Continued Requirement		New Requirement	
Consider economic data on the cost of raising children	CPR prepares	Consider labor market data	CPR prepares
		Impact of guidelines policies on parents with low income	CPR prepares
		Factors that influence employment rates and compliance	CPR prepares
Consider case file data on application of and deviation from the guidelines	CPR prepares	Rates of default, imputation, and application of low-income adjustment	CPR prepares
		Comparison of payments by case characteristics including default, imputation, and application of the low-income adjustment	CPR prepares
Review, and revise, if appropriate, the child support guidelines	Subcommittee/ Court	Provide meaningful opportunity for public input, including input from low-income parties	Court
		Obtain the views and advice of the IV-D agency	Subcommittee
		Publish report on internet, membership of reviewing body, and effective date of the guidelines and next review	Court

Proposed Data Sources for Case File/Labor Market

3 Data Sources

1. Records from Clerks of the Courts

- Last review: 568 orders from Maricopa, Pima, Apache, and Yavapai
- Contracted with clerks to send order & worksheet to CPR for data entry

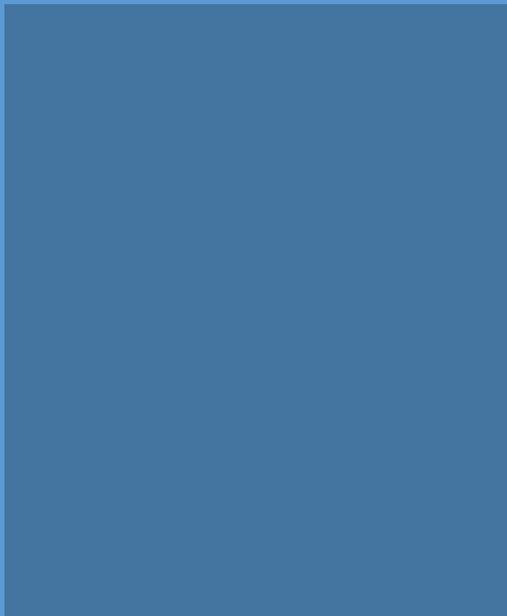
2. IV-D Child Support Agency data

- New to AZ, used by many states
- Necessary to analyze payment data
- Start with data wish list

3. State Labor Market Information

Challenges and Nuances

- Time periods: New guidelines eff. April 1, 2018
- Matching Clerk data and IV-D data
- Not all requisite federal data fields available
- Coronavirus: availability of staff/anything requiring on-site extraction



Federal Requirements of Guidelines

AZ's Compliance with Federal Requirements of Guidelines

Continued Requirement	AZ Complies
Provide one guideline, used statewide	<input checked="" type="checkbox"/>
Consider all earnings and income	<input checked="" type="checkbox"/>
Be specific and numeric	<input checked="" type="checkbox"/>
Provide for child's healthcare needs	<input checked="" type="checkbox"/>
Provide deviation criteria	<input checked="" type="checkbox"/>
Require record of deviation	<input checked="" type="checkbox"/>

New Requirement	AZ Complies
Consider other evidence of ability to pay	?
Consider parent's basic subsistence need	<input checked="" type="checkbox"/>
Consider specific circumstances when imputing income	<input checked="" type="checkbox"/>
Do not treat incarceration as voluntary unemployment	<input checked="" type="checkbox"/>

Full rules attached to Powerpoint

Federal Requirement: Consider Other Evidence of Ability to Pay

Federal Requirement

§302.56(c)

The child support guidelines established under paragraph (a) of this section must at a minimum:

(1) Provide that the child support order is based on the noncustodial parent's earnings, income, and **other evidence of ability to pay** that:

(i) Takes into consideration all earnings and income of the noncustodial parent (and at the State's discretion, the custodial parent);

OCSE's explanation of the rule change cites PIQ-00-03. Retrieved from:

<https://www.acf.hhs.gov/css/resource/state-iv-d-program-flexibility-low-income-obligors>

States may want to take steps to limit the imputation of income, for example, to cases in which the non-custodial parent has apparent assets and/or ability to pay, but is uncooperative. And, most importantly, States should make the maximum use of improved methods of determining income and resources of non-custodial parents, including the State and National Directories of New Hires as well as the Financial Institution Data Match (FIDM) and Multistate Financial Institution Data Match (MSFIDM).

AZ Provision

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.

Other States. Historically, some provide that income should be determined from tax returns and X number of paystubs. States are beginning to recognize alternative sources (e.g., State Dept of Labor data in LA guidelines)

Federal Requirement: Address Subsistence Needs

Federal Requirement

§302.56(c)(1)(ii) Takes into consideration the **basic subsistence needs of the noncustodial parent** (and at the State's discretion, the custodial parent and children) who has a limited ability to pay by incorporating a low-income adjustment, **such as a self-support reserve** or some other method determined by the State

AZ Provisions

15. 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 paying parent is financially able to pay the child support order and to maintain at least a minimum standard of living, as follows:

The self-support reserve shall be **an amount equal to 80% of the monthly full-time earnings at the current state minimum wage at the time of the order** (the self-support reserve amount). Deduct the self-support reserve amount from the paying 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 receiving 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.

AZ Min wage = \$12/hr, 40 hrs per week = \$2,080/mo, 80% of \$2,080 = \$1,664/mo

Other States

- Most relate to the Federal Poverty Guidelines (FPG): \$1,063/mo for 1 person in 2020
- Highs: 135% of FPG (\$1,435/mo); CO: \$1,500/mo
- States are mixed on a minimum order for incomes below SSR

Federal Requirements: Income Imputation

Federal Requirements

§302.56(c)(1)(iii) If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.

§302.56(c) (3) Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders;

AZ Provisions

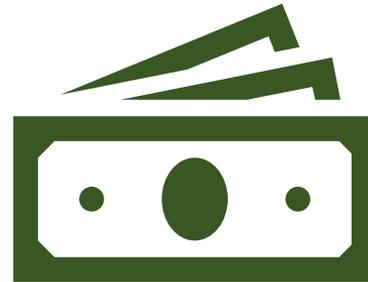
E. If a parent is unemployed or working below full earning capacity, the court may consider the reasons. If earnings are reduced as a matter of choice and not for reasonable cause, the court may attribute income to a parent up to his or her earning capacity. If the reduction in income is voluntary but reasonable, the court shall balance that parent's decision and benefits therefrom against the impact the reduction in that parent's share of child support has on the children's best interest. **The court may not attribute income to a person who is incarcerated**, but may establish or modify support based on **actual ability to pay**. In accordance with Arizona Revised Statutes Section 25-320, income of at least minimum wage should generally be attributed to a parent after considering the specific circumstances of the parents to the extent known. This includes such factors as the **parents' assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the parents, prevailing earnings level in the local community, and other relevant background factors in the case.** If income is attributed to the parent receiving child support, appropriate childcare expenses may also be attributed.

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

1. A parent is physically or mentally disabled,
2. A parent is engaged in reasonable career or occupational training to establish basic skills or reasonably calculated to enhance earning capacity,
3. Unusual emotional or physical needs of a natural or adopted child require that parent's presence in the home
4. The parent is a current recipient of Temporary Assistance to Needy Families, or
5. A parent is the caretaker of a young child and the cost of childcare is prohibitive.

