

# Review of the Arkansas Child Support Guidelines

Analysis of Economic Data,  
Development of Income Shares Charts,  
and Other Considerations

*Submitted to:*

Arkansas Department of Finance and Administration  
Office of Child Support Enforcement

*Submitted by:*

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Points of view expressed in this document are those of the author and do not necessarily represent the official position of the Department, Court, or committee reviewing the guidelines. The author is responsible for any errors and omissions.

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## SECTION 1: INTRODUCTION AND PURPOSE

Arkansas is reviewing its child support guidelines. The Arkansas child support guidelines are set in Court Rule (Administrative Order Number 10) pursuant to Ark. Code Ann. §9-12-312(a). Federal regulation (Title 45 of the Code of Federal Regulations, C.F.R. § 302.56) requires states to review their guidelines at least once every four years. As part of that review, states must consider economic data on the cost of raising children, examine case file data to analyze the application and deviation from the guidelines, consider labor market data, and fulfill other requirements. (The federal regulation pertaining to guidelines review is shown at the end of this section.) This report documents Arkansas's fulfillment of these guidelines review requirements.

In addition, this report develops income shares charts using current and credible economic data on the cost of raising children adjusted for Arkansas prices. It also explores options for timesharing arrangements and split custody that complement the charts and other guidelines provisions that conform to new federal requirements of state to guidelines to:

- Consider the basic subsistence needs of the obligated parent,<sup>1</sup>
- Consider the specific circumstances of the parent if income imputation is authorized,<sup>2</sup> and
- Provide that incarceration may not be treated as voluntary unemployment in establishing or modifying child support orders.<sup>3</sup>

The information is to be used by the Arkansas Supreme Court Committee on Child Support that is reviewing the guidelines and making recommendations that will be proposed to the Arkansas Supreme Court.

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### Arkansas Children

Child support is an important source of income to many Arkansas children. Based on the U.S. Census American Community Survey, there were 708,433 children living in Arkansas in 2017.<sup>4</sup> The 2018 *Kids Count* reports several statistics relevant to child support based on 2016 data.<sup>5</sup>

- Twenty-three percent of Arkansas children lived at or below poverty.
- Thirty-five percent of Arkansas children lived in single-parent families.
- Twenty-seven percent of children in Arkansas lived in households with Supplemental Security Income (SSI), cash public assistance income, or Food Stamp/SNAP benefits.
- Twenty-eight percent of Arkansas female-headed families receive child support.<sup>6</sup>
- Thirty-one percent of Arkansas children have parents who lack secure employment.
- Fourteen percent of Arkansas children live with a head of household that lacks a high school diploma.

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<sup>1</sup> 45 C.F.R. § 302.56(c)(1)(ii).

<sup>2</sup> 45 C.F.R. § 302.56(c)(1)(iii).

<sup>3</sup> 45 C.F.R. § 302.56(c)(3).

<sup>4</sup> U.S. Census American Community Survey 2017. Retrieved from <https://factfinder.census.gov>.

<sup>5</sup> Annie E. Casey Foundation. (2018). *2018 Kids Count Data Book: State Trends in Child Well-Being*. Retrieved from <https://www.aecf.org/m/resourcedoc/aecf-2018kidscountdatabook-2018.pdf>.

<sup>6</sup> This statistic was not in the primary report; rather, it is from Annie E. Casey Foundation. (2018). *Kids Count Data Center*. Retrieved from <https://datacenter.kidscount.org/data#OK/2/0/char/0>.

- Four percent of Arkansas children lack health insurance.

In 2018, the Office of Child Support Enforcement (OCSE) of the Arkansas Department of Finance and Administration reported 96,993 child support cases involving 104,178 children in its caseload to the federal Office of Child Support Enforcement.<sup>7</sup> OCSE collected and distributed almost \$227 million in child support in 2018. There are also an unknown number of child support orders and collections that are not part of the OCSE caseload or collected through OCSE.

Although state data are not available, a 2010 national study found that without child support, the child poverty rate would be 4.4 percentage points more.<sup>8</sup> Nonetheless, other national research finds that almost a quarter of nonresidential parents have no or limited reported earnings.<sup>9</sup> In addition, a recent report by the Annie E. Casey Foundation provides additional background information about the issue of incarcerated parents.<sup>10</sup> It found that about 61,000 children in Arkansas (9% of all children in the state) experienced parental incarceration in 2011 or 2012.

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### Current Arkansas Child Support Guidelines

The current Arkansas child support guidelines are based on measurements of child-rearing expenditures developed by Professor David Betson, University of Notre Dame. The guidelines comprise weekly, biweekly, semimonthly, and family support charts that consider the income of the payer only. In contrast, most states (*i.e.*, 41 states and the District of Columbia) consider the income of both parents in the calculation of support. Whether a state's guidelines model considers the income of payer only or the incomes of both parents is a policy decision. The Arkansas Supreme Court Child Support Committee favors switching to the income shares guidelines, which is the most common guidelines model used by states. It considers the income of both parties. Moreover, the State of Arkansas 92nd General Assembly in its 2019 Regular Session directs the committee to "revise the family support chart to be based on payor income and recipient income and no longer rely on the payor income based family support chart."<sup>11</sup> The committee has until March 1, 2020, to meet this deadline. The charts built in this report are designed to meet this requirement.

In the past 15 years, several states (*i.e.*, Georgia, Illinois, Massachusetts, Minnesota, and Tennessee) and the District of Columbia have switched to the income shares model, which was developed through the 1980s National Child Support Guidelines Project to embody the principles of state child support guidelines identified by the Advisory Panel on Child Support Guidelines.<sup>12</sup> The national panel, which

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<sup>7</sup> Federal Office of Child Support Enforcement. (2018). *Office of Child Support Preliminary Report 2018*. Retrieved from [https://www.acf.hhs.gov/sites/default/files/programs/css/fy\\_2018\\_preliminary\\_data\\_report.pdf](https://www.acf.hhs.gov/sites/default/files/programs/css/fy_2018_preliminary_data_report.pdf).

<sup>8</sup> Sorensen, Elaine. (2010). *Child Support Plays an Increasingly Important Role for Poor Custodial Families*. Urban Institute. Retrieved from <https://www.urban.org/sites/default/files/publication/29421/412272-Child-Support-Plays-an-Increasingly-Important-Role-for-Poor-Custodial-Families.PDF>.

<sup>9</sup> Sorensen, Elaine. (Feb. 2014). *Employment and Family Structure Changes: Implications for Child Support*. Presentation to the National Child Support Enforcement Association, Washington, D.C. February 7, 2014.

<sup>10</sup> The Annie E. Casey Foundation. (Apr. 2016). *A Shared Sentence: The Devastating Toll of Parental Incarceration on Kids, Families and Communities*, p. 5. Retrieved from <http://www.aecf.org/m/resourcedoc/aecf-asharedsentence-2016.pdf>.

<sup>11</sup> House Bill 1802 "An Act to Revise the Family Support Chart to Reflect Payor and Recipient Income: and for Other Purposes.

<sup>12</sup> National Center for State Courts (1987). *Development of Guidelines for Child Support Orders, Final Report*. Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, Virginia.

consisted of a wide range of stakeholders, developed recommendations to help states meet the federal requirement for states to have statewide guidelines by 1987.<sup>13</sup> At the time, most states did not have child support guidelines.

Examples of some of the principles are the financial responsibility of the children should be shared by the parents who have legal responsibility for the children; child support guidelines should at least cover a child's basic needs, but the child should also share a higher standard of living enjoyed by a parent; the subsistence needs of each parent should be taken into consideration; and each child of a given parent should have a right to that parent's income. One of the major principles is that the child support obligation should allow the children to benefit from the same level of expenditures had the children and both parents lived together. The principle applies to children of divorcing and separating parents, as well as never-married parents. In other words, children are treated the same regardless of their parents' decisions to marry, divorce, separate, or never marry.

The income shares model can better accommodate adjustments for specific case factors than the percentage-of-obligated parent income guidelines model can. This includes adjustments for additional children for whom a parent has a legal duty to support, shared-parenting time, parents with limited ability to pay due to poverty income, variable health care costs, and other factors.

## Organization of Report

Section 2 provides an analysis of the economic data on the cost of child rearing, including the cost of health care insurance since state child support guidelines are federally required to address the child's health care coverage.

Section 3 uses the data to develop income shares charts and documents other steps and assumptions used to develop the charts. A summary of the key assumptions is also provided in the section.

Section 4 considers options for other guidelines provisions: namely, adjustments for timesharing arrangements and split custody arrangements; the self-support reserve; and other newly imposed federal requirements.

Section 5 provides findings from the analysis of guidelines deviations and labor data.

Section 6 provides conclusions and recommends next steps.

Appendix A provides the proposed income shares charts. They do not include a self-support reserve (SSR) at this point because there are many policy decisions pertaining to the SSR.

Appendix B provides detailed technical documentation of the charts.

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<sup>13</sup> See the 1984 Amendments of the Social Security Act (Public Law 98-378).

Appendix C provides the first page of the charts with one option for the SSR. (The SSR only applies to the first page of the chart.) The rest of pages of the chart would be the same as shown in Appendix A.

**Exhibit 1: Federal Regulations Pertaining to State Guidelines (45 C.F.R §302.56)**

- (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;
  - (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.
- (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 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.

## SECTION 2: ANALYSIS OF ECONOMIC DATA ON THE COST OF CHILD REARING

Both the income shares model and the percentage-of-obligated parent income guidelines model are subtypes of the “continuity of expenditures model” that presumes that the child support order should allow the children to benefit from the same level of expenditures had the children and both parents lived together.<sup>14</sup> The consequence is that continuity-of-expenditures model states base their guidelines on measurements of child-rearing expenditures in intact families. State guidelines based on this principle essentially believe that the guidelines should apply equally to children of divorce and children of unmarried parents, regardless of whether the parents ever lived together, because most states believe that children should not be the economic victims of their parents’ decisions to live apart.

The income shares model presumes that each parent is responsible for his or her prorated share of child-rearing expenditures. Most percentage-of-obligated parent income guidelines model presumes that the custodial parent devotes the same percentage or dollar amount to the child-rearing expenditures as the child support order. The current Arkansas charts assume that the custodial parent contributes an amount almost equal<sup>15</sup> to what the child support chart suggests as the base child support amount for a particular payer’s income and number of children. The assumption is built in the charts. In contrast, the mechanics of the income shares model results in the payer’s child support order becoming less with the more income that the custodial parent has. This occurs because the custodial parent can contribute a greater share to child-rearing expenditures.

### Overview of the Betson-Rothbarth Studies

The current Arkansas charts are based on measurements of child-rearing expenditures developed by Professor David Betson, University of Notre Dame. There are four Betson-Rothbarth studies.<sup>16</sup> Every few years when funding is available,<sup>17</sup> Betson has updated his measurements. The Arkansas charts are based

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<sup>14</sup> Ingrid Rothe and Lawrence Berger. (Apr. 2007). “Estimating the Costs of Children: Theoretical Considerations Related to Transitions to Adulthood and the Valuation of Parental Time for Developing Child Support Guidelines.” *IRP Working Paper*, University of Wisconsin: Institute for Research on Poverty, Madison, Wisconsin. Retrieved from [http://www.irp.wisc.edu/research/childsup/cspolicy/pdfs/Rothe\\_Berger\\_Task6.pdf](http://www.irp.wisc.edu/research/childsup/cspolicy/pdfs/Rothe_Berger_Task6.pdf).

<sup>15</sup> Actually, the custodial parent is presumed to contribute 83 cents to the child for every dollar the payer is ordered to pay in child support. The adjustment to 83 cents reflects the ratio of median income among single-parent families to median income of intact families where both parents work. For more information, see Venohr, Jane. (February 2013). *Review of the Arkansas Child Support Guidelines*. Prepared for Arkansas Child Support Guidelines Review Committee through the Arkansas Office of Child Support Enforcement.

<sup>16</sup> Betson, David M. (1990). *Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. University of Wisconsin Institute for Research on Poverty, Madison, WI; David M. Betson. (2001). “Chapter 5: Parental Expenditures on Children.” In Judicial Council of California, *Review of Statewide Uniform Child Support Guidelines*, San Francisco, CA. <http://www.courtinfo.ca.gov/programs/cfcc/1058files2001/CH5.PDF>; David Betson. (2006). “Appendix I: New Estimates of Child-Rearing Costs.” In PSI, *State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations*, Report to State of Oregon, Policy Studies Inc., Denver, CO. Available at [https://justice.oregon.gov/child-support/pdf/psi\\_guidelines\\_review\\_2006.pdf](https://justice.oregon.gov/child-support/pdf/psi_guidelines_review_2006.pdf). Betson, David M. (2010). “Appendix A: Parental Expenditures on Children.” In Judicial Council of California, *Review of Statewide Uniform Child Support Guideline*. San Francisco, CA. Retrieved from <http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf>.

<sup>17</sup> Betson’s first study was funded by the federal government. His subsequent studies have been funded by California, California and Michigan, or Oregon.

on his third study.<sup>18</sup> Arkansas, 26 other states, the District of Columbia, and Guam rely on at least one of Betson’s studies of child-rearing expenditures using the Rothbarth methodology to separate the child’s share of expenditures from total household expenditures. Most income shares states rely on one of Betson’s studies.

Named after the British WWII economist who derived it, the Rothbarth methodology is a marginal cost approach that compares expenditures of two sets of equally well-off households: one set consists of two-parent families with children, and the other consists of couples without children. The difference in their expenditures is presumed to be spent on child rearing. The Rothbarth methodology relies on the percentage of total expenditures devoted to adult goods (*i.e.*, adult clothing in Betson’s application) to determine equally well-off families. For theoretical reasons, economists believe that the Rothbarth methodology understates actual child-rearing expenditures because it overstates the substitution effect from expenditures for adults to expenditures for children (*e.g.*, parents may spend less on adult clothing once they have children). Nonetheless, in Betson’s original study of child-rearing expenditures that included the evaluation of five different methodologies, Betson concluded that the Rothbarth methodology was the most robust; hence, recommended states use Rothbarth measurements as the basis of their guidelines.<sup>19</sup>

In his first study, Betson produced Rothbarth measurements of child-rearing expenditures from expenditure data from families participating in the 1980–86 Consumer Expenditure Survey (CES). His third study was based on the 1998–2004 CES. The most recent Betson-Rothbarth (BR) measurements were produced in 2010 and are based on the 2004–2009 CES.<sup>20</sup> The BR measurements have not been updated since 2010.

### Economic Basis of State Guidelines

In all, there are ten different measurements of child-rearing expenditures that form the basis of state guidelines. The studies are typically done by academicians or federal government researchers and then converted for use for state guidelines by another economist. Four of the studies are BR measurements, which, as identified above, are the most common basis of state guidelines. The other studies vary in their data years and their methodologies. An economic methodology is necessary to separate the child’s share of expenditures from total family expenditures that include expenditures on the parents. Some states have not updated their guidelines chart for several years. Three studies underlying state guidelines consider very old expenditure data (*e.g.*, expenditure data collected in 1972–73) and are not

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<sup>18</sup> David Betson. (2006.) “Appendix I: New Estimates of Child-Rearing Costs.” In Policy Studies Inc., *State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations*. Report to the State of Oregon.

<sup>19</sup> “Robust” in statistics means good performance in statistical tests, including results are generally unaffected by outliers or small changes in model assumptions. For more information, see Betson, David M. (1990). *Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. University of Wisconsin Institute for Research on Poverty, Madison, WI.

<sup>20</sup> Betson, David M. (2010). “Appendix A: Parental Expenditures on Children.” In Judicial Council of California, *Review of Statewide Uniform Child Support Guideline*. San Francisco, CA. Retrieved from <http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf>.

appropriate for updating the Arkansas chart.<sup>21</sup> New Jersey uses a Rothbarth study that has been adjusted for New Jersey's income,<sup>22</sup> which are significantly above national averages, so it also is not appropriate for Arkansas. Besides the Rothbarth studies and the older studies, there are two states that use other methodologies. Kansas uses a unique methodology developed by a Wichita State professor over two decades ago.<sup>23</sup> Minnesota uses an older United States Department of Agricultural (USDA study). There are newer USDA studies available that could be used to update the Arkansas chart. The USDA also has its own methodology for measuring child-rearing expenditures.

All the studies rely on expenditures data from the Consumer Expenditure Survey (CES).<sup>24</sup> The U.S. Bureau of Labor Statistics designed the CES to produce a nationally representative sample and samples representative of the four regions (Midwest, Northeast, South, and West). The sample sizes for each state, however, are not large enough to estimate child-rearing costs for families within a state. We know of no state that has seriously contemplated conducting a survey similar to the CES at a state level. The costs and time requirements would be prohibitive.

Economists do not agree on which methodology best measures actual child-rearing expenditures. Nonetheless, many economists and policy makers agree that any guidelines amount between the lowest and highest of credible measurements of child-rearing expenditures are appropriate guidelines amounts. Guidelines amounts below the lower bound are generally deemed to be inadequate for the support of children. Through a contract with the U.S. Department of Health and Human Services, Lewin/ICF (1990)<sup>25</sup> developed this approach for assessing state guidelines. Since then, several states have used it and continue to use this approach.

## Current Studies of Child-Rearing Expenditures

In all, there are four studies of child-rearing expenditures that are more current.

- Betson, David M. (2010). "Appendix A: Parental Expenditures on Children." *In* Judicial Council of California, *Review of Statewide Uniform Child Support Guideline*. San Francisco, California. Retrieved from <http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf>.

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<sup>21</sup> The van der Gaag (1981) study forms the economic basis of New York's guidelines and a handful of other states. The Espenshade (1984) forms the basis of Texas's guidelines. Betson's "Engel" measurements, which is another methodology used to measure child-rearing expenditures, form the basis of Georgia's guidelines and are reported in Betson's second study that is reference earlier. The references to van der Gaag and Espenshade are Jacques van der Gaag (1981). *On Measuring the Cost of Children*. Discussion Paper 663-81. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin. Thomas J. Espenshade. (1984). *Investing in Children: New Estimates of Parental Expenditures*, Urban Institute Press: Washington, D.C. (1984).

<sup>22</sup> New Jersey Child Support Institute. (March 2013). *Quadrennial Review: Final Report*, Institute for Families, Rutgers, the State University of New Jersey, New Brunswick, NJ. Retrieved from [http://www.judiciary.state.nj.us/reports2013/F0\\_NJ+QuadrennialReview-Final\\_3.22.13\\_complete.pdf](http://www.judiciary.state.nj.us/reports2013/F0_NJ+QuadrennialReview-Final_3.22.13_complete.pdf).

<sup>23</sup> William T. Terrell and Jodi Messer Pelkowski. (2010). *XII. Determining the 2010 Child Support Schedules*. Retrieved from <http://www.kscourts.org/Rules-procedures-forms/Child-Support-Guidelines/PDF/Child%20Support%20Determination%20Economist%20FINAL%20REPORT.pdf>.

<sup>24</sup> More information about the Consumer Expenditure Survey can be found at <https://www.bls.gov/cex/>.

<sup>25</sup> Lewin/ICF. (1990). *Estimates of Expenditures on Children and Child Support Guidelines*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Fairfax, Virginia.

- Rodgers, William M. (2017). “Comparative Economic Analysis of Current Economic Research on Child-Rearing Expenditures.” In Judicial Council of California, *Review of Statewide Uniform Child Support Guideline 2017*. San Francisco, CA. Retrieved from <http://www.courts.ca.gov/documents/lr-2018-JC-review-of-statewide-CS-guideline-2017-Fam-4054a.pdf>.
- Lino, Mark. (2017). *Expenditures on Children by Families: 2015 Annual Report*. U.S. Department of Agriculture, Center for Nutrition and Policy Promotion. Miscellaneous Publication No. 1528-2015, Washington, D.C. Retrieved from <http://www.cnpp.usda.gov/publications/crc/crc2012.pdf>.
- Studies by William Comanor, Professor of Economics, University of California at Santa Barbara published in various documents.<sup>26</sup>

Only the 2010 Betson-Rothbarth measurements (also called BR4, for the fourth Betson-Rothbarth study) form the basis of any state guidelines. The BR4 study forms the basis of nine states: Colorado, Connecticut, Illinois, North Carolina, Ohio, Rhode Island, Vermont, Virginia, and Wyoming.

#### *Betson-Rothbarth Measurements*

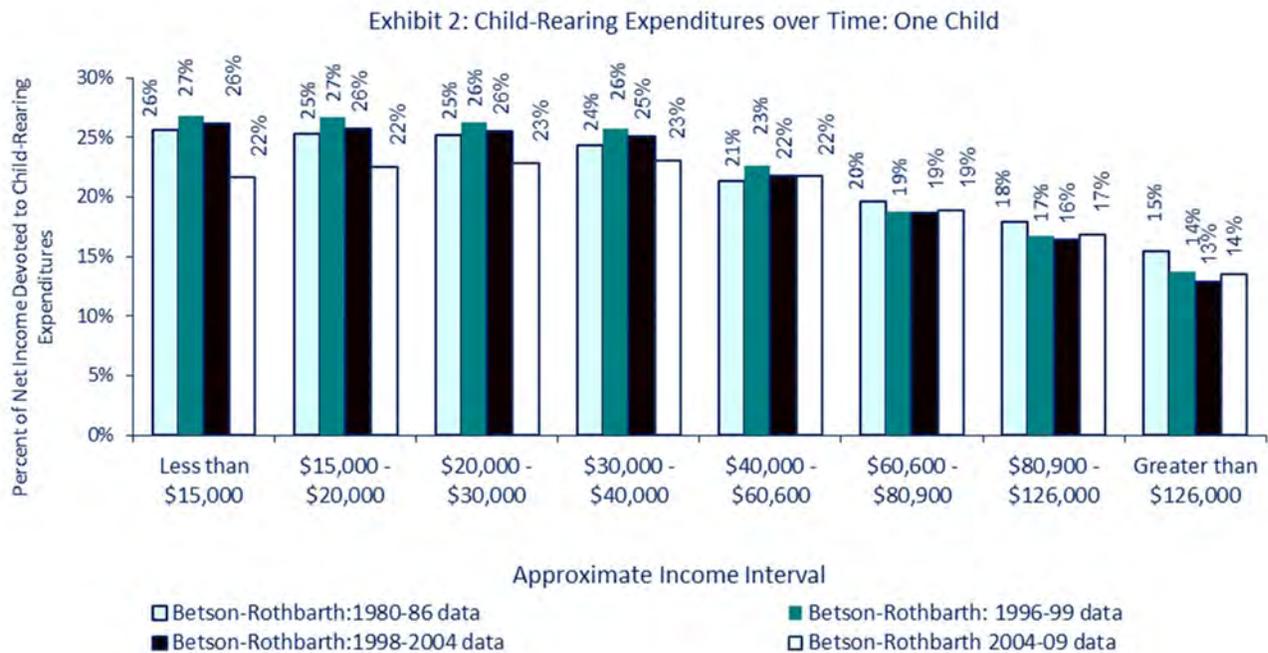
Exhibit 2 compares the differences in the BR measurements over time for one child. Recall that the existing Arkansas chart is based on the third BR measurements (BR3). As evident in the Exhibit 2, there are small changes over time in the first three sets of BR measurements (BR1, BR2, and BR3). Any differences may reflect sampling differences, rather than actual differences over time. The first three sets of BR measurements rely on the same assumptions and methodologies, but different data years. The most recent BR measurements (BR4) were also updated for more current expenditures data and included two changes in data assumptions. Earlier BR measurements consider “expenditures,” while BR4 considers “expenditures-outlays.” Because of this, any differences between the BR4 and earlier BR studies may result from changed data assumptions.

Expenditures include the purchase price (and sales tax) on any item purchased within the survey year regardless whether the item was purchased through installments. In contrast, outlays only capture what was actually paid toward that item during the survey period. So, if there were only four out of 20 installment payments made during the survey period, only those four payments are captured. Unlike expenditures, outlays also capture mortgage principal payments, payments on second mortgages, and payments on home equity loans. Both expenditures and outlays capture interest on the first mortgage among homeowners and rent, utilities, and other housing expenses among renters. The merit of expenditures for use in state guidelines is that it excludes mortgage principal payments. This is consistent with property settlements that have historically addressed equity in the home as part of the divorce settlement. The merit of outlays for use in state guidelines is it is a better reflection of actual family budgeting on a monthly basis. In all, this change may explain the small increase in the BR4 at

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<sup>26</sup> Comanor, William, Sarro, Mark, and Rogers, Mark. (2015). “The Monetary Cost of Raising Children.” In (ed.) *Economic and Legal Issues in Competition, Intellectual Property, Bankruptcy, and the Cost of Raising Children* (Research in Law and Economics), Vol. 27). Emerald Group Publishing Limited, pp. 209–51. The Comanor study has been extensively reviewed by the Minnesota Child Support Task Force, which heard presentations from Comanor and critiques of Comanor by Dr. Jane Venohr. See Minnesota Department of Human Services, St. Paul, MN. For example, see [https://mn.gov/dhs/assets/2017-03-31-Revised-Dr-Venohr-Report-to-MN-Child-Support-Task-Force\\_tcm1053-286690.pdf](https://mn.gov/dhs/assets/2017-03-31-Revised-Dr-Venohr-Report-to-MN-Child-Support-Task-Force_tcm1053-286690.pdf).

higher incomes. Higher incomes are more likely to have the credit needed to purchase items through installment payment and obtain second mortgages and home equity loans.



The second difference is that Betson relied on a newly available measure of income developed by the Bureau of Labor Statistics, the organization that conducts the Consumer Expenditure Survey (CES), which is the basis of most measurements of child-rearing expenditures. The underreporting of income is a problem inherent to most surveys, including the CES. The new measure attempts to correct underreporting, particularly at low incomes. The problem was identified from findings from analysis of earlier CES data that revealed that many low-income families spend considerably more than what they report as income. It was not clear whether this was a data anomaly or whether these families were dipping into other resources, such as savings or student loans, to spend more than their income. The new measurement essentially bumps income for some families—hence, reducing the percentage of their income spent on child rearing in the BR4 measurements compared to the earlier BR measurements.

### *Rodgers-Rothbarth Measurements*

In 2018, California published Rothbarth measurements prepared by Professor Mark Rodgers, of Rutgers University, that are based on U.S. average data. The findings from this study are compared later in this section. For this study, Rodgers used expenditures data from families participating in the 2000–2015 CES. One reason he considered a larger time period was to average out the expenditures patterns since there were some anomalous patterns associated with the Great Recession of 2007–2009 and its aftermath. Rodgers concluded there were some actual dollar declines in outlays on children in recent years. In all, the Rodgers measurements differ significantly from the Betson measurements. There are many nuanced differences between Betson’s approach and Rodgers’ approach that may explain the differences in their results. For example, Betson and Rodgers use different functional forms to specify their estimating equation (*e.g.*, Betson uses a quadratic equation and Rodgers does not). Their sample

selection criteria differ slightly (*e.g.*, Betson excludes families with a third adult, even though the third adult may be a child of the other two adults in the household, while Rodgers does not). Still, there are other differences that are not clear. When Rodgers tried to replicate Betson's measurements, his amounts were consistently two percentage points less.

#### *USDA Measurements*

Another study that is often considered in the review of guidelines but has not been used to develop a state's guidelines since 2002 is conducted by the United States Department of Agriculture (USDA). Historically, the USDA updated its measurements at least biannually. Its most recent study considers 2015 data and was published in 2017. The USDA first measures expenditures for seven different categories (*i.e.*, housing, food, transportation, clothing, health care, child care and education, and miscellaneous), then sums them to arrive at a total measurement of child-rearing expenditures. Using expenditure data from 2011 through 2015, the USDA found that average child-rearing expenses were \$9,320 to \$23,090 per year for the youngest child in a two-child family in the South in 2015. The amount varies by age of the child and household income.

#### *Comanor Study*

Still another study, led by a University of California at Santa Barbara professor, William Comanor, has been extensively vetted by Minnesota. Arguably, the Comanor study measures the child's basic needs. It is arguable because the authors believe their methodology reflects child-rearing expenditures across all income ranges; however, it finds implausibly low amounts (*i.e.*, food costs below what the federal government measures as the minimum amount needed to sustain and uses as the basis for the Supplemental Nutrition Assistance Program, which was formerly known as "food stamps").

In all, the amounts are near federal poverty levels. In 2018, Comanor reported that it cost \$3,421 per year for one child and \$4,291 per year for two children in low-income households.<sup>27</sup> The 2019 federal poverty guidelines set the poverty thresholds at \$12,490 per year for one person and \$4,420 per year for each additional person.<sup>28</sup> For middle incomes (*i.e.*, married couples with an average income of \$76,207 per year), Comanor reported child-rearing costs of \$4,749 per year for one child and \$6,633 per year for two children. These amounts are not that much more than the amounts for low incomes. Further, Comanor's one-child amount for middle incomes is almost equivalent to poverty (*i.e.*, \$4,749 per year is almost equivalent to \$4,420 per year), and Comanor's two-child amount for middle incomes is below poverty (*i.e.*, \$6,633 is less than \$8,840 per year,<sup>29</sup> which is twice the \$4,420 amount.)

Most states believe that the child support guidelines should provide for more than a basic needs amount if the obligated parent can afford a higher standard of living. In other words, if the obligated parent has sufficient income to enjoy a higher standard of living, the child should share in that higher standard of living. For these reasons, states often dismiss the Comanor study.

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<sup>27</sup> Comanor, William. (November 8, 2018). *Presentation to Nebraska Child Support Advisory Commission*. Lincoln, Nebraska.

<sup>28</sup> U.S. Department of Health and Human Services. (2019). *2019 Poverty Guidelines for the 48 Contiguous States and the District of Columbia*. Retrieved from <https://aspe.hhs.gov/2019-poverty-guidelines>.

<sup>29</sup> The federal poverty guidelines are not adjusted for economies of scale: that is, that two children is not necessarily double the cost of one child.

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### Comparisons of Studies

Exhibit 3 compares the Rodgers-Rothbarth measurements and USDA measurements to the Betson-Rothbarth measurements using the average percent of household expenditures attributable to children in intact families for all incomes. (It does not include the Comanor measurements because they relate to gross income rather than household expenditures so are not comparable.) It shows that the USDA measurements are the highest and the Rodgers-Rothbarth measurements are the lowest. The Betson-Rothbarth measurements are in between the other two measurements.

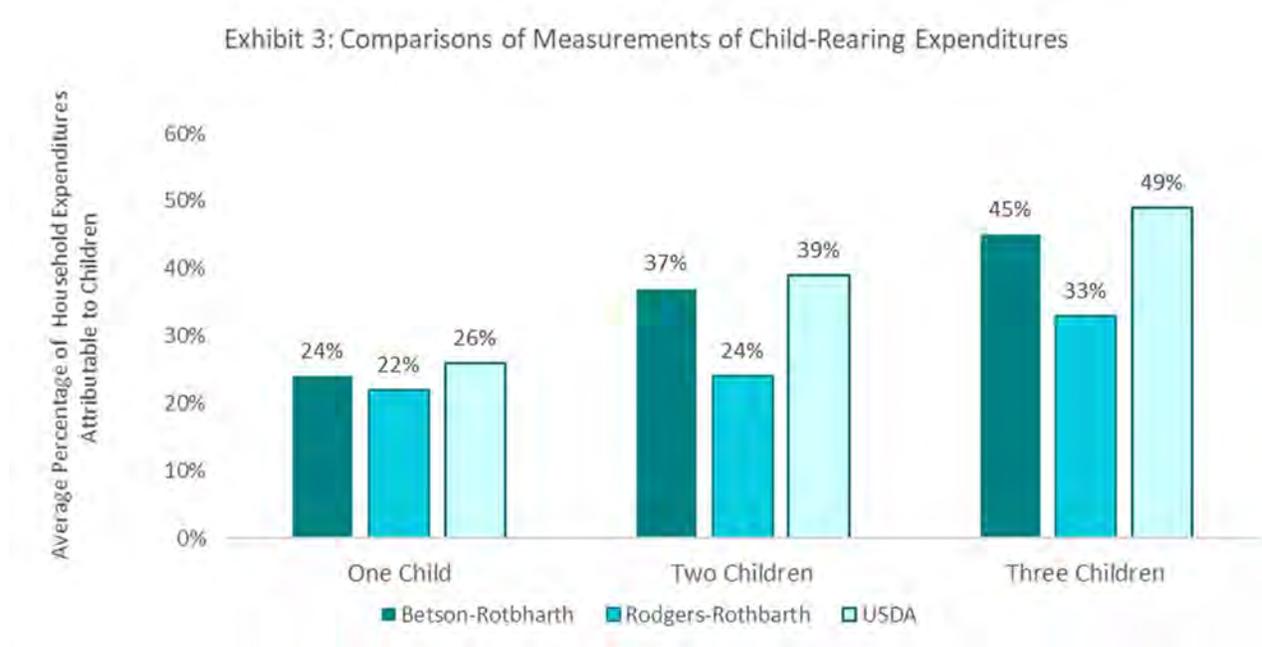


Exhibit 3 shows the average across all income ranges. The percentage actually varies by income range. Each of the studies indicates that the percentage of total expenditures (or income) devoted to child-rearing expenditures declines as income increases. The actual dollar amount increases with income increases but the actual percentage devoted to child-rearing declines. Exhibits 4 and 5 illustrate this. Exhibit 4 compares the measurements as a percentage of income. Exhibit 5 compares the dollar amount. The patterns are similar for two or more children.

Exhibit 4: Comparison of Economic Measurements of Child-Rearing Expenditures for One Child for a Range of Income (% of Income)

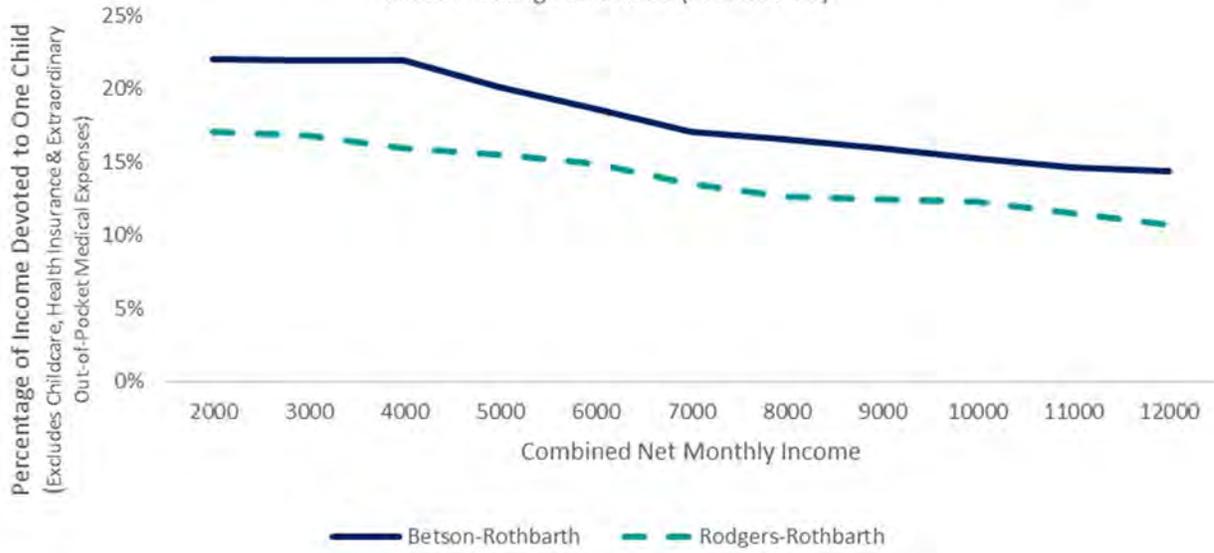
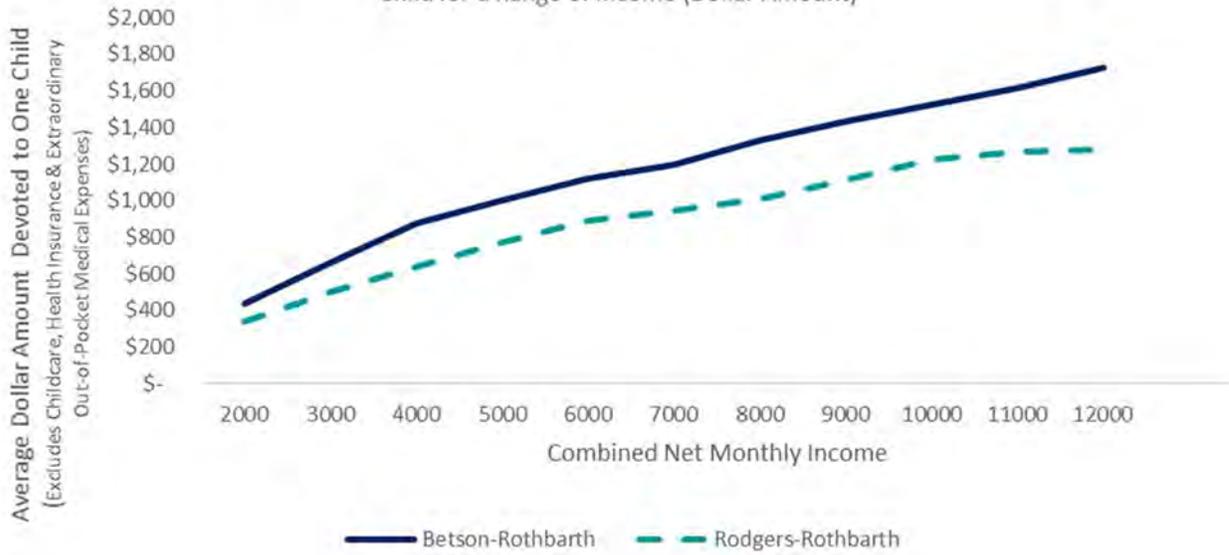


Exhibit 5: Comparison of Economic Measurements of Child-Rearing Expenditures for One Child for a Range of Income (Dollar Amount)



## SECTION 3: DEVELOPING CHILD SUPPORT CHARTS

This section documents the data sources, assumptions, and steps used to develop income shares charts for Arkansas. These charts are shown in Appendix A. They include four charts: a monthly chart, a semi-monthly chart, a biweekly chart and a weekly chart. More detailed technical documentation is provided in Appendix B.

### Data Sources and Key Assumptions

In summary, the proposed, income shares charts consider the following data sources and assumptions.

- The charts are based on the income shares model, which seeks to apportion to the child the amount the parents would have spent if the parents and children lived in the same household and the parents shared financial resources.
- The measurements of child-rearing expenditures underlying the charts are based on the most current measurements developed by Professor David Betson using the Rothbarth methodology to separate the children's share of expenditures from total household expenditures.
- The proposed, updated charts are based on June 2019 price levels.
- The charts are adjusted to consider the differences between Arkansas prices and U.S. prices as a whole using an index developed by the U.S. Bureau of Economic Analysis (BEA).<sup>30</sup> This is because the expenditures data used by Betson are national data,<sup>31</sup> while the cost of living in Arkansas is less than the national average. Specifically, the BEA finds for every \$1.00 spent in the U.S. on average, \$0.865 is needed for the same level of expenditures in Arkansas.
- The charts consider federal and state income taxes and FICA in 2019.
- The charts reflect average child-rearing expenditures from ages 0 through 17 years old.
- The charts exclude parental expenditures for child care; the child's share of health insurance premiums; and extraordinary, out-of-pocket medical expenses incurred for the children. The chart includes ordinary, out-of-pocket medical expenses of \$250 per child per year. Even healthy children are likely to incur some medical expenses over the course of the year, such as medication, cough syrup, or co-pays. It is intended that the actual amount spent for child care, the child's health insurance, and the child's extraordinary medical expenses be considered on a case-by-case basis in the calculation of support.

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<sup>30</sup> U.S. Bureau of Economic Analysis. (2018). *2016 Regional Price Parities by State (US = 100)*. Retrieved from <https://www.bea.gov/news/2018/real-personal-income-states-and-metropolitan-areas-2016>.

<sup>31</sup> There is not state-level data available at the depth of the national data; it would be prohibitive to collect at the state level.

- The charts in Appendix A do not include a self-support reserve (SSR) yet. There are several options for including an SSR. They are discussed in Section 4. One option is to incorporate the SSR into the charts. This option is shown in Appendix C, which incorporates a self-support reserve (SSR) based on the 2019 federal poverty guidelines (FPG) for one person (\$1,041 per month).<sup>32</sup>

### Illustration of Income Shares Calculation

An excerpt of the proposed monthly chart is shown in Exhibit 6. To illustrate, how it is used to calculate a support order, consider a case where the obligated parent’s gross income is \$3,500 per month and the custodial person’s gross income is \$ 2,500 per month and there is one child. The combined income would be \$6,000 per month. Exhibit 6 shows that the basic child support obligation is \$815 per month for one child. Each parent is responsible for his or her prorated share. The obligated parent’s share is 58 percent (\$3,500 per month divided by \$6,000 per month). This produces a base support of \$473 per month (58% multiplied by \$815). Assuming no other adjustments, this means the child support order would be \$473 per month. In contrast, the current amount guidelines amount would be \$494.<sup>33</sup>

Exhibit 6: Excerpt from the The Monthly Chart of Basic Support Obligations			
Combined Adjusted Gross Income	One Child	Two Children	Three Children
5700.00	800	1165	1403
5750.00	802	1167	1405
5800.00	805	1170	1406
5850.00	807	1172	1408
5900.00	810	1174	1410
5950.00	812	1176	1412
6000.00	815	1178	1414
6050.00	817	1181	1416
6100.00	821	1185	1421
6150.00	824	1189	1425
6200.00	827	1193	1430

To illustrate how additional expenses would be considered, extend the case scenario above to assume that the custodial person incurs child care expenses of \$200 per month and the obligated parent provides the child’s health insurance. The child’s share of the health insurance premium (where the health insurance covers both the obligated parent and the child) is \$100 per month. The obligated parent would be responsible for 58 percent of the child care expenses paid by the custodial person, which is \$116 (58% multiplied by \$200), and would receive credit for the custodial person’s share of the health insurance premium. The custodial person’s share is 42 percent (\$2,500 divided by \$6,000). This yields a credit of \$42. In this situation, the obligated parent is responsible for \$473 for base support and an additional \$116 for child care expenses, but receives a credit of \$42 for the health insurance. This yields a final order of \$547 per month (\$473 plus \$116 minus \$42). Exhibit 7 shows a worksheet calculation of this scenario. (As an aside, this is one of many ways that an income shares worksheet can be sequenced.)

<sup>32</sup> U.S. Department of Health and Human Services Assistant Secretary for Planning and Evaluation (ASPE). (Jan. 2018). *U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs*. Retrieved from <https://aspe.hhs.gov/poverty-guidelines>. In its FAQ, ASPE notes that the federal poverty guidelines can be either a gross income or after-tax income amount. Retrieved from <https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty>.

<sup>33</sup> This is based on the assumption that the obligated parent’s net income equivalent would be \$2,776 per month based on federal and state income tax formula and FICA and rounded to \$2,800 net per month.

Exhibit 7: Illustration of the Income Shares Calculation			
Worksheet Lines	Parent A	Parent B	Combined
Line 1: Monthly gross income	\$3,500	\$2,500	\$6,000
Line 2: Percentage share of income	58%	42%	
Line 3: Basic child support obligation (chart amount for 1 child)			\$ 815
Line 4: Pro rata basic support obligation	\$473	\$342	\$ 815
Line 5: Child care expenses	\$ 0	\$200	\$ 200
Line 6: Each parent's share of child care expenses (Line 5 combined x parent's Line 4)	\$116	\$ 84	\$ 200
Line 7: Cost of the child's health insurance	\$100	\$ 0	\$ 100
Line 8: Each parent's share of child's health insurance (Line 5 combined x parent's Line 4)	\$ 58	\$ 42	\$ 100
Line 9: Total obligation (sum of Lines 4, 6, and 8)	\$ 647	\$468	\$1,115
Line 10: Sum of each parent's credits (sum of Lines 5 and 7)	\$100	\$200	\$ 300
Line 11: Parent's obligation (Line 9 and Line 10; if less than \$0, enter \$0)	\$547	\$268	\$ 815
Line 12: Child support order (Line 11 for obligated parent)	\$547		

### Overview of Steps to Develop Charts

This subsection summarizes the steps used to develop the charts. More details about the steps and the data used for the steps are contained in Appendix B.

#### Step 1: Convert to current price levels

Betson developed his estimates based on April 2010 price levels. They are updated to June 2019 price levels using changes in the Consumer Price Index measured by the U.S. Bureau of Labor Statistics.<sup>34</sup>

#### Step 2: Subtract selected expenses

The studies measuring child-rearing expenditures include all expenditures on the children, including work-related child care expenses, the cost of the child's health insurance benefit, and the child's uninsured medical expenses. Yet, most income shares guidelines consider the actual amount of these expenses on a case-by-case basis when calculating the support award. Since the actual amounts are considered, they are not included in the charts. Including them in both a chart and worksheet, which is where the actual amounts are typically added in income shares models, would result in double-accounting of those expenses.

Betson provided supplemental information in order to subtract these expenses from his total estimates of child-rearing expenditures for the purposes of developing the charts. (This information is provided in Appendix B as well as more information about the Consumer Expenditure Survey—CES, which is a data set Betson uses to develop his measurements.)

<sup>34</sup> U.S. Bureau of Labor Statistics. Retrieved from <http://bls.gov>.

The inclusion of ordinary, out-of-pocket medical expenses of \$250 per child per year is based on the average out-of-pocket medical expense per child of \$249 per year.<sup>35</sup> This is intended to apply to out-of-pocket medical expenses. The cost of the child’s health insurance should be addressed on an individual case basis. Exhibit 8 shows the average cost of employer-based health insurance to the enrollee in Arkansas based on data published by the Kaiser Family Foundation.<sup>36</sup> The child’s share is usually the difference between the cost of family coverage and single coverage or employee-plus-one and single coverage. This suggests that the cost of child’s health insurance averages about \$164 to \$291 per month.<sup>37</sup> In Arkansas, 37 percent of children have employer-based health insurance coverage, 52 percent of children are enrolled in Medicaid, 5 percent have non-group insurance, 2 percent have other public coverage such as CHIP, and 5 percent of children are uninsured.<sup>38</sup> As a comparison, 49 percent of U.S. children have employer-based insurance, 39 percent of U.S. children are enrolled in Medicaid, and 5 percent of U.S. children are uninsured.

Exhibit 8: Average Employee Contribution (Out-of-Pocket Expense) to Health Insurance Premiums in 2017 by Coverage Type		
	Arkansas	U.S. Average
Average Annual Single Premium per Enrolled Employee for Employer-Based Health Insurance	\$1,253	\$1,415
Average Annual Employee-Plus-One Premium per Enrolled Employee for Employer-Based Health Insurance	\$3,220	\$3,531
Employee Contribute to Average Annual Family Premium per Enrolled Employee for Employer-Based Health Insurance	\$4,748	\$5,218

### Step 3: Extend the estimates to four and more children

Betson’s estimates only cover one, two, and three children, yet the income shares chart covers up to six children. The number of families in the CES with four or more children is insufficient to produce reliable estimates. For both the existing and updated charts, the equivalence scale of the National Research Council (NRC), as shown below, is used to extend the three-child estimate to four and more children.<sup>39</sup>

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

<sup>35</sup> The most current and reliable data source on medical expenditures is the Medical Expenditure Panel Survey (MEPS). Based on the 2015 MEPS, the average out-of-pocket medical expense per child was \$248 per year, but varied depending on whether the child was enrolled in public insurance such as Medicaid or had private insurance. Out-of-pocket medical expenses averaged \$63 per child per year for children who had public insurance and \$388 per child per year for those with private insurance. (Source: Calculated from the U.S. Department of Health and Human Services 2015 Medical Expenditure Panel Survey. Retrieved from [https://meps.ahrq.gov/mepsweb/about\\_meps/survey\\_back.jsp](https://meps.ahrq.gov/mepsweb/about_meps/survey_back.jsp).)

<sup>36</sup> Kaiser Family Foundation. (n.d.) *Health Costs & Budgets Indicators: Employer-Based Health Insurance Premium in 2017*. Retrieved from <https://www.kff.org/state-category/health-costs-budgets/employer-based-health-insurance-premiums/>.

<sup>37</sup> The difference between the average family premium and average single premium is \$3,495 (\$4,748 minus \$1,253), which is divided by 12 for a monthly average of \$291. The difference between the average plus-one premium and average single premium is \$1,967 (\$3,220 minus \$1,253), which is divided by 12 for a monthly average of \$164.

<sup>38</sup> Kaiser Family Foundation. (n.d.). *Health Insurance Coverage of Children 0-18 in 2017*. Retrieved from <https://www.kff.org/other/state-indicator/children-0-18/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

<sup>39</sup> Citro, Constance F. and Robert T. Michael, Editors (1995). *Measuring Poverty: A New Approach*. National Academy Press. Washington, D.C.

#### Step 4: Back out estimates to net income

The Betson-Rothbarth (BR) estimates of child-rearing expenditures are expressed as a percentage of total family expenditures. Some families have savings and do not spend all their after-tax income on their family. Most income shares charts consider the expenditures to consumption ratios observed among the same sample of families in the CES used to calculate child-rearing expenditures to adjust the BR measurements to a net-income basis. This is discussed in greater detail in Appendix B.

#### Step 5: Calculate marginal percentages

The application of the previous steps yields percentages of net income attributable to child-rearing expenditures for one to six children that do not include child care expenses; health insurance premiums; or uninsured, extraordinary medical expenses for several income ranges. To gradually phase between income ranges, most income shares guidelines use marginal percentages that are developed by taking the ratio of (a) the difference in the base support amount between one income bracket and the next bracket and (b) the difference in the monthly net income between the same income brackets. In turn, basic obligations are calculated by applying the percentage of net income attributable to child-rearing expenditures to the midpoint of each income range.

#### Step 6: Extrapolate estimates to higher incomes

The Betson measurements of child-rearing expenditures used to develop the income shares charts can be estimated for families with combined net incomes up to \$18,203 per month only, which is because the sample size of very high-income families is limited. The sample size is insufficient to determine whether the expenditures patterns for say, a family with income of \$18,000 per month devotes the same percentage of income to child-rearing expenditures as a family with \$50,000 per month. An estimating equation is developed from the marginal percentages for incomes below \$18,203 per month to estimate what the percentages would be at higher incomes (*i.e.*, through \$30,000 per month). This type of estimation is known as an extrapolation.

#### Step 7: Adjust for Arkansas prices

The amounts from above are adjusted to consider the differences between Arkansas prices and U.S. prices as a whole using an index, called the price parity, that was developed by the U.S. Bureau of Economic Analysis (BEA).<sup>40</sup> Specifically, the BEA finds for every \$1.00 spent on the U.S. on average, \$0.865 is needed for the same level of expenditures in Arkansas. The existing Arkansas charts also have an adjustment to account for economic differences between Arkansas and the U.S. average because the BR measurements reflect national data.<sup>41</sup> At the time that the existing charts were developed, however, state price parities were not being measured. Instead, the BR measurements of child-rearing expenditures were realigned using differences in income distribution between the U.S. and Arkansas.

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<sup>40</sup> U.S. Bureau of Economic Analysis. (2018). *2016 Regional Price Parities by State (US = 100)*. Retrieved from <https://www.bea.gov/news/2018/real-personal-income-states-and-metropolitan-areas-2016>.

<sup>41</sup> There is not state-level data available at the depth of the national data; it would be prohibitive to collect at the state level.

Use of the price parity is an improvement. It is specific to price differences and does not require the assumption that families at the same percentile of income distribution spend identically.

#### Step 8: Convert to gross income

The BR measurements are expressed as a percentage of total expenditures and converted to after-tax income in Step 4. They are converted to a gross-income base using federal and state income tax withholding formulas. Specifically, taxes are calculated using prevailing tax rates (*i.e.*, the tax rates in whatever year of the calculation) based on the federal and state income withholding formulas provided by the IRS and state tax agency.<sup>42</sup> The tax calculation is necessary because the economic data on the cost of raising children relate to after-tax income. They are essentially “backed out” to gross income amounts by converting after-tax income to gross income using federal and state tax rates and FICA.

The proposed charts consider recent federal tax reform resulting from the 2017 Tax Cuts and Jobs Act (Pub. L. 115-97). Specifically, they consider 2019 federal tax rates as provided in the IRS Circular E, Employer Withholding Guide; namely, the tax rates of a single/head-of-household with one allowance as instructed by the 2019 IRS W-4.<sup>43</sup> The assumption of single tax filing status is a common assumption among states using gross-income-based child support charts.<sup>44</sup>

#### Step 9: Adjust for the self-support reserve

Most income shares charts incorporate a self-support reserve (SSR) to ensure that the obligated parent has income after payment of the child support order that is sufficient to at least live at a subsistence level. The inclusion of the SSR also meets the new federal requirement to consider the subsistence needs of the obligated parent. For incomes below the SSR, a minimum order is applied. The amounts of the SSR and the minimum order are policy decisions that are discussed more in the next section.

### Comparisons of Existing Guidelines and Proposed Income Shares

Case scenarios are used to examine the impact of switching from a percentage-of-obligor income guidelines to an income shares guidelines using the charts shown in Appendix A. Exhibits 9, 10, and 11 compare the order amounts for one, two, and three income for a range of gross incomes for the obligated parent. The vast majority of child support orders nationally and in other states cover one or two children. The patterns for four or more children would be similar to those of three children.

The custodial parent’s income (the obligee) also varies in the case scenarios. It is either zero, 50 percent of the obligated parent’s income, equal to the obligated parent’s income, or 150 percent of the

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<sup>42</sup> U.S. Department of Treasury Internal Revenue Service. (2019). *Publication 15 (2019), (Circular E), Employer's Tax Guide*. <https://www.irs.gov/publications/p15> and Arkansas Tax Commission. (2019)., and Arkansas Department of Finance and Administration. *Withholding Tax Forms and Instructions*. Retrieved from <https://www.dfa.arkansas.gov/income-tax/withholding-tax-branch/withholding-tax-forms-and-instructions/>.

<sup>43</sup> U.S. Department of Treasury Internal Revenue Service. (2019). *IRS W-4*. Retrieved from <https://www.irs.gov/pub/irs-pdf/fw4.pdf>.

<sup>44</sup> The District of Columbia is the only jurisdiction using Income Shares and gross income with an alternative tax assumption: the District assumes the tax rates of a married couple with the number of children for whom support is being determined claimed as exemptions. This results in higher schedule amounts in the District than assuming income tax rates of a single taxpayer because there is more after-tax income available for expenditures when the filing status is married than it for single filers.

obligated parent's income. For example, if the obligated parent's gross income is \$2,000 per month, the obligee's income would be \$1,000 per month if the obligee's income is 50 percent of the obligated parent's income. If the obligated parent's gross income is \$2,000 per month, the obligee's income would be \$3,000 per month if the obligee's income is 150 percent of the obligated parent's income. There are no other adjustments in the guidelines calculation (e.g., no adjustments for additional dependents or child care expenses or the cost of the child's health insurance premium).

Exhibits 9, 10, and 11 generally show the existing guidelines amount (which is a fixed percentage of the obligated parent's net income regardless of the obligee's income amount) is equal to about half the income shares scenarios where the obligee's income is 50 percent of the obligor's income and the scenario when the obligee's income is equal to the obligor's income. This is because the existing charts assumed that the obligee's income was about 60 percent of the obligor's income. A notable exception occurs when the obligated parent's income is \$8,000 gross per month. For incomes above \$5,000 net per month, the existing Arkansas guidelines provides that the order amount is a percentage of the obligated parent's net income: 15 percent for one child, 21 percent for two children, and 25 percent for three children. This causes the existing guidelines amounts to be closer to the income shares amounts for when the obligee has no income.

Exhibit 9: Comparisons of Existing Guidelines to Proposed Income Shares Calculations: One Child

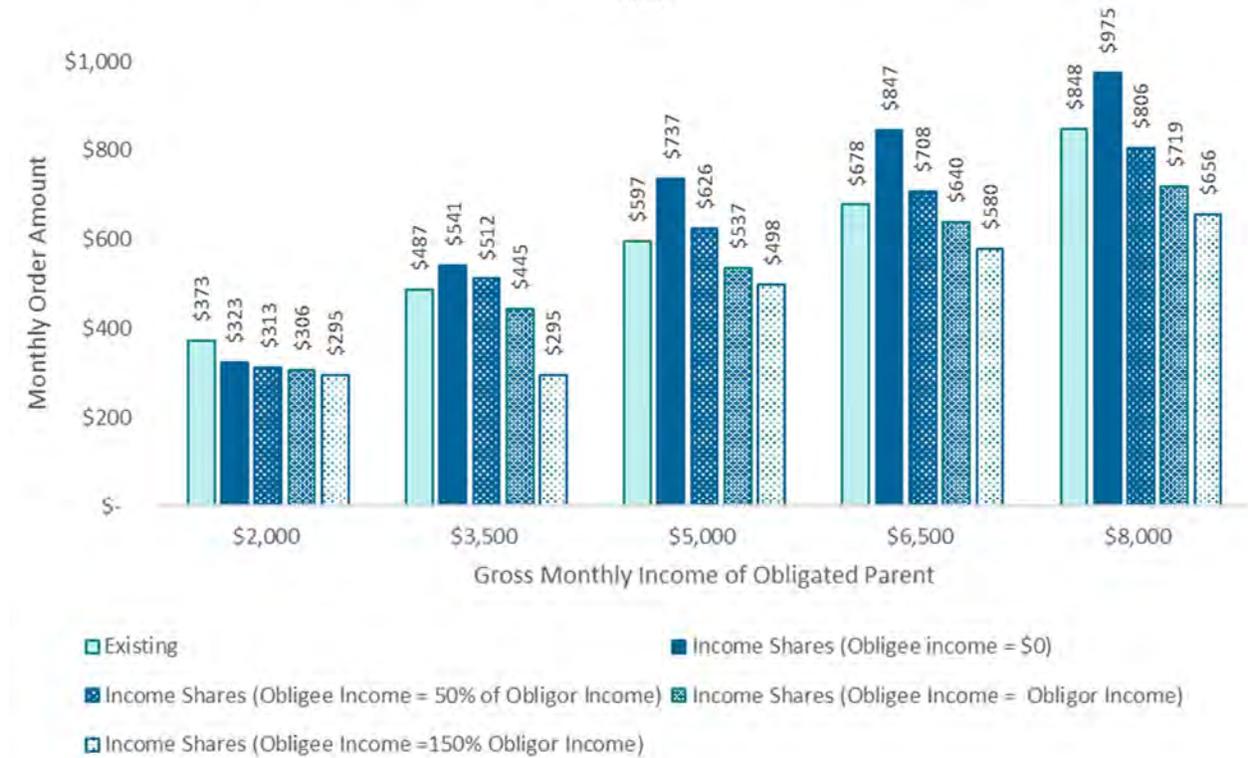


Exhibit 10: Comparisons of Existing Guidelines to Proposed Income Shares Calculations: Two Children

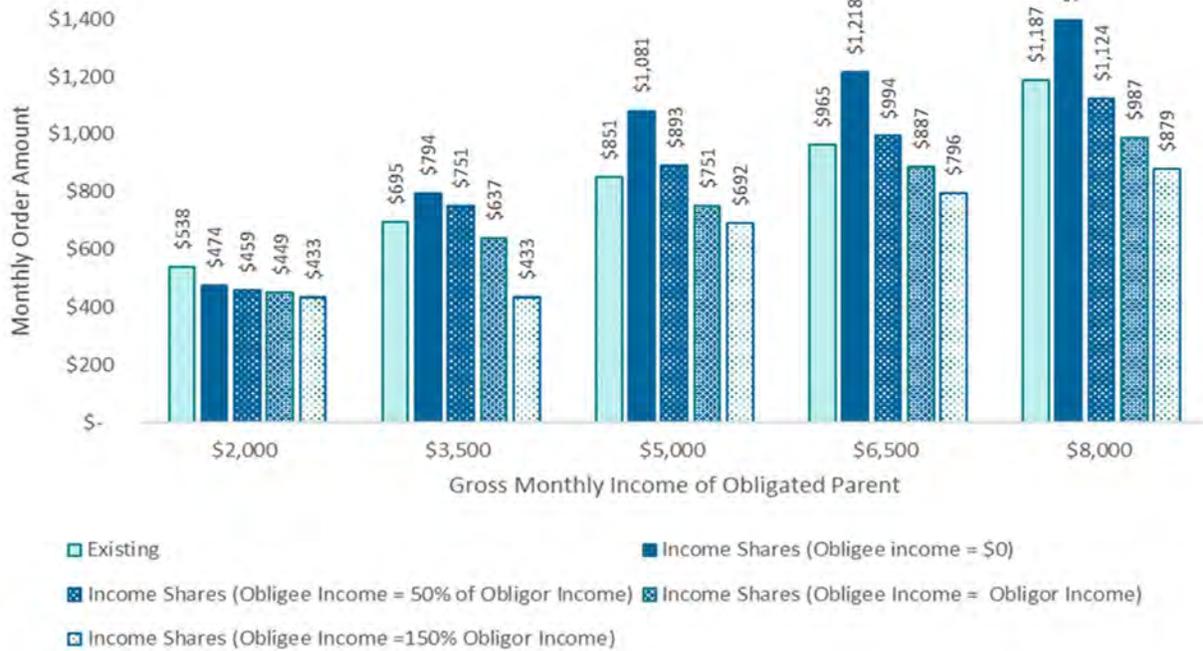
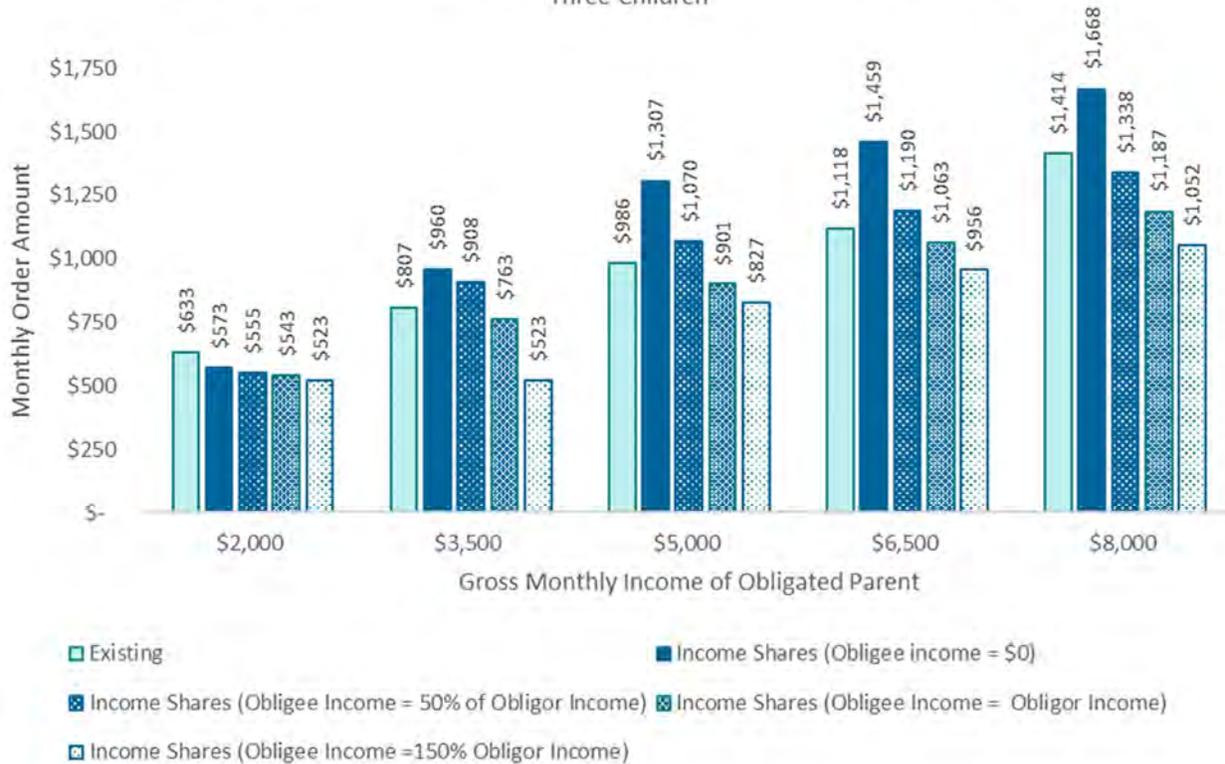


Exhibit 11: Comparisons of Existing Guidelines to Proposed Income Shares Calculations: Three Children



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## Comparisons to Neighboring States

This subsection uses median earnings of Arkansan workers to compare the existing table to an income shares chart and guidelines of bordering states. Earnings are reported for five levels of educational attainment by the U.S. Census 2017 American Community Survey:

- Less than a high school degree;<sup>45</sup>
- High school graduate or GED;<sup>46</sup>
- Some college or associate's degree;<sup>47</sup>
- Bachelor's degree;<sup>48</sup> and
- Graduate or professional degree.<sup>49</sup>

It is assumed that the custodial parent is the female and the noncustodial parent is the male. (This is common according to national data and data from other states.) There are no adjustments for special factors such as adjustments to income for additional dependents, the cost of the child's health insurance premium, and parenting time.

Exhibit 12 shows the guidelines models used by the neighboring states, economic basis of each state's guidelines, and other socioeconomic characteristics of neighboring states. All of the states except Arkansas, Mississippi, and Texas rely on the income shares model. The current Arkansas guidelines essentially applies a variable percentage to the net income of the obligated parent. (The percentage decreases with more income.) Mississippi and Texas apply a flat percentage to the obligor's net income (*e.g.*, Texas uses 20 percent of the obligor's net income for one child). Arkansas, Missouri, Oklahoma, and Tennessee rely on a Betson-Rothbarth (BR) measurement of child-rearing expenditures; albeit, most rely on an older BR measurement and many of the states have adjusted the BR measurement for that particular state's lower income. All of the neighboring states have lower prices, incomes, and rents than the national average. Mississippi generally fares the lowest among neighboring states on the economic parameters and Arkansas generally fares the second lowest. For example, with a price parity of 86.5, Arkansas price levels average 86.5 percent of the national average.

Exhibits 13, 14, and 15 compare the guidelines amounts for one, two, and three children, respectively. They generally show that the proposed income shares chart will yield order amounts within range of neighboring states.

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<sup>45</sup> \$27,219 per year for males and \$17,391 for females.

<sup>46</sup> \$36,134 per year for males and \$24,159 for females.

<sup>47</sup> \$43,685 per year for males and \$30,512 for females.

<sup>48</sup> \$65,700 per year for males and \$45,233 for females.

<sup>49</sup> \$88,708 per year for males and \$60,691 for females.

**Exhibit 12: Comparisons of Child Support Guidelines and Socio-Economic Characteristics of Neighboring States**

	U.S.	Arkansas	Louisiana	Miss.	Missouri	Oklahoma	Tenn.	Texas
Guidelines Model	N.A.	% of obligor income	Income shares	% of obligor income	Income shares	Income shares	Income shares	% of obligor income
Underlying Economic Study	N.A.	BR3 (approx. 2007) adjusted for AR incomes	unknown	unknown	BR3 (2016)	BR1 (approx. 1999) adjusted for OK incomes	BR2 (2003)	Espenshade (1980s) <sup>50</sup>
Price Parity <sup>51</sup>	100.0	86.5	90.1	85.7	89.5	89.0	90.4	97.0
Federal or State Minimum Wage (hourly) <sup>52</sup>	\$7.25	\$9.25	\$7.25	\$7.25	\$8.60	\$7.25	\$7.25	\$7.25
Median Income of Married Couples with Children <sup>53</sup>	\$96,057	\$75,914	\$91,725	\$77,740	\$89,229	\$78,578	\$82,906	\$88,529
Median Income of Female-Headed Families with Children <sup>54</sup>	\$27,894	\$24,804	\$20,951	\$20,818	\$26,672	\$25,050	\$24,751	\$27,344
Median Monthly Gross Rent <sup>55</sup>	\$1,012	\$711	\$836	\$742	\$800	\$780	\$833	\$987

<sup>50</sup> Thomas J. Espenshade. (1984). *Investing in Children: New Estimates of Parental Expenditures*, Urban Institute Press: Washington, D.C. (1984).

<sup>51</sup> U.S. Bureau of Economic Analysis. (2019). *2017 Regional Price Parities by State (US = 100)*. Retrieved from <https://www.bea.gov/news/2019/real-personal-income-states-and-metropolitan-areas-2017>.

<sup>52</sup> U.S. Department of Labor. (July 2019.) *Minimum Wage Laws in the States*. Retrieved from <https://www.dol.gov>.

<sup>53</sup> 2017 U.S. Census American Community Survey. Retrieved from <http://census.gov>.

<sup>54</sup> *Ibid.*

<sup>55</sup> *Ibid.* Gross rent includes utilities.