Other States

- Most adapting federal language verbatim
- Some specify minimum wage (or another wage) and hours
- Some are specifying no financial order for incarcerated/institutionalized, TANF & other
- Few impute/attribute childcare expenses



Analysis of Economic Data on the Cost of Raising Children

Child Support Schedules Are Part Economic Data and Part Policy

Underlying Data or Assumption	Basis of Existing Schedule	Updates/Alternatives
1. Guidelines model	Income shares	<ul style="list-style-type: none"> 41 states use income shares 8 states use % of income 3 states use Melson Other guidelines model
2. Underlying Economic Study*	Betson-Rothbarth (2006)	<ul style="list-style-type: none"> Betson-Rothbarth (2020) Betson-Rothbarth (2010) Rodgers-Rothbarth (2018) USDA (2017) Comanor (2016)
3. Price levels	April 2014 price levels	January 2020 (19% increase)
4. Federal and State Taxes*	2014 federal and state income tax withholding formulas for single taxpayer	<ul style="list-style-type: none"> 2020 federal tax reform IRS offers several alternative formulas for income withholding Assumptions other than single taxpayer
5. Highest income	\$20,000/month gross combined	<ul style="list-style-type: none"> Depends on study (\$16,000 - \$30,000 combined gross) Some states extrapolate to higher incomes
6. Exclude childcare, child's health insurance premium & extraordinary medical expenses*	Excludes all but the first \$250 per child per year in ordinary, out-of-pocket medical expenses	<ul style="list-style-type: none"> Retain assumption Exclude all Ohio approach
7. Expenditures to net income ratio*	<ul style="list-style-type: none"> Converts expenditures to net income using ratios from same families in CES Caps expenditures at 100% 	

*Deeper dive on subsequent slides

Studies of Child-Rearing Costs

Minimum Needs

- Federal Poverty Guidelines (2020: \$1,067/mo for 1 person)
- Self-Sufficiency Standard (\$2,008/mo for 1 person in Maricopa)

“Continuity of Expenditures Studies”

- Most states use as the basis of their guidelines even if percentage of income guidelines
- E.g., Betson-Rothbarth (BR)

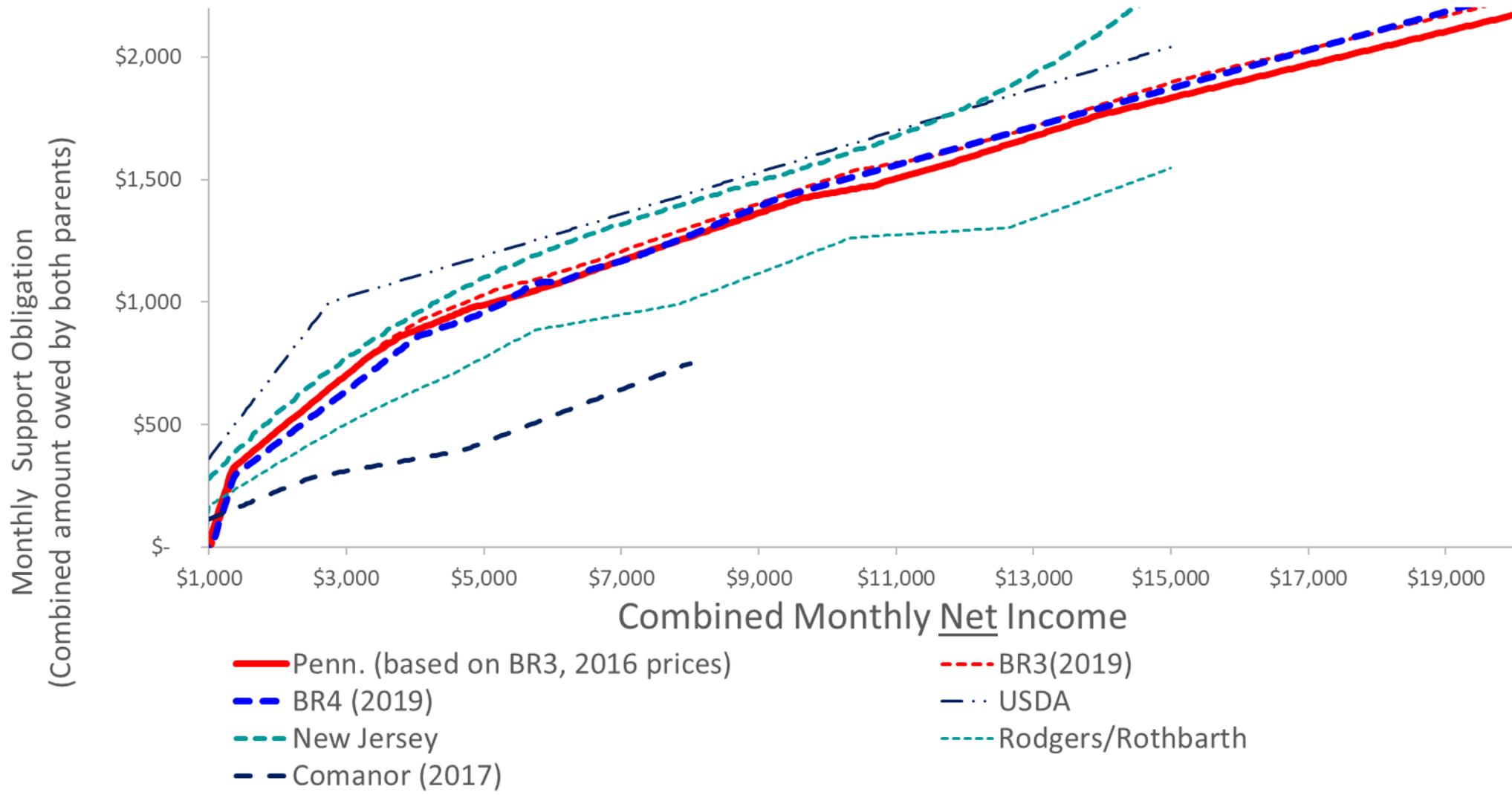
Other Methods or Studies

- Studies of expenditures in single-parent households
- Comanor’s “Monetary method”