Exhibit 13: Case Scenario Comparisons: One Child

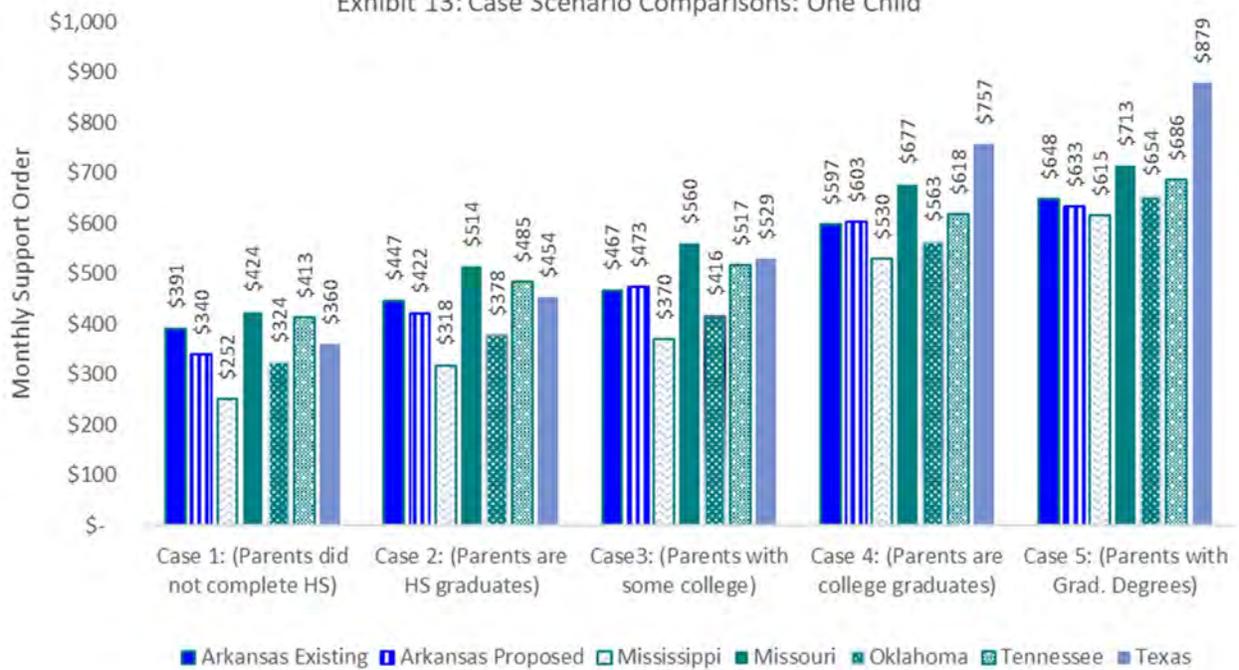


Exhibit 14: Case Scenario Comparisons: Two Children

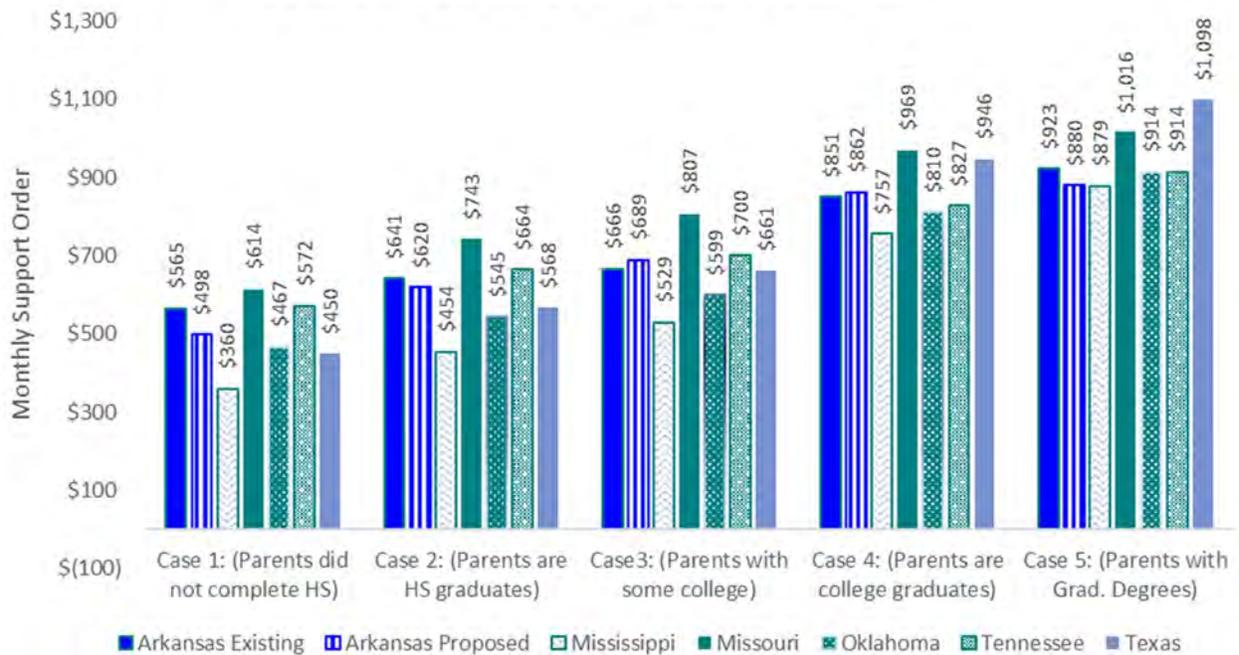
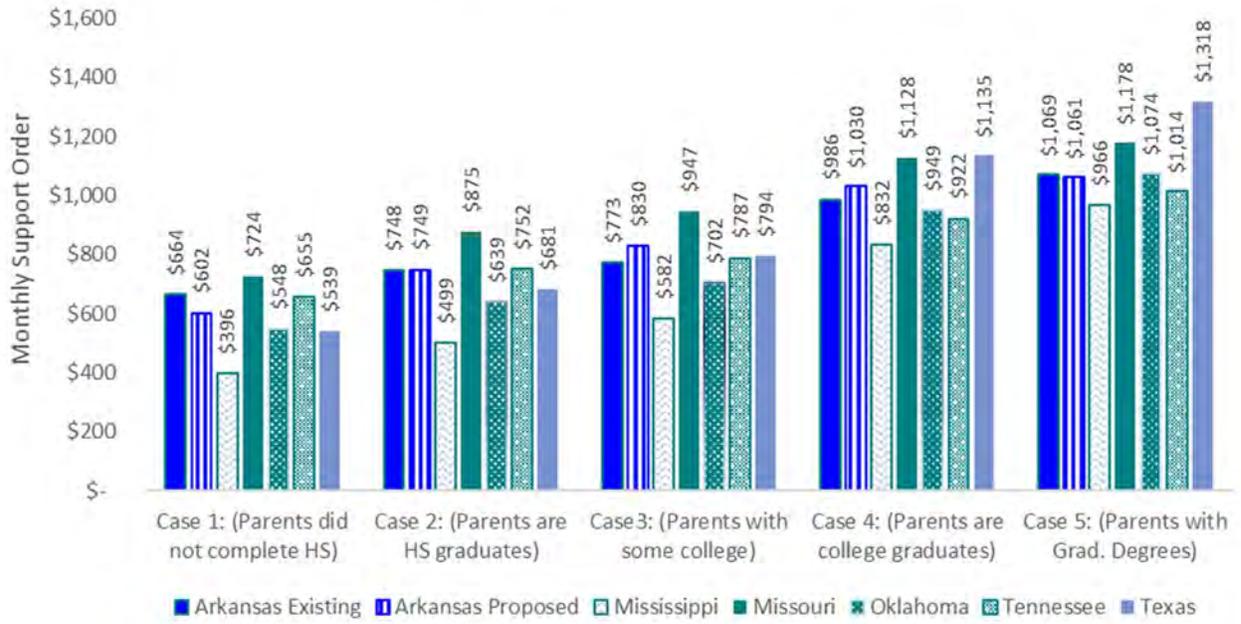


Exhibit 15: Case Scenario Comparisons: Three Children



## SECTION 4: CONSIDERATION OF OTHER FACTORS

So far, this report has focused on the development of income shares charts, including the economic data on the cost of raising children underlying income shares charts. As shown in Exhibits 6 and 7, the chart is the starting point for the calculation of the child support order. There are many other factors that can be considered in a typical income shares guidelines besides the chart. For example, Exhibit 7 shows how the actual child care expenses and the cost of the child's health insurance premium could be considered in an income shares calculation. In all, most income shares guidelines are very flexible and can accommodate adjustments for a wide range of factors.

The factors considered in this section are how to:

- Meet the federal requirement to consider the specific circumstances of the parent if income imputation is authorized;<sup>56</sup>
- Meet the federal requirement to provide that incarceration may not be treated as voluntary unemployment in establishing or modifying child support orders;<sup>57</sup>
- Meet the federal requirement to consider the basic subsistence needs of the obligated parent;<sup>58</sup>
- Address how the parents will provide for the child's health care needs;<sup>59</sup>
- Adjust for shared-parenting time; and
- Adjust for split custody arrangements.

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### Overview of Impetus for Changes to Federal Requirements of State Guidelines

The first three factors are aimed at improving child support policies for low-income parents and now required due to recent federal rule changes. The federal rule changes are grounded in research that finds compliance is lower and unpayable arrears accrue when income is imputed.<sup>60</sup> The federal concern is when income is imputed beyond what an obligated parent actually has in income or the capacity to earn, particularly if the obligor has income below or near poverty. There are several research studies documenting the problem of income imputation and arrears.<sup>61</sup> Once arrears accumulate, the issue of nonpayment essentially compounds and a low-income obligated parent faces a debt that he or she has no ability to pay. The federal rule changes also recognize the importance of healthy parent-child relationships in the development of children, particularly children from low-income parents and never-

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<sup>56</sup> 45 C.F.R. § 302.56(c)(1)(iii).

<sup>57</sup> 45 C.F.R. § 302.56(c)(3).

<sup>58</sup> 45 C.F.R. § 302.56(c)(1)(ii).

<sup>59</sup> 45 C.F.R. § 302.56(c)(2).

<sup>60</sup> See the proposed federal rule for the research studies underlying the rule changes. (U.S. Department of Health and Human Services. (Nov. 17, 2014). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs." *Federal Register*, vol. 79, no. 221, pp. 68554–68555. Retrieved from <https://www.gpo.gov/fdsys/pkg/FR-2014-11-17/pdf/2014-26822.pdf>.)

<sup>61</sup> For example, see Carolyn J. Heinrich, Brett J.C. Burkhardt, and Hilary M. Shager. (2010). *Reducing Child Support Debt and Its Consequences can Forgiveness Benefit All?* University of Wisconsin, Institute for Research on Poverty, Madison, WI. Retrieved from <https://www.lafollette.wisc.edu/research/publications/reducing-child-support-debt-and-its-consequences-can-forgiveness-benefit-all>.

married parents, and how unpaid child support in some situations can indirectly impede that healthy relationship. The solution is to set orders amount that are payable so arrears do not accumulate.<sup>62</sup>

The issues of low-income parents are particularly salient to government child support programs because they serve a significant proportion of low-income parents who often have limited earning capacity. Even with record low unemployment rates, many parties with government child support cases have incomes below full-time, minimum wage earnings. Often, low-income workers with hourly pay have inconsistent weekly hours, receive no compensation if they miss work because of a personal illness or another reason, or change employment over the course of a year. The federal rule emphasizes using the actual income of the party to calculate the order amount and establishing guidelines that a low-income parent can reasonably pay.

Low-income adjustments in state guidelines, which typically include self-support reserves and minimum orders, are complicated and require many policy decisions. State income imputation policies and practices intertwine with the low-income adjustment. A common practice among most states and jurisdictions is to impute full-time, minimum wage earnings to obligated parents who do not work or work less than full time or do not work year-round.

Compounding the problem are automated child support enforcement tools (*e.g.*, driver's license suspension) that are triggered when the child support is not fully paid. Loss of a driver's license can be a barrier to employment and may limit the obligor's contact with the child. The ideal policy strives to balance the subsistence needs of the obligor, providing for the child financially, and the possibility of adversely affecting the parent-child relationship that, in turn, can adversely affect child outcomes.<sup>63</sup> Although legally, child support and parenting time are generally treated separately for never-married parents (which comprise a growing majority of low-income cases nationally), parents perceive them as intertwined, so nonpayment may also affect the parent-child relationship and parent-parent relationship.<sup>64</sup> Due to all of these issues, the federal rule emphasizes using the actual income of a party to calculate the order amount and establishing guidelines that a low-income parent can reasonably pay.

To be clear, most policymakers take the position that low-income adjustments should supplement, not supplant, other efforts to improve the employability and earnings potential of low-income obligated parents, such as referrals and court orders to employment programs and other programs aimed at overcoming employment barriers. Employment programs, however, are not a panacea nor can they provide an immediate solution to every case.

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<sup>62</sup> For more in-depth information of the problem and possible solutions, see U.S. Department of Health and Human Services Office of the Inspector General. (2000). *The Establishment of Child Support Orders for Low-income Non-custodial Parents*, OEI-05-99-00390. Retrieved from <https://oig.hhs.gov/oei/reports/oei-05-99-00390.pdf>.

<sup>63</sup> Some of the attributes of having both parents involved with their children are identified in U.S. Department of Health and Human Services, Administration for Children and Families. (n.d.) *Pathways to Fatherhood*. Retrieved from <http://www.acf.hhs.gov/programs/ofa/programs/healthy-marriage/responsible-fatherhood> and Osborne, C. and Ankrum, N. (Apr. 2015). "Understanding Today's Changing Families." *Family Court Review*, vol. 53, no. 2, pp. 221–232.

<sup>64</sup> Pearson, J. (Apr. 2015). "Parenting Time and Co-Parenting for Unmarried Parents." *Family Court Review*, vol. 53, no. 2, pp. 217–220.

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## Method of Analysis and Comparison to Other States

Some of these adjustments are pure policy decisions (*i.e.*, what to consider when income is imputed including incarceration), and some are a combination of policy decisions and building adjustments that make economic and mathematical sense (*e.g.*, consideration of the subsistence needs of the parents and adjustments for shared and split custody). The provisions of other states (particularly neighboring states) that have adopted changes to conform to the new federal requirements are examined to identify common and unique characteristics and specifics of an adjustment.

Louisiana, a state with an income shares guidelines set in statute, is the only neighboring state to have reviewed its guidelines since the expanded federal requirements were imposed and adopt conforming changes. Tennessee, a state with income shares guidelines set in administrative rule, has reviewed its guidelines since the expanded federal requirements were imposed and is in the rulemaking process to make conforming changes.<sup>65</sup> Oklahoma, a state with incomes shares guidelines set in statute, is in the process of reviewing its guidelines and making recommendations that will undoubtedly meet the federal requirements. Missouri relies on the income shares model, which is set in court rule, and is not scheduled for its next quadrennial review until 2020 or 2021. Where Mississippi and Texas, which both use percentage-of-obligor income guidelines models set in statute, are in the guidelines review process is unknown. However, neither state's statutes have been recently changed to meet the expanded federal requirements. Other states known to have adopted conforming changes so far are Arizona, Colorado, Georgia, North Dakota, Rhode Island, and Utah.

## Consider the Circumstances of the Parent when Imputing Income

The new federal requirements limit income imputation.

(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.<sup>66</sup>

As discussed earlier, the rule is grounded in research that finds compliance is lower when income is imputed and unpayable arrears accrue among incarcerated parents.<sup>67</sup> Exhibit 16 shows income imputation provisions of the current Arkansas guidelines and those of a few states that have recently updated their guidelines to conform to the federal requirements. Louisiana is the only neighboring state

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<sup>65</sup> Tennessee Department of State Division of Publications (June 20, 2019). *Notice of Rulemaking Hearing: Department of Human Services Child Support Services*.

<sup>66</sup> 45 C.F.R. § 302.56(c)(1)(iii).

<sup>67</sup> For example, see Carmen Solomon-Fears, Gene Falk, and Adrienne L. Fernandes-Alcantara. (2013). *Child Well-Being and Noncustodial Fathers*. Congressional Research Service. Retrieved from <https://fas.org/sgp/crs/misc/R41431.pdf>.

to make conforming changes. Exhibit 16 also shows the proposed Tennessee rule to conform with the new federal requirement. (Tennessee is in the official process of rule changes.)

- Most states just adopted the language of the federal requirement although some provide more detail (e.g., Louisiana, Tennessee, and North Dakota).
- A few states (e.g., Louisiana and Utah) still provide for income imputation at minimum wage after consideration of the specific circumstances of the parent.
- North Dakota and Tennessee provide for income imputation more than minimum wage after consideration of the specific circumstances of the parent.
- Louisiana provides for the use of state labor market data for potential income. All state departments of labor produce detailed labor market data (e.g., wage rates for individual occupations) at the local or county level.
- Louisiana provides for a rebuttable presumption of minimum wage at a 32-hour work week when income evidence is not available. Cognizant that service sector jobs often offer less than 40-hour workweeks, states are leaning toward fewer hours.

Exhibit 16: Comparison of Income Imputation Provisions of Selected States	
Arkansas	d. Imputed Income. If a payor is unemployed or working below full earning capacity, the court may consider the reasons therefor. If earnings are reduced as a matter of choice and not for reasonable cause, the court may attribute income to a payor up to his or her earning capacity, including consideration of the payor's life-style. Income of at least minimum wage shall be attributed to a payor ordered to pay child support
Louisiana	RS 9:315 (5) "Income" means: (a) Actual gross income of a party, if the party is employed to full capacity; or (b) Potential income of a party, if the party is voluntarily unemployed or underemployed. A party shall not be deemed voluntarily unemployed or underemployed if he or she is absolutely unemployable or incapable of being employed, or if the unemployment or underemployment results through no fault or neglect of the party. §315.11. Voluntarily unemployed or underemployed party A.(1) If a party is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of income earning potential, unless the party is physically or mentally incapacitated, or is caring for a child of the parties under the age of five years. In determining the party's income earning potential, <b>the court may consider the most recently published Louisiana Occupational Employment Wage Survey.</b> In determining whether to impute income to a party, the court's considerations shall include, to the extent known, all of the following: (a) Assets owned or held by the party. (b) Residence. (c) Employment and earnings history. (d) Job skills. (e) Educational attainment. (f) Literacy. (g) Age and health.

	<p>(h) Criminal record and other employment barriers.</p> <p>(i) Record of seeking work.</p> <p>(j) The local job market.</p> <p>(k) The availability of employers willing to hire the noncustodial parent.</p> <p>(l) Prevailing earnings level in the local community.</p> <p>(m) Other relevant background factors in the case.</p> <p>(2) Absent evidence of a party's actual income or income earning potential, there is a <b>rebuttable presumption that the party can earn a weekly gross amount equal to thirty-two hours at a minimum wage</b>, according to the laws of his state of domicile or federal law, whichever is higher.</p> <p>B. The amount of the basic child support obligation calculated in accordance with Subsection A of this Section shall not exceed the amount which the party paying support would have owed had a determination of the other party's income earning potential not been made.</p> <p>C. A party shall not be deemed voluntarily unemployed or underemployed if either:</p> <p>(1) He has been temporarily unable to find work or has been temporarily forced to take a lower-paying job as a direct result of Hurricane Katrina or Rita.</p> <p>(2) He is or was incarcerated for one hundred eighty consecutive days or longer.</p>
<p><b>Proposed Tennessee</b></p>	<p>Imputing Income When There is No Adequate and Reliable Evidence of Income.</p> <p>(l) When Establishing an Initial Order.</p> <p>I. If a parent fails to produce adequate and reliable evidence of income (such as tax returns for prior years, check stubs, or other information for determining current ability to support or ability to support in prior years for calculating retroactive support); and</p> <p>II. The tribunal has no adequate and reliable evidence of the parent's income or income potential;</p> <p>III. Then, in such cases, the tribunal must take into consideration the specific circumstances of the parent to the extent known, including, but not limited to, the following factors:</p> <p>A. Assets;</p> <p>B. Residence;</p> <p>C. Employment and earnings history;</p> <p>D. Job skills;</p> <p>E. Educational attainment;</p> <p>F. Literacy;</p> <p>G. Age;</p> <p>H. Health;</p> <p>I. Criminal record and other employment barriers;</p> <p>J. Records of seeking work;</p> <p>K. The local job market;</p> <p>L. The availability of employers willing to hire the parents;</p> <p>M. Prevailing earnings level in the local community; and</p> <p>N. Other relevant background factors.</p> <p>IV. If imputation of income is authorized, gross income for the current and prior years shall be determined by imputing annual gross income of forty-three thousand seven hundred sixty one dollars (\$43,761) for male parents and thirty-five thousand nine hundred thirty six dollars (\$35,936) for female parents. These figures represent the full time, year round workers' median gross income, for the Tennessee population only, from the American Community Survey of 2016 from the U.S. Census Bureau.</p>

<p><b>Georgia</b></p>	<p>(A) Imputed income. When establishing the amount of child support, if a parent fails to produce reliable evidence of income, such as tax returns for prior years, check stubs, or other information for determining current ability to pay child support or ability to pay child support in prior years, and the court or the jury has no other reliable evidence of the parent's income or income potential, gross income for the current year may be imputed. When imputing income, the court shall take into account the specific circumstances of the parent to the extent known, including such factors as the 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 parent, prevailing earnings level in the local community, and other relevant background factors in the case. <b>If a parent is incarcerated, the court shall not assume an ability for earning capacity based upon pre-incarceration wages or other employment related income, but income may be imputed based upon the actual income and assets available to such incarcerated parent.</b></p>
<p><b>North Dakota</b></p>	<p>75-02-04.1-07. Imputing income based on earning capacity. 1. For purposes of this section: a. "Earnings" includes in-kind income and amounts received in lieu of actual earnings, such as social security benefits, workers' compensation wage replacement benefits, unemployment insurance benefits, veterans' benefits, and earned income tax credits; and b. An obligor is "underemployed" if the obligor's gross income from earnings is significantly less than this state's statewide average earnings for persons with similar work history and occupational qualifications. 2. An obligor is presumed to be underemployed if the obligor's gross income from earnings is less than the greater of: a. Six-tenths of this state's statewide average earnings for persons with similar work history and occupational qualifications; or b. A monthly amount equal to one hundred sixty-seven times the federal hourly minimum wage. 3. Except as provided in subsections 4, 5, 6, and 7, gross income based on earning capacity equal to the greatest of subdivisions a through c, less actual gross earnings, must be imputed to an obligor who is unemployed or underemployed. a. A monthly amount equal to one hundred sixty-seven times the hourly federal minimum wage. b. An amount equal to six-tenths of this state's statewide average earnings for persons with similar work history and occupational qualifications. c. An amount equal to ninety percent of the obligor's greatest average gross monthly earnings, in any twelve consecutive months included in the current calendar year and the two previous calendar years before commencement of the proceeding before the court, for which reliable evidence is provided. 4. Monthly gross income based on earning capacity may not be imputed under subsection 3 if: a. The reasonable cost of child care equals or exceeds seventy percent of the income which would otherwise be imputed where the care is for the obligor's child: (1) For whom the obligor has primary residential responsibility; (2) Who is under the age of thirteen; and (3) For whom there is no other adult caretaker in the obligor's home available to meet the child's needs during absence due to employment. b. Current medical records confirm the obligor suffers from a disability sufficient in severity to reasonably preclude the obligor from gainful employment that produces average monthly gross earnings equal to at least one hundred sixty-seven times the hourly federal minimum wage.</p>

	<p>c. The unusual emotional or physical needs of a minor child of the obligor require the obligor's presence in the home for a proportion of the time so great as to preclude the obligor from gainful employment that produces average monthly gross earnings equal to one hundred sixty-seven times the hourly federal minimum wage. d. The obligor has average monthly gross earnings equal to or greater than one hundred sixty-seven times the hourly federal minimum wage and is not underemployed. e. The obligor is under eighteen years of age or is under nineteen years of age and enrolled in and attending high school. f. The obligor is receiving: (1) Supplemental security income payments; (2) Social security disability payments; (3) Workers' compensation wage replacement benefits; (4) Total and permanent disability benefits paid by the railroad retirement board; (5) Pension benefits, as defined in subsection 9, paid by the veterans benefits administration; or (6) Disability compensation paid by the veterans benefits administration based on an overall disability rating of one hundred percent. <b>g. It has been less than one hundred eighty days since the obligor was released from incarceration under a sentence of at least one hundred eighty days.</b> <b>h. The obligor is incarcerated under a sentence of one hundred eighty days or longer, excluding credit for time served before sentencing.</b> 5. If an unemployed or underemployed obligor shows that employment opportunities, which would provide earnings at least equal to the lesser of the amounts determined under subdivision b or c of subsection 3, are unavailable within one hundred miles [160.93 kilometers] of the obligor's actual place of residence, income must be imputed based on earning capacity equal to the amount determined under subdivision a of subsection 3, less actual gross earnings. 6. If the obligor fails, upon reasonable request made in any proceeding to establish or review a child support obligation, to furnish reliable information concerning the obligor's gross income from earnings, and if that information cannot be reasonably obtained from sources other than the obligor, income must be imputed based on the greatest of: <b>a. A monthly amount equal to one hundred sixty-seven times the hourly federal minimum wage. b. An amount equal to one hundred percent of this state's statewide average earnings for persons with similar work history and occupational qualifications. c. An amount equal to one hundred percent of the obligor's greatest average gross monthly earnings, in any twelve consecutive months included in the current calendar year and the two previous calendar years before commencement of the proceeding before the court, for which reliable evidence is provided.</b> 7. Notwithstanding subsections 4, 5, and 6, if an obligor makes a voluntary change in employment resulting in reduction of income, monthly gross income equal to one hundred 10 percent of the obligor's greatest average monthly earnings, in any twelve consecutive months included in the current calendar year and the two previous calendar years before commencement of the proceeding before the court, for which reliable evidence is provided, less actual monthly gross earnings, may be imputed without a showing that the obligor is unemployed or underemployed. For purposes of this subsection, a voluntary change in employment is a change made for the purpose of reducing the obligor's child support obligation and may include becoming unemployed, taking into <b>consideration the obligor's standard of living, work history, education, literacy, health, age, criminal record, barriers to employment, record of seeking employment, stated reason for change in employment, likely employment status if the family before the court were intact, and any other relevant factors.</b> The burden of proof is on the obligor to show that the change in employment was not made for the purpose of reducing the obligor's child support obligation. 8. Imputed income based on earning capacity is an example of gross income and is subject to the deductions from gross income set forth in subsection 6 of section 75-02-04.1-01. 9. For purposes of paragraph 5 of subdivision f of subsection 4, "pension benefits" means only needs-based payments made by the veterans benefits administration to war-time veterans whose income is below a yearly limit set by Congress and who are age sixty-five or older or have a total and permanent disability.</p>
Utah	<p>8)(a)Income may not be imputed to a parent unless the parent stipulates to the amount imputed, the parent defaults, or, in contested cases, a hearing is held and the judge in a judicial proceeding or the presiding officer in an administrative proceeding enters findings of fact as to the evidentiary basis for the imputation. (b)If income is imputed to a parent, the income shall be based upon employment potential and probable earnings considering, to the extent known:</p> <ul style="list-style-type: none"> <li>(i)employment opportunities;</li> <li>(ii)work history;</li> <li>(iii)occupation qualifications;</li> <li>(iv)educational attainment;</li> <li>(v)literacy;</li> <li>(vi)age;</li> <li>(vii)health;</li> <li>(viii)criminal record;</li> </ul>

(ix) other employment barriers and background factors; and  
(x) prevailing earnings and job availability for persons of similar backgrounds in the community.  
(c) If a parent has no recent work history or a parent's occupation is **unknown, that parent may be imputed an income at the federal minimum wage for a 40-hour work week**. To impute a greater or lesser income, the judge in a judicial proceeding or the presiding officer in an administrative proceeding shall enter specific findings of fact as to the evidentiary basis for the imputation. (d) Income may not be imputed if any of the following conditions exist and the condition is not of a temporary nature: (i) the reasonable costs of child care for the parents' minor children approach or equal the amount of income the custodial parent can earn; (ii) a parent is physically or mentally unable to earn minimum wage; (iii) a parent is engaged in career or occupational training to establish basic job skills; or (iv) unusual emotional or physical needs of a child require the custodial parent's presence in the home.

### Income Imputation and Incarcerated Parents

Incarcerated parents are often low income. According to the Prison Policy Initiative, prison jobs in Arkansas are unpaid.<sup>68</sup> This includes jobs to operate the prison (*e.g.*, kitchen help) and prison industries (*e.g.*, making furniture).

The new federal rule limits income imputation to incarcerated parents:

[A state's guidelines must] provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders . . . .<sup>31</sup>

In other words, if the incarcerated parent was an accountant before incarceration, it cannot be assumed the incarcerated parent can continue to earn an accountant's income. As shown in Exhibit 17, which compares Arkansas's provisions to its bordering states and a few other states that have adopted conforming changes. Some of the highlights from Exhibit 17 are:

- Many states (*e.g.*, Arkansas and Georgia) are simply adopting the federal language.
- Some state (*e.g.*, Tennessee) adopt the federal language and make it clear that if the incarcerated parent has any income or assets, they should be considered.
- A few states (*e.g.*, Utah) are expanding the federal regulation to consider incarceration of at least 180 days. This eases the application of another federal requirement concerning the treatment of incarcerated parents in the government child support program caseload.

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

<sup>68</sup> Prison Policy Initiative. (April 20, 2017). *State and Federal Prison Wage Policies and Sourcing Information*. Retrieved from [https://www.prisonpolicy.org/reports/wage\\_policies.html](https://www.prisonpolicy.org/reports/wage_policies.html).

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.<sup>69</sup>

- Louisiana takes it a step further by providing for the suspension of the order when the obligated parent is incarcerated.

<b>Exhibit 17: Comparison of Guidelines Provisions Addressing Income Imputation of Incarcerated Parents</b>	
<b>Arkansas</b>	<p>Effective January 1, 2020<sup>70</sup></p> <p>(B)(i) The incarceration of a parent shall not be treated as voluntary unemployment for the purpose of establishing or modifying an award of child support.</p>
<b>Louisiana</b>	<p>C. A party shall not be deemed voluntarily unemployed or underemployed if either:</p> <p>(1) He has been temporarily unable to find work or has been temporarily forced to take a lower-paying job as a direct result of Hurricane Katrina or Rita.</p> <p>(2) He is or was incarcerated for one hundred eighty consecutive days or longer</p> <p>RS 9:311.1 NOTE: §311.1 eff. Aug. 1, 2019. See Acts 2017, No. 264 and Acts 2018, No. 136. §311.1. Child support during the obligor's incarceration</p> <p>A. In accordance with the provisions of this Section, every order of child support shall be suspended when the obligor will be or is incarcerated for any period of one hundred eighty consecutive days or more, unless any of the following conditions exist:</p> <p>(1) The obligor has the means to pay support while incarcerated.</p> <p>(2) The obligor is incarcerated for an offense against the custodial party or the child subject to the support order.</p> <p>(3) The incarceration resulted from the obligor's failure to comply with a court order to pay child support.</p> <p>B. As used in this Section:</p> <p>(1) "Incarceration" means placement of an obligor in a county, parish, state or federal prison or jail, in which the obligor is not permitted to earn wages from employment outside the facility. "Incarceration" does not include probation or parole. (2) "Support enforcement services" shall have the same meaning as provided in R.S. 46:236.1.1. (3) "Suspension" means the modification of a child support order to zero dollars during the period of obligor's incarceration.</p> <p>C. The Department of Public Safety and Corrections or the sheriff of any parish, as appropriate, shall notify the Department of Children and Family Services of any person who has been in their custody and may be subject to a child support obligation if either: (1) The person will be or is incarcerated for one hundred eighty consecutive days or longer. (2) At least six months before the person who was the subject of notification under Paragraph (1) of this Subsection is scheduled to be released from incarceration as defined in Subsection B of this Section.</p> <p>D.(1) When the Department of Children and Family Services is providing support enforcement services, the department shall, upon receipt of notice in accordance with Paragraph (C)(1) of this Section, verify that none of the conditions in Subsection A exists.</p> <p>(2) Upon finding that none of the conditions in Subsection A exists, the department shall provide notice to the custodial party by certified mail, return receipt requested. The notice shall state all of the following:</p> <p>(a) The child support order shall be suspended unless the custodial party objects no later than fifteen calendar days after receipt of such notice on any of the following grounds:</p>

<sup>69</sup> 45 C.F.R. § 303.8.

<sup>70</sup> This was adopted by the State of Arkansas 92nd General Assembly Regular Session, 2019 through House Bill 1612, "An Act to Amend the Law Concerning Child Support and the Centralized Clearinghouse for Other Purposes."

	<p>(i) The obligor has sufficient income or assets to comply with the order of child support.</p> <p>(ii) The obligor is incarcerated for an offense against the custodial party or the child subject to the order of child support.</p> <p>(iii) The offense for which the obligor is incarcerated is due to the obligor's failure to comply with an order to pay child support.</p> <p>(b) The custodial party may object to the proposed modification by delivering a signed objection form, indicating the nature of the objection to the department no later than fifteen calendar days after receipt of the notice in this Paragraph.</p> <p>(3) If no objection is received from the custodial party in accordance with Paragraph (2) of this Subsection, the department shall file an affidavit with the court that has jurisdiction over the order of child support. The affidavit shall include all of the following: (a) The beginning and expected end dates of such obligor's incarceration. (b) A statement by the affiant of all of the following:</p> <p>(i) A diligent search failed to identify any income or assets that could be used to satisfy the order of child support while the obligor is incarcerated.</p> <p>(ii) The offense for which the obligor is incarcerated is not an offense against the custodial party or the child subject to the order of child support.</p> <p>(iii) The offense for which the obligor is incarcerated is not due to the obligor's failure to comply with an order to pay child support.</p> <p>(iv) A notice was provided to the custodial party in accordance with Paragraph (2) of this Subsection and an objection was not received from such party.</p> <p>(4) The suspension of the order of support shall begin upon the date that the department files the affidavit.</p> <p>(5) If the custodial party makes a timely objection, the department shall file a contradictory motion with the court that has jurisdiction over the order of child support. (6) If a timely objection is made, the order of child support shall continue until further order of the court.</p> <p>E. Nothing in this Section shall prevent either party from seeking a suspension or a modification of the order of support under this Section or any other provision of law.</p> <p>F. (1) Upon motion of either party or the Department of Children and Family Services, after notice and hearing, the court shall suspend the child support obligation unless it finds one of the conditions in Subsection A of this Section exists. (2) If one of the conditions in Subsection A of this Section exists, the court shall use the child support guidelines in R.S. 9:315 et seq. to determine an obligor's support obligation during his period of incarceration.</p> <p>G. (1) An order of support suspended in accordance with this Section shall resume by operation of law on the first day of the second full month after the obligor's release from incarceration. (2) An order that suspends an obligor's order of support because of the obligor's incarceration shall contain a provision that the previous order will be reinstated on the first day of the second full month after the obligor's release from incarceration. (3) Unless the terms of the order of support have been otherwise modified, the suspended order of support shall resume at the same terms that existed before the suspension.</p> <p>H. The suspension of an order of support in accordance with this Section shall not affect any past due support that has accrued before the effective date of the suspension.</p>
<p><b>Tennessee Proposed</b></p>	<p>(3) (a) Determination of Gross Income.</p> <p>1. Gross income of each parent shall be determined ... includes, but is not limited to, the following:</p> <p>... .</p> <p>(xxiii) Actual income earned during incarceration by an inmate</p> <p>2. Imputed Income.(ii)(I)</p> <p>II. Under the Guidelines, however, incarceration of a parent shall not be treated as willful underemployment or unemployment for the purpose of establishing or modifying a child support order.</p>
<p><b>Texas</b></p>	<p>Sec. 154.068. WAGE AND SALARY PRESUMPTION. (a) In the absence of evidence of a party's</p>

	resources, as defined by Section 154.062(b), the court shall presume that the party has income equal to the federal minimum wage for a 40-hour week to which the support guidelines may be applied. (b) The presumption required by Subsection (a) does not apply if the court finds that the party is subject to an order of confinement that exceeds 90 days and is incarcerated in a local, state, or federal jail or prison at the time the court makes the determination regarding the party's income.
<b>Georgia</b>	A determination of willful or voluntary unemployment or underemployment shall not be made when an individual's incarceration prevents employment.
<b>Utah</b>	Incarceration of at least six months may not be treated as voluntary unemployment by the office in establishing or modifying a support order.