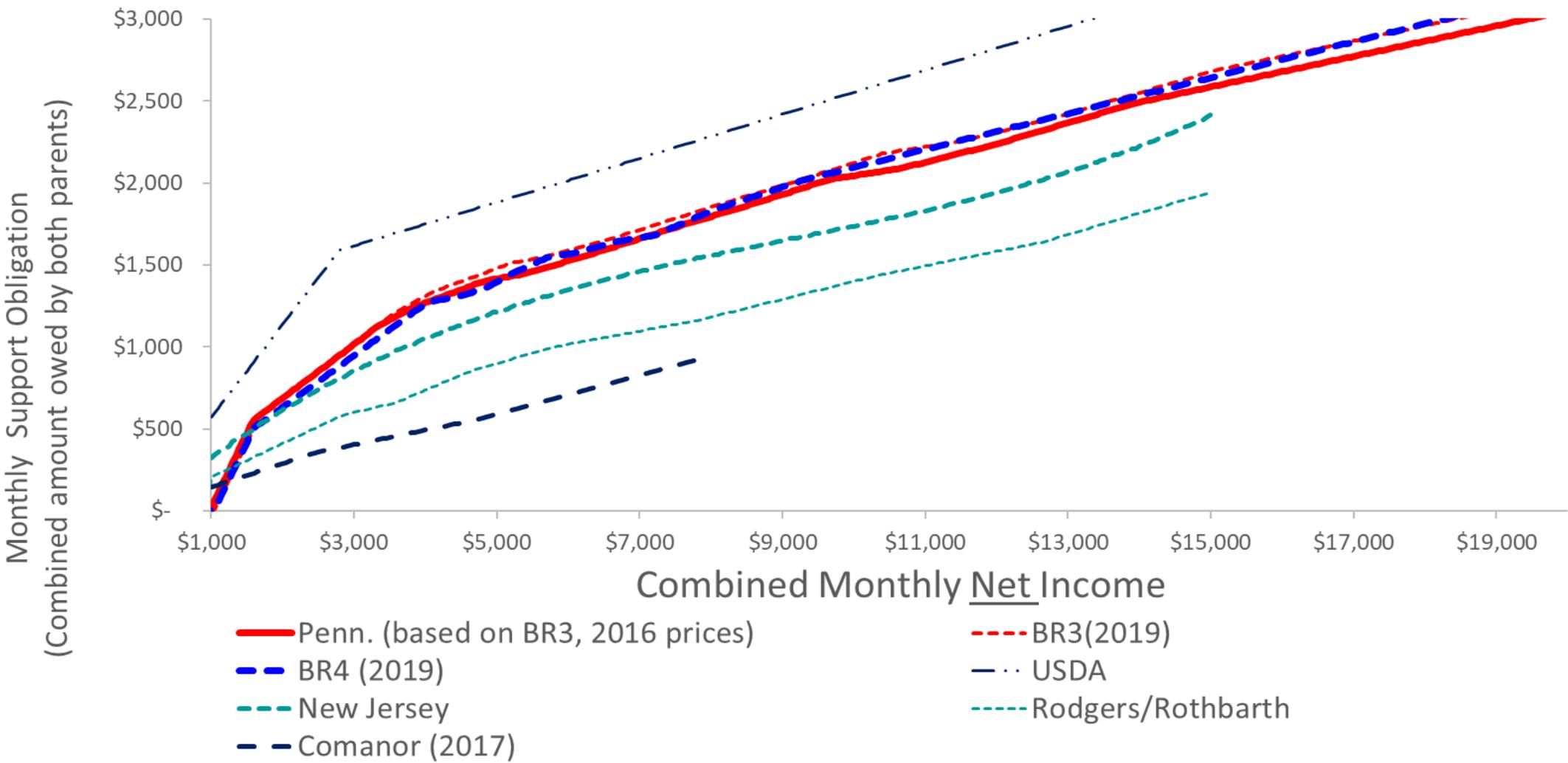
Studies of Child-Rearing Expenditures

Study Name and CES Years	Study Year	Full Reference
Betson-Rothbarth 1 (BR1) CES: 1980-86	1990	David M. Betson (1990). <i>Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey</i> , 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.
Lewin Report (compared methods)	1990	Lewin/ICF. (1990). <i>Estimates of Expenditures on Children and Child Support Guidelines</i> . Report to U.S. Department of Health and Human Services, Office of the Assist. Secretary for Planning and Evaluation. Virginia
Betson-Rothbarth 2 (BR2) CES: 1996-99	2001	Betson, David M. (2001). "Chapter 5: Parental Expenditures on Children." in Judicial Council of California, <i>Review of Statewide Uniform Child Support Guideline</i> . San Francisco, California
Betson-Rothbarth 3 (BR3) CES: 1998-2004	2006	David M. Betson (2006). "Appendix I: New Estimates of Child-Rearing Costs" in PSI, <i>State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations</i> , Report to State of Oregon, Policy Studies Inc., Denver, CO.
Betson-Rothbarth 4 (BR4) CES: 2004-09	2010	Betson, David M. (2010). "Appendix A: Parental Expenditures on Children." in Judicial Council of California, <i>Review of Statewide Uniform Child Support Guideline</i> . San Fran-cisco, California. Retrieved from: http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf
Rodgers-Rothbarth/NJ CES: 2000-11	2012	New Jersey Child Support Institute (March 2013). <i>Quadrennial Review: Final Report, Institute for Families</i> , Rutgers, the State University of New Jersey, New Brunswick, NJ. Retrieved from: http://www.judiciary.state.nj.us/reports2013/FO_NJ+QuadrennialReview-Final_3.22.13_complete.pdf
USDA (CES: 2011-2015)	2017	Lino, Mark (2017). <i>Expenditures on Children by Families: 2015 Annual Report</i> . U.S. Department of Agriculture, Center for Nutrition and Policy Promotion. Miscellaneous Publication No. 1528-2015, Washington, D.C. http://www.cnpp.usda.gov/publications/crc/crc2013.pdf
Rodgers-Rothbarth/Nat'l (2000-2015)	2018	Rodgers, William M. (2017) "Comparative Economic Analysis of Current Economic Research on Child-Rearing Expenditures." In Judicial Council of California, <i>Review of Statewide Uniform Child Support Guideline 2017</i> . San Francisco, CA. Retrieved from http://www.courts.ca.gov/documents/lr-2018-JC-review-of-statewide-CS-guideline-2017-Fam-4054a.pdf .
Comanor (CES: 2004-09)	2015	Comanor, William, Sarro, Mark, and Rogers, Mark. (2015). "The Monetary Cost of Raising Children." In (ed.) <i>Economic and Legal Issues in Competition, Intellectual Property, Bankruptcy, and the Cost of Raising Children</i> (Research in Law and Economics), Vol. 27). Emerald Group Publishing Limited, pp. 209–51
Self-Sufficiency Standard	2018	<i>Self-Sufficiency Standard Tables [Excel]</i> http://www.selfsufficiencystandard.org/arizona

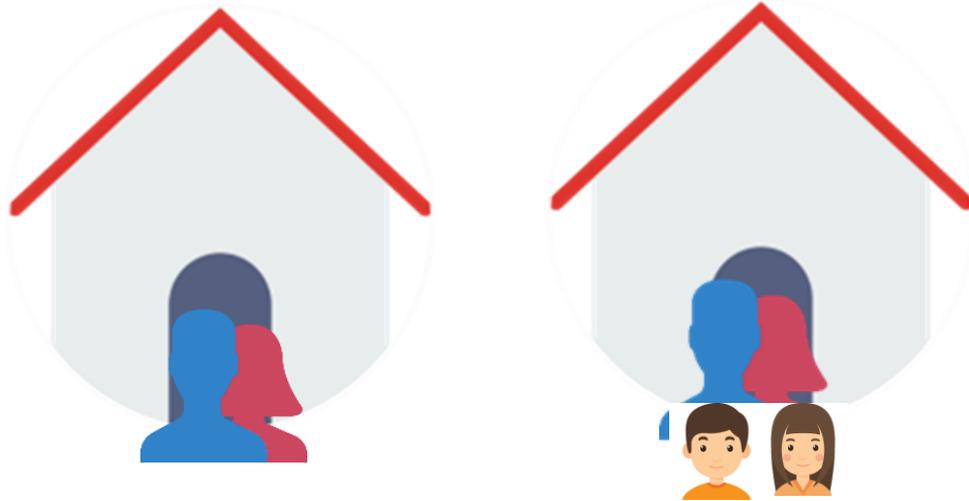
Comparisons: One Child (2019 price levels)



Comparisons: Two Children (2019 price levels)



Marginal Cost Method v. Monetary Method



Both compare expenditures using 2004-2009 CES between

- a) households without children to
- b) households with children

Betson-Rothbarth 4th study (BR4)

Difference in expenditures for equally well-off households

About 8,000 married couples of child-rearing age

$$\frac{TS_K - TS_0}{TS_K} = 1 - \left(\frac{2}{2+K} \right)^{1-\frac{\epsilon}{\lambda}}$$

where

$$\ln(A[K, TS, X]) = \mu(X) + \tau \ln(2+K) + \lambda \ln\left(\frac{TS}{2+K}\right)$$

Comanor, Sarro, and Rogers

Expenditures for specific expenditures categories

About 19,000 households: 62% married & 38% headed by single person
With children: 48% of married & 17% of single-person households