### Consider the Subsistence Needs of the Parent

A self-support reserve (SSR) is the most common way that states consider the subsistence needs of the parents in their guidelines. A common approach is to relate it to the federal poverty guidelines (FPG) for one person, which is \$1,041 per month in 2019,<sup>71</sup> but states, as identified later, use more or less than the FPG. If the parent's income is below the SSR, a zero order or a state-determined minimum order is applied. If the parent's income is just above the state-determined SSR, the final order may also be set at less than what the economic evidence on child-rearing expenditures for that particular income suggests. The adjustment for the SSR can be made in the worksheet, the chart, or both. It may be applied to the obligated parent only or both parents. It may be applied before or after the consideration of add-ons for child care expenses, the cost of the child's health insurance premium, and other extraordinary child expenses. (The use of add-ons is discussed in greater detail at the end of this section.) Further, there are several different ways to phase-out the SSR and phase-in the chart amounts that reflect economic data on the cost of raising children.

Exhibit 18 compares guidelines provisions addressing the subsistence needs of the obligated parent among states bordering Arkansas and states with exemplary provisions (*e.g.*, North Carolina).

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<sup>71</sup> U.S. Department of Health & Human Services Office of the Assistant Secretary for Planning and Evaluation. (n.d.). *2019 Poverty Guidelines*. Retrieved from <https://aspe.hhs.gov/2019-poverty-guidelines>.

**Exhibit 18: Comparison of Data and Assumptions Underlying Low-Income Adjustment in Selected States**

State	Amount of Self-Support Reserve (SSR)	Minimum Order Amount	Addresses when Zero (\$0) Order or Rebuttal of Minimum Order Is Appropriate	Where the Adjustment Is Applied?	Is the Adjustment Applied to Both Parents?	Is the Self-Support Applied before or after add-ons?	Phase-out of SSR/Phase-in Economic Data on Child Rearing Expenditures	Is the SSR clearly stated?
<b>AR</b>	No mention of an adjustment for low-income parents or the subsistence needs of the obligated parent							
<b>LA</b> <sup>72</sup>	Appears to be about \$800/mo	\$100/month	Yes. In some shared or split custody circumstances or documented medical disability	In chart	No	Before	Lower of child-rearing expenditures and \$35-\$39 for every \$50 in gross income for incomes above where the minimum order applies	No
<b>MO</b> <sup>73</sup>	\$990/mo (2016 FPG)	\$60/month	No	In chart with shaded area	No	Before	Lower of child-rearing expenditures and \$34-\$37 every \$50 in gross income for incomes above where the minimum order applies	Yes. In narrative
<b>OH</b> <sup>74</sup>	116% of Fed. Poverty Guidelines for 1 person	\$960/year (\$80/mo)	Not in administrative manual. CPR is still assessing if addressed in statute.	In both the chart (with shaded area) and the worksheet	Yes	Before	Phase-out by taking 30% of difference between income and SSR, which is added to the minimum order. Phases out at \$31,800 per year for 1 child and higher for more children	Yes, stated in narrative and in worksheet.

<sup>72</sup> Louisiana Revised Statute § 315. Retrieved from <http://www.legis.la.gov/legis/Law.aspx?p=y&d=107383>.

<sup>73</sup> Missouri Supreme Court. *Directions, Comments for Use and Examples for Completion of Form No. 14*. Retrieved from <https://www.courts.mo.gov/file.jsp?id=29740>.

<sup>74</sup> Ohio Department of Job and Family Services. *Child Support Guideline Manual for Ohio Courts and Agencies*. <http://www.odjfs.state.oh.us/forms/num/JFS07766/pdf/>.

**Exhibit 18: Comparison of Data and Assumptions Underlying Low-Income Adjustment in Selected States**

State	Amount of Self-Support Reserve (SSR)	Minimum Order Amount	Addresses when Zero (\$0) Order or Rebuttal of Minimum Order Is Appropriate	Where the Adjustment Is Applied?	Is the Adjustment Applied to Both Parents?	Is the Self-Support Applied before or after add-ons?	Phase-out of SSR/Phase-in Economic Data on Child Rearing Expenditures	Is the SSR clearly stated?
<b>Pro-posed TN<sup>75</sup></b>	110% of the 2018 federal poverty guidelines (FPG) for one person (\$1,113 net income per month)	\$65/month for 1 child + percentage increase for each child that aligns with economic data on the incremental cost of more children	Yes. Minimum order does not apply if: <ul style="list-style-type: none"> <li>• Only source of income is Supplemental Security Income</li> <li>• SSDI calculation results in less than minimum order</li> <li>• Timesharing adjustments results in less than order, or tribunal finding/ deviation</li> </ul>	In the chart with shaded area	No. Would have required major changes to worksheet, including automated worksheet	Before	Phase-out of the SSR/phase-in of the economic data on child-rearing expenditures by taking the lower of i) the amount based on the economic data on child-rearing expenditures; and ii) the minimum order plus \$35 per month for every \$50 per month in income above \$1,150 per month	Yes, stated in narrative and in worksheet
<b>VT<sup>76</sup></b>	\$1,249/mo (120% of the FPG)	\$50/month	No	In the worksheet	No	After	None	Yes. Stated in narrative and worksheet
<b>WV<sup>77</sup></b>	\$500/mo	\$50/month	No	In worksheet	No	After	None	Yes. Stated in narrative and worksheet

<sup>75</sup> Tennessee Department of State Division of Publications (June 20, 2019). Notice of Rulemaking Hearing: Department of Human Services Child Support Services.

<sup>76</sup> Vermont Office of Child Support. (n.d.). *Form 131*. Retrieved from <https://dcf.vermont.gov/sites/dcf/files/OCS/Docs/OCS-131A.pdf>.

<sup>77</sup> West Virginia Code, Article 13. Guidelines for Child Support Awards. Retrieved from <http://www.wvlegislature.gov/wvcode/code.cfm?chap=48&art=13>.

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## Summary of Factors to Consider when Updating the Low-Income Adjustment

Examination of Exhibit 18 illustrates that there are several critical questions to developing the low-income adjustment. Many of them involve policy decisions.

- *What the SSR should be set at?* The amount of the SSR is a policy decision. As mentioned earlier, many states relate the SSR to the FPG for one person. Some use more or less of the FPG for various reasons, including consideration of the cost of living in that state. Some states also index the SSR so it is updated annually when the FPG is updated, which is usually in February of each year.
- *What the minimum order should be for incomes below the SSR?* The amount of the minimum order is also a policy decision. The most common minimum order among states is \$50 per month. Some states use more or less and vary it by the number of children. Some states even set the minimum order at zero when income is below the state-determined SSR.
- *Does the guidelines address circumstances for rebutting the minimum order or entering a zero order?* Federal regulation requires rebuttal guidelines. This includes a rebuttal minimum order.
- *Where to apply the SSR?* This is also a policy decision. The SSR can be incorporated into the chart or worksheet or both.
- *Whether to apply the SSR to the obligated parent only or both parents?* The initial draft of the new federal rule only required application to the obligated parent, but based on comments received to the draft rule, the federal rule was expanded to include both parents at state option.
- *Is the SSR applied before or after add-ons for extraordinary expenses?* Add-ons such as child care expenses can be substantial (say \$1,000 per month). If an add-on is considered after the SSR it can negate the SSR adjustment.
- *How to phase the SSR out and the economic data on the cost of raising children in?* This is also a policy decision. There must be a transition from orders adjusted for the SSR to the regular child support calculation. There are numerous ways that the phase-in/phase-out can occur.
- *Whether the SSR is clearly stated in the guidelines or worksheet?* Stating the amount of the SSR and the provision of the SSR in the guidelines and/or worksheet serves two purposes. It makes the adjustment transparent to guidelines users, and it makes it obvious that the state is fulfilling the federal requirement to consider the subsistence needs of the obligated parent. Guidelines users include parents, attorneys, and judges. Often, obligated parents want to know if their financial needs are taken in consideration in the guidelines calculation. Knowing about the SSR also helps judge appropriately apply and deviate from the guidelines.

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### Amount of the SSR

Most states base their SSR on the federal poverty guidelines (FPG) for one person from the year in which that state last updated its guidelines. Only a few states (*e.g.*, Illinois, Oregon, and New York) index it to the FPG, which is updated annually. In 2019, the FPG was \$1,041 per month for the first person and

\$368 per month per additional person. Some states use more than the FPG; for example, Ohio uses 116 percent of the FPG to account for the FPG being an after-tax amount, while the Ohio guidelines is based on gross income. Tennessee proposes a similar adjustment for identical reasons; however, Tennessee's percentage is 110 percent due to the income tax differences between Ohio and Tennessee. New York provides the highest increase to the FPG for its SSR: 135 percent of the FPG. Several states use lower amounts. Illinois uses 75 percent of the FPG. Missouri provides an SSR based on the FPG for one person in 2016, which is the year of their last guidelines review. It is \$990 per month. Oklahoma incorporates an SSR of about \$500 per month into its chart, but it has not updated its guidelines in almost two decades. Louisiana's SSR appears to be about \$800 per month, but there is no mention of any amount in their guidelines. Mississippi and Texas do not provide an SSR.

As a starting point, the SSR in the proposed income shares charts in Appendix C is \$900 per month. This approximates the FPG multiplied by Arkansas' price parity. In other words, the FPG is adjusted for Arkansas prices.

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#### Amount of the Minimum Order

The minimum order applies if the obligated parent's income is below the SSR. The amount of the minimum order is a policy decision. Only a few states provide for a zero order when the obligated parent's income is below the SSR. For example, North Dakota is the only state to have reviewed its guidelines since the new federal rules were promulgated to adopt a zero order. North Dakota adopted a zero order for incomes below \$800 per month, which is essentially a pseudo-SSR for North Dakota.

In contrast, most states provide a minimum order to establish a precedent that the parent does indeed have a financial responsibility to his or her children. The norm is \$50 per month. One state that set it at \$10 per month later raised it out of concerns that it made a negligible difference in the financial well-being of the child and was not worth the custodial person's time to show up for the establishment hearing. Many states bordering Arkansas that provide for SSRs also provide for minimum orders. Missouri provides a minimum order of \$60 per month and Tennessee proposes a minimum order of \$65. Many states are considering \$60 per month, based on research that finds \$60 approximates the average value of voluntary, in-kind contribution among low-income parents.<sup>78</sup>

Whether to increase the minimum order for the number of children is a policy decision. Tennessee is a neighboring state that proposes minimum order amounts that vary with the number of children. States are mixed whether they do so. Besides, ostensibly adjusting for the number of children, increasing the minimum order for the number of children eases the phase-out of the SSR and the phase-in of the chart obligation amounts based on economic data on the cost of raising children.

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#### Rebuttal of the Minimum Order and Zero Orders

States must provide for presumptive guidelines that may be rebutted. This includes rebuttal of the minimum order. As shown in Exhibit 18, some states provide criteria for rebutting the minimum order.

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<sup>78</sup> See Rosen, Jill. (2015). "Many 'deadbeat dads' support children through gifts, not cash, study shows." John Hopkins University, <https://hub.jhu.edu/2015/06/15/how-low-income-dads-provide/>; and Kane, J., Nelson, T. and Edin, K. (2015). "How Much In-Kind Support Do Low-Income Nonresident Fathers Provide? A Mixed-Method Analysis." *Journal of Marriage and Family*, 77 (June 2015): 591–611.

Some of the common criteria for rebutting the minimum order or applying a zero order among these state guidelines and other state guidelines include:

- There is large adjustment due to parenting-time;
- The obligor is incarcerated;<sup>79</sup>
- The obligor is institutionalized due to a mental illness;
- The obligor has a verified physical disability that precludes work; and
- The obligor's only income is Supplemental Security Income (SSI).

In addition, Tennessee essentially provides for the rebuttal of the minimum order through its deviation criterion when the children are in the care of a third party and the child's permanency plan involves reuniting the child with the parent for whom a child support is being determined. Tennessee's provision is shown below:

In cases where the child is in the legal custody of the Department of Social Services, the child protection or foster care agency or another state or territory, or any other child-caring entity, public or private, the tribunal may consider a deviation from the presumptive child support order if the deviation will assist in accomplishing a permanency plan or foster care plan for the child that has a goal of returning the child to the parent(s), and the parent's need to establish an adequate household or to otherwise adequately prepare herself or himself for the return of the child clearly justifies a deviation for this purpose.

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#### Application of the SSR in the Chart or Worksheet

Most income shares guidelines incorporate the SSR into the chart. In most earlier versions of income shares chart, it was invisible and not mentioned in the guidelines and not known by guidelines users. For example, the existing Oklahoma chart, which was developed in about 1999, incorporates an SSR of about \$500 per month that is invisible to guidelines users.

Most states that incorporate into the chart now, shade the area where the SSR is applied. As shown in Exhibit 18, Missouri, North Carolina, and proposed Tennessee incorporate the SSR into their charts and shade the area of their chart. Exhibit 19 shows the Missouri and North Carolina charts with the shaded area. Tennessee's proposed chart is not shown because its size does not lend itself well for excerption, but the Tennessee provisions for the chart are shown in Exhibit 19.

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<sup>79</sup> Many states specify a timeline. Specifically, more states are using incarceration of more than 180 days to be congruent with a non-guidelines related federal requirement (45 C.F.R. § 303.8) pertaining to the modification of orders among obligors incarcerated for more than 180 days.

**Exhibit 19: Comparison of Guidelines Provisions Addressing the Subsistence Needs of the Parents**

**Missouri**

**CHILD SUPPORT GUIDELINE REVIEW SCHEDULE**

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0 – 1000	60	60	60	60	60	60
1050	91	94	94	95	95	95
1100	122	127	128	129	130	130
1150	153	161	162	164	164	165
1200	184	194	196	198	199	200
1250	215	228	230	233	234	235
1300	246	261	264	267	269	270
1350	277	295	298	302	303	305
1400	308	328	332	336	338	340
1450	318	362	366	371	373	375
1500	328	395	400	405	408	410
1550	337	429	434	440	442	445
1600	346	462	468	474	477	480
1650	356	496	502	509	512	515
1700	365	529	536	543	547	550
1750	373	543	570	578	581	585
1800	382	556	604	612	616	620
1850	391	569	638	647	651	655
1900	400	582	672	681	686	690
1950	409	594	702	716	720	725
2000	418	607	717	750	755	760
2050	426	620	732	785	790	795
2100	435	633	747	819	825	830
2150	444	645	762	851	859	865
2200	453	658	777	888	894	901
2250	461	670	791	884	929	936
2300	470	683	806	900	964	972
2350	479	695	820	916	998	1007
2400	488	707	835	932	1025	1043
2450	496	720	849	948	1043	1078
2500	505	732	863	964	1061	1114
2550	514	745	878	981	1079	1149
2600	523	758	893	997	1097	1192

For low income cases, when the parent paying support's monthly income from line 3 and corresponding number of children fall into the shaded area of the schedule, two calculations should be completed for lines 8 through 12. First, complete the calculation as normal, using the basic child support amount for the combined adjusted gross incomes from line 3. Next, complete the calculation using only the basic child support amount for the obligor's gross monthly income from line 3, with line 9 consisting of obligor paying 100% of this amount plus the obligor's percentage from line 4 of the line 7 additional child-rearing costs. Line 4 and line 11 shall remain the same as the original calculation. The line 11 overnight percentage credit shall remain the same in both calculations. The lower of the two calculations shall be the parent paying support's basic child support obligation.

**North Carolina**

**Self-Support Reserve: Supporting Parents with Low Incomes**  
 The guidelines include a self-support reserve that ensures that obligated parents have sufficient income to maintain a minimum standard of living based on the 2014 federal poverty level for one person (\$973 per month) for obligated parents with an adjustment gross income of less than \$1,097 the Guidelines require, absent a deviation, the establishment of a minimum support order (\$50). For obligated parents with adjusted gross incomes above \$1,097, the Schedule of Basic Support Obligations incorporates a further adjustment to maintain the self-support reserve for the obligated parent.

If the obligated parent's adjusted gross income falls within the shaded area of the Schedule and Worksheet A is used, the basic child support obligation and the obligated parent's total child support obligation are computed using only the obligated parent's income. In these cases, childcare and health insurance premiums should not be used to calculate the child support obligation. However, payment of these costs or other extraordinary expenses by either parent may be a basis for deviation. This approach prevents disproportionate increases in the child support obligation with moderate increases in income and protects the integrity of the self-support reserve. In all other cases, the basic child support obligation is computed using the combined adjusted gross incomes of both parents.

**Schedule of Basic Support Obligations**

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0 - 1130	50	50	50	50	50	50
1200	66	67	68	68	69	70
1250	101	102	103	104	105	106
1300	135	137	138	140	141	143
1350	170	172	173	175	177	179
1400	204	207	209	211	213	216
1450	239	241	244	247	249	252
1500	273	276	279	282	285	289
1550	295	311	315	318	322	325
1600	304	346	350	354	358	361
1650	313	381	385	390	394	398
1700	321	416	421	425	430	434
1750	330	451	456	461	466	471
1800	338	486	491	496	502	507
1850	347	520	526	531	537	543
1900	355	549	549	566	572	578
1950	364	562	594	601	607	614
2000	372	575	629	636	642	649
2050	381	588	643	670	677	685
2100	389	601	697	705	713	720
2150	398	614	732	740	748	756
2200	406	627	766	775	783	791
2250	415	641	784	809	818	827
2300	423	654	800	844	853	862
2350	432	667	816	879	888	898
2400	440	680	831	914	923	933
2450	449	693	847	947	959	969
2500	457	706	863	964	994	1004
2550	466	719	879	982	1029	1040
2600	474	732	895	1000	1064	1075
2650	483	745	911	1018	1099	1111
2700	491	758	927	1036	1134	1146
2750	500	771	943	1054	1159	1182
2800	508	785	959	1071	1178	1217
2850	517	798	975	1089	1198	1253
2900	525	811	991	1107	1218	1288
2950	534	824	1007	1125	1237	1324
3000	542	837	1023	1142	1257	1359
3050	551	850	1039	1160	1276	1387
3100	560	863	1055	1178	1296	1409
3150	568	876	1071	1196	1315	1430
3200	577	889	1086	1214	1335	1451

**Tennessee  
Proposed**

"Self Support Reserve (SSR) Adjustment" - The minimum amount of income required to meet the basic subsistence needs of a parent as determined under 1240-02-04-.03 is considered the self support reserve. The obligor is eligible for the self support reserve (SSR) adjustment if his/her income falls within the shaded area of the CS Schedule. The SSR adjustment amount shall be compared to the obligor's proportionate share using the combined Adjusted Gross Income (AGI) of the parents to determine the Basic Child Support Obligation (BCSO) from the CS Schedule and multiplying by the Percentage of Income (PI). The lesser amount of the two establishes the Calculated BCSO Owed

(b) Child Support Schedule Assumptions.

2. Self Support Reserve.

(i) The guidelines include a self support reserve (SSR) that ensures obligors have sufficient income to maintain a minimum standard of living based on 110% of the 2018 federal poverty level for one person (\$1,113 net income per month). For obligors with an adjusted monthly gross income of less than one thousand one hundred fifty dollars (\$1,150), the CS Guidelines require, absent a deviation, the establishment of a minimum BCSO (\$65 for one child) if there is not a parenting time adjustment that results in an amount less than the minimum BCSO. For obligors with adjusted monthly gross incomes above one thousand one hundred fifty dollars (\$1,150), the CS Schedule incorporates a further adjustment to maintain the self support reserve for the obligor.

(ii) If the obligor's adjusted monthly gross income falls within the shaded area of the CS Schedule and the self support adjustment is used, the BCSO is computed using only the obligor's income. This shaded area incorporates a SSR of \$1,113 (110% net income of the 2018 federal poverty level for one person). In all other cases, the BCSO is computed using the combined adjusted gross incomes of both parents.

(iii) If the obligation using only the obligor's monthly gross income is an obligation within the shaded area of the CS Schedule, that amount shall be compared to the obligor's proportionate share using both parents' monthly gross incomes. The lesser amount establishes the basic child support obligation. If the self support adjustment is applied, the obligor will not receive the parenting time credit.

(12) Minimum Child Support Order.

(a) These Guidelines are intended to protect a minimum subsistence level for those parents obligated to pay child support whose gross income is one thousand one hundred fifty dollars (\$1,150) per month or less by incorporating a self support reserve adjustment. It is the obligation of all parents to contribute to the support of their children with a minimum order of at least sixty-five dollars (\$65) per month for one child the parenting time adjustment results in an amount less than the minimum BCSO. See 1240-02-04-.09 Child Support Schedule for the minimum order amount for additional children.

(b) This provision does not apply:

1. If the obligor's only source of income is Supplemental Security Income (SSI);
2. When the federal benefit for a child results in a calculation of support owed to be less than the minimum amount; or
3. When the parenting time adjustment results in an amount less than the minimum BCSO.

(c) The Tribunal shall make a written finding upon evidence submitted and taking all circumstances into consideration to set the current obligation at the minimum order amount.

(d) When the child is placed in State custody; the initial child support order may be set at the minimum order amount without using the worksheet.

(e) In its discretion, the Court may deviate from the minimum support order by either setting a higher or lower support order.

Besides making the SSR transparent, shading the area that the SSR serves another purpose: it protects the SSR when the custodial parent has income. Exhibit 20 uses the proposed Arkansas income shares chart in Appendix C to illustrate this. Suppose that each parent has an income of \$1,100 per month and there is one child. In this situation, their combined income would be \$2,000 per month and each parent would be responsible for his or her prorated share (*i.e.*, 50%). This would yield an income shares calculation of \$162 per month (50% of the schedule amount of \$323, which is the chart amount for one child). However, since the obligor's income falls into the shaded area, the support order is set at the lower of two calculations: the income shares calculation (which is \$162 per month) or the chart amount based on the obligated parent's income only, which would be \$125 per month.

<b>Exhibit 20: Excerpt of Proposed Income Shares Chart</b>						
<b>Monthly Chart of Basic Child Support Obligations</b>						
<b>(Self-Support Reserve = \$900/month, Minimum Order = \$125 per month)</b>						
<b>Combined Gross Monthly Income</b>	<b>One Child</b>	<b>Two Children</b>	<b>Three Children</b>	<b>Four Children</b>	<b>Five Children</b>	<b>Six Children</b>
1-1050	125	125	125	125	125	125
1100	140	142	144	146	148	150
1150	175	178	180	183	185	188
1200	203	213	216	219	222	225
1250	211	249	252	256	259	263
1300	218	284	288	292	296	300
1350	226	320	324	329	333	338
1400	234	343	360	365	370	375
1450	241	354	396	402	407	413
1500	249	365	432	438	444	450
1550	256	376	454	475	481	488
1600	264	387	468	511	518	525
1650	271	398	481	537	555	563
1700	279	409	494	552	592	600
1750	286	420	507	567	623	638
1800	293	431	520	581	639	675
1850	301	442	534	596	656	713
1900	308	453	547	611	672	730
1950	316	463	560	626	688	748
2000	323	474	573	640	704	765
2050	330	485	586	654	720	783
2100	338	496	599	669	736	800
2150	345	506	612	683	752	817
2200	352	517	625	698	768	834

In contrast, Exhibit 21 shows how West Virginia includes an SSR of \$500 per month in the worksheet. The advantage of this approach is that it is very transparent. The disadvantage is that Line 10, which takes 80 percent of the difference between the obligor's income and the SSR is awkward. Without it,

every additional dollar of the obligor’s gross income would go to child support, while the reality is that the obligor will owe payroll taxes on each additional dollar earned. That is why West Virginia only takes 80 percent. Addressing this type of issue is easier when the SSR is incorporated into the chart. In general, incorporating the SSR into the chart allows for more flexibility on how the SSR is phased-out and the BR measurements of child-rearing expenditures are phased in.

**Exhibit 21: Excerpt of West Virginia’s Worksheet with SSR**

§48-13-302. Incomes below the table for determining basic child support obligations.  
 If combined adjusted gross income is below \$550 per month, which is the lowest amount of income considered in the table of monthly basic child support obligations set forth in subsection (a) of this section, the basic child support obligation shall be set at \$50 per month or a discretionary amount determined by the court based on the resources and living expenses of the parents and the number of children due support.

<b>PART II. ABILITY TO PAY CALCULATION</b>			
(Complete if the payor parent’s adjusted monthly gross income is below \$1,550.)			
10. Spendable Income (0.80 x line 2 for payor parent only.)			
11. Self Support Reserve	\$500	\$500	
12. Income Available for Support (Line 10 - line 11. If less than \$50, then \$50)			
13. Adjusted Child Support Order (Lessor of Line 9 and Line 12.)			

### Application of the SSR to Both Parents

Few income shares states have adopted SSRs for both parents. All Melson formula<sup>80</sup> states (*i.e.*, Delaware, Hawaii, and Montana) essentially provide each parent with an SSR. Ohio, an income shares state, as shown in Exhibit 18, provides an SSR for each parent in its new guidelines worksheet. (The Ohio legislature recently passed guidelines changes that just became effective in 2019.) Exhibit 22 illustrates how the SSR can be applied to each parent. The strength of this approach is its appearance of fairness by treating the parties equally. However, there are several limitations to the approach. It creates an additional, unnecessary step in the calculation. The additional step does not affect the final order amount. This can be illustrated by adding one dollar’s worth of income to the father (assuming the

<sup>80</sup> The Melson formula is named after the Judge who made the formula popular. It is essentially a hybrid between the income shares model and the percentage-of-obligor income model. It applies an income shares approach for the child’s basic needs; and, then if the obligated parent has any income leftover after paying his or her prorated share of the child’s basic needs and preserving a SSR for him- or herself, a percentage of that remaining income is assigned to child support as well.

father is the obligated parent) in Exhibit 22. It would just increase the order amount from \$200 per month to \$201 per month. Since it does not affect the final order amount, it makes the worksheet unnecessarily cumbersome. It also does not lend itself well to a gradual phase-in/phase-out of SSR adjustment. Essentially, every additional dollar in income would be assigned to child support. This could provide an economic disincentive to earn more, particularly since gross income will be reduced by payroll taxes in addition to increasing the child support order.

<b>Exhibit 22: Illustration of How the SSR Can Be Applied to Both Parents when Parent A Is the Obligated Parent</b>			
<b>Lines from the Worksheet</b>	<b>Parent A</b>	<b>Parent B</b>	<b>Combined</b>
Line 1. Monthly gross income	\$1,100	\$1,100	\$2,200
Line 2. Percentage share of income	50%	50%	
Line 3. Basic child support obligation (table amount for 2 children)			\$517
Line 4. Pro rata basic support obligation	\$259	\$259	
Line 5. Self-Support Reserve (\$900/month)	\$900	\$900	
Line 6. Income available for support (Line 1 minus above Line 5)	\$200	\$200	
Line 7. Preliminary child support obligation (Lower of Line 4 and Line 6 for obligated parent only)	\$200		
Line 8. Minimum order (\$125 for 1 child)	\$125	\$125	
Line 9. Final order Amount (higher of Line 7 and Line 8 for obligated parent only)	\$200		

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#### Application of the SSR before or after Add-Ons

Add-ons, such as child care expenses and the cost of child's health insurance (as shown in Exhibit 7), can increase the order amount significantly. If the SSR adjustment is made after the consideration of add-ons, the SSR will be protected. This can only occur if the SSR is placed in the worksheet. It cannot occur if the SSR is placed in the chart.

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#### Phase-Out of SSR/Phase-In of Economic Evidence of Child-Rearing Expenditures

Besides phasing the SSR out and phasing the economic data on the cost of raising children into the chart, the phase-in/phase-out serves another purpose. It preserves the economic incentive to increase earnings by not assigning every additional dollar to child support. A case example illustrates this point. Suppose that the SSR is \$1,000 and the obligated parent has \$1,050 per month in income and one child. The order would be set at the difference of \$1,050 and \$1,000, which is \$50 per month. If the obligated parent's income increases to \$1,150, what should the order be? If it is \$150 per month, this leaves the obligated parent with less after-tax income because some of that \$100 in increased earnings would be taxed.

Appendix C shows the first page of proposed income shares charts with a SSR of \$900 incorporated in the charts with a phase-out of the SSR based on 70 percent of the difference between the combined

income and the SSR for one child, 71 percent of the difference for two children, and so forth up to 75 percent of the difference for six children.

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#### Comparisons of Existing Guidelines and Proposed Low-Income Adjustment

The purpose of this subsection is to assess the impact of alternative low-income adjustments. This is done using four calculations.

- The order amount under the existing chart;
- The order amount using the income shares chart in Appendix A, which does not include an SSR and does not include a minimum order;
- The order amount using the income shares chart in Appendix C, which includes:
  - An SSR of \$900 per month (the 2019 FPG adjusted for Arkansas prices); and
  - A minimum order of \$125 per month; and
- The order amount using the income shares chart in Appendix A, but providing for:
  - An SSR in the worksheet equivalent of \$1,041 per month (the 2019 FPG for one person);
  - A minimum order of \$60 per month that does not increase with the number of children; and
  - SSR-adjusted order set at 75 percent of the difference between the obligor’s income and the SSR. The percentage is so not each dollar in additional gross income is assigned to child support. It recognizes payroll taxes and the need for a work incentive. Exhibit 23 contains an example of the worksheet.

<b>Exhibit 23: Alternative Low-Income Adjustment in Worksheet</b>			
<b>Lines from the Worksheet</b>	<b>Parent A</b>	<b>Parent B</b>	<b>Combined</b>
Line 1. Monthly gross income	\$1,000	\$1,000	\$2,000
Line 2. Percentage share of income	50%	50%	
Line 3. Basic child support obligation (table amount for one child)			\$264
Line 4. Pro rata basic support obligation	\$ 132	\$ 132	
Line 5. Self-Support Reserve (\$1,041/month)	\$1,041	\$1,041	
Line 6. Income available for support (Line 1 minus above Line 5, enter \$0 if negative)	\$0	\$0	
Line 7. SSR-adjusted amount (Line 6 multiplied by 75%)	\$0	\$0	
Line 8. Preliminary child support obligation (Lower of Line 4 and Line 7 for obligated parent only)	\$0		
Line 9. Minimum order (\$60 per month)	\$60	\$60	
Line 10. Final order amount (higher of Line 8 and Line 9 for obligated parent only)	\$60		

The Appendix C and Exhibit 23 options are just two of several possible configurations for the SSR adjustment. Ultimately, whether to put the SSR adjustment in the worksheet or the chart, the amount of the SSR, the amount of the minimum order, and the phase-in/phase-out of the SSR (or the percentage adjustment in Line 7 of the worksheet shown in Exhibit 23) are policy decisions.

Exhibits 24, 25, and 26 consider four case scenarios for one, two, and three children, respectively.

- The first scenario involves an obligated parent with a gross income of \$1,202 per month, which is equivalent to earnings from 30 hours per week at the Arkansas minimum wage of \$9.25 per hour. The obligee's income is zero.
- In the second scenario, both parent's earn \$1,202 per month.
- The third scenario involves an obligated parent whose only income is from full-time, minimum wage employment (\$1,603 per month).<sup>81</sup>
- In the fourth scenario, both parents earn \$1,603 per month.

As shown in Exhibit 24, the low-income adjustment in Appendix C (an SSR of \$900 per month and a minimum order of \$125) makes no difference in the order amount for one child; that is, it produces the same amount as the income share chart from Appendix A would. It does, however, impact the scenarios for obligors earning \$1,202 per month for two and three children. The last two scenarios involving obligors with incomes of \$1,603 per month (obligors working full-time at the state minimum wage) are not affected by the adjustment in Appendix C. An SSR of \$1,041 per month in the worksheet (as shown in Exhibit 24) does have an impact for one, two, and three children for the scenarios where the obligor has an income of \$1,202 per month, but not the scenarios where the obligor has income of \$1,603 per month. In short, neither adjustment affects full-time, minimum wage earners.

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<sup>81</sup> Arkansas just raised its minimum wage to \$9.25 per hour. For a 40-hour workweek, this would result in an average annual income of \$19,240 per year. This approximates the average annual wage for (\$18,770) entry-level positions for a combined food preparation and serving worker, according to the Arkansas Department of Workforce Services (June 2019) *Arkansas Occupational Employment and Wage Survey*. Retrieved from <http://www.discover.arkansas.gov/Portals/194/Publications/OES%20Wages/OESPub.pdf>.