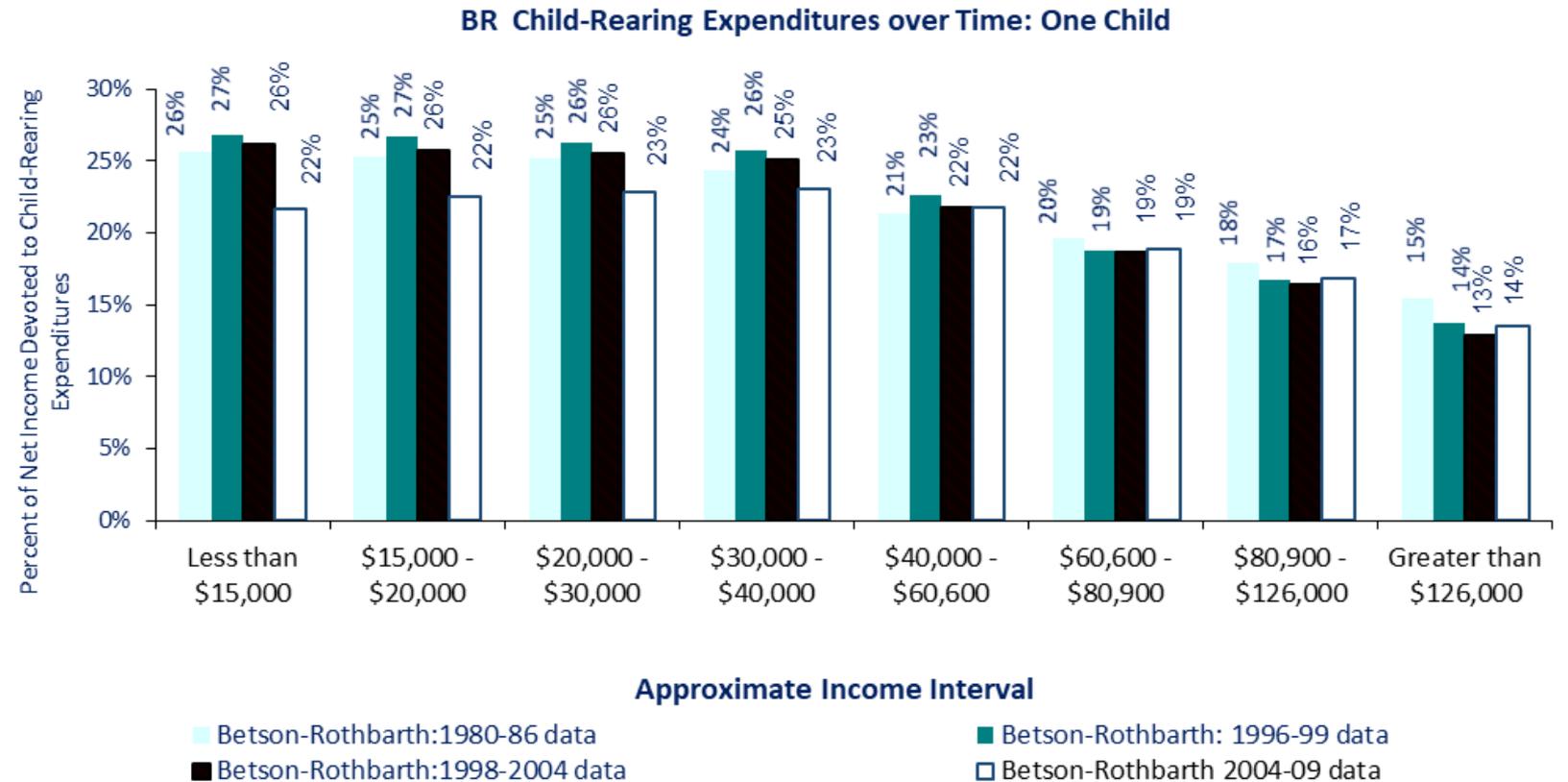
$$E_i = a + bY_i + c_1K_1 + c_2K_2 + c_3K_3 + dCA_i + \sum e_{ij}X_{ij}$$

Betson-Rothbarth Measurements

- Form the basis of most state guidelines
- BR4 has changes in data assumptions
 - Uses improved definition of income developed by Bureau of Labor Statistics
 - Uses expenditures-outlays rather than expenditures

BR5

- 2014-2019 CES
- 16,000-20,000 households
- Sample selection variation (domestic partners, when older children are also in home, and annual v. quarterly expenditures)
- Same methodology
 - Examination of alternative model specifications



Lewin Assessment of Continuity of Expenditures Studies



Updating for 2020 Federal and State Taxes (See Row 4, slide 14)

2020 IRS withholding formula	Method 1	Method 2	Method 3	Method 4*	Method 5	Method 6
W-4 Year	2019 and earlier and 2020 or later	2020 or later	2019 or earlier	2020 or later	2019 or earlier	Option of employer
Subtraction from income	Depends on year of W-4	None, std deduction built into tables	Allowances built into tables	None, std deduction built into tables	\$358 per month for each allowance claimed on W-4	
% method tables or wage bracket tables	Percentage method tables	Wage bracket tables	Wage bracket tables	Percentage method tables	Percentage method tables	
Highest income considered in tables	No limit	\$8,330 per month	\$8,410 per month	No limit	No limit	
Frequency of payroll	Annual	Monthly and others	Monthly and others	Monthly and others	Monthly and others	
Filing status considered						
Single <input checked="" type="checkbox"/> Married filing jointly <input checked="" type="checkbox"/> Married filing separately <input checked="" type="checkbox"/> Head of Household <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

Child's Health Care Cost (See Row 6, slide 14)

Schedule includes up to \$250 per child per year for ordinary, out-of-pocket medical expenses

2015 National Medical Expenditure Survey

- Average out-of-pocket medical per child = \$248/yr
 - Ever public insurance = \$63/yr
 - Ever private insurance = \$388/yr

Number of Arizona Children: 1,716,801

Number of Arizona Children Enrolled in CHIP: 97,450

Total Medicaid Enrollment in Arizona: 1,610,623

Percent of Children Enrolled in Medicaid and CHIP: 62% USA

Child's Health Care Cost: Alternative Approaches

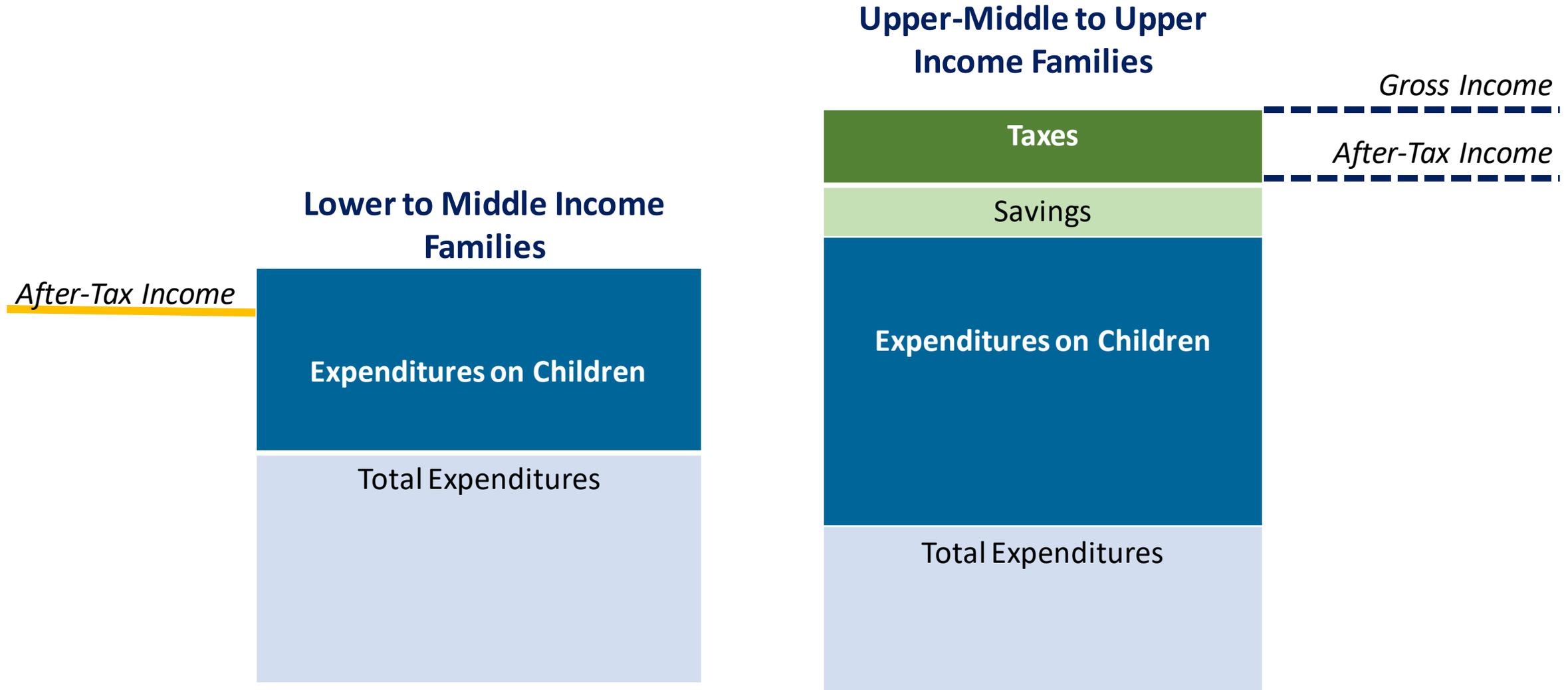
- VA and CT include no health care costs in schedule
 - Advantage:
 - No assumption about the amount of ordinary out-of-pocket medical expenses is necessary
 - Disadvantage:
 - Parents must track ALL medical receipts and exchange them
- OH and MI include no health care costs in schedule but include an add-on in the worksheet for a standard amount
 - Advantages:
 - Can change amount without changing schedule
 - More flexibility on a case-by-case basis (e.g., don't add in Medicaid cases)
 - Disadvantages:
 - Adds a step
 - Still requires an assumption

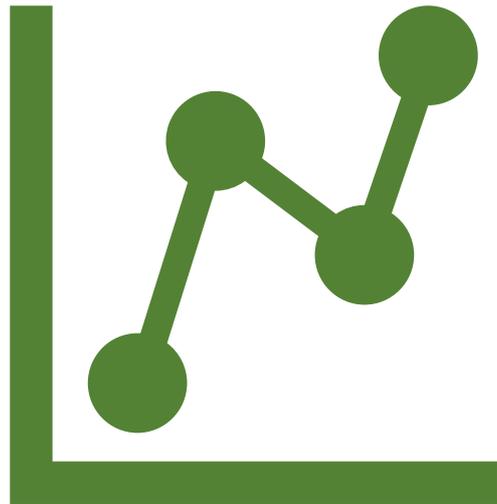
Ohio's Approach

	Parent A	Parent B	Combined
1. Annual Income	\$40,000	\$40,000	\$80,000
17. Percent of income	50%	50%	
18a. Basic child support obligation (annual)			\$20,000
23. Annual Cash Medical			\$388.70
24. Total Obligation			\$20,388.70
25. Each parent's share	\$10,194.35	\$10,194.35	

Cash Medical Obligation	
Number of Children	Annual Cash Medical Amount
1 child	\$388.70
2 children	\$777.40
3 children	\$1,166.10
4 children	\$1,554.80
5 children	\$1,943.50
6 children	\$2,332.20

Average Expenditures to After-Tax Income Ratios (See Row 7, slide 14)





Next Steps

Next Steps

- CPR will work with Court on data extracts
- BR5 Ready in April/May
- Updated schedules ready in May/June

Other Issues or Concerns?

Attachments



Federal Requirements of State Guidelines (1/3)

(red are new)

Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs

§302.56 Guidelines for setting child support orders.

(a) Within 1 year after completion of the State's next quadrennial review of its child support guidelines, that commences more than 1 year after publication of the final rule, in accordance with § 302.56(e), as a condition of approval of its State plan, the State must establish one set of child support guidelines by law or by judicial or administrative action for setting and modifying child support order amounts within the State that meet the requirements in this section.

(b) The State must have procedures for making the guidelines available to all persons in the State.

(c) The child support guidelines established under paragraph (a) of this section must at a minimum:

(1) Provide that the child support order is based on the noncustodial parent's earnings, income, **and other evidence of ability to pay** that:

(i) Takes into consideration all earnings and income of the noncustodial parent (and at the State's discretion, the custodial parent);

(ii) Takes into **consideration the basic subsistence needs** of the noncustodial parent (and at the State's discretion, the custodial parent and children) who has a limited ability to pay by incorporating a low-income adjustment, **such as a self-support reserve** or some other method determined by the State; and

(iii) **If imputation of income is authorized, takes into consideration the specific circumstances of the noncustodial parent** (and at the State's discretion, the custodial parent) to the extent known, including such factors as the noncustodial parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, age, health, criminal record and other employment barriers, and record of seeking work, as well as the local job market, the availability of employers willing to hire the noncustodial parent, prevailing earnings level in the local community, and other relevant background factors in the case.

(2) Address how the parents will provide for the child's health care needs **through private or public health care coverage** and/or through cash medical support;

Federal Requirements of State Guidelines Pertaining to Low-Income Parents 2/3 (**red** are new)

(3) **Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders;** and

(4) Be based on specific descriptive and numeric criteria and result in a computation of the child support obligation.

(d) The State must include a copy of the child support guidelines in its State plan.

(e) The State must review, and revise, if appropriate, the child support guidelines established under paragraph (a) of this section at least once every four years to ensure that their application results in the determination of appropriate child support order amounts.

The State shall publish on the internet and make accessible to the public all reports of the guidelines reviewing body, the membership of the reviewing body, the effective date of the guidelines, and the date of the next quadrennial review.

(f) The State must provide that there will be a rebuttable presumption, in any judicial or administrative proceeding for the establishment and modification of a child support order, that the amount of the order which would result from the application of the child support guidelines established under paragraph (a) of this section is the correct amount of child support to be ordered.

(g) A written finding or specific finding on the record of a judicial or administrative proceeding for the establishment or modification of a child support order that the application of the child support guidelines established under paragraph (a) of this section would be unjust or inappropriate in a particular case will be sufficient to rebut the presumption in that case, as determined under criteria established by the State. Such criteria must take into consideration the best interests of the child. Findings that rebut the child support guidelines shall state the amount of support that would have been required under the guidelines and include a justification of why the order varies from the guidelines.

Federal Requirements of State Guidelines Pertaining to Low-Income Parents 3/3 (red are new)

(h) As part of the review of a State's child support guidelines required under paragraph (e) of this section, a State must:

- (1) Consider economic data on the cost of raising children, labor market data (such as unemployment rates, employment rates, hours worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders;
- (2) Analyze case data, gathered through sampling or other methods, on the application of and deviations from the child support guidelines, as well as the rates of default and imputed child support orders and orders determined using the low-income adjustment required under paragraph (c)(1)(ii) of this section. The analysis must also include a comparison of payments on child support orders by case characteristics, including whether the order was entered by default, based on imputed income, or determined using the low-income adjustment required under paragraph (c)(1)(ii). The analysis of the data must be used in the State's review of the child support guidelines to ensure that deviations from the guidelines are limited and guideline amounts are appropriate based on criteria established by the State under paragraph (g); and
- (3) Provide a meaningful opportunity for public input, including input from low-income custodial and noncustodial parents and their representatives. The State must also obtain the views and advice of the State child support agency funded under title IV–D of the Act.