Exhibit 24: Comparisons of Low-income Adjustment: One Child

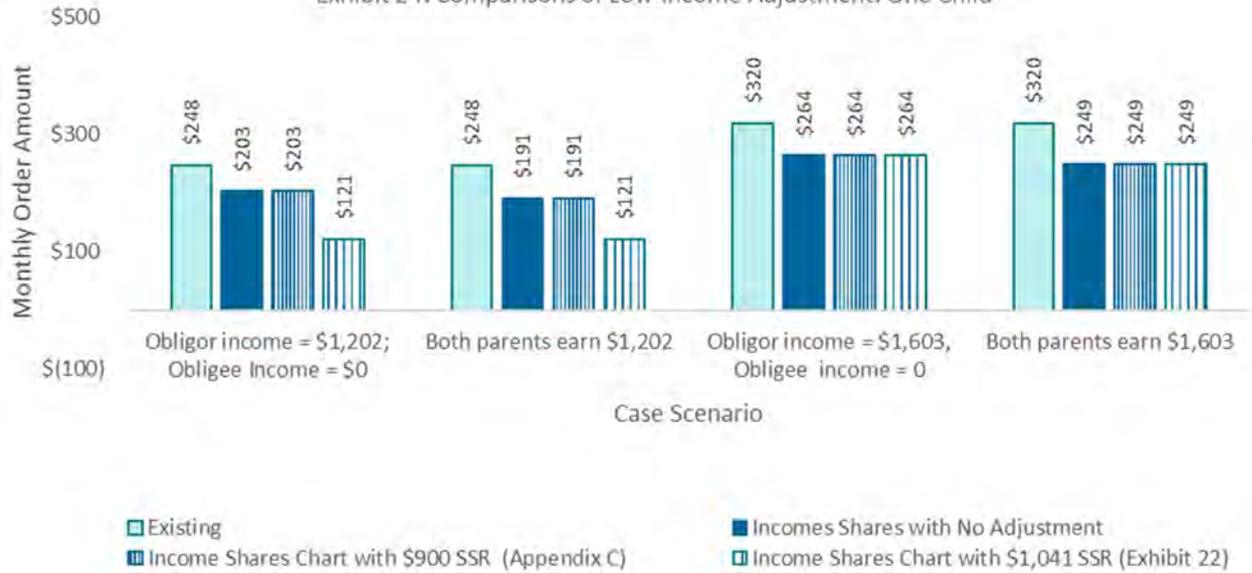


Exhibit 25: Comparisons of Low-income Adjustment: Two Children

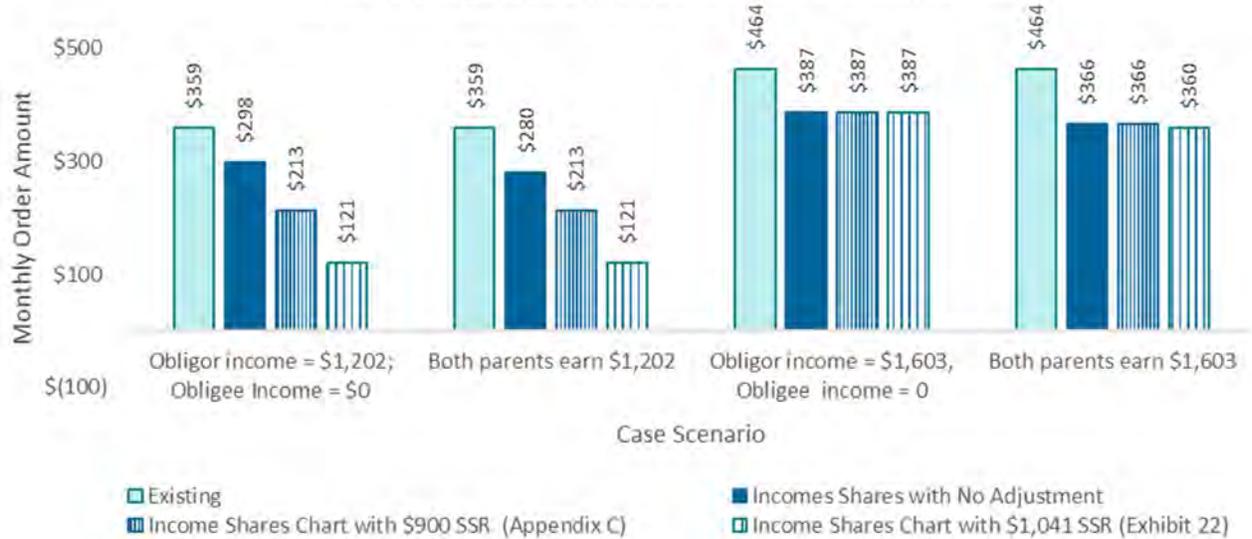
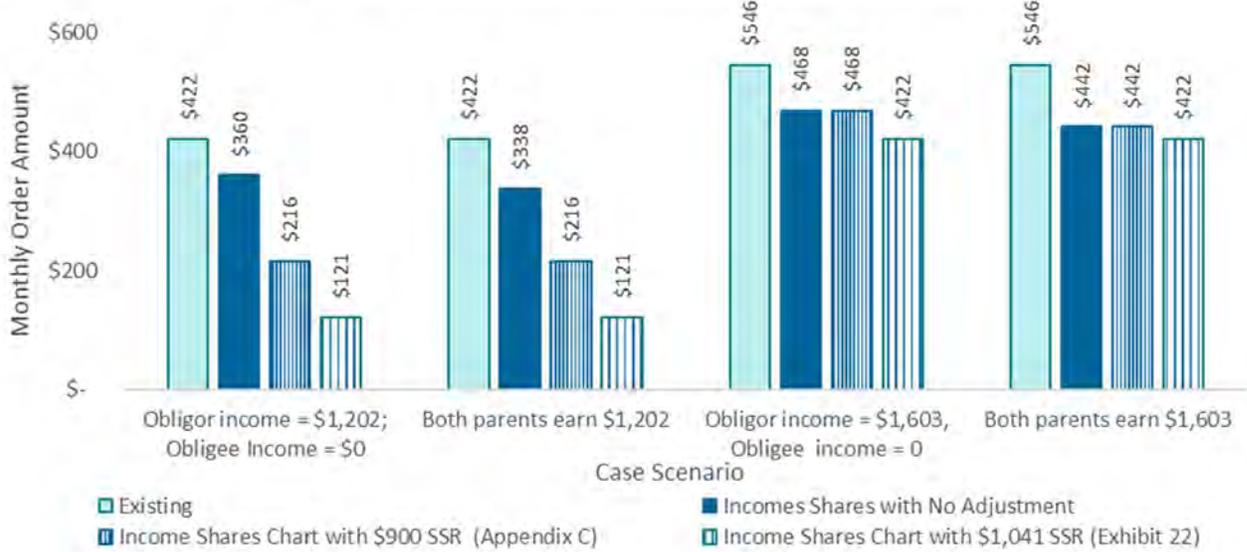


Exhibit 26: Comparisons of Low-income Adjustment: Three Children



Alternative Format of Chart

The existing table considers \$50 increments of income and leaves it to the guidelines user to round down income. Some state use income ranges to avoid rounding income. This is illustrated in Exhibit 27.

Exhibit 27: Alternative Format of Chart Excerpt of Proposed Monthly Chart of Basic Child Support Obligations (Self-Support Reserve = \$900/month, Minimum Order = \$125 per month)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1 - 1050	125	125	125	125	125	125
1051 - 1100	140	142	144	146	148	150
1101 - 1150	175	178	180	183	185	188
1151 - 1200	199	213	216	219	222	225
1201 - 1250	207	249	252	256	259	263
1251 - 1300	214	284	288	292	296	300
1301 - 1350	222	320	324	329	333	338
1351 - 1400	230	337	360	365	370	375
1401 - 1450	237	348	396	402	407	413
1451 - 1500	245	360	432	438	444	450
1501 - 1550	252	371	448	475	481	488
1551 - 1600	260	382	461	511	518	525
1601 - 1650	267	392	474	530	555	563
1901 - 1950	312	458	553	618	680	739
1951 - 2000	319	469	566	633	696	757

## Adjustments for Shared-Parenting Time

Adjustments for shared-parenting time are important. Research generally shows that children do better when both parents are in their children's lives.<sup>82</sup> Father involvement can improve a child's academic success, reduce levels of delinquency, and promote the child's social and emotional well-being.<sup>83</sup> Based on 2015 national data, 48 percent of the custodial parents who were supposed to receive child support reported that the other parent had visitation privileges and 31 percent reported that the other parent had joint custody, either legal or physical or both.<sup>84</sup> Having visitation privileges or joint custody is only part of picture. Another consideration is whether the other parent exercises shared parenting through visitation or physical custody. A 2011 national study finds that among fathers and children living separately, 22 percent have contact more than once a week, 29 percent have contact one to four times a month, 21 percent have contact several times a year, and 27 percent have no visits.<sup>85</sup>

Since most states base their child support chart or formula on child-rearing expenditures in intact families, the chart or basic formula reflects the cost of raising the child in one household. Nonetheless, most state guidelines (38 states) provide a formula for shared physical custody or the nonresidential parent's time with the child. Most adjustments for parenting time are typically made in the worksheet after using the chart/formula to obtain a base amount.<sup>86</sup> Most of the 13 state guidelines without a formula (including the Arkansas guidelines) provide that a judge or decisionmaker can deviate for timesharing arrangements. The states bordering Arkansas that provide a formula include: Louisiana, Missouri, Tennessee, and Oklahoma. The states bordering Arkansas without a formula include Mississippi and Texas.

Additionally, Arkansas provides for an abatement for extended visitation. In general, most states have eliminated abatements over the years. Instead, most states count the time that would be eligible for an abatement (*e.g.*, the three weeks that the child spends with the obligated parent in the summer) toward the number of overnights counted for the shared-parenting adjustment. This not only simplifies the calculation by providing one calculation rather than two calculations, but also eliminates the cumbersome bookkeeping of abatements.<sup>87</sup>

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<sup>82</sup> For example, see U.S. Department of Health and Human Services, Administration for Children and Families. (n.d.) *Pathways to Fatherhood*. Retrieved from <http://www.acf.hhs.gov/programs/ofa/programs/healthy-marriage/responsible-fatherhood>.

<sup>83</sup> Osborne, Cynthia and Ankrum, Nora. (April 2015). "Understanding Today's Changing Families." *Family Court Review*, Vol. 53, No. 2. pp 221–232.

<sup>84</sup> Grall, Timothy. (January 2018.). *Custodial Mothers and Fathers and Their Child Support: 2015* Current Population Reports, U.S. Census Bureau. Retrieved from <https://www.census.gov/content/dam/Census/library/publications/2018/demo/P60-262.pdf> ,

<sup>85</sup> Livingston, Gretchen, and Parker, Kim. (June 2011). *A Tale of Two Fathers: More Are Active, but More Are Absent*. Pew Social & Demographic Trends. Retrieved from. <https://www.pewresearch.org/wp-content/uploads/sites/3/2011/06/fathers-FINAL-report.pdf> .

<sup>86</sup> Notable exceptions are the charts of Kansas and Pennsylvania and Louisiana for the last decade. (Louisiana just changed its chart and the economic basis is still being researched.) Each of these states incorporates an adjustment for the nonresidential parent's direct expenditures on the children for a standard amount of timesharing. For example, Pennsylvania assumes 30-percent timesharing and that the obligated parent will make direct expenditures on the child for the child's food away from home and entertainment (*e.g.*, movie tickets) during this time.

<sup>87</sup>Wyoming was the most recent state to eliminate its abatement. It rolled the parenting time eligible for the abatement into the number of overnights for applying the shared-parenting adjustment in 2018.

Exhibit 28 compares Arkansas’ provisions to those of selected states. Besides the use of abatements, shared-parenting time formulas vary widely. The factors that distinguish state formulas can be categorized into three factors and many subfactors.

- *The criteria for applying the shared-parenting time formula.*
  - Whether a shared-parenting time (custody/visitation) order, parenting plan, or agreement between the parties is required; whether the adjustment is based on actual shared-parenting time; or both.
  - A timesharing criterion for applying the formula (*e.g.*, each parent has the child for at least 10 percent of the child’s time).
  - Other criteria such as above-poverty income or there are actual direct child-rearing expenditures made by the obligated parent.
- *The formula.* The most common adjustment is the cross-credit formula but there are also many other unique formulas.
- *Other Factors.*
  - Whether the state guidelines should address circumstances where parenting-time does not occur as considered in the calculation of the support order; and, if so, how.
  - Whether and how the guidelines should address the sharing of specific child-rearing expenses (*e.g.*, prom dresses or cell phones) between the parties in shared-parenting situations.

<b>Exhibit 28: Comparison of Guidelines Provisions Addressing Shared Parenting Time</b>	
Arkansas	<p>Section VI. Abatement of support during extended visitation.</p> <p>The guidelines assume that the noncustodial parent will have visitation every other weekend and for several weeks during the summer. Excluding weekend visitation with the custodial parent, in those situations in which a child spends in excess of 14 consecutive days with the noncustodial parent, the court should consider whether an adjustment in child support is appropriate, giving consideration to the fixed obligations of the custodial parent which are attributable to the child, to the increased costs of the noncustodial parent associated with the child's visit, and to the relative incomes of both parents. Any partial abatement or reduction of child support should not exceed 50% of the child support obligation during the extended visitation period of more than 14 consecutive days.</p> <p>In situations in which the noncustodial parent has been granted annual visitation in excess of 14 consecutive days, the court may prorate annually the reduction in order to maintain the same amount of monthly child support payments. However, if the noncustodial parent does not exercise said extended visitations during a particular year, the noncustodial parent shall be required to pay the abated amount of child support to the custodial parent.</p>

Louisiana

§315.9. Effect of shared custodial arrangement

A.(1) "Shared custody" means that each parent has physical custody of the child for an approximately equal amount of time.

(2) If there is a joint custody order or joint plan for implementation providing for shared custody, or if the court finds by a preponderance of the evidence that shared custody exists, the basic child support obligation shall first be multiplied by one and one-half and then divided between the parents in proportion to their respective adjusted gross incomes.

(3) Each parent's theoretical child support obligation shall then be cross multiplied by the actual percentage of time the child spends with the other party to determine the basic child support obligation based on the amount of time spent with the other party.

(4) Each parent's proportionate share of work-related net child care costs and extraordinary adjustments to the schedule shall be added to the amount calculated under Paragraph (3) of this Subsection.

(5) Each parent's proportionate share of any direct payments ordered to be made on behalf of the child for net child care costs, the cost of health insurance premiums, extraordinary medical expenses, or other extraordinary expenses shall be deducted from the amount calculated under Paragraph (3) of this Subsection.

(6) The court shall order each parent to pay his proportionate share of all reasonable and necessary uninsured ordinary medical expenses as defined in R.S. 9:315(C)(8) which are under two hundred fifty dollars.

(7) The parent owing the greater amount of child support shall owe to the other parent the difference between the two amounts as a child support obligation. The amount owed shall not be higher than the amount which that parent would have owed if he or she were a domiciliary parent. B. Worksheet B reproduced in R.S. 9:315.20, or a substantially similar form adopted by local court rule, shall be used to determine child support in accordance with this Subsection.

Missouri

Line 11: Adjustment for a portion of amounts expended by the parent obligated to pay support during periods of overnight visitation or custody

Number of Overnights	Adjustment
Less than 36	0%
36-72	6%
73-91	9%
92-109	10%
110-115	13%
116-119	15%
120-125	17%
126-130	20%
131-136	23%
137-141	25%
142-147	27%
148-152	28%
153-158	29%
159-164	30%
165-170	31%
171-175	32%
176-180	33%
181-183	34%

DIRECTION: Enter the monthly amount of any adjustment to which the parent obligated to pay support is entitled for a portion of the amounts expended on the children who are the subject of this proceeding during that parent's periods of overnight visitation or custody. The adjustment shall be calculated by multiplying the basic child support amount from line 5 by the applicable adjustment from the table below. **This adjustment is based on the number of periods of overnight visitation or custody per year awarded to and exercised by the parent obligated to pay support under any order or judgment.** The fact that one or more children subject to the support order are over 18, and pursuant to Section 452.310.11 RSMo, no overnight custody or visitation has been ordered for the child or children over 18, does not preclude application of the

adjustment when circumstances would support an adjustment for periods of overnight time spent with the obligated parent. If the court finds that application of these rules, including the line 11 credit, are unjust and inappropriate, it may apply an overnight visitation or custody adjustment of over 34% and up to 50% based upon the circumstances of the parties. In particular, in deciding whether to apply an additional credit, the court should consider the presence and amount of disparity between the incomes of the parties, giving more weight to those disparities in the parties'

income of less than 20%; as well as considering which parent is responsible for the majority of the non-duplicated fixed expenditures, such as routine clothing costs, costs for extracurricular activities, school supplies, and any other similar non-duplicated fixed expenditures.

CAVEAT: Except as provided in the next paragraph, an adjustment on line 11 shall not be allowed unless the adjusted monthly gross income of the parent entitled to receive support (line 3) exceeds the amounts set forth in the table below for the appropriate number of children.

1 child	2 children	3 children	4 children	5 children	6 children
\$1,400	\$1,700	\$1,900	\$2,100	\$2,350	\$2,550

Notwithstanding the amounts set forth in the table above, an adjustment may be given if: (1) The parent entitled to receive support is unemployed or underemployed because the expenses of that parent are paid, in whole or in part, by a person with whom that parent cohabits, or (2) The adjusted monthly gross income of the parent obligated to pay support (line 3) less the presumed child support amount (line 12) is equal to or less than the amounts set forth in the table above for the appropriate number of children. A. COMMENT: If an award of custody results in a child or children spending substantially equal time with both parents, the adjustment for the obligated parent may be determined after considering all relevant factors, including those set forth in

B. COMMENT: The presumed child support amount is not unjust or inappropriate if the parent obligated to pay support receives an adjustment greater than 10% if that parent is awarded periods of overnight visitation or custody of more than 109 days per year. C. COMMENT: In any proceeding to establish a child support order or to modify the support payable under an existing order, the adjustment on line 11 may be rebutted if the parent obligated to pay support: (1) Without fault of the parent entitled to receive support, does not exercise the periods of overnight visitation or custody with the children who are the subject of this proceeding awarded under any order or judgment, (2) Does not incur significant expenditures as a result of exercise of the periods of overnight visitation or custody awarded under any order or judgment, or (3) Without fault of the parent entitled to receive support, exercises the periods of overnight visitation or custody awarded under any order or judgment with some but not all of the children who are the subject of this proceeding.

**Minnesota**

518A.36 PARENTING EXPENSE ADJUSTMENT.  
Subdivision 1. General.

(a) The parenting expense adjustment under this section reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, clothing, transportation, recreation, and household expenses. Every child support order shall specify the percentage of parenting time granted to or presumed for each parent. For purposes of this section, the percentage of parenting time means the percentage of time a child is scheduled to spend with the parent during a calendar year according to a court order averaged over a two-year period. Parenting time includes time with the child whether it is designated as visitation, physical custody, or parenting time. The percentage of parenting time may be determined by calculating the number of overnights or overnight equivalents that a parent spends with a child pursuant to a court order. For purposes of this section, overnight equivalents are calculated by using a method other than overnights if the parent has significant time periods on separate days where the child is in the parent's physical custody and under the direct care of the parent but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.

(b) If there is not a court order awarding parenting time, the court shall determine the child support award without consideration of the parenting expense adjustment. If a parenting time order is subsequently issued or is issued in the same proceeding, then the child support order shall include application of the parenting expense adjustment.

Subd. 2. Calculation of parenting expense adjustment.

(a) For the purposes of this section, the following terms have the meanings given:

(1) "parent A" means the parent with whom the child or children will spend the least number of overnights under the court order; and

	<p>(2) "parent B" means the parent with whom the child or children will spend the greatest number of overnights under the court order.</p> <p>(b) The court shall apply the following formula to determine which parent is the obligor and calculate the basic support obligation:</p> <p>(1) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent A;</p> <p>(2) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent B;</p> <p>(3) multiply the result of clause (1) times parent B's share of the combined basic support obligation as determined in section <a href="#">518A.34</a>, paragraph (b), clause (5);</p> <p>(4) multiply the result of clause (2) times parent A's share of the combined basic support obligation as determined in section <a href="#">518A.34</a>, paragraph (b), clause (5);</p> <p>(5) subtract the result of clause (4) from the result of clause (3); and</p> <p>(6) divide the result of clause (5) by the sum of clauses (1) and (2).</p> <p>(c) If the result is a negative number, parent A is the obligor, the negative number becomes its positive equivalent, and the result is the basic support obligation. If the result is a positive number, parent B is the obligor and the result is the basic support obligation.</p> <p>Subd. 3. Calculation of basic support when parenting time is equal.</p> <p>If the parenting time is equal and the parental incomes for determining child support of the parents also are equal, no basic support shall be paid unless the court determines that the expenses for the child are not equally shared.</p>
Nebraska	<p>§ 4-212. Joint physical custody.</p> <p>When a specific provision for joint physical custody is ordered and each party's parenting time exceeds 142 days per year, it is a rebuttable presumption that support shall be calculated using worksheet 3 [cross-credit with 1.5 multiplier]. When a specific provision for joint physical custody is ordered and one party's parenting time is 109 to 142 days per year, the use of worksheet 3 [cross-credit with 1.5 multiplier] to calculate support is at the discretion of the court. If child support is determined under this paragraph, all reasonable and necessary direct expenditures made solely for the child(ren) such as clothing and extracurricular activities shall be allocated between the parents, but shall not exceed the proportion of the obligor's parental contributions (worksheet 1, line 6). For purposes of these guidelines, a "day" shall be generally defined as including an overnight period.</p>
New Jersey	<p>d. Unless the parties otherwise agree, the final child support order shall not be based on a calculated shared-parenting award if:</p> <p>(1) the PPR's weekly household net income (including means-tested income such as TANF and the net income of other adults living in the household) plus the shared-parenting child support award is less than two times the U.S. poverty guideline for the number of persons in the household (PPR household income thresholds are shown in table below); or</p> <p>(2) in any case, the court finds that the net income of the primary household remaining after the calculation of the shared-parenting award is not sufficient to maintain the household for the child. When evaluating the adequacy of the primary household's total income, the court shall consider the cost of living in the region where the child resides (e.g., the average cost of housing, food, and transportation).</p> <p>Shared Parenting - A Parent of Primary Residence (PPR) is a parent who provides a residence for the child for more than 50% of overnights annually or, if sharing is equal, provides the residence for the child while he or she is attending school. The PPR may be either the obligee or obligor depending on the parents' income and amount of time spent with the child. A Parent of Alternate Residence (PAR) is a parent who provides an overnight residence for the child when he or she is not with the PPR. See Appendix IXA, paragraphs 14(b) and 14(c).</p> <p>Shared Parenting - The Shared-Parenting Worksheet (Appendix IX-D) shall be used if the Parent of Alternate Residence has the child for the substantial equivalent of two or more overnights per week, excluding extended PAR Time (e.g., vacations) and has shown that separate living accommodations for the child are provided in the alternate household (see shared parenting standards in Appendix IX-A, paragraph 14(c)).</p> <p>Non-Compliance with Parenting Plan - If an award is adjusted prospectively for shared-parenting time and the PAR, over a reasonable period, does not conform with the shared-parenting schedule included in a parenting plan or court order, the PPR may file an application with the Family Division requesting that the child support order be adjusted to reflect the level of PAR Time that is being exercised. A simple application for this</p>

	<p>purpose shall be made available to parents by the Family Division of the Superior Court to ensure that the affected children receive the financial support that is needed. If shared-parenting time was used to adjust the child support award and the court finds that the PAR, over a reasonable period, failed to comply with the shared-parenting schedule, the child support award shall be recalculated to reflect the actual PAR Time that is being exercised. Alternatively, the court may adjust the award to a zero shared-parenting level until the PAR shows that shared-parenting time is actually being exercised. Where possible, the court shall hear and decide applications to recalculate child support due to a parent's failure to comply with a shared-parenting schedule in a summary manner. The determination of the effective date of any modification shall be consistent with N.J.S.A. 2A:17-56.23a unless otherwise ordered by the court. If the court finds that a parent willfully failed to comply with a parenting time provision or entered into such a provision merely to reduce the child support award, it may award counsel fees to a PPR in addition to adjusting the amount of support as provided in this paragraph.</p>
<p>North Carolina</p>	<p>Use Worksheet B when (a) the parents share custody of all of the children for whom support is being determined, or (b) when one parent has primary physical custody of one or more of the children and the parents share custody of another child. Parents share custody of a child if the child lives with each parent for at least 123 nights during the year and each parent assumes financial responsibility for the child's expenses during the time the child lives with that parent. A parent does not have shared custody of a child when that parent has visitation rights that allow the child to spend less than 123 nights per year with the parent and the other parent has primary physical custody of the child. Shared custody is determined without regard to whether a parent has primary, shared, or joint legal custody of a child. Do not apply the self sufficiency reserve incorporated into the shaded area of the schedule when using Worksheet B</p>
<p>Oklahoma</p>	<p>9. "Overnight" means the child is in the physical custody and control of a parent for an overnight period of at least twelve (12) hours, and that parent has made a reasonable expenditure of resources for the care of the child;</p> <p>§43-118E. Parenting time adjustment - Reduction in child support obligation.</p> <p>A. Parenting time adjustment.</p> <ol style="list-style-type: none"> <li>1. The adjustment may be granted based upon a court order or agreement that the noncustodial parent is granted at least one hundred twenty-one (121) overnights of parenting time per twelve-month period with the children in the case under consideration.</li> <li>2. Average parenting time. If there are multiple children for whom support is being calculated, and the parent seeking the parenting time adjustment is spending a different amount of time with each child, then an annual average of parenting time with all of the children shall be calculated.</li> </ol> <p>B. In cases of split physical custody, either parent may be eligible for a parenting time adjustment.</p> <p>C. Parenting time adjustments are not mandatory, but presumptive. The presumption may be rebutted in a case where the circumstances indicate the adjustment is not in the best interest of the child or that the increased parenting time by the noncustodial parent does not result in greater expenditures which would justify a reduction in the support obligation.</p> <p>D. Reduction in child support obligation for additional parenting time.</p> <ol style="list-style-type: none"> <li>1. If the parent receiving the parenting time adjustment is granted one hundred twenty-one (121) or more overnights of parenting time per twelve-month period with a child, or an average of one hundred twenty-one (121) overnights with all applicable children, a reduction to the child support obligation of the parent may be made as set forth in this section.</li> <li>2. A parenting time adjustment shall be made to the base monthly child support obligation by the following formula: The total combined base monthly child support obligation shall be multiplied by a factor determined by the number of overnights granted to the noncustodial</li> </ol>

parent. The result shall be designated the adjusted combined child support obligation. In a case where the noncustodial parent is granted:

a. one hundred twenty-one (121) overnights to one hundred thirty-one (131) overnights, the factor shall be two (2),

b. one hundred thirty-two (132) overnights to one hundred forty-three (143) overnights, the factor shall be one and three-quarters (1.75), or

c. one hundred forty-four (144) or more overnights, the factor shall be one and one-half (1.5).

3. To determine the adjusted child support obligation of each parent, the adjusted combined child support obligation shall be divided between the parents in proportion to their respective adjusted gross incomes.

4.a. The percentage of time a child spends with each parent shall be calculated by determining the number of overnights for each parent and dividing that number by three hundred sixty-five (365).

b. The share of the adjusted combined child support obligation for each parent shall then be multiplied by the percentage of time the child spends with the other parent to determine the base child support obligation owed to the other parent.

c. The respective adjusted base child support obligations for each parent are then offset, with the parent owing more base child support paying the difference between the two amounts to the other parent. The base child support obligation of the parent owing the lesser amount is then set at zero dollars (\$0.00).

5. The parent owing the greater amount of base child support shall pay the difference between the two amounts as a child support order. In no event shall the provisions of this paragraph be construed to authorize or allow the payment of child support by a parent having more than two hundred five (205) overnights. In no event shall the amount of child support ordered to be paid by a parent exceed the amount which would otherwise be ordered if the parent was not eligible for the parenting time adjustment.

E. 1. Failure to exercise or exercising more than the number of overnights upon which the parenting time adjustment is based, is a material change of circumstances.

2. If the court finds that the obligor has failed to exercise a significant number of the overnights provided in the court order necessary to receive the parenting time adjustment, in a proceeding to modify the child support order, the court may establish the amount that the obligor has underpaid due to the application of the parenting time adjustment as a child support judgment that may be enforced in the same manner as any other child support judgment.

3. The court may rule that the obligor will not receive the parenting time adjustment for the next twelve-month period. After a twelve-month period during which the obligor did not receive the parenting time adjustment, the obligor may petition the court to modify the child support order. The obligor may be granted a prospective parenting time adjustment upon a showing that the obligor has actually exercised the threshold number of overnights in the preceding twelve (12) months. No retroactive modification or credit from the child support guidelines amount shall be granted based on this section.

Oregon

137-050-0730 Parenting Time Credit

(1) For the purposes of this rule:

(a) "Primary physical custody" means the parent provides the primary residence for the child and is responsible for the majority of the day-to-day decisions concerning the child.<sup>1</sup>

(b) "Split custody" means that there are two or more children and each parent has at least one child more than 50 percent of the time.

(2) If there is a current<sup>2</sup> written parenting time agreement or court order providing for parenting time, calculate each parent's overnights for the minor children<sup>3</sup> as follows<sup>4</sup>:

(a) Determine the average number of overnights using two consecutive years.<sup>5</sup>

(b) Add the total number of overnights the parent is allowed with each minor child and divide by the total number of minor children

1 Commentary: A parent may be ordered to pay child support notwithstanding that parent's status as the custodial parent. Under ORS 25.240, a parent may be ordered to pay support attributable to those periods of time when s/he does not have physical custody of the children. Matter of Marriage of Greenfield, 130 Or App 632, 635-36 (1994).

2 Commentary: The word "current" in "a current written parenting time agreement or court order providing for parenting time" acknowledges those situations where the current parenting time situation is not reflected in the last court order or written agreement. For example, assume Mother has custody of the child and Father has a court order for 30% parenting time. At some point, the child goes to live with the Father, and Mother now exercises parenting time. Father seeks a support order, but the existing custody order has never been changed. Pursuant to ORS 25.240, the parent with primary physical custody (now, the Father) may get a support order, regardless of the terms of the last custody order. In this circumstance, the existing custody (or parenting time) order is not "current" and, therefore, would not be used to calculate parenting time for child support. Support is calculated with no shared parenting time until a new written parenting time agreement or court order providing for parenting time is entered.

3 Commentary: Parenting time is calculated based on minor children and those 18-year-olds attending high school and living with a parent. See ORS chapter 107; Matter of Marriage of Smith, 44 Or App 635, 641 (1980); Matter of Marriage of Miller, 62 Or App 371, 374 (1983).

4. Commentary: Where the child support computation will be submitted as part of a petition that includes parenting time, the calculation should reflect the parenting time included in the action. This applies primarily to private actions for dissolution (under ORS Chapter 107) and establishing paternity and/or parenting time for unmarried parents (under ORS Chapter 109). The Child Support Program will continue to require a written agreement or court order in order to consider shared parenting time in administrative actions.

(c) Notwithstanding the calculation provided in subsections (2)(a) and (2)(b), parenting time may be determined using a method other than overnights if the parents have an alternative parenting time schedule in which a parent has significant time periods where the minor child is in the parent's physical custody but does not stay overnight. For example, in lieu of overnights, 12 continuous hours may be counted as one day. Additionally, blocks of time of four hours up to 12-hours may be counted as half-days, but not in conjunction with overnights. Regardless of the method used, blocks of time may not be used to equal more than one full day per 24-hour period.

(3) If the parents have split custody but no written parenting time agreement, determine each parent's parenting time overnights by dividing the number of minor children with the parent by the total number of children and multiplying by 365.

(4) If there is no current written parenting time agreement or court order providing for parenting time, the parent or party having primary physical custody of the minor child will be treated as having all of the parenting time for that child unless a court or administrative law judge determines actual parenting time.

(5) If the court or administrative law judge determines actual parenting time exercised by a parent is different than what is provided in a written parenting plan or court order, the parenting time overnights may be calculated using the actual parenting time exercised by the parent.<sup>6</sup>

(6) Determine each parent's parenting time credit percentage as follows:

credit percentage =  $1 / (1 + e^{-7.14 * ((\text{overnights} / 365) - 0.5)}) - 2.74\% + (2 * 2.74\% * (\text{overnights} / 365))$

(a) The precisely computed credit percentage is preferred. However, where this is impractical (for example, when calculating support by hand) an approximate credit percentage can be determined by referencing the table at the end of this rule using the parents' average overnights determined in step 2, 3, or 4, rounding up or down to the nearest whole number of overnights.

(7) To determine the amount of each parent's parenting time credit:<sup>7,8</sup>

6 Commentary: A finding of actual parenting time does not alter the written parenting time agreement or court order. If the parties want the written parenting time agreement to reflect the actual parenting time exercised the parties will need to amend the written parenting time agreement through the judicial process or stipulate to a new written parenting time agreement.

7 Commentary: This rule applies to parents whose child lives with a caretaker or is in state care. The caretaker has no obligation and needs no credit, but a credit is computed for each parent with parenting time.

8 Commentary: The assumptions underlying the formula include: • Any parenting time creates some expenses for the parent • Low levels of parenting time result in low levels of expenses, because there are fewer fixed, duplicated expenses like housing, and do not significantly decrease the expenses of the parent with greater parenting time. • Higher levels of parenting time increase the likelihood that the parents will incur fixed, duplicated expenses. • At equal parenting time, parents' expenses are most likely to be equal.

(a) Determine the minor children's portion of the combined basic support obligation, as determined in OAR 137-050-0725(2), by dividing the combined basic support obligation by the total number of minor children and children attending school and multiply the result by the number of minor children only.

(b) Multiply the result by each parent's parenting time credit percentage.

Table: Parenting Time Credit Percentage by Number of Overnights

Overnights	Credit %	Overnights	Credit %	Overnights	Credit %	Overnights
0	0	36	0.0319	72	0.0867	108
1	0.0007	37	0.033	73	0.0887	109
2	0.0014	38	0.0342	74	0.0907	110
3	0.0021	39	0.0354	75	0.0927	111
4	0.0028	40	0.0366	76	0.0948	112
5	0.0035	41	0.0378	77	0.0968	113
6	0.0042	42	0.0391	78	0.099	114
7	0.0049	43	0.0404	79	0.1011	115
8	0.0057	44	0.0416	80	0.1033	116
9	0.0065	45	0.043	81	0.1055	117
10	0.0072	46	0.0443	82	0.1077	118
11	0.008	47	0.0456	83	0.11	119
12	0.0088	48	0.047	84	0.1123	120
13	0.0096	49	0.0484	85	0.1147	121
14	0.0104	50	0.0498	86	0.117	122
15	0.0113	51	0.0512	87	0.1194	123
16	0.0121	52	0.0527	88	0.1219	124
17	0.0129	53	0.0541	89	0.1243	125
18	0.0138	54	0.0556	90	0.1268	126
19	0.0147	55	0.0571	91	0.1294	127
20	0.0156	56	0.0587	92	0.1319	128
21	0.0165	57	0.0602	93	0.1345	129
22	0.0174	58	0.0618	94	0.1372	130
23	0.0184	59	0.0634	95	0.1398	131
24	0.0193	60	0.0651	96	0.1425	132
25	0.0203	61	0.0667	97	0.1453	133
26	0.0212	62	0.0684	98	0.148	134
27	0.0222	63	0.0701	99	0.1508	135
28	0.0232	64	0.0719	100	0.1537	136
29	0.0243	65	0.0736	101	0.1566	137
30	0.0253	66	0.0754	102	0.1595	138
31	0.0264	67	0.0772	103	0.1624	139
32	0.0274	68	0.0791	104	0.1654	140
33	0.0285	69	0.0809	105	0.1684	141
34	0.0296	70	0.0828	106	0.1715	142
35	0.0308	71	0.0847	107	0.1746	143
...	...	...	...	...	...	...