Other New Federal Requirements Not Explicitly Applicable to Guidelines, but Guidelines Changes May Help IV-D Agency Meet

§303.4 Establishment of support obligations. (b) Use appropriate State statutes, procedures, and legal processes in establishing and modifying support obligations in accordance with §302.56 of this chapter, which must include, at a minimum: (1) Taking reasonable steps to develop a sufficient factual basis for the support obligation, through such means as investigations, case conferencing, interviews with both parties, appear and disclose procedures, parent questionnaires, testimony, and electronic data sources; (2) Gathering information regarding the earnings and income of the noncustodial parent and, when earnings and income information is unavailable or insufficient in a case gathering available information about the specific circumstances of the noncustodial parent, including such factors as those listed under §302.56(c)(1)(iii) of this chapter; (3) Basing the support obligation or recommended support obligation amount on the earnings and income of the noncustodial parent whenever available. **If evidence of earnings and income is unavailable or insufficient to use as the measure of the noncustodial parent's ability to pay, then the support obligation or recommended support obligation amount should be based on available information about the specific circumstances of the noncustodial parent, including such factors as those listed in §302.56(c)(1)(iii) of this chapter.** (4) Documenting the factual basis for the support obligation or the recommended support obligation in the case record.

§303.8 Review and adjustment of child support orders. * * * * * (b) * * * (2) The State may elect in its State plan to initiate review of an order, after learning that a noncustodial parent will be **incarcerated for more than 180 calendar days**, without the need for a specific request and, upon notice to both parents, review, and if appropriate, adjust the order, in accordance with paragraph (b)(1)(i) of this section. * * * * * (7) The State must provide notice— (i) Not less than once every 3 years to both parents subject to an order informing the parents of their right to request the State to review and, if appropriate, adjust the order consistent with this section. The notice must specify the place and manner in which the request should be made. The initial notice may be included in the order. (ii) If the State has not elected paragraph (b)(2) of this section, within 15 business days of when the IV-D agency learns that a noncustodial parent will be incarcerated for more than 180 calendar days, to both parents informing them of the right to request the State to review and, if appropriate, adjust the order, consistent with this section. The notice must specify, at a minimum, the place and manner in which the request should be made. Neither the notice nor a review is required under this paragraph if the State has a comparable law or rule that modifies a child support obligation upon incarceration by operation of State law. (c) * * * Such reasonable quantitative standard must not exclude incarceration as a basis for determining whether an inconsistency between the existing child support order amount and the amount of support determined as a result of a review is adequate grounds for petitioning for adjustment of the order.

§303.31 Securing and enforcing medical support obligations.

(a) * * * (2) Health insurance care coverage includes fee for service, health maintenance organization, preferred provider organization, and other types of private health insurance and public health care coverage ~~which is available to either parent,~~ under which medical services could be provided to the dependent child(ren).

**Guidelines for Drafting
Procedural Rules**
(Revised 11/5/19)

General Principles

- 1. Active Voice.** Use the active voice, i.e., the subject of the sentence is performing an action, which is reflected by the verb.

Example: Former Criminal Procedure Rule 32.4(a): “A proceeding is commenced by the timely filing of a notice of post-conviction relief.”

As revised: “A petitioner may commence a proceeding by filing a notice of post-conviction relief”

Example: Former Criminal Procedure Rule 32.8: “In superior court, the hearing shall be recorded.”

As revised: “In superior court, the court must record the hearing.”

Example: Former Criminal Procedure Rule 32.9(d): “For any other relief granted to a defendant, a stay pending further review is within the discretion of the trial or appellate court.”

As revised: “For any other relief, the trial or appellate court may grant a stay pending further review.”

- 2. Formatting.** To make it easier to find what you are looking for, make generous use of subparts and subheadings, and make lists if a rule calls for multiple items or factors to follow a general rule.

Example: Draft revision to former Criminal Procedure Rule 32.4(a) and(b).

Rule 32.4. Commencing Proceedings for Post-Conviction Relief

(a) Commencement. A petitioner may commence a proceeding by timely filing a notice of post-conviction relief with the court in which the petitioner was convicted.

(b) Notice of Post-Conviction Relief.

(1) Form. The court must make available forms that petitioners may use when filing a notice of post-conviction relief. The notice must bear the caption of the original criminal action or actions to which it pertains.

(2) Timing.

- (A) *As-of Right Cases.* In a Rule 32 of-right proceeding, the petitioner must file the notice within 90 days after the trial court enters judgment and sentence, or within 30 days after the appellate court issues the final order or mandate in the petitioners first petition for post-conviction relief proceeding, whichever is 'later.
- (B) *Other Non-Capital Cases.* In all other non-capital cases, the petitioner must file the notice within 90 days after the trial court enters judgment and sentence, or within 30 days after the appellate court issues the final order and mandate in the direct appeal, whichever is later.
- (C) *Capital Cases.* In a capital case, the Supreme Court clerk must promptly file a notice for post-conviction relief with the trial court upon issuing a mandate affirming the defendant's conviction and sentence on direct appeal.
- (D) *Late Filing.* If a petitioner fails to timely file a notice, he or she may raise claims only under Rule 32.1(d), (e), (f), (g) or (h).

3. Run-On Sentences. Break-up or simplify overlong sentences.

Example: Former Criminal Procedure Rule 32.3

If a defendant applies for a writ of habeas corpus in a trial court having jurisdiction of his or her person raising any claim attacking the validity of his or her conviction or sentence, that court shall under this rule transfer the cause to the court where the defendant was convicted or sentenced and the latter court shall treat it as a petition for relief under this rule and the procedures of this rule shall govern.

As revised:

If a defendant applies for a writ of habeas corpus and attacks the validity of his or her conviction or sentence, the court with jurisdiction over the proceeding must transfer the action to the court in which the defendant was convicted or sentenced. The court to which the action is transferred must treat the action as a petition for relief under this rule and apply this rule's procedures.

4. Simpler Words and Proper Word Choice. Prefer simpler words over the more complex and choose words that have the meaning you intend (not a near-miss). See "Terms/Words of Choice" below.

5. Archaic Terms. Avoid archaic, outdated “legalistic” terms such as “hereto,” “therein,” “thereto,” “hereinafter,” “thereafter,” “therewith,” “wherein.” Either restructure the sentence or use a demonstrative pronoun such as “that,” “this,” “these,” or “those.”

6. Ambiguous Terms. Avoid using ambiguous terms.

Do not use “shall,” which has lost all meaning over the years. Instead, use “must,” “may,” “should,” “will,” or “is/are,” depending on the context. Note that the word “should” is generally considered the preferred word of choice if a rule’s command is “directory” but not mandatory. And sometimes it is better to use the present tense of the operative verb if the rule does not involve an act or duty of a court or party (*e.g.*, former Criminal Procedure Rule 1.1—say “These rules *govern* the procedure in all criminal proceedings” rather than “These rules *shall govern* the procedure in all criminal proceedings”).

Use “enter” or “file” instead of “issues” (*e.g.*, former Criminal Procedure Rule 31.19(a) (“Within 30 days after the Court of Appeals issues its decision”)). Some people understand the term “issue” to mean the date when a judge signs an order rather than the date when the order is filed.

Use “order” instead of “direct” when describing court actions. Courts enter orders, not directions.

7. Redundant Terms. Avoid saying the same thing twice, and especially avoid “redundant intensifiers.”

Use “may” instead of “may, in its discretion” (*e.g.*, former Criminal Procedure Rule 16.3(b) “The court, in its discretion, may limit or deny oral argument on any motion.”)). Same for “may, if appropriate.”

Use “must show” rather than “must show affirmatively.”

Use “unless the court orders” rather than “unless the court expressly orders.”

Use “on its own, a court may” not “on its own initiative, a court may.”

8. “Of” Phrases: Minimize the use of “of” phrases. Use possessives if needed.

Use “Supreme Court clerk” rather than “clerk of the Supreme Court.”

Use “superior court clerk” or “clerk” rather than “clerk of the superior court.”

Say “commencing proceedings” rather than “commencement of proceedings” (e.g., Rule 32.4).

Say “after counsel’s appointment” rather than “after appointment of counsel.”

Say “Supreme Court justices” rather than “justices of the Supreme Court.”

Say “opposing counsel’s brief” rather than “the brief of opposing counsel.”

Say “court’s order” rather than “the order of the court.”

- 9. “By” Phrases.** Minimize the use of “by” phrases. In most cases, using “by” only places the subject after the operative verb.

Say “unless the court orders otherwise” rather than “unless ordered otherwise by the court.”

Say “if a party files a motion” rather than “if a motion is filed by a party.”

- 10. Comments.** Avoid using comments. If you need to clarify something about a rule’s requirements, then your rule is ambiguous.

Style and Wording Conventions

- 1. General Rule.** Use the style conventions used in the Federal Rules of Civil Procedure, unless there is a good reason for not doing so. The Federal Rules provide easily identified, and readily accessible, “default” conventions. Another good resource is Bryan Garner, *Guidelines for Drafting and Editing Court Rules* (1996) (“*Guidelines*”).

2. Terms/Words of Choice

- (a) ***Shall:*** Instead of using “shall,” use “must,” “should,” “may,” “will” or “is/are,” as the context dictates. *See Guidelines* at 29. Note that the word “should” is generally considered the preferred word of choice if a rule’s command is “directory” but not “mandatory.”
- (b) ***Clerk:*** The former Arizona civil rules referred to “clerk of court,” “court clerk,” or “clerk.” The federal rules use “clerk”—*see, e.g., Fed. R. Civ. P. 79(a)(1)*. Unless the context of the rule calls for a more specific reference (*i.e., if distinguishing a superior court clerk from an appellate court clerk or a justice court clerk*), use “clerk.”
- (c) ***Days:*** The former civil rules sometimes used words (*e.g., “ten”*), sometimes used numbers instead of words (*e.g., “10” instead of “ten”*) and sometimes

had both (e.g., “ten (10)”). The convention used in the federal rules is to use numbers only if the number is above two. *See, e.g.*, Fed. Rs. Civ. P. 6(d) & 12(a), 18(b) (“two”). Follow the federal convention.

- (d) **Service:** When cross-referencing Civil Procedure Rule 4 service of process, use the phrase “in the same manner that a summons and pleading are served under Rules 4.1 or 4.2, as applicable.” Note that Rule 4.1 and 4.2 refer *only* to the service of a summons and pleading. Thus, for service of other items (such as a subpoena or a Civil Procedure Rule 27 petition), it makes no sense to say that it should be served “under Rules 4.1 or 4.2, as applicable.”
- (e) **“Upon” v. “on”:** Unless there is a temporal element (i.e., something has to happen when an act occurs), use “on,” e.g., “serve on”, not “serve upon.”
- (f) **Where/When vs. If:** The word “where” is not to be used as a synonym for “if” (e.g., “If there are multiple parties on a side,” not “Where there are multiple parties on a side”). “When” is appropriate in some limited circumstances, but, in most cases, “if” should be preferred to “when.” *See Guidelines* at 5.
- (g) Use **“if”** instead of **“in the event that”** or **“on the condition that.”**
- (h) Use **“later”** rather than **“subsequently.”** Similarly, use **“after”** rather than **“subsequent.”**
- (i) Use **“before”** rather than **“prior to.”**
- (j) Use **“under,” “by,” “prescribed by” or “provided in”** rather than **“pursuant to” or “provided by.”**
- (k) **Hereof, herein, thereof, therein:** Avoid use of these words. Either restructure the sentence or use a demonstrative pronoun such as “that,” “this,” “these,” or “those.”
- (l) Use **“on its own,”** not **“on its own initiative.”** *See, e.g.*, Fed. Rs. Civ. P. 39(a)(2), 56(f)(3) & 60(a).
- (m) Use **“after a pleading is filed”** rather than **“after filing of the pleading”**; similarly, use **“after a pleading is served”** rather than **“after service of the pleading.”** If giving direction to the same person/party who just filed/served, **“after filing/serving a pleading.”**
- (n) Use **“a party who”** rather than **“a party that.”** *See, e.g.*, Fed. R. Civ. P. 35(b)(1) & 65(b)(3).

- (o) Use “*attorney’s fees*” not “*attorneys’ fees.*” See, e.g., Fed. R. Civ. P. 37(d)(3). Another alternative—“attorney fees.”
- (p) Use “*attorney,*” not “*lawyer.*” See, e.g., Fed. R. Civ. P. 5(b)(1).
- (q) Use “*local rule*” rather than “*Local Rules of Practice.*” See Ariz. R. Civ. P. 83.
- (r) Use “*the State of Arizona*” when referring to the governmental entity; use “*Arizona*” when referring to activity or persons within or outside state boundaries.
- (s) When referring to a specific number of days or a specific number of items, use “*fewer than*” rather than “*less than.*” But note, if you are talking about a period of time, the proper phrase is “less than.” (E.g., “Not many of these buildings are less than thirty years old.”)
- (t) Use “*no later than*” rather than “*not later than.*” (Synonymous, but “no later than” is considered less formal.)
- (u) **Other Words:** See *Guidelines* at 33-34.

3. Other Style Conventions

- (a) **Cross-references:** References to other rules or other subdivisions should refer to the rule (i.e., “Rule 15(a)(2)”) and **not** use the words “subpart,” “subdivision” or similar words (i.e., “Rule 15(a)(2)” and not “subpart (a)(2)”). If it does not cause confusion and is on the same level, refer simply to the subdivision (e.g., “if allowed in (b),” not “if allowed in subpart (b)”). See *Guidelines* at 35. When referring to “this rule” or “these rules,” the first letter of “rule(s)” should not be capitalized.
- (b) **Heading & Subheading Titles:**
 - (i) **Capitalization:** The former Civil Procedure Rules were inconsistent in capitalizing the first letter in each major word in a rule’s heading. The restyled rules incorporate these guidelines, which are drawn from the Federal Rules of Civil Procedure.
 - (A) Capitalize the first letter of the first word in a heading or subheading, even the rules below indicate that you should not capitalize the first letter of the word.
 - (B) Capitalize the first letter in major words in the rule’s title or subheading.

- (C) Capitalize the first letter in the words “Not,” “Are,” “Is,” and “Be.”
- (D) Do not capitalize the first letter of a conjunction: “but,” “and,” “or.”
- (E) Unless the word begins the heading or subheading, the first letter in the words “to,” “and,” “or,” “but,” and “as” should not be capitalized.
- F. Prepositions: Generally, the first letter of preposition should be capitalized only if it has 5 letters or more. Thus, the following should be capitalized: “After,” “Against,” “Before,” “Between,” “Outside,” “Through,” “Within,” and “Without.” The following should not be capitalized: “with,” “for,” “if,” “by,” “on,” “in,” “at.”