South  
Dakota

25-7-6.27. Shared parenting child support cross credit. If a custody order by the court, contains a detailed shared parenting plan which provides that the child will reside no less than one hundred

eighty nights per calendar year in each parent's home, and that the parents will share the duties and responsibilities of parenting the child and the expenses of the child in proportion to their incomes, the court may, if deemed appropriate under the circumstances, grant a cross credit on the amount of the child support obligation based on the number of nights the child resides with each parent. The shared parenting child support cross credit shall be calculated as follows:

- (1) Multiply the parents' combined child support obligation under the schedule by 1.5 to establish the parents' combined shared parenting child support obligation;
- (2) Multiply the combined shared parenting child support obligation by each parent's percentage share of the parents' combined net incomes to establish each parent's shared parenting child support obligation;
- (3) Multiply each parent's shared parenting child support obligation by the percentage of nights the child resides with each parent based on a three hundred sixty-five day calendar year to establish each parent's prorated shared parenting child support obligation;
- (4) Offset the parents' prorated shared parenting child support obligations; and
- (5) The parent with the larger prorated shared parenting child support obligation shall pay the difference between these amounts.

In deciding whether a shared parenting child support cross credit is appropriate, the court shall consider whether it would have a substantial negative effect on the child's standard of living.

It is presumed that the parenting time is exercised. If the parenting time exercised substantially deviates from the parenting time ordered, either party may petition the court for a modification of the support order without showing any other change in circumstances.

Tennessee

7) Adjustment for Parenting Time.

(a) These Guidelines presume that, in Tennessee, when parents live separately, the children will typically reside primarily with one parent, the PRP, and stay with the other parent, the ARP, a minimum of every other weekend from Friday to Sunday, two (2) weeks in the summer, and two (2) weeks during holidays throughout the year, for a total of eighty (80) days per year. The Guidelines also recognize that some families may have different parenting situations and, thus, allow for an adjustment in the child support obligation, as appropriate, in compliance with the criteria specified below.

(b) Parenting Time.

1. The adjustment is based upon the ARP's number of days of parenting time with the children in the case under consideration.

2. Fifty-Fifty / Equal-Parenting Situations.

In this situation, there is ...

(i) Fifty-Fifty / Equal-Parenting. ...

(ii) Fifty-Fifty / Equal-Parenting Combined with Split Parenting. ...

(iii) Fifty-Fifty / Equal-Parenting Combined with Standard Parenting. ...

(h) Reduction in Child Support Obligation for Additional Parenting Time.

1. If the ARP spends ninety-two (92) or more days per calendar year with a child, or an average of ninety-two (92) days with all applicable children, an assumption is made that the ARP is making greater expenditures on the child during his/her parenting time for transferred costs such as food and/or is making greater expenditures for child-rearing expenses for items that are duplicated between the two (2) households (e.g., housing or clothing). A reduction to the ARP's child support obligation may be made to account for these transferred and duplicated expenses, as set forth in this chapter. The amount of the additional expenses is determined by using a mathematical formula that changes according to the number of days the ARP spends with the child and the amount of the BCSO. The mathematical formula is called a "variable multiplier."

2. Upon reaching the threshold of ninety-two (92) days, the variable multiplier shall be applied to the BCSO, which will increase the amount of the BCSO in relation to the ARP's parenting time, in order to account for the child-rearing expenses incurred by the ARP during parenting time. These additional expenses are divided between the parents according to each parent's PI. The PRP's share of these additional expenses represents an amount owed by the PRP to the ARP and is applied as a credit against the ARP's obligation to the PRP.
3. The presumption that more parenting time by the ARP results in greater expenditures which should result in a reduction to the ARP's support obligation may be rebutted by evidence.
4. Calculation of the Parenting Time Credit.
  - (i) First, the variable multiplier is determined by multiplying a standard per diem of .0109589 [ $2 / 182.5$ ] by the ARP's parenting time determined pursuant to paragraph (7)(b) above. For example, the 94 days of parenting time calculated in the example from paragraph (7)(b)4(i) is multiplied by .0109589, resulting in a variable multiplier of 1.0301366 [ $94 \times .0109589$ ].
  - (ii) Second, the variable multiplier calculated in subpart (i) above is applied to the amount of the parties' total BCSO, which results in an adjusted BCSO. For example, application of the variable multiplier determined above for ninety-four (94) days of parenting time to a BCSO of one thousand dollars (\$1000) would result in an adjusted BCSO of one thousand thirty dollars and fourteen cents (\$1030.14) [ $\$1000 \times 1.0301366$ ].
  - (iii) Third, the amount of the BCSO is subtracted from the adjusted BCSO. The difference is the child-rearing expenses associated with the ARP's additional parenting time. In the example above, the additional child-rearing expenses associated with the ninety-four (94) days of parenting time would be thirty dollars and fourteen cents (\$30.14) [ $\$1030.14 - \$1000$ ].
  - (iv) The additional child-rearing expenses determined in subpart (iii) above are prorated between the parents according to each parent's percentage of income (PI). The PRP's share of these additional expenses is applied as an adjustment against the ARP's pro-rata share of the original BCSO. For instance, if the PRP's PI is forty percent (40%), the PRP's share of the additional expenses in the example above would be twelve dollars and six cents (\$12.06) [ $\$30.14 \times 40\%$ ]. The twelve dollars and six cents (\$12.06) is applied as a credit against the ARP's share of the BCSO, resulting in a child support obligation for the ARP of five hundred eighty seven dollars and ninety-four cents (\$587.94) [ $\$1000 \times 60\% = \$600 - \$12.06$ ].

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## Criteria for Adjustment

### *Actual Parenting Time or Ordered Parenting-Time*

Many state guidelines (*e.g.*, Minnesota as shown in Exhibit 28) provide that there must be a court order, parenting plan, and/or agreement between the parties for the shared-parenting time adjustment to be applied. In addition, some states require that the order be exercised for the adjustment to be applied (*e.g.*, Missouri). Nonetheless, some state guidelines apply the adjustment be based on "actual custody or timesharing." Consideration of actual timesharing works better in situations where the children change their primary residence from one parent's residence to another parent's residence without officially changing the custody or visitation order. Parents often perceive that there are barriers to custody changes (*e.g.*, court filing fees and custody evaluations). In these situations, the courts may look at school records or similar information to verify the children are indeed living with a particular parent. As shown in Exhibit 28, North Carolina is based on the actual timesharing arrangement; whereas Oregon requires an agreement between the parties or a court order but also provides for court discretion based on the child's actual time.

### *Timesharing Threshold*

There are two sub-issues concerning this criterion: how overnights/days are defined; and the percentage of days/overnights used for the adjustment. States provide for different definitions of “days” or “overnights.” The challenge is providing for timesharing arrangements for parents with non-traditional schedules, such as a parent who works night shift and cares for the child part of the day, but does not have the child overnight. Oregon, as shown in Exhibit 28, addresses this by providing for alternative definitions when counting overnights does not adequately capture the amount of shared-parenting time in non-traditional schedules. Minnesota also provides for “overnight equivalents.” In contrast, Oklahoma provides a definition of overnight that consists of at least 12-hour blocks.

The threshold refers to the minimum amount of time that the obligated parent must have to obtain an adjustment. The threshold ties into the actual formula for the adjustment since some formulas work better with certain thresholds. Exhibit 29 shows the timesharing thresholds for each state’s formula. Most of the states with lower thresholds have more complex formulas (*e.g.*, Oregon). Most states using the “cross-credit formula,” (the most commonly used formula) set the threshold at 25 percent to nearly equal timesharing.

Exhibit 29: Time-Sharing Thresholds for Applying Formulas Adjusting for Parenting-Time/Shared Custody	
Threshold for Shared-Parenting Time Adjustment	States
1-10% parenting time	7 states (AZ, CA, MI, MN, MO, NJ, OR)
11-15% parenting time	1 state (IN)
16-20% parenting time	None
21-25% parenting time	7 states (CO, DE, ID, TN, VT, VA, WI)
26-30% parenting time	8 states (AK, MT, NE, ND, NM, SC, UT)
31-35% parenting time	8 states (DC, IA, KS, MA, MD, NC, OK, WV)
36-40% parenting time	4 states (HI, IL PA, WY)
41-45% parenting time	None
46-50% parenting time	4 states (KS, LA, ME, SD)
States with a Presumptive Formula	38 states
States without a Presumptive Formula	13 states (AL, AR, CT, FL*, GA, KY, MS, NV, RI, NH, NY, TX, WA)

\*Florida specifies a deviation is permissible for more than 20% timesharing. Kansas provides a formula for 35% or more timesharing.

### *Other Criteria*

New Jersey, as shown in Exhibit 28, provides two additional criteria. The shared-parenting time adjustment applies only if the custodial-parent’s household income is above 200 percent of the federal poverty guidelines and it is “shown that separate living accommodations for the child are provided in the alternate household.” North Carolina has a similar additional criterion: it provides that “each parent assumes financial responsibility for the child’s expenses during the time the child lives with that parent.”

South Dakota takes it a step further and requires a parenting plan that details the duties and responsibilities of parenting the child-rearing expenses.

On a related note, excluding the SSR-adjustment from shared custody (*e.g.*, see North Carolina in Exhibit 28) and split custody calculations eases the calculation and avoids the application of the minimum order in shared- custody and split-custody situations.

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#### Formula for Adjusting for Shared-Parenting Time

With the exception of the cross-credit formula and the Minnesota/Michigan formula, most adjustment formulas for shared-parenting time are unique to a particular state. In other words, there are 16 formulas to adjust for parenting time that are just used in one state. Nonetheless, Exhibit 30 attempts to categorize these timesharing formulas.

Exhibit 30: Shared-Parenting Time Formulas in State Guidelines	
Formula	States
Cross-Credit with 1.5 Multiplier	17 states (AK, CO, DC, IL, ID, LA, ME, MD, NE, NC, NM, SC, SD, VT, WV, WY, WI)
Cross-Credit with No or Alternative Multiplier	3 states (MT, OK, VA)
Simple Percentage or Sliding Scale Adjustment	6 states (AZ, DE, IA, KS, OH, UT)
Consideration of Transferable and Fixed Expenses	3 states (IN, MO, NJ)
Non-Linear Formulas	3 states (MI, MN, OR)
Per Diem Adjustment	4 states (HI, PA*, ND, TN)
Unique Formula	2 states (CA, MA)
States with a Formula	38 states
States without a Formula	13 states (AL, AR, CT, FL, GA, KY, MS, NV, RI, NH, NY, TX, WA)

\*PA also provides a small adjustment in its table for ordinary timesharing costs assuming standard parenting-time arrangement.

#### *Cross-Credit Formula*

The only timesharing formula that more than two state guidelines use is the cross-credit formula: 20 states use it including the bordering states of Louisiana and Oklahoma. It essentially consists of calculating a theoretical order for each parent using the sole-custody calculation but weighing it by the percentage of time the child is with the other parent; then, subtracting the smaller theoretical order from the larger theoretical order. The difference is the amount of child support owed by the parent with the larger theoretical order. Exhibit 31 shows an example of cross-credit formula based on the proposed income shares chart for Arkansas. It also called the “offset” formula. The last line is optional, but useful when the state has a low timesharing threshold for application of the timesharing formula (*e.g.*, 25%).

All but one state guidelines that provide for the cross-credit formula apply a “multiplier” to the basic obligation from the chart to account for it costing more to raise a child in two households than it does in one household due to the parents duplicated some child-rearing expenses such as housing. Most states (including the bordering states of Louisiana and Oklahoma) use a multiplier of 150 percent. In other words, the premise is that it costs 150 percent more to raise a child in two households than it does in one household. The impact of the multiplier is discussed and shown later.

**Exhibit 31: Example of Cross-Credit Approach Used to Adjust for Shared-Parenting Time**

Line		Parent A	Parent B	Combined
1	Monthly Gross Income	\$4,000	\$3,000	\$7,000
2	Percentage Share of Income	57%	43%	100%
3	Basic Obligation for 1 Child (Line 1 combined applied to Chart)			\$ 891
4	Each Parent’s Share (Line 3 x each parent’s Line 2)	\$508	\$383	
5	Shared Custody Basic Obligation (Line 3 x 1.5)			\$1,336
6	Each Parent’s Share (Line 5 x each parent’s Line 2)	\$762	\$574	
7	Overnights with Each Parent (must total 365)	146	219	365
8	Percentage Time with Each Parent (Line 7 divided by 365)	40%	60%	100%
9	Amount Retained (Line 6 x Line 8 for each parent)	\$305	\$344	
10	Each Parent’s Obligation (Line 6 – Line 9)	\$457	\$230	
11	Shared Custody Obligation (Subtract smaller from larger on Line 10)	\$227		
12	Final Order (lessor of line 4 and 11)	\$227		

Montana, which relies on the Melson formula rather than the income shares model, has the only cross-credit formula that does not include a multiplier. Virginia uses a multiplier of 140 percent, which is less than most states. Most states presume that the child’s housing and some or all transportation expenses will be duplicated in shared-parenting situations. Housing comprises about 40 percent of all child-rearing expenditures and transportation comprises about 20 percent of all child-rearing expenditures.<sup>88</sup>

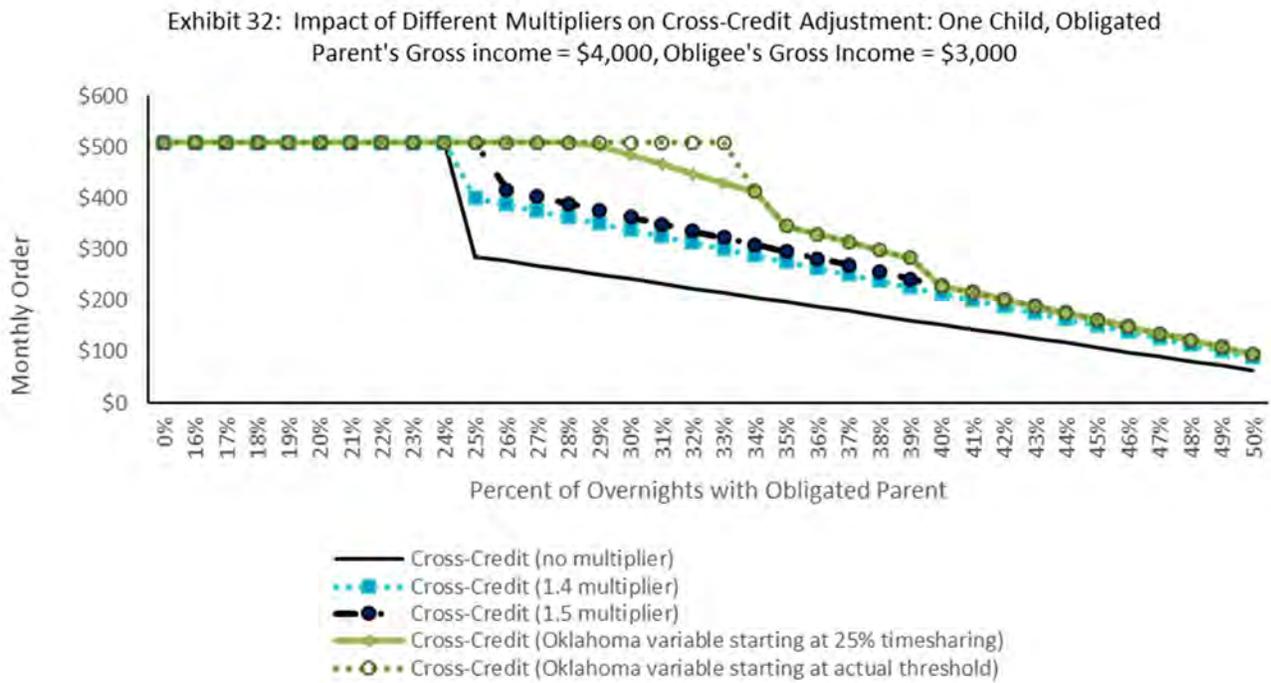
Oklahoma uses a sliding-scale multiplier that ranges from 150 to 200 percent depending on the amount of shared parenting-time. The lower percentage applies to almost equal parenting time, while it would make more theoretical sense that the multiplier increases with more time, since more expenses would seem to be duplicated as timesharing increases.

Exhibit 32 compares the impact of different multipliers using the same case circumstances shown in Exhibits 31. It presumes the cross-credit formula applies at 25 percent timesharing. Before 25 percent

<sup>88</sup> Betson, David M. (2010). “Appendix A: Parental Expenditures on Children.” In Judicial Council of California, *Review of Statewide Uniform Child Support Guideline*. San Francisco, CA. Retrieved from <http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf>.

time sharing, the order amount is the same regardless of the formula: it is \$508 per month as shown in Exhibit 31 on Line 4 for Parent A. Exhibit 32 considers the Oklahoma formula using a 25-percent timesharing threshold as well as Oklahoma’s actual timesharing threshold of 121 overnights (33% timesharing).

The conclusion from Exhibit 32 is that the larger the multiplier, the less precipitous the drop in the order amount as the threshold for the adjustment is met. Further, no multiplier results in smaller order amounts until nearly equal custody, where all the order amounts are nearly the same.



*Cross-Credit Formula: Strength and Weaknesses.* The strengths of the cross-credit formula are that it has a theory behind it, it is explainable, and it has a long history of use dating back to 1986. The weakness is that it can result in some precipitous decreases in the child support order, depending on the timesharing threshold and the relative incomes of the parents. Using a multiplier and setting the threshold lower can alleviate precipitous decreases, but they may still exist for some case scenarios. It will depend on the relative incomes of the parents. Another solution to precipitous decreases is Vermont’s phase-in formula between 25 and 30 percent timesharing. At 30 percent timesharing, Vermont applies the pure-cross-credit approach. The weakness of this solution, however, is that it creates a two-tier formula that is more cumbersome to use.

*Formulas that Consider Transferable and Fixed Expenses (e.g., Missouri)*

The Missouri formula is based on the concept that some child-rearing expenditures are transferable between parents while others are fixed. Indiana and New Jersey are the other two states to base their formulas on this concept, but all three formulas vary significantly. The Arizona timesharing formula also

was based on transferable and fixed expenditures concept. Over the years, however, Arizona has modified its timesharing formula extensively.

The adjustment is rooted in work by Professor David Betson, University of Notre Dame, who developed the measurements of child-rearing expenditures underlying most state guidelines. (University of Notre Dame is based in Indiana, which is one of the states to adopt this type of shared-parenting time adjustment.) The concept is premised on a consideration of three types of child-rearing expenditures: transferable expenses; duplicated, fixed expenses; and non-duplicated, fixed expenses.<sup>89</sup> At low levels of timesharing, the adjustment is for transferable expenses only. When timesharing becomes more substantial, the adjustment also considers duplicated, fixed expenses. Variable expenses are those that are transferable between the parents, depending on which parent has time with the child. For example, food expenses are typically considered a variable child-rearing expense. If one parent buys the child food, there is no need for the other parent to purchase food also. Duplicated, fixed costs are those child-rearing expenses that both parents incur and the other parent's time with the child does not reduce that expense for the first parent (*e.g.*, housing for the child). Non-duplicated, fixed costs are child-rearing expenses that are not affected by the parent's time and are not duplicated. For example, the child has one set of clothes that are generally not duplicated. Due to the non-duplicated, fixed costs, one parent even in equal custody and equal income situations, incurs more child-rearing expenditures. That is, one parent buys the child's clothes, cellphone, and other non-duplicated, fixed items. This means the order is never zero under this type of formula when the parents have equal incomes and equal timesharing.

Indiana assumes that 35 percent of child-rearing expenditures are transferable, 50 percent are duplicated, fixed expenses and 15 percent are non-duplicated, fixed expenses. Missouri divides transferable, duplicated fixed expenditures, and non-duplicated fixed expenditures into the following percentages: 38 percent, 30 percent, and 32 percent of total child-rearing expenditures, respectively. Exhibit 28 shows the Missouri table. It starts with a 6 percent adjustment for timesharing of at least 36 overnights per year (10 percent timesharing).

*Formulas Based on Transferable and Fixed Expenses: Strength and Weaknesses* The major strengths of the formula are that it has a theoretical basis and is explainable. Also, by its definition, the concept of controlled expenses (non-duplicated, fixed expenses) makes it clear which parent is responsible for the child's clothing and school expenses. Determining which parent is responsible for controlled expenses could be challenging, but Indiana, New Jersey, and Missouri provide clear guidance. Indiana has almost two decades of experience with the successful implementation of its adjustment and its statewide parenting-time guidelines that complement the child support formula. Indiana also encourages parents to use the parenting-time guidelines to develop a parenting plan and to file that plan with the courts.

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<sup>89</sup> Indiana Rules of Court. (Oct. 2016). Child Support Rules and Guidelines. Retrieved from [https://www.in.gov/judiciary/rules/child\\_support/#g6](https://www.in.gov/judiciary/rules/child_support/#g6).

When setting the child support order, judges often consider the amount of shared-parenting time in the parenting plan. Missouri does not have statewide parenting-time guidelines.

Whether the formula not resulting in a zero order when there is equal incomes and equal timesharing is a strength or weakness depends on the policy perspective. Similarly, whether the formula not allowing for the flipping of the obligated parent from the mother to the father or vice versa when there is near equal timesharing and the parent with more time has more income is a strength or weakness is also a policy perspective.

#### *Tennessee Formula (Per Diem Formula)*

The Tennessee formula is a variation of a per diem adjustment. Several state guidelines provide a per diem adjustment, which essentially is a percentage adjustment for timesharing above a state-determined threshold. Under the Tennessee shared-parenting time formula, the obligated parent gets an adjustment based on the other parent's prorated share of the following: the obligated parent's number of overnights multiplied by 0.0109589 multiplied by the basic obligation (table amount) minus the basic obligation (table amount). Tennessee's formula only works for timesharing of 25 percent or more. It results in no adjustment if the obligee has no income. It produces a zero order when there is equal timesharing and equal income. The Tennessee guidelines presume standard parenting time of 80 overnights per year. The formula applies when the number of overnights is 92 or more (25% timesharing).

*Per Diem Formulas: Strength and Weaknesses.* In general, per diem adjustments are easy to apply. The weaknesses are that the timesharing threshold is somewhat arbitrary and the per diem amount is essentially the same regardless of the amount of timesharing, which means it does not transition from a small adjustment to a zero order when the parents have equal time with the child and equal incomes. However, Tennessee avoids this problem through factoring in the obligee's prorated share. Another drawback is that the mathematical basis of the Tennessee formula is difficult to explain. Further, whether a zero adjustment when the obligee has no income, which occurs under Tennessee's version of the formula, is strength or weakness depends on the policy perspective.

#### *Non-Linear Formulas*

What is meant by "non-linear" formulas becomes more obvious in the comparisons at the end of this sub-section. It essentially means that the reduction in the support order as the obligated parent has more time with the child is not a straight line: that is, it does not reduce linearly. Non-linear functions are used to describe the impact of compounding interest or the decay of food. Usually, they are achieved by using exponential function or taking something to the power of another value (*e.g.*, squared when something is multiplied by itself and cubed when something is multiplied by itself thrice).

After forming a legislated committee that extensively investigated alternative formulas, in 2016, Minnesota decided to adopt Michigan's formula that was in effect at the time.<sup>90</sup> Minnesota also extensively examined the Oregon formula because they favored the result from a non-linear formula.

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<sup>90</sup> Minnesota Department of Human Services Child Support Work Group. (Jan. 29, 2016.) *Child Support Work Group Final Report*. Retrieved from <https://www.leg.state.mn.us/docs/2016/mandated/160242.pdf>.

The 2018 Colorado guidelines review commission also recommended that Colorado switch to the Oregon formula for its timesharing adjustment, but it failed to be passed in legislation.<sup>91</sup>

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*Minnesota/Michigan Formula*

Michigan and Minnesota essentially use the same non-linear formula with the exception of one parameter in the formula. Minnesota's formula is shown below.

$$\frac{(A_0)^3(B_s)^3 - (B_0)^3(A_s)^3}{(A_0)^3 + (B_0)^3}$$

*Where*

A<sub>0</sub> – Approximate annual number of overnights the children will spend with parent A

B<sub>0</sub> – Approximate annual number of overnights the children will spend with parent B

A<sub>s</sub> –Parent A's base support obligation

B<sub>s</sub> –Parent B's base support obligation

As Minnesota deliberated the Michigan formula, Michigan changed its parameter from taking the number of overnights and base support obligations to the third power (as noted by the "3" in superscript) to a power of 2.5. The base of the formula is essentially a cross-credit. Taking it to the third power (or 2.5<sup>th</sup> power) results in a gradual decrease when the obligated parent has more time with the child. The higher the power, the more gradual the adjustment. Michigan originally started with using the second power, switched to the third power, and then settled to a power of 2.5.

The Minnesota and Michigan formula cannot be calculated manually.

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*Oregon Formula*

Oregon consulted with a mathematics professor to develop an adjustment that gradually changes as the obligated parent had more time with the child, but results in a zero order when the parents have equal time with the child and equal incomes.<sup>92</sup> The Oregon formula<sup>93</sup> for determining each parent's parenting time credit percentage is:

$$1/(1+e^{(-7.14*((\text{overnights}/365)-0.5))})-2.74\%+(2*2.74\%*(\text{overnights}/365))$$

Oregon converted the formula into a table for ease of use. (Exhibit 28 contains an excerpt of the table.) It results in a 0.07 percent credit for one overnight per year, a 0.14 percent credit for two overnights per year, a 0.21 percent credit for three overnights per year, and so forth up to a 49.75 percent credit for

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<sup>91</sup> The reason for the recommendation was to rid of the cliff effect inherent in the cross-credit that occurs in some circumstances. The Colorado Bar Association opposed it because they had concerns about lowering the timesharing threshold.

<sup>92</sup> Oregon Guidelines Advisory Committee. (May 27, 2012.) Oregon Child Support Program 2011-12 Child Support Guidelines Review: Report and Recommendations. Retrieved from [https://justice.oregon.gov/child-support/pdf/guidelines\\_advisory\\_committee\\_report\\_and\\_recommendations\\_2011-12.pdf](https://justice.oregon.gov/child-support/pdf/guidelines_advisory_committee_report_and_recommendations_2011-12.pdf).

<sup>93</sup> Oregon Child Support Guidelines Rule OAR 137-050-07030. Retrieved from <https://justice.oregon.gov/child-support/pdf/137-050-0730.pdf>.

182 overnights; and effectively a 50.0% percent credit for 182.5 overnights which would be equal custody.

*Non-linear Formulas: Strengths and Weaknesses.* The greatest strength of the non-linear formulas is that they result in a gradual decrease as the obligated parent has more time with the child. Oregon believes that the gradual decrease has reduced litigation over parenting time and child support orders adjusted for parenting-time. Their major weakness is that they are complicated. Further, some stakeholders have reservations with any adjustment that lowers the support order based on just one or a few overnights per year. One concern, which has not been rigorously researched, is that a low timesharing threshold provides an incentive for the parties to not agree on the timesharing arrangement. Another concern is whether the obligee's direct child-rearing expenditures are substantially decreased when the child spends just one overnight with the other parent. The obligee still incurs housing expenses when the child is gone and must still pay for heat for the child's bedroom. The parent cannot reasonably rent out the room when the child is with the other parent. There also may be no savings in the child's food cost if food is purchased in volume at discounted prices when the child is with the other parent.

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## Other Considerations

### *If Parenting Time Does Not Occur*

Both Oklahoma and New Jersey, as shown in Exhibit 28, provide for an order modification if the amount of parenting time used to calculate the order does not actually occur.

### *Who Buys What for the Child?*

A common issue among practitioners is who is responsible for which child-rearing expense in shared-custody situations. As mentioned earlier, a criterion to applying the shared-parenting adjustment in South Dakota is a parenting plan that spells out the duties and responsibilities of parenting and the child-rearing expenses. Although this avoids issues down the road, the establishment of a detailed parenting-plan can be an impediment to using the adjustment.

Minnesota provides that a parent is responsible for all expenses when the child is with that parent (*e.g.*, food), but does not address major fixed expenses of the child that are incurred when the child is not with either parent, or is incurred when with each parent (*e.g.*, prom dresses and cell phone). Nebraska tries to address by its provision requiring parents to allocate all of the child-rearing expenses and that the allocation shall not exceed the parent's prorated share. Practitioners, however, find Nebraska's provision confusing.

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## Comparisons of Timesharing Formula

Exhibits 33, 34, 35, and 36 compare the cross-credit formula with no multiplier and a 1.5 multiplier to the Oregon, Minnesota, Missouri, and Tennessee formulas. It is assumed that the timesharing threshold for the cross-credit is 25 percent in all the scenarios, but it could be set higher. The Tennessee adjustment starts at 25-percent timesharing.

Exhibit 33: Comparisons of Timesharing Formulas Applied to Proposed Income Shares Chart:  
 One Child, Obligated Parent's Gross income = \$4,000, Obligee's Gross Income = \$0

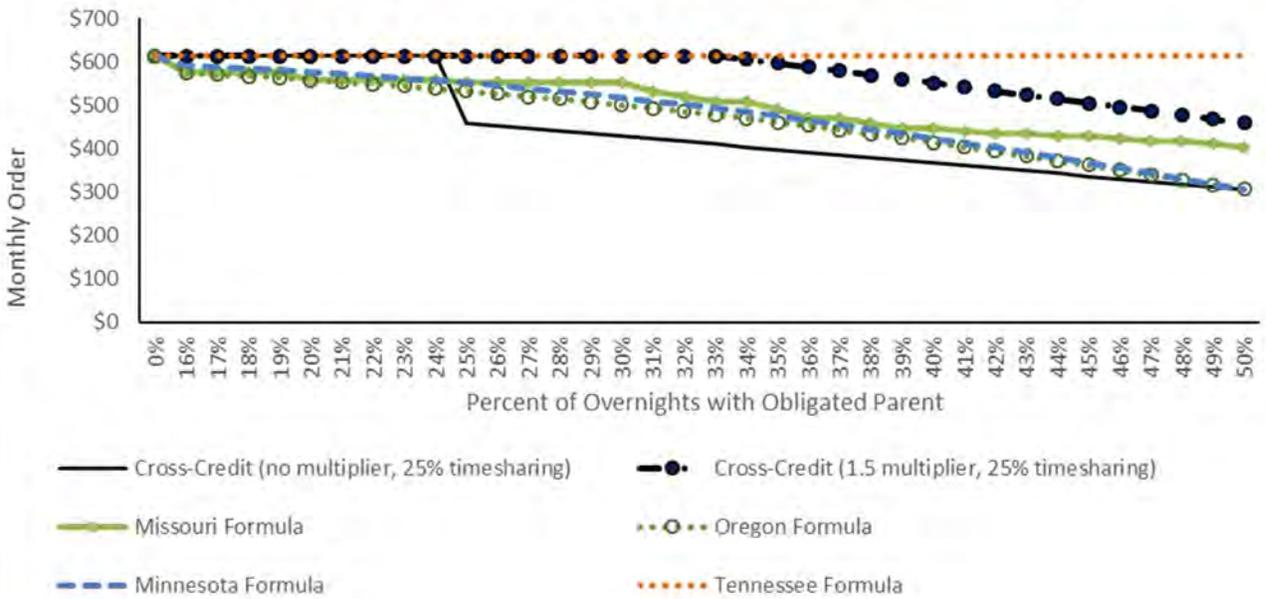


Exhibit 34: Comparisons of Timesharing Formulas Applied to Proposed Income Shares Chart:  
 One Child, Obligated Parent's Gross income = \$4,000, Obligee's Gross Income = \$2,500

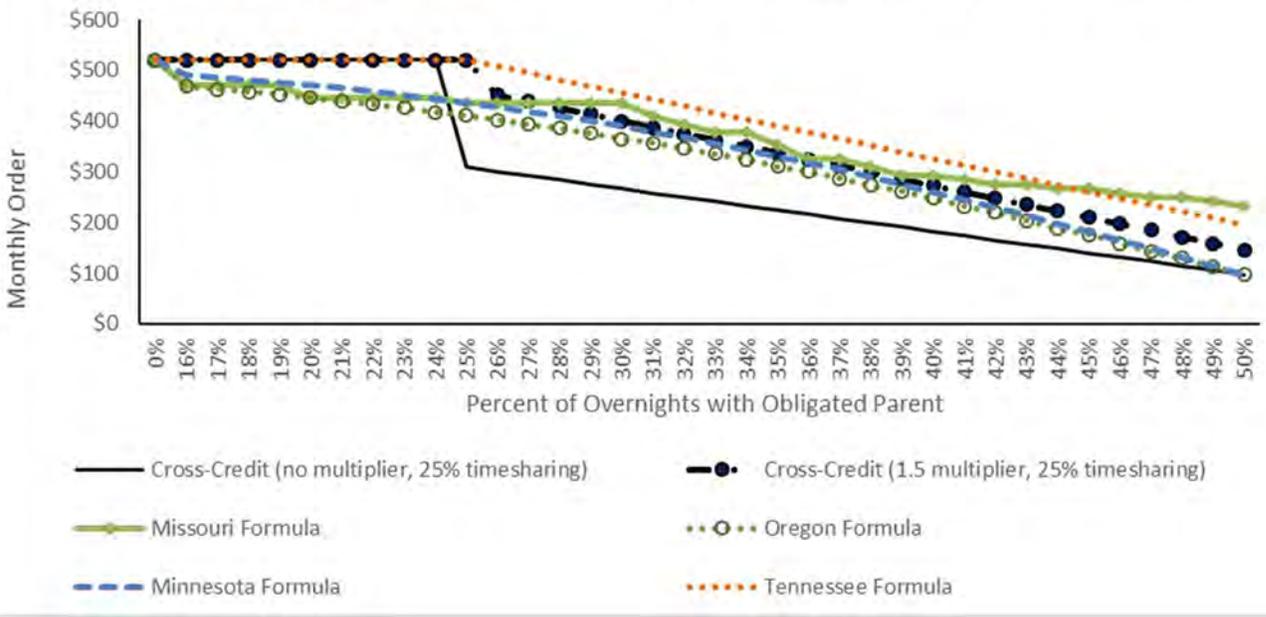


Exhibit 35: Comparisons of Timesharing Formulas Applied to Proposed Income Shares Chart:  
One Child, Obligated Parent's Gross income = \$4,000, Obligee's Gross Income = \$4,000