(ii) ***Bolding & Italics:***

- (A) The heading to each rule should be in **bold**.
- (B) Each first-level lettered subdivision (*e.g.*, (a)) should have a subheading, which should appear in **bold**.
- (C) Each second-level numbered subdivision (*e.g.*, (a)(1)) also should have a subheading, which should appear in ***bolded italics***.
- (D) Each third-level letter subdivision (*e.g.*, (a)(1)(A)) should have a subheading, which should appear in *unbolded italics*.
- (E) In contrast to the subheadings, all alpha-numeric subdivision designations (*e.g.*, (a), (1), (A) & (iv)) should be in **bold** and not be in italics or bolded-italics. (For an illustration, *see* Fed. R. Civ. P. 45(a)(1)(A)(iv).)

(iii) ***Use of Parenthesis:*** Subheading alpha-numeric designations should appear in parenthesis (*i.e.*, “(a)(1)(A)(ii),” not “a.1.A.ii.”).

(iv) ***Use of Periods:***

- (A) In the title of a rule, the rule number should be followed by a period, but a period should not follow the title of the rule (*e.g.*, “Rule 4. Summons”).
- (B) In all the subdivisions of a rule, the subheading should be followed by a period, but not the alpha-numeric designation (*e.g.*, “(b) Issuance.”, not “b. Issuance”).

- (c) **Bullets:** Contrary to the recommendation in the *Guidelines*, do not use “bullets” to separate subdivisions.
- (d) **Font, Spacing and Margins:** Consistent with the Arizona Supreme Court’s preferred font style and size for rule amendments, use Times New Roman, 13 typeface. Each subdivision should be single spaced, with each subdivision separated by a 6 point space (including the title of the rule and the first subdivision). Each rule should be separated from the next rule by a 12 or 24 point space. The margins should be standardized, and be right-justified.
- (e) **Commas:** In an enumerated series, use the serial comma before the conjunction. Thus: “books, documents, or tangible things” and not “books, documents or tangible things.” In other words, incorporate the “Oxford comma.”

Child Support Guidelines Review Subcommittee Workgroups

Income Issues Workgroup

- Address standardized use of gross versus net income
- Account for pre-tax income (FSA, HSA)
- Address handling benefits
 - Military pay and benefits
 - Social security benefits received by child
- Address standards for attributing income
 - Second or third job income
 - Overtime income
 - Impact of remarriage and the ability to leave workforce
- Define old versus new orders
- Address adoption subsidies - *Hamblen v. Hamblen*
<https://www.leagle.com/decision/200242554p3d3711421> prorated subsidies shared by parents depending upon amount of parenting time
- Evaluate whether the basic support tables should be capped at \$20K

Tax Issues Workgroup

- Address tax exemption for dependent children
- Address federal tax allocation and medical insurance
 - Impact of new spouse-provided medical insurance
 - High deductible plans with FSA or HSA accounts
 - Clarification of the differences between unreimbursed and uncovered medical expenses
- Address child care tax credit

Restyling Workgroup

- Update Guidelines so they:
 - Are user-friendly language
 - Conform with federal verbiage (e.g. Income Withholding Order rather than Order of Assignment)
 - Are organized by worksheet flow
- Evaluate the appropriateness of “shall,” “must,” “may,” and “can” based on protocol used in other court rules
- Address the presumptive termination date not appearing on the Income Withholding Order
- Address Legal Fees

- Ensure all language can be applied to a Calculator
- Update the Calculator (Maricopa and State)

Deviation Issues Workgroup

(Understanding the guidelines should be structured so the use of deviations is limited, the workgroup should discuss and make recommendations regarding the following.)

- Address basic support table revisions
- Address expenses associated with the child (wealth/disability/prodigy)
- Address parents with multiple families/orders
 - Consider consolidating hearings, not cases so one court can do multi-mods (IV-D approach)
 - Consider the impact of multiple orders and ability to pay, specifically the impact 2nd families have on support for 1st families in cases with higher incomes and in cases with lower incomes
- Address parental incarceration
- Address access to health insurance and FSA and HSA funds
- Address spousal support
- Evaluate the appropriateness of “shall,” “must,” “may,” and “can” based on protocol used in other court rules
- Evaluate whether the basic support tables should be capped at \$20K
- Evaluate whether Table B should be eliminated
- Address parents who share parenting time at the 50/50 level, especially with regard to primary residential parent language

Expenses and Costs Associated Parenting Time Workgroup

- Review/revise Table A (general application)
- Reconsider the need for Table B (additional fact finding)
- Address impact of 50/50 parenting time
- Address child care costs
- Expenses associated with the child (wealth/disability/prodigy)
- Address costs associated with extracurricular activities
- Consider use of step orders to address predictable changes, such as emancipation and other costs that change predictably with the age of the child

ARIZONA # RESIDENT	COUNTY	PT ARRANGEMENT	PAYOR PAYEE	§	COMMENTS																
<u>1</u>	Yes	Maricopa	Mostly with Father	Payor	4 Section 25-320: Part F says until 18 or 19 if still in High School. I believe this should add that if the child decides to live at home while going to college then child support shall continue for at least the 1st 2 years of college.																
					5A One part says over time shall not be considered. Court should make it mandatory to provide all proof of income to review if overtime is a constant income. Judges have never done this with my ex-husband who has always had overtime.																
					5E Says that minimum wage shall be applied automatically (what would have been earned by full time employment.																
					15 Courts should consider the facts as to why a parent may not be earning a full time income. If a parent is receiving																
					22 TANF, SNAP, or Cash assistance than minimum wage shall not be applied. Also, along the same lines consider if the parent is going to school to improve their abilities to earning a full time wage. If a parent can show major hardship through no fault of their own (ie not just refusing to go to work) than the court shall suspend child support until said parent is able to get a job. If said parent is only able to acquire a part time job for the time being then child support shall be deviated to reflect the parents part time earnings within reason so that the payor is still able to live within reasonable means or wait until the parent can either find a second part time job to fulfill the child support obligation or is able to obtain full time employment to fulfill the full child support obligation. Another alternative would be that when figuring out child support obligations and after reviewing parent's income and reason one parent might not be working, if the parent to pay child support is not working for an acceptable reason than suspend child support or if only able to acquire part time work then split the child support in half to offset lack of income. If parent is receiving SNAP, or TANF then a deduction shall be made accordingly.																
					Courts shall offer the payor if unemployed, having a hard time locating employment, or earning less than full time minimum wage, options to gain skills for work or a list of agencies who may be able to help them find proper employment, such as Arizona at Work.																
					23 Instead of every 48 months exchanging income information between parents, it should be every 12 months and it should also be filed with the court for review, make it accessible to upload online to the court website to make it convenient. This income should be filed with a current child support worksheet. If child support shall go up or down by 15% a notice shall be sent out and it shall be applied automatically, without the need for another hearing. Once the new order is received by mail then a new wage assignment shall be given to their employer to reflect the change.																
					27 For tax purposes parents shall split the children each year. In the event of an odd number of children or just one child, then the tax exemption can be traded off each year with the extra child.Example of tax exemptions:																
					<table border="1"> <thead> <tr> <th></th> <th>2007</th> <th>2008</th> <th>2009</th> </tr> </thead> <tbody> <tr> <td>Child one</td> <td>Payor</td> <td>Payor</td> <td>Payor</td> </tr> <tr> <td>Child two</td> <td>Payee</td> <td>Payee</td> <td>Payee</td> </tr> <tr> <td>Child three</td> <td>Payor</td> <td>Payee</td> <td>Payor</td> </tr> </tbody> </table>		2007	2008	2009	Child one	Payor	Payor	Payor	Child two	Payee	Payee	Payee	Child three	Payor	Payee	Payor
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Child two	Payee	Payee	Payee																		
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					Judges need to be aware of guidelines and must abide by them. More times than none the judges don't listen or pay any attention to the guidelines.																