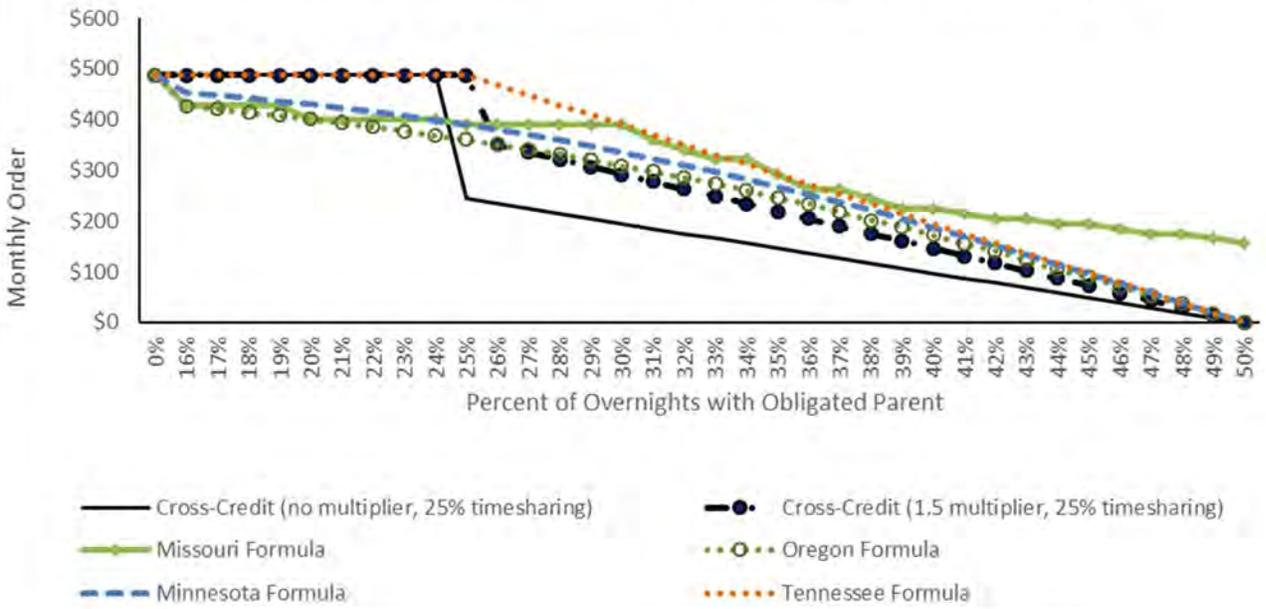
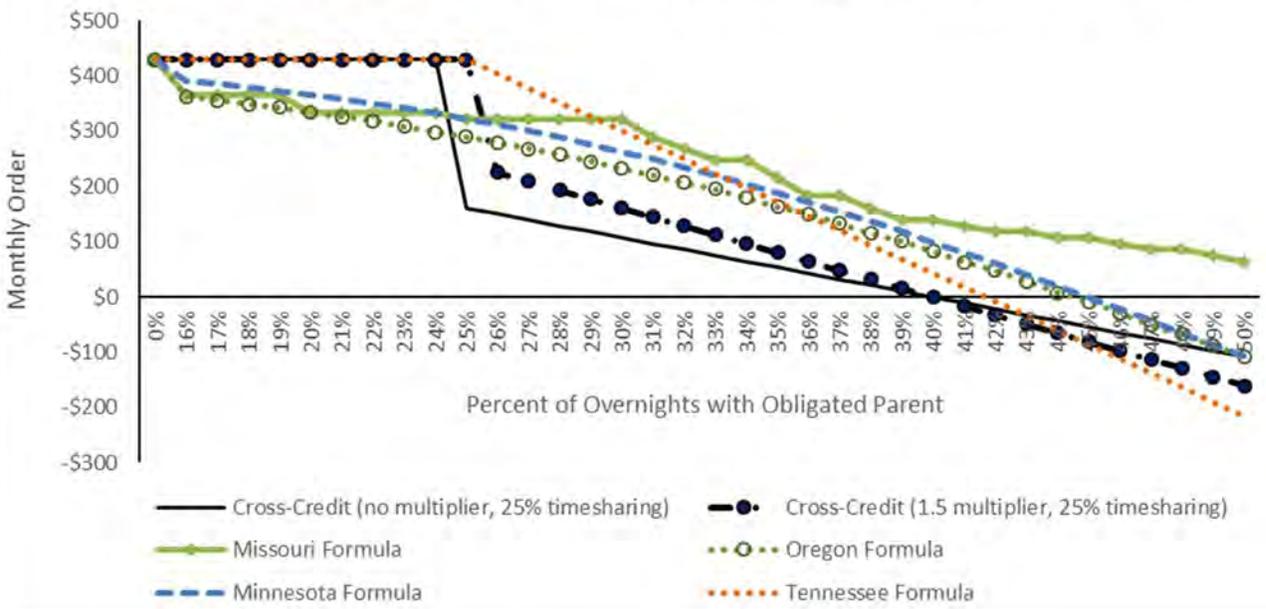


Exhibit 36: Comparisons of Timesharing Formulas Applied to Proposed Income Shares Chart:  
One Child, Obligated Parent's Gross income = \$4,000, Obligee's Gross Income = \$6,000



Each exhibit depicts the results from a slightly different scenario. All scenarios are set with the assumptions that there is only one child and the obligor has a gross income of \$4,000 per month. The obligee's income is different in each exhibit; it is zero in Exhibit 33 and increases to \$6,000 gross per month in Exhibit 36. The last scenario is to illustrate how the cross-credit formula, the Minnesota formula, and the Oregon formula will result in the obligee becoming the obligor when the obligee's income is greater than the obligor's income. Each exhibit considers the change in the order amount based on the parenting-time adjustment as the obligor's time increases. Each exhibit starts with the sole-custody order, when there is zero timesharing. Where the lines are flat are where the sole-custody order applies. When the parenting-time formula starts to make a difference, the line begins to decrease. The sole custody order would be \$612 per month for the scenario in Exhibit 33, \$521 per month for the scenario in Exhibit 34, \$487 per month in Exhibit 35, and \$391 per month in Exhibit 36.

The exhibits illustrate several characteristics of the various shared-parenting time adjustments.

- The cross-credit with no multiplier has the most significant cliff effect.
- The cross-credit with the 150-multipier also results in a cliff effect.
- If a 25-percent timesharing threshold was imposed on any of the other formulas, they would also result in a cliff effect. In other words, there is a trade-off between higher timesharing thresholds and cliff effects.
- The Tennessee formula produces no adjustment when the obligee has zero income (see Exhibit 33).
- All of the formulas result in a zero order when there is equal incomes and equal timesharing (see Exhibit 35) except Missouri, because Missouri provide that one parent will incur controlled child-rearing expenses at equal timesharing.
- All of the formulas result in the obligee owing the obligor when the obligee has more income and almost equal timesharing (see Exhibit 35) except Missouri because one parent must be designated as having controlled expenses under the Missouri formula.
- The Missouri formula results in "notches." This is because its table consists of fewer rows: that is, increments of timesharing (*e.g.*, 101 to 110 overnights) with different percentages. The more increments, the fewer notches.
- The Minnesota and Oregon amounts are flatter at lower levels of timesharing and become more vertical at nearly equal timesharing. This illustrates the non-linear aspect of the Minnesota and Oregon formulas.

## Adjustments for Split Custody

Exhibit 37 shows the provisions among neighboring states and other states with a split custody formula. All of the states provide that the split-custody formula be based on two separate calculations of support: each parent owes the other parent child support for the children in the other parent's custody. The

difference between the two parent’s theoretical order is the split custody order and owed by the parent with the larger theoretical order. For example, say the parents have three children and two children live with the mother and the one child lives with the father. A theoretical order will be calculated for what the mother owes the father for the one child living with him, and a theoretical order will be calculated for what the father owes the mother for the two children living with her. The difference between the two theoretical orders is the amount of child support order against the parent having a larger theoretical order. Some states (*e.g.*, Tennessee) take it a step further and provide for a mixture of shared and split custody. The approach is the same: theoretical orders are calculated for each parent then offset against each other with the parent with the larger theoretical order owing the other parent the difference.

**Exhibit 37: Comparison of Guidelines Provisions Addressing Split Custody**

<b>Louisiana</b>	<p>§315.10. Effect of split custodial arrangement A.(1) "Split custody" means that each party is the sole custodial or domiciliary parent of at least one child to whom support is due. Split custody exists where there is a custody order or joint plan of implementation providing for split custody, or the court finds by a preponderance of the evidence that split custody exists.</p> <p>(2) If split custody exists as set forth in this Section, each parent shall compute a total child support obligation for the child or children in the custody of the other parent, based on a calculation pursuant to this Section. (3) The amount determined under Paragraph (2) of this Subsection shall be a theoretical support obligation owed to each parent. (4) The parent owing the greater amount of child support shall owe to the other parent the difference between the two amounts as a child support obligation.</p>
<b>Missouri</b>	<p>A deviation from the presumed child support amount may be appropriate when an award of custody, including, but not limited to, an award of joint physical custody, results in a child support award that does not provide the child(ren) an appropriate standard of living. This arrangement should be distinguished from split custody, as described in Comment D.</p> <p>D. COMMENT: Split custody refers to the situation in which one or more, but not all, of the children primarily resides with each of the parents. In those instances, a separate Form No. 14 is completed for the number of children primarily residing in the custody of each parent, using the adjusted monthly gross income (line 3) for both parents but disregarding the children primarily residing in the other parent's custody.</p>
<b>New Jersey</b>	<p>15. Split-Parenting Arrangements</p> <p>Split-parenting situations are those in which there are multiple children of the relationship and each parent has physical custody of at least one child. To determine the net support obligation in split-parenting situations, a separate sole-parenting award must be calculated considering each parent as the non-custodial parent (obligor) for the number of children in the custody of the other parent. Instead of transferring the calculated awards between parents, the two awards are subtracted. The difference of the two awards is the child support order to be paid by the parent with the higher sole parenting award. If both parents serve as a PPR for at least one child of the relationship and the children share time with the other parent, the court should adjust each parent's award to accommodate shared-parenting costs in accordance with the principles explained in the PAR Time sections of this Appendix before the two awards are subtracted.</p>
<b>Oklahoma</b>	<p>2. In cases of split custody, where each parent is awarded custody of at least one of their natural or legally adopted children, the child support obligation for each parent shall be calculated by application of the child support guidelines for each custodial arrangement. The parent with the larger child support obligation shall pay the difference between the two amounts to the parent with the smaller child support obligation.</p>
<b>Tennessee</b>	<p>(23) "Split Parenting"— For purposes of this chapter, "split parenting" can only occur in a child support case if there are two (2) or more children of the same parents, where one (1) parent is PRP for at least one (1) child of the parents, and the other parent is PRP for at least one (1) other child of the parents. In a split parenting case, each parent is the PRP of any child spending more than fifty percent (50%) of the time with that parent and is the ARP of any child spending more than fifty percent (50%) of the time with</p>

the other parent. A split parenting situation will have two (2) PRPs and two (2) ARPs, but no child will have more than one (1) PRP or ARP.

(ii) Split Parenting.

(1) A BCSO shall be calculated for each parent based upon the combined Adjusted Gross Income of the parents from Line 2a and the number of children living more than 50% of the time in the household of that parent.

(9) Adjusted Support Obligation (ASO).

(a) In standard parenting situations, the ASO is the parent's share of the BCSO owed to the other parent or non-parent caretaker plus the parent's share of any additional expense paid by the other parent and/or non-parent caretaker for the child's health insurance premium, recurring uninsured medical expenses, and work-related childcare; or

(b) In split parenting situations, the ASO is each parent's BCSO for the children in the other parent's primary care plus each parent's share of any additional expense paid by the other parent for the children's health insurance premium, recurring uninsured medical expenses, and work related childcare.

(c) In cases of split parenting, both parents are eligible for a parenting time adjustment for the child(ren) for whom the parent is the ARP.

## Provision of the Child's Health Care Coverage

Exhibit 38 shows how the requirement pertaining to the child's health care needs was expanded in the new federal requirements using underlined text to show additions and strikeout text to show deletions. Essentially, the rule was expanded to allow states to recognize that public health care coverage, such as Medicaid and CHIP, could be used to provide for the child's health care needs. However, due to the "or" in 45 C.F.R. § 302.56(2), states appear to still have the option. Exhibit 38 also shows another section of the MR that directs the IV-D agency to define public health coverage (*i.e.*, Medicaid and CHIP) as health care coverage.

### Exhibit 38: Strike-out Version of the MR Pertaining to Medical Child Support in State Child Support Guidelines

*§ 302.56 Guidelines for setting child support awards.*

~~(2)~~ (2) Address how the parents will provide for the ~~child(ren)'s~~ child's health care needs through private or public health insurance care coverage and/or through cash medical support ~~in accordance with § 303.31 of this chapter.~~

*§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).

(3) Cash medical support or the cost of ~~private~~ health insurance is considered reasonable in cost if the cost to the parent responsible for providing medical support does not exceed five percent of his or her gross income or, at State option, a reasonable alternative income-based numeric standard defined in State law, regulations or court rule having the force of law or State child support guidelines adopted in accordance with § 302.56(c) of this chapter. ~~In applying the five percent or alternative State standard for the cost of private health insurance, the cost is the cost of adding the child(ren) to the existing coverage or the difference between self-only and family coverage.~~

(b) \* \* \* (1) Petition the court or administrative authority to:

(i) Include ~~private health insurance care coverage~~ that is accessible to the child(ren), as defined by the State, and is available to the parent responsible for providing medical support and can be obtained for the child at reasonable cost, as defined under paragraph (a)(3) of this section, in new or modified court or administrative orders for support; and

(ii) Allocate the cost of coverage between the parents.

(2) If ~~private health insurance care coverage~~ described in paragraph (b)(1) of this section is not available at the time the order is entered or modified, petition to include cash medical support in new or modified orders until such time as health ~~insurance care coverage~~, that is accessible and reasonable in cost as defined under paragraph (a)(3) of this section, becomes available. In appropriate cases, as defined by the State, cash medical support may be sought in addition to health ~~insurance care coverage~~.

(3) Establish ~~written~~ criteria, which are reflected in a record, to identify orders that do not address the health care needs of children based on—

(i) Evidence that ~~private health insurance care coverage~~ may be available to either parent at reasonable cost, as defined under paragraph (a)(3) of this section; and \* \* \* \* \*

Exhibit 39 compares Arkansas’ provision to those of states that recognize health care coverage from a public source (e.g., Minnesota and Oklahoma). In contrast, Georgia changed their statute to clearly state that Medicaid or CHIP eligibility or enrollment do not fulfill the requirement to provide for the child’s health care. Whether to recognize health care coverage from a public source is a policy decision.

Exhibit 39: Comparison of Guidelines Provisions Addressing How the Child’s Health Care Coverage Will Be Provided	
<b>Arkansas</b>	ARK. 349g. Health Insurance. In addition to the award of child support, the court order shall provide for the child's health care needs, which normally would include health insurance if available to either parent at a reasonable cost.
<b>Georgia</b>	Eligibility for or enrollment of the child in Medicaid, or the PeachCare for Kids Program, or other public health care program shall not satisfy the requirement that the final order provide for the child’s health care needs. Health coverage through Medicaid, the PeachCare for Kids Program or other public health care program shall not prevent a court from also ordering either or both parents to obtain other health insurance for the child.
<b>Minnesota</b>	518A.41 MEDICAL SUPPORT. §Subdivision 1. Definitions. The definitions in this subdivision apply to this chapter and chapter 518. (a) "Health care coverage" means medical, dental, or other health care benefits that are provided by one or more health plans. Health care coverage does not include any form of public coverage. (b) "Health carrier" means a carrier as defined in sections <u>62A.011, subdivision 2</u> , and <u>62L.02, subdivision 16</u> . (c) "Health plan" means a plan, other than any form of public coverage, that provides medical, dental, or other health care benefits and is: (1) provided on an individual or group basis; (2) provided by an employer or union; (3) purchased in the private market; or (4) available to a person eligible to carry insurance for the joint child, including a party's spouse or parent. Health plan includes, but is not limited to, a plan meeting the definition under section <u>62A.011, subdivision 3</u> , except that the exclusion of coverage designed solely to provide dental or vision care under section <u>62A.011, subdivision 3</u> , clause (6), does not apply to the definition

	<p>of health plan under this section; a group health plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA); a self-insured plan under sections <u>43A.23</u> to <u>43A.317</u> and <u>471.617</u>; and a policy, contract, or certificate issued by a community-integrated service network licensed under chapter 62N.</p> <p>(d) "Medical support" means providing health care coverage for a joint child by carrying health care coverage for the joint child or by contributing to the cost of health care coverage, public coverage, unreimbursed medical expenses, and uninsured medical expenses of the joint child.</p>
<p><b>Oklahoma</b></p>	<p>A. The court shall enter a medical support order for health care coverage in any case in which an ongoing child support order is entered or modified. Medical support, for the purpose of this section, is defined as health care coverage, cash medical support, or a combination of both. For the purposes of this section:</p> <ol style="list-style-type: none"> <li>1. "Health care coverage" includes: <ol style="list-style-type: none"> <li>a. fee for service,</li> <li>b. health maintenance organization,</li> <li>c. preferred provider organization,</li> <li>d. other types of private health insurance,</li> <li>e. government medical assistance program or health plan,</li> <li>f. Indian Health Services, and</li> <li>g. Defense Eligibility Enrollment Reporting System (DEERS).</li> </ol> </li> <li>2. "Cash medical support" means: <ol style="list-style-type: none"> <li>a. an amount ordered to be paid toward the cost of health care coverage provided by a public entity, parent, or by a person other than the parents, or</li> <li>b. fixed periodic payments for ongoing medical costs.</li> </ol> </li> </ol> <p>B. In entering a temporary order, the court shall order that any health care coverage in effect for the child continue in effect pending the entering of a final order, unless the court finds that the existing health care coverage is not reasonable in cost or is not accessible as defined in subsection D of this section. If there is no health care coverage in effect for the child or if the health care coverage in effect is not available at a reasonable cost or is not accessible, the court shall order health care coverage for the child as provided in this section, unless the court makes a written finding that good cause exists not to enter a temporary medical support order.</p> <p>C. On entering a final order, the court shall:</p> <ol style="list-style-type: none"> <li>1. Make specific orders with respect to the manner in which health care coverage is to be provided for the child; and</li> <li>2. Require the parent ordered to provide health care coverage for the child as provided under this section to produce evidence to the court's satisfaction that the parent has applied for or secured health care coverage or has otherwise taken necessary action to provide for health care coverage for the child, as ordered by the court.</li> </ol> <p>D. When the court enters a medical support order, the medical support order shall be reasonable in cost and accessible.</p> <ol style="list-style-type: none"> <li>1. "Reasonable in cost" means that the pro rata share of the actual premium cost for the child or children paid by the insured does not exceed five percent (5%) of the gross income of the responsible parent. To calculate the actual premium cost of the health insurance, the court shall: <ol style="list-style-type: none"> <li>a. deduct from the total insurance premium the cost of coverage for the parent and any other adults in the household</li> </ol> </li> </ol> <p>A. The court shall enter a medical support order for health care coverage in any case in which an ongoing child support order is entered or modified. Medical support, for the purpose of this section, is defined as health care coverage, cash medical support, or a combination of both. For the purposes of this section:</p> <ol style="list-style-type: none"> <li>1. "Health care coverage" includes: <ol style="list-style-type: none"> <li>a. fee for service,</li> <li>b. health maintenance organization,</li> <li>c. preferred provider organization,</li> <li>d. other types of private health insurance,</li> <li>e. <b>government medical assistance program or health plan,</b></li> <li>f. Indian Health Services, and</li> <li>g. Defense Eligibility Enrollment Reporting System (DEERS).</li> </ol> </li> </ol>

2. "Cash medical support" means:

- a. an amount ordered to be paid toward the cost of health care coverage provided by a public entity, parent, or by a person other than the parents, or
- b. fixed periodic payments for ongoing medical costs.

B. In entering a temporary order, the court shall order that any health care coverage in effect for the child continue in effect pending the entering of a final order, unless the court finds that the existing health care coverage is not reasonable in cost or is not accessible as defined in subsection D of this section. If there is no health care coverage in effect for the child or if the health care coverage in effect is not available at a reasonable cost or is not accessible, the court shall order health care coverage for the child as provided in this section, unless the court makes a written finding that good cause exists not to enter a temporary medical support order.

C. On entering a final order, the court shall:

1. Make specific orders with respect to the manner in which health care coverage is to be provided for the child; and

2. Require the parent ordered to provide health care coverage for the child as provided under this section to produce evidence to the court's satisfaction that the parent has applied for or secured health care coverage or has otherwise taken necessary action to provide for health care coverage for the child, as ordered by the court.

D. When the court enters a medical support order, the medical support order shall be reasonable in cost and accessible.

1. "Reasonable in cost" means that the pro rata share of the actual premium cost for the child or children paid by the insured does not exceed five percent (5%) of the gross income of the responsible parent. To calculate the actual premium cost of the health insurance, the court shall:

- a. deduct from the total insurance premium the cost of coverage for the parent and any other adults in the household,
- b. divide the remainder by the number of dependent children being covered, and
- c. multiply the amount per child by the number of children in the child support case under consideration.

2. "Accessible health care coverage" means that:

- a. there are available providers appropriate to meet the primary individual health care needs of the children no more than sixty (60) miles one way from the primary residence of the children.
- b. If a parent has available health care coverage which includes an option that would be accessible to the child, but the parent has not currently enrolled in that option, the court may require the parent to change existing coverage to an option that is accessible to the child.

3. If the parties agree or the court finds good cause exists, the court may order health care coverage in excess of the five percent (5%) cost standard or the sixty-mile distance standard.

E. The court shall consider the cost and quality of health care coverage available to the parties. If both parents have health care coverage available, the court shall give priority to the preference of the custodial person, unless it is not in the best interest of the child.

F. Cash medical support.

1. The responsible parent shall be ordered to pay cash medical support when:

- a. there is no health care plan available for the child,
- b. the only health care plan available for the child is a governmental medical assistance program or health plan, or
- c. a party shows reasonable evidence of domestic violence or child abuse, such that an order for health care coverage is inappropriate and the disclosure of information could be harmful to a party, custodian, or child.

2. The cash medical support order shall not exceed the pro rata share of the actual monthly medical expenses paid for the child, or five percent (5%) of the gross monthly income of the obligor, whichever is less.

3.

a. In determining the actual monthly medical costs for the child, the court shall determine:

- (1) for children who are participating in a government medical assistance program or health plan, an amount consistent with rules promulgated by the Oklahoma Health Care Authority determining the rates established for the cost of providing medical care through a government medical assistance program or health plan, or
- (2) for children who are not participating in a government medical assistance program or health plan, an amount consistent with rules promulgated by the Department of Human Services

determining the average monthly cost of health care for uninsured children.

b. The court may also consider:

(1) proof of past medical expenses incurred by either parent for the child, (2) the current state of the health of the child, and (3) any medical conditions of the child that would result in an increased monthly medical cost.

G. An order requiring the payment of cash medical support under subsection F of this section shall allow the obligor to terminate payment of the cash medical support if:

1. Accessible health care coverage for the child becomes available to the obligor at a reasonable cost; and

2. The obligor:

a. enrolls the child in the insurance plan, and

b. provides the obligee and, in a Title IV-D case, the Title IV-D agency, the information required under paragraph 2 of subsection C of this section.

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### Add-ons for Health Insurance, Child Care, and Other Expenses

A related issue is the consideration of the actual costs of the child's health coverage, work-related child care expenses, extraordinary medical expenses, and other expenses (*e.g.*, private tuition). No income shares chart of any state includes the cost of health insurance, extraordinary medical expenses, or work-related child care expenses. Instead, most income shares states include the actual cost of these expenses in the guidelines worksheet similar to what was shown in Exhibit 7. The actual amount is used due to the wide variance. For example, some families incur no work-related child care expenses, while the cost of child care for an infant can be significant. Keeping with the underlying premise of the income shares model, each parent is responsible for his or her prorated share of the add-on. In turn, the parent incurring the direct expense gets a credit.

Exhibit 40 shows the treatment of add-ons in selected states. Generally, most income shares states (*e.g.*, Georgia, North Carolina, and Oklahoma) include the cost of the child's health insurance, extraordinary medical expenses, and child care expenses in the child support order. This is sometimes referred to as "above the line." Idaho provides for separate orders for work-related child care expenses and the child's health insurance. This is sometimes called "below the line." Nebraska and Utah provide for a separate order for work-related child care expenses, but do not provide a separate order for the cost of the child's health insurance premium. In these situations, the parent owing the child care order often can pay the child care provider or other parent directly.

The advantage of above-the-line treatment is that the add-on is considered child support by operation of the law, so enforcement remedies can be automatically applied. For below-the-line add-ons, the order must first be reduced to a judgment. One reason that some states favor separate orders for work-related child care expenses is they do not want to burden the courts with frequent modifications due to school break or the child aging out of the need of child care. Minnesota provides for a modification in such circumstances. Washington provides that the obligee may be fined for not notifying the obligor of child care changes.

**Exhibit 40: Comparison of Guidelines Provisions for Add-Ons**

<p><b>Georgia</b></p>	<p>(5) Calculate the pro rata share of the basic child support obligation for the custodial parent and the noncustodial parent by dividing the combined adjusted income into each parent's adjusted income to arrive at each parent's pro rata percentage of the basic child support obligation; (6) <b>Find the adjusted child support obligation amount by adding the additional expenses of the costs of health insurance and work related child care costs</b>, prorating such expenses in accordance with each parent's pro rata share of the obligation and adding such expenses to the pro rata share of the basic child support obligation. The monthly cost of health insurance premiums and work related child care costs shall be entered on the Child Support Schedule D -- Additional Expenses. The pro rata share of the monthly basic child support obligation and the pro rata share of the combined additional expenses shall be added together to create the monthly adjusted child support obligation; (7) Determine the amount of child support for the custodial parent and the noncustodial parent resulting in a monthly sum certain payment due to the custodial parent by assigning or deducting credit for actual payments for health insurance and work related child care costs from the basic child support obligation;</p>
<p><b>Idaho</b></p>	<p>Section 8. Adjustments to the Basic Child Support. (a) Child Care Costs. A basic child support calculation does not cover work-related child care expenses. The court may order a sharing of reasonable work-related child care expenses incurred by either party in proportion to their Guideline Income. If the court imputes income to a student parent, then the court may order up to a pro-rata sharing of the student's reasonable child care expenses while attending school. If ordered, these payments shall be paid directly between the parties, unless agreed otherwise. The court may consider whether the federal child care tax credit for such minor is available as a benefit to a parent.</p> <p>(d) Health insurance premiums and health care expenses not covered by insurance. (1) For each child support order, consideration should be given to provision of adequate health insurance coverage for the child. Such health insurance should normally be provided by the parent that can obtain suitable coverage through an employer at the lower cost. The actual cost paid by either parent for health insurance premiums or for health care expenses for the children not covered or paid in full by insurance, including, but not limited to, orthodontic, optical, dental, psychological and prescription medication expenses, shall be prorated between the parents in proportion to their Guidelines Income. These payments shall be in addition to basic child support and will be paid directly between the parents; however, the prorata share of the monthly insurance premium may instead be either a credit against or in addition to basic child support.</p>
<p><b>Minnesota</b></p>	<p>Minnesota Statute. Subd. 3. Determining costs. (a) The court must require verification of employment or school attendance and documentation of child care expenses from the obligee and the public authority, if applicable.</p> <p>(b) If child care expenses fluctuate during the year because of the obligee's seasonal employment or school attendance or extended periods of parenting time with the obligor, the court must determine child care expenses based on an average monthly cost.</p> <p>(c) The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518A.515.</p> <p>(d) The court may allow the parent with whom the joint child does not reside to care for the joint child while the parent with whom the joint child resides is working or attending school, as provided in section 518.175, subdivision 8. Allowing the parent with whom the joint child does not reside to care for the joint child under section 518.175, subdivision 8, is not a reason to deviate from the guidelines.</p> <p>Subd. 4. Change in child care. (a) When a court order provides for child care expenses and the public authority provides child support enforcement services, the public authority must suspend collecting the amount allocated for child care expenses when:</p> <p>(1) either party informs the public authority that no child care costs are being incurred; and</p> <p>(2) the public authority verifies the accuracy of the information with the other party.</p> <p>The public authority will resume collecting child care expenses when either party provides information that child care costs have resumed.</p> <p>(b) If the parties provide conflicting information to the public authority regarding whether child care expenses are being incurred, the public authority will continue or resume collecting child care expenses. Either party, by motion to the court, may challenge the suspension or resumption of the collection of child care expenses. If the public authority suspends collection activities for the amount allocated for child care expenses, all other provisions of the court order remain in effect.</p> <p>(c) In cases where there is a substantial increase or decrease in child care expenses, the parties may modify the order under section 518A.39.</p>

<p><b>Nebraska</b></p>	<p>§ 4-214. Childcare expenses.  Childcare expenses are not specifically computed into the guidelines amount and are to be considered independently of any amount computed by use of these guidelines. Care expenses for the child for whom the support is being set, which are due to employment of either parent or to allow the parent to obtain training or education necessary to obtain a job or enhance earning potential, shall be allocated to the obligor parent as determined by the court, but shall not exceed the proportion of the obligor's parental contribution (worksheet 1, line 6) and shall be added to the basic support obligation computed under these guidelines. The value of the federal income tax credit for child care shall be subtracted from actual costs to arrive at a figure for net childcare expenses. The Court may impute the value of the federal childcare tax credit using worksheet 6 if the parent incurring the childcare expense has monthly gross income above \$2,100 for one child; \$2,500 for two children; \$2,600 for three children; \$2,700 for four children; \$2,800 for five children; and \$2,900 for six children. The value shall be imputed at 25 percent of the childcare expense, not to exceed \$62.50 per month for one child and \$125 per month for two or more children.</p>
<p><b>North Carolina</b></p>	<p><b>Child Care Costs</b>  Reasonable child care costs that are, or will be, paid by a parent due to employment or job search are added to the basic child support obligation and prorated between the parents based on their respective incomes. Other reasonable child care costs, such as child care costs incurred while the custodial parent attends school, may be the basis for a deviation. The court may also consider actual child care tax credits received by a parent as a basis for deviation.</p> <p><b>Health Insurance and Health Care Costs</b>  The amount that is, or will be, paid by a parent (or a parent's spouse) for health (medical, or medical and dental) insurance for the children for whom support is being determined is added to the basic child support obligation and prorated between the parents based on their respective incomes. Payments that are made by a parent's (or stepparent's) employer for health insurance and are not deducted from the parent's (or stepparent's) wages are not included. When a child for whom support is being determined is covered by a family policy, only the health insurance premium actually attributable to that child is added. If this amount is not available or cannot be verified, the total cost of the premium is divided by the total number of persons covered by the policy and then multiplied by the number of covered children for whom support is being determined.</p> <p>The basic guideline support obligation includes \$250 per child for the child's annual uninsured medical and/or dental expenses. In any case, including those where the parent's income falls within the shaded area of the child support schedule, the court may order that uninsured medical health care costs in excess of \$250 per year (including reasonable and necessary costs related to medical care, dental care, orthodontia, asthma treatments, physical therapy, treatment of chronic health problems, and counseling or psychiatric therapy for diagnosed mental disorders) incurred by a parent be paid by either parent or both parents in such proportion as the court deems appropriate.</p> <p>The court must order either parent to obtain and maintain medical health insurance coverage for a child if it is actually and currently available to the parent at a reasonable cost. If health insurance is not actually and currently available to a parent at a reasonable cost at the time the court orders child support, the court must enter an order requiring the parent to obtain and maintain health insurance for a child if and when the parent has access to reasonably-priced health insurance for the child. The court may require one or both parties to maintain dental insurance. Pursuant to G.S. 50-13.11(a1) health insurance is reasonable if the coverage for the child is available at a cost to the parent that does not exceed five percent(5%) of the parent's gross income. In applying this standard, the cost is the cost of (i) adding the child to the parent's existing coverage, (ii) child-only coverage, or (iii) if new coverage must be obtained, the difference between the cost of self-only and family coverage.</p> <p><b>Other Extraordinary Expenses</b>  Other extraordinary child-related expenses (including (1) expenses related to special or private elementary or secondary schools to meet a child's particular educational needs, and (2) expenses for transporting the child between the parents' homes) may be added to the basic child support obligation and ordered paid by the parents in proportion to their respective incomes if the court determines the expenses are reasonable, necessary, and in the child's best interest.</p>

<b>Oklahoma</b>	<p>2. "Base child support obligation" means the amount of support displayed on the Schedule of Basic Child Support Obligations which corresponds to the combined AGI of both parents and the number of children for whom support is being determined. This amount is rebuttably presumed to be the appropriate amount of basic child support to be provided by both parents in the case immediately under consideration, prior to consideration of any adjustments for medical and child care costs, and any other additional expenses;</p> <p>3. "Current monthly child support obligation" means the base child support obligation and the proportional share of any medical insurance and annualized child care costs;</p>
<b>South Dakota</b>	<p>25-7-6.18. Order allocating child care expenses. The court may enter an order allocating the reasonable child care expenses for the child, which are due to employment of either parent, job search of either parent, or the training or education of either parent necessary to obtain a job or enhance earning potential. The court may consider whether the federal child care tax credit for such minor child is available as a benefit to the custodial parent. If the federal child care tax credit is available to the custodial parent, it shall be calculated at twenty-five percent of the eligible expense.</p>
<b>Utah</b>	<p>78B-12-214. Child care expenses -- Expenses not incurred.</p> <p>(1)The child support order shall require that each parent share equally the reasonable work-related child care expenses of the parents.</p> <p>(2)(a)If an actual expense for child care is incurred, a parent shall begin paying his share on a monthly basis immediately upon presentation of proof of the child care expense, but if the child care expense ceases to be incurred, that parent may suspend making monthly payment of that expense while it is not being incurred, without obtaining a modification of the child support order.</p> <p>(b)(i)In the absence of a court order to the contrary, a parent who incurs child care expense shall provide written verification of the cost and identity of a child care provider to the other parent upon initial engagement of a provider and thereafter on the request of the other parent.</p> <p>(ii)In the absence of a court order to the contrary, the parent shall notify the other parent of any change of child care provider or the monthly expense of child care within 30 calendar days of the date of the change.</p>
<b>Washington</b>	<p>RCW 26.19.080 Allocation of child support obligation between parents — Court-ordered day care or special child rearing expenses.</p> <p>(3) Day care and special child rearing expenses, such as tuition and long-distance transportation costs to and from the parents for visitation purposes, are not included in the economic table. These expenses shall be shared by the parents in the same proportion as the basic child support obligation. If an obligor pays court or administratively ordered day care or special child rearing expenses that are not actually incurred, the obligee must reimburse the obligor for the overpayment if the overpayment amounts to at least twenty percent of the obligor's annual day care or special child rearing expenses. The obligor may institute an action in the superior court or file an application for an adjudicative hearing with the department of social and health services for reimbursement of day care and special child rearing expense overpayments that amount to twenty percent or more of the obligor's annual day care and special child rearing expenses. Any ordered overpayment reimbursement shall be applied first as an offset to child support arrearages of the obligor. If the obligor does not have child support arrearages, the reimbursement may be in the form of a direct reimbursement by the obligee or a credit against the obligor's future support payments. If the reimbursement is in the form of a credit against the obligor's future child support payments, the credit shall be spread equally over a twelve-month period. Absent agreement of the obligee, nothing in this section entitles an obligor to pay more than his or her proportionate share of day care or other special child rearing expenses in advance and then deduct the overpayment from future support transfer payments.</p> <p>(4) The court may exercise its discretion to determine the necessity for and the reasonableness of all amounts ordered in excess of the basic child support obligation.</p>

## SECTION 5: ANALYSIS OF CASE FILE DATA AND LABOR MARKET DATA

This section documents the findings from the data analysis required by the federal regulation. The findings from the analysis are organized by data source:

- Case file data
- Labor market and other data

### Findings from the Analysis of Case File Data

The Arkansas Office of Child Support Enforcement gathered information from its automated system to determine the percentage of orders with a deviation from the guidelines. It found 3,938 orders with deviations among 65,341 orders that were examined. In other words, 6 percent of the orders had a guidelines deviation noted. The examined orders were subdivided into two groups: orders in which OCSE was involved at the time the order was entered, and those in which orders were entered without OCSE involvement. The guidelines deviation rate was 4 percent among those with OCSE involvement and 12 percent among those entered without OCSE involvement.

### Examination of Labor Market Data

Federal regulation (C.F.R. § 302.56(h)(1)) requires the consideration of:

. . . 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 . . .

The review of labor market data appears to be aimed at informing recommendations for guidelines provisions for income imputation and low-income adjustments. One of the new federal requirements concerns considering the individual circumstances of the obligated parent when income imputation is authorized. This typically includes consideration of the employment opportunities available to the parent given local labor market conditions. Since labor market conditions may change more frequently than every four years, which is the minimum amount of time in which a state's guidelines must be reviewed, it also makes sense to simply adopt the federal language about considering employment opportunities available to a parent given local labor market conditions.

The Arkansas Division of Workforce Services gathers and publishes labor market statistics for the state. They are the source of most of the data provided in this section. They also publish many statistics that could be useful when income imputation is indeed authorized since they report the number of jobs and average wages for specific occupations across the state and variations by county and region.

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*Unemployment and Employment Rates*

Based on the most recent Arkansas Labor Market Report, which was released in June 2019,<sup>94</sup> the Arkansas unemployment rate (seasonally adjusted) is 3.5 percent, which is lower than the U.S. average rate of 3.7 percent.<sup>95</sup> The Arkansas unemployment rates varied by city and county. The lowest unemployment rate was 1.9 percent in the city of Springdale, which is part of one of the largest, thriving economic centers of the state. In May 2019, the highest unemployment rate was 6.5 percent in Chicot County, which is in the far southeast corner of the state. In general, all of the large metropolitan statistical areas (MSAs) within the state (*i.e.*, Little Rock, Fayetteville-Springdale-Rogers, Fort Smith, Hot Springs, and Jonesboro) had unemployment rates below the state average, while the MSAs bordering other states (*i.e.*, the Memphis MSA, which spans into Arkansas, Tennessee, and Mississippi, and the Texarkana MSA, which spans into Arkansas and Texas) had unemployment rates above the state average. Two-thirds of Arkansas' civilian labor force works in the five MSAs with the lower unemployment rates. However, a 2017 report from a University of Arkansas division reported that 42 percent of Arkansas' population is rural and that Arkansas rural areas had more dense populations of children (*i.e.*, individual ages 0 through 17).<sup>96</sup> In other words, children in need of child support may not always live in the areas with more and better employment opportunities.

Besides varying by geographical area, the unemployment rate in Arkansas varies by race. The *2018 Arkansas Labor Market and Economic Report* shows that the unemployment rate for all minorities is 5.8 percent, with Blacks having the highest unemployment rate at 6.9 percent.<sup>97</sup>

The unemployment rates that are reported above are based on the U-3 measurement methodology, which is what is typically reported in media streams. The official U-3 measurement only counts those who are participating in the labor force by being employed or have looked for a job in the last four weeks and are available for work. The U.S. Bureau of Labor Statistics, however, has developed alternative measures that better reflect all persons who are unemployed including those who are marginally attached workers (those who want to work but are discouraged and not looking) and workers employed part-time but who would work full-time if they could. Arkansas's unemployment rate using this alternative measure was 7.1 percent for the time period consisting of the third quarter of 2018 through the second quarter of 2019, whereas the same alternative unemployment rate (called the U-6) for the U.S. over the same time period was 7.4 percent.<sup>98</sup> This is of concern because many in the IV-D caseload are believed to be marginally employed. U-6 unemployment rates are not available at the county level.

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<sup>94</sup> Arkansas Division of Workforce Services. (June 2019.) *Arkansas Labor Market Report*. Retrieved from [http://www.discover.arkansas.gov/Portals/194/Publications/Arkansas%20Labor%20Market/Current/LM\\_Report.pdf](http://www.discover.arkansas.gov/Portals/194/Publications/Arkansas%20Labor%20Market/Current/LM_Report.pdf).

<sup>95</sup> Arkansas Department of Workforce Services Labor Market Information. (October 2018). *Arkansas Labor Market and Economic Report*. Retrieved from <http://www.discover.arkansas.gov/Portals/194/Publications/Economic%20Report%20-%20OCI/Economic%20Report.pdf>.

<sup>96</sup> Cartwright, Richard. (n.d.). *Rural Profile of Arkansas 2017*. University of Arkansas System Division of Agriculture. Retrieved from <https://www.uaex.edu/publications/pdf/MP541.pdf>.

<sup>97</sup> <http://www.discover.arkansas.gov/Portals/194/Publications/Economic%20Report%20-%20OCI/Economic%20Report.pdf>.

<sup>98</sup> U.S. Bureau of Labor Statistics. *Alternative measures of labor underutilization by state, third quarter of 2018 through second quarter of 2019 averages*. Retrieved from <https://www.bls.gov/lau/stalt.htm>.

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### *Hours Worked and Income Imputation*

Hours worked has been used to inform income imputation policies. For example, South Dakota used labor market data on hours worked to reduce the presumption of a 40-hour work week when imputing income since labor market data indicates South Dakota workers usually work 35 hours per week. As of February 2019, the average weekly hours in Arkansas was 44.1 hours per week.<sup>99</sup> National data suggests that the average weekly hours vary by employment sector. As of March 2019, employment in the leisure and hospitality industry averages 24.9 hours per week and employment in retail averages 30.4 hours per week.<sup>100</sup> The data underscore the importance of considering usual hours worked for the parent's specific occupation when imputing income. Hours worked by industry was not clearly available for Arkansas.

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### *Low-Skilled Jobs and Employment Opportunities*

Arkansas' labor force has increased in recent years: that is, more Arkansans are working and willing to work. For example, the civilian labor force in Arkansas increased by about 10,000 workers from May 2018 to May 2019.<sup>101</sup> Some of the growth is attributable to Arkansas' growing population, and some of it is Arkansas' strong economy that is enticing Arkansans into the labor market. In the last few years, nearly 60,000 new jobs were created in Arkansas each quarter.

The Arkansas Department of Workforce Services projects the following 10 occupations will have the most job openings per year in future:

- Combined food preparation and serving workers at an annual average wage of \$19,620;
- Cashiers at an annual average wage of \$20,170;
- Retail salespersons at an annual average wage of \$24,990;
- Farmers, ranchers, and other agricultural managers at an annual average wage of \$82,810;
- Heavy and tractor-trailer truck drivers at an annual average wage of \$40,620;
- Waiters and waitresses at an annual average wage of \$20,270;
- Laborers and freight, stock, and material movers at an annual average wage of \$25,960;
- Personal care aides at an annual average wage of \$20,800;
- Office clerks, general, at an annual average wage of \$28,100; and
- Janitors and cleaners, except maids and housekeeping cleaners, at an annual average wage of \$22,670.<sup>102</sup>

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<sup>99</sup> U.S. Bureau of Labor Statistics. (2019). *Establishment Data State and Area Hours and Earnings Not Seasonally Adjusted. Table D-4 Average hours and earnings of production employees on manufacturing payrolls in states and selected areas.*

<https://www.bls.gov/web/laus/taled4.pdf>.

<sup>100</sup> U.S. Bureau of Labor Statistics. (2019). *Table B-7. Average weekly hours and overtime of production and nonsupervisory employees on private nonfarm payrolls by industry sector, seasonally adjusted.* Retrieved from

<https://www.bls.gov/news.release/empst.t23.htm>.

<sup>101</sup> Arkansas Division of Workforce Services. (May 2019.) *Arkansas Labor Market Report.* Retrieved from

[http://www.discover.arkansas.gov/Portals/194/Publications/Arkansas%20Labor%20Market/Current/LM\\_Report.pdf](http://www.discover.arkansas.gov/Portals/194/Publications/Arkansas%20Labor%20Market/Current/LM_Report.pdf).

<sup>102</sup> Arkansas Division of Workforce Services. (n.d.). *Arkansas Employment Outlook 2016-2016.* Retrieved from

<http://www.discover.arkansas.gov/Portals/194/Publications/Career%20Resources%20-%20Other/Arkansas%20Employment%20Outlook%20Brochure.pdf>.

Many of the above occupations do not require a college degree. The average wage for all of the occupations exceeds the 2019 federal poverty guidelines for one person (\$12,490 per year).<sup>103</sup> Many of the average wages, however, are just above what can be realized from the 2019 state minimum wage of \$9.25 per hour,<sup>104</sup> which would yield \$19,240 per year assuming 40 hours per week and 52 weeks. The state minimum wage is also scheduled to increase to \$11 per hour by 2021.

The Arkansas Division of Workforce Services recognizes that there is considerable variation in the average wages of its 10 workforce regions and 75 counties. In 2017, only four Arkansas counties (*i.e.*, Benton, Calhoun, Pulaski, and Little River) had average wages that exceeded \$45,000 per year. At the other extreme, Pike County had an annual average wage of less than \$30,000 per year. The remaining 70 counties, however, had average wages somewhere in between \$30,000 and \$45,000 per year.

The turnover rate in recent years has been about 8.5 to 9.0 percent.<sup>105</sup> This further suggests presuming a parent can work 40-hours per week at minimum wage 52 weeks per year may not be a reality.

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#### *Factors that Influence Employment Rates and Compliance*

Federal regulation requires the consideration of factors that influence employment rates and compliance. There are several factors that influence the Arkansas labor market and employment rates: the overall US. economy, differences in Arkansas industries and the number of positions in each industry, the migration of workers to Arkansas, the educational attainment of these workers, and other factors. Arkansas, like most states, has not analyzed the impact of child support compliance on employment rates. To do, so would require more detailed data and rigorous research methods that are not readily available or can be applied quickly. There is some older, academic research, however, that finds child support can affect employment among obligated parents.<sup>106</sup> Another study finds some weak association of changes in father's earnings with changes in orders among fathers in couples that had their first child support ordered in 2000.<sup>107</sup> Further, there are many anecdotes of obligated parents who quit working or turn to unreported employment (also called the underground economy) once wages are garnished for child support.

These studies are of limited value for this analysis because they are dated (hence do not consider today's labor market and child support enforcement practices) and not specific to Arkansas. Opportunities for income from unreported employment are rapidly changing. It is becoming more common to have multiple jobs and one may be unreported employment and the other may be reported employment. Still, more mechanisms are being developed to facilitate the reporting of gig economy jobs

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<sup>103</sup> U.S. Department of Health and Human Services Office of the Secretary. (January 11, 2019). "Annual Update of the HHS Poverty Guidelines." *Federal Register*. Document number 2019-00621, pp. 1167-1168.

<sup>104</sup> U.S. Department of Labor. (July 1, 2019). *Minimum Wage Law in States*. Retrieved from <https://www.dol.gov/whd/minwage/america.htm#stateDetails>.

<sup>105</sup> <http://www.discover.arkansas.gov/Portals/194/Publications/Economic%20Report%20-%20OCI/Economic%20Report.pdf>.

<sup>106</sup> Holzer, Harry J. Offner, Paul, and Sorensen, Elaine. (March 2005). "Declining employment among young black less-educated men: The role of incarceration and child support." *Journal of Policy Analysis and Management*.

<sup>107</sup> Ha, Yoonsook, Cancian, Maria, and Meyer, Daniel, R. (Fall 2010). "Unchanging Child Support Orders in the Face of Unstable Earnings." *Journal of Policy Analysis and Management*. vol. 29, no. 4, pp. 799–820.

(*e.g.*, drivers for ridesharing). As is, the earnings from unreported employment are often sporadic and yield inconsistent earnings.

## SECTION 6: SUMMARY

Arkansas is not only reviewing its child support guidelines but is also switching to an income shares model. This report reviews the economic data on the cost of raising children, which is a federal requirement for state guidelines, and uses it to develop income shares charts appropriate for Arkansas. In addition, this report considers expanded federal requirements of state guidelines and how Arkansas can meet (or is meeting) them. Those expanded federal requirements include considering the circumstances of the obligor when imputing income, not deeming incarceration to be voluntary unemployment, and providing for the subsistence needs of the obligated parent. This report also examines how Arkansas can provide shared-parenting and split custody adjustments and treat the cost of the child's health insurance, extraordinary medical expenses, and work-related child care expenses.

State child support guidelines are partially based on policy and partially based on economic data such as the cost of raising children. This report provides many options for Arkansas. The information in this report along with other information is being considered by the Arkansas Supreme Court Committee on Child Support that is reviewing the guidelines and making recommendations that will be proposed to the Arkansas Supreme Court.

The major options presented in this report are summarized below.

- *Income Shares Charts.* Appendix A provides income shares charts appropriate for Arkansas that consider combined gross incomes up to \$30,000 per month.
- *Federal Requirement Pertaining to Income Imputation.* In order to meet the federal requirement to consider the specific circumstances of the obligated parent when income imputation is authorized, one policy approach would be to adopt the federal language.
- *Federal Requirement Pertaining to Incarceration.* The 2019 Arkansas legislature passed a bill that will fulfill this requirement. One policy approach would be to include the statutory language in the child support guidelines that are set in court rule.
- *Federal Requirement to Consider the Subsistence Needs of the Obligated Parent.* Most states meet this requirement through providing a self-support reserve (SSR), and a zero order or minimum order for incomes below the SSR.
  - The amounts of the SSR and minimum order are policy decisions. Most states relate the SSR amount to the federal poverty guidelines for one person. The minimum orders of other states typically range from about \$50 to \$100 per month.
  - Whether to incorporate the SSR in the income shares chart or worksheet is a policy decision.
- *Adjustment for shared-parenting time.* Most (38 states) provide a formula. Twenty of these states use a cross-credit formula, which essentially calculates a theoretical order for each parent

then weighs it by the child's time with the other parent. The difference between the two theoretical orders is the basis of the child support order for the parent with the higher theoretical order. In making this calculation, most states multiple each parent's theoretical order by 150 percent to account for it costing about 50 percent more to raise a child in two households due to duplicated child-rearing expenditures such as housing. The remaining 18 formulas are generally individualized to each state. Some use simple per diem approaches (which usually create precipitous decreases when the timesharing threshold is met) and others use complicated mathematical formulas that require an automated calculator. Most of the 13 states without a formula provide that timesharing is a guidelines deviation factor.

- *Adjustment for split custody.* The most common approach used in other states is to compute a theoretical order for each parent based on the number of children living with the other parent. The difference between the theoretical order is the basis for the support order for the parent with the higher theoretical order. This approach also works in circumstances where there is both shared and split custody.
- *Treatment of the child's health care coverage.* Recent changes in federal regulation allow states to essentially use Medicaid and CHIP to fulfill the federal requirement to provide for the child's health care coverage. Another issue concerning the child's health care is how the parents shall share in the cost of the child's health insurance premium and extraordinary medical expenses. Most income shares states prorate the actual expense between the parents and include it as part of the child support order. Most states also use this approach for work-related child care expenses. Alternatively, a few states provide for separate orders for these expenses and allow the obligated parent to pay the other parent directly or the provider. No income shares states include all of these expenses in their chart.

In summary, the alternatives presented are appropriate for Arkansas and consider the best interest of Arkansas children and families.

**APPENDIX A: PROPOSED INCOME SHARES CHARTS**

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
<b>Combined Gross Monthly Income</b>	<b>One Child</b>	<b>Two Children</b>	<b>Three Children</b>	<b>Four Children</b>	<b>Five Children</b>	<b>Six Children</b>
500	90	133	160	179	197	214
550	99	146	176	197	217	235
600	108	159	192	214	236	256
650	117	172	208	232	255	277
700	125	184	222	248	273	297
750	133	195	236	264	290	315
800	141	207	250	279	307	334
850	149	218	264	295	324	352
900	156	230	278	310	341	371
950	164	241	291	325	358	389
1000	172	252	305	341	375	407
1050	180	264	319	356	392	426
1100	187	275	332	371	409	444
1150	195	286	346	387	425	462
1200	203	298	360	402	442	481
1250	211	309	374	417	459	499
1300	218	320	387	432	476	517
1350	226	332	401	448	492	535
1400	234	343	414	463	509	553
1450	241	354	428	478	526	571
1500	249	365	441	493	542	589
1550	256	376	454	508	558	607
1600	264	387	468	522	575	625
1650	271	398	481	537	591	642
1700	279	409	494	552	607	660
1750	286	420	507	567	623	677
1800	293	431	520	581	639	695
1850	301	442	534	596	656	713
1900	308	453	547	611	672	730
1950	316	463	560	626	688	748
2000	323	474	573	640	704	765
2050	330	485	586	654	720	783
2100	338	496	599	669	736	800
2150	345	506	612	683	752	817
2200	352	517	625	698	768	834
2250	360	528	638	712	784	852
2300	367	538	651	727	799	869
2350	374	549	664	741	815	886
2400	381	560	677	756	831	904
2450	389	571	689	770	847	921

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
2500	396	581	702	785	863	938
2550	403	592	715	799	879	955
2600	411	603	728	814	895	973
2650	418	613	741	828	911	990
2700	425	624	754	842	927	1007
2750	433	635	767	857	943	1025
2800	440	646	780	871	958	1042
2850	447	656	793	886	974	1059
2900	454	667	806	900	990	1076
2950	462	678	819	915	1006	1094
3000	469	688	832	929	1022	1111
3050	476	699	845	944	1038	1128
3100	484	710	858	958	1054	1146
3150	491	720	871	972	1070	1163
3200	498	731	883	987	1085	1180
3250	505	742	896	1001	1101	1197
3300	512	752	909	1015	1117	1214
3350	520	763	922	1029	1132	1231
3400	527	773	934	1044	1148	1248
3450	534	784	947	1058	1164	1265
3500	541	794	960	1072	1180	1282
3550	548	805	973	1087	1195	1299
3600	556	816	986	1101	1211	1316
3650	563	826	998	1115	1227	1333
3700	570	837	1011	1129	1242	1350
3750	577	847	1024	1144	1258	1367
3800	584	858	1037	1158	1274	1385
3850	592	868	1049	1172	1289	1402
3900	599	879	1062	1186	1305	1419
3950	606	890	1075	1201	1321	1436
4000	612	899	1086	1213	1335	1451
4050	619	908	1097	1226	1348	1465
4100	625	917	1108	1238	1362	1480
4150	631	926	1119	1250	1375	1495
4200	637	935	1130	1263	1389	1510
4250	644	945	1141	1275	1402	1524
4300	650	954	1152	1287	1416	1539
4350	656	963	1163	1300	1429	1554
4400	662	972	1174	1312	1443	1569
4450	668	981	1185	1324	1457	1583
4500	675	990	1197	1337	1470	1598
4550	681	999	1208	1349	1484	1613

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
4600	687	1008	1219	1361	1497	1628
4650	693	1018	1230	1373	1511	1642
4700	699	1027	1241	1386	1524	1657
4750	706	1036	1252	1398	1538	1672
4800	712	1045	1263	1410	1552	1686
4850	718	1054	1274	1423	1565	1701
4900	724	1063	1285	1435	1579	1716
4950	731	1072	1296	1447	1592	1731
5000	737	1081	1307	1460	1606	1745
5050	743	1091	1318	1472	1619	1760
5100	749	1100	1329	1484	1633	1775
5150	755	1109	1340	1497	1646	1790
5200	762	1118	1351	1509	1660	1804
5250	768	1127	1362	1521	1674	1819
5300	774	1136	1373	1534	1687	1834
5350	780	1145	1384	1546	1701	1849
5400	785	1152	1392	1555	1710	1859
5450	788	1154	1394	1557	1712	1861
5500	790	1156	1395	1559	1715	1864
5550	793	1159	1397	1561	1717	1866
5600	795	1161	1399	1563	1719	1869
5650	798	1163	1401	1565	1721	1871
5700	800	1165	1403	1567	1724	1873
5750	802	1167	1405	1569	1726	1876
5800	805	1170	1406	1571	1728	1878
5850	807	1172	1408	1573	1730	1881
5900	810	1174	1410	1575	1733	1883
5950	812	1176	1412	1577	1735	1886
6000	815	1178	1414	1579	1737	1888
6050	817	1181	1416	1582	1740	1891
6100	821	1185	1421	1587	1746	1897
6150	824	1189	1425	1592	1751	1904
6200	827	1193	1430	1598	1757	1910
6250	830	1197	1435	1603	1763	1916
6300	834	1201	1440	1608	1769	1923
6350	837	1205	1444	1613	1775	1929
6400	840	1209	1449	1619	1781	1936
6450	843	1214	1454	1624	1787	1942
6500	847	1218	1459	1629	1792	1948
6550	850	1222	1464	1635	1798	1955
6600	853	1226	1468	1640	1804	1961
6650	856	1230	1473	1645	1810	1967

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
6700	860	1234	1478	1651	1816	1974
6750	865	1240	1485	1659	1825	1984
6800	870	1247	1494	1669	1835	1995
6850	875	1254	1502	1678	1846	2006
6900	880	1261	1510	1687	1856	2017
6950	886	1268	1519	1696	1866	2028
7000	891	1274	1527	1705	1876	2039
7050	896	1281	1535	1715	1886	2050
7100	901	1288	1543	1724	1896	2061
7150	907	1295	1552	1733	1907	2072
7200	912	1302	1560	1742	1917	2083
7250	917	1308	1568	1752	1927	2095
7300	923	1315	1576	1761	1937	2106
7350	928	1322	1585	1770	1947	2117
7400	932	1328	1592	1778	1956	2126
7450	936	1334	1598	1785	1964	2135
7500	939	1340	1605	1793	1972	2143
7550	943	1345	1611	1800	1980	2152
7600	947	1351	1618	1807	1988	2161
7650	950	1357	1624	1814	1996	2169
7700	954	1362	1631	1821	2004	2178
7750	957	1368	1637	1828	2011	2186
7800	961	1373	1643	1835	2019	2195
7850	964	1379	1649	1842	2027	2203
7900	968	1384	1656	1849	2034	2211
7950	971	1390	1662	1856	2042	2220
8000	975	1395	1668	1863	2050	2228
8050	978	1401	1674	1870	2057	2236
8100	980	1402	1676	1872	2060	2239
8150	982	1404	1678	1875	2062	2242
8200	984	1406	1681	1877	2065	2245
8250	986	1408	1683	1880	2068	2248
8300	988	1410	1685	1882	2070	2250
8350	989	1411	1687	1885	2073	2253
8400	991	1413	1689	1887	2076	2256
8450	993	1415	1691	1889	2078	2259
8500	995	1417	1694	1892	2081	2262
8550	997	1419	1696	1894	2084	2265
8600	999	1420	1698	1897	2086	2268
8650	1001	1422	1700	1899	2089	2271
8700	1002	1424	1702	1902	2092	2274
8750	1005	1427	1705	1905	2095	2278

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
8800	1008	1430	1709	1909	2100	2283
8850	1011	1434	1714	1914	2106	2289
8900	1014	1438	1718	1919	2111	2294
8950	1017	1442	1722	1923	2116	2300
9000	1020	1445	1726	1928	2121	2305
9050	1023	1449	1730	1933	2126	2311
9100	1027	1453	1735	1937	2131	2317
9150	1030	1457	1739	1942	2136	2322
9200	1033	1461	1743	1947	2141	2328
9250	1036	1464	1747	1951	2147	2333
9300	1039	1468	1751	1956	2152	2339
9350	1042	1472	1755	1961	2157	2344
9400	1045	1476	1760	1965	2162	2350
9450	1048	1478	1763	1970	2167	2355
9500	1050	1480	1767	1974	2171	2360
9550	1053	1483	1770	1977	2175	2364
9600	1055	1485	1774	1981	2180	2369
9650	1057	1487	1777	1985	2184	2374
9700	1060	1489	1781	1989	2188	2379
9750	1062	1491	1784	1993	2193	2383
9800	1064	1493	1788	1997	2197	2388
9850	1067	1495	1791	2001	2201	2393
9900	1069	1497	1795	2005	2206	2397
9950	1071	1499	1799	2009	2210	2402
10000	1074	1501	1802	2013	2214	2407
10050	1076	1504	1806	2017	2219	2412
10100	1078	1506	1809	2021	2223	2416
10150	1081	1508	1813	2025	2227	2421
10200	1083	1510	1816	2029	2232	2426
10250	1085	1512	1820	2033	2236	2430
10300	1088	1514	1823	2037	2240	2435
10350	1090	1516	1827	2040	2245	2440
10400	1092	1518	1830	2044	2249	2444
10450	1095	1521	1834	2049	2253	2449
10500	1098	1526	1839	2054	2260	2456
10550	1102	1531	1844	2060	2266	2463
10600	1106	1536	1850	2066	2273	2471
10650	1109	1542	1855	2072	2279	2478
10700	1113	1547	1860	2078	2286	2485
10750	1116	1552	1866	2084	2292	2492
10800	1120	1557	1871	2090	2299	2499
10850	1123	1562	1876	2096	2305	2506

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
10900	1127	1568	1881	2101	2312	2513
10950	1130	1573	1887	2107	2318	2520
11000	1134	1578	1892	2113	2324	2527
11050	1137	1583	1897	2119	2331	2534
11100	1141	1589	1903	2125	2338	2541
11150	1145	1595	1908	2132	2345	2549
11200	1149	1600	1914	2138	2352	2557
11250	1153	1606	1920	2145	2359	2564
11300	1156	1612	1926	2151	2366	2572
11350	1160	1618	1931	2157	2373	2580
11400	1164	1623	1937	2164	2380	2587
11450	1168	1629	1943	2170	2387	2595
11500	1172	1635	1949	2177	2395	2603
11550	1176	1641	1955	2183	2402	2611
11600	1180	1646	1960	2190	2409	2618
11650	1184	1652	1966	2196	2416	2626
11700	1187	1658	1972	2203	2423	2634
11750	1191	1664	1978	2209	2430	2642
11800	1195	1668	1984	2216	2437	2649
11850	1198	1672	1990	2222	2445	2657
11900	1202	1677	1996	2229	2452	2665
11950	1206	1681	2002	2236	2459	2673
12000	1209	1686	2008	2242	2467	2681
12050	1213	1690	2013	2249	2474	2689
12100	1216	1695	2019	2256	2481	2697
12150	1220	1699	2025	2262	2489	2705
12200	1223	1703	2031	2269	2496	2713
12250	1227	1708	2037	2276	2503	2721
12300	1231	1712	2043	2282	2511	2729
12350	1234	1717	2049	2289	2518	2737
12400	1238	1721	2055	2296	2525	2745
12450	1241	1725	2061	2302	2532	2753
12500	1245	1730	2067	2309	2540	2761
12550	1248	1734	2073	2316	2547	2769
12600	1252	1739	2079	2322	2554	2777
12650	1256	1743	2085	2329	2562	2785
12700	1259	1748	2091	2335	2569	2792
12750	1263	1752	2097	2342	2576	2800
12800	1266	1756	2103	2349	2584	2808
12850	1270	1761	2109	2355	2591	2816
12900	1273	1765	2115	2362	2598	2824
12950	1277	1770	2121	2369	2606	2832

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
13000	1280	1774	2127	2375	2613	2840
13050	1284	1779	2132	2382	2620	2848
13100	1288	1783	2138	2389	2627	2856
13150	1291	1787	2144	2395	2635	2864
13200	1295	1792	2150	2402	2642	2872
13250	1298	1796	2156	2409	2649	2880
13300	1302	1801	2162	2415	2657	2888
13350	1305	1805	2168	2422	2664	2896
13400	1309	1809	2174	2428	2671	2904
13450	1313	1814	2180	2435	2679	2912
13500	1316	1818	2186	2442	2686	2920
13550	1320	1823	2192	2448	2693	2928
13600	1323	1827	2198	2455	2701	2936
13650	1326	1831	2202	2460	2706	2942
13700	1329	1834	2206	2465	2711	2947
13750	1331	1838	2211	2469	2716	2952
13800	1334	1841	2215	2474	2721	2958
13850	1337	1844	2219	2478	2726	2963
13900	1339	1848	2223	2483	2731	2969
13950	1342	1851	2227	2487	2736	2974
14000	1345	1854	2231	2492	2741	2979
14050	1347	1858	2235	2496	2746	2985
14100	1350	1861	2238	2500	2750	2990
14150	1352	1864	2242	2504	2755	2994
14200	1354	1867	2245	2508	2759	2999
14250	1357	1870	2249	2512	2763	3004
14300	1359	1873	2253	2516	2768	3008
14350	1361	1876	2256	2520	2772	3013
14400	1363	1879	2260	2524	2776	3018
14450	1366	1882	2263	2528	2781	3023
14500	1368	1885	2267	2532	2785	3027
14550	1370	1888	2270	2536	2790	3032
14600	1373	1891	2274	2540	2794	3037
14650	1375	1894	2277	2544	2798	3042
14700	1377	1897	2281	2548	2803	3046
14750	1380	1900	2284	2552	2807	3051
14800	1382	1903	2288	2556	2811	3056
14850	1384	1906	2292	2560	2816	3061
14900	1387	1909	2295	2564	2820	3065
14950	1389	1911	2299	2568	2824	3070
15000	1391	1914	2302	2572	2829	3075
15050	1394	1917	2306	2576	2833	3080

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
15100	1396	1920	2309	2580	2838	3084
15150	1398	1923	2313	2584	2842	3089
15200	1401	1926	2316	2587	2846	3094
15250	1403	1929	2320	2591	2851	3099
15300	1405	1932	2324	2595	2855	3103
15350	1408	1935	2327	2599	2859	3108
15400	1410	1938	2331	2603	2864	3113
15450	1412	1941	2334	2607	2868	3118
15500	1414	1944	2338	2611	2872	3122
15550	1417	1947	2341	2615	2877	3127
15600	1419	1950	2345	2619	2881	3132
15650	1421	1953	2348	2623	2886	3137
15700	1424	1956	2352	2627	2890	3141
15750	1426	1959	2356	2631	2894	3146
15800	1428	1962	2359	2635	2899	3151
15850	1431	1965	2363	2639	2903	3156
15900	1433	1968	2366	2643	2907	3160
15950	1435	1971	2370	2647	2912	3165
16000	1438	1974	2373	2651	2916	3170
16050	1440	1977	2377	2655	2920	3174
16100	1442	1980	2380	2659	2925	3179
16150	1445	1983	2384	2663	2929	3184
16200	1447	1986	2387	2667	2934	3189
16250	1449	1989	2391	2671	2938	3193
16300	1452	1992	2395	2675	2942	3198
16350	1454	1995	2398	2679	2947	3203
16400	1456	1998	2402	2683	2951	3208
16450	1459	2001	2405	2686	2955	3212
16500	1462	2004	2408	2690	2959	3216
16550	1464	2007	2412	2694	2963	3221
16600	1467	2009	2415	2697	2967	3225
16650	1470	2012	2418	2701	2971	3230
16700	1472	2015	2421	2705	2975	3234
16750	1475	2018	2425	2708	2979	3239
16800	1478	2021	2428	2712	2983	3243
16850	1480	2024	2431	2716	2987	3247
16900	1483	2027	2435	2720	2992	3252
16950	1486	2030	2438	2723	2996	3256
17000	1488	2033	2441	2727	3000	3261
17050	1491	2036	2445	2731	3004	3265
17100	1494	2038	2448	2734	3008	3269
17150	1496	2041	2451	2738	3012	3274

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
17200	1499	2044	2455	2742	3016	3278
17250	1501	2047	2457	2745	3019	3282
17300	1504	2050	2461	2748	3023	3286
17350	1506	2052	2464	2752	3027	3291
17400	1509	2055	2467	2756	3031	3295
17450	1512	2058	2470	2759	3035	3299
17500	1514	2061	2474	2763	3039	3304
17550	1517	2064	2477	2767	3043	3308
17600	1520	2067	2480	2770	3047	3312
17650	1522	2070	2483	2774	3051	3317
17700	1525	2072	2487	2778	3055	3321
17750	1527	2075	2490	2781	3059	3325
17800	1530	2078	2493	2784	3063	3329
17850	1532	2081	2496	2788	3067	3333
17900	1535	2083	2499	2791	3070	3338
17950	1537	2086	2502	2795	3074	3342
18000	1540	2089	2505	2798	3078	3346
18050	1542	2091	2508	2802	3082	3350
18100	1545	2094	2511	2805	3086	3354
18150	1547	2097	2514	2809	3090	3358
18200	1550	2100	2518	2812	3093	3362
18250	1552	2102	2521	2816	3097	3367
18300	1555	2105	2524	2819	3101	3371
18350	1557	2108	2527	2822	3105	3375
18400	1560	2110	2530	2826	3109	3379
18450	1562	2113	2533	2829	3112	3383
18500	1565	2116	2536	2833	3116	3387
18550	1567	2119	2539	2836	3120	3391
18600	1570	2121	2542	2840	3124	3396
18650	1572	2124	2545	2843	3128	3400
18700	1575	2127	2549	2847	3131	3404
18750	1577	2129	2552	2850	3135	3408
18800	1580	2132	2555	2854	3139	3412
18850	1582	2135	2558	2857	3143	3416
18900	1585	2138	2561	2861	3147	3420
18950	1587	2140	2564	2864	3150	3424
19000	1590	2143	2567	2867	3154	3429
19050	1592	2146	2570	2871	3158	3433
19100	1595	2148	2573	2874	3162	3437
19150	1597	2151	2576	2878	3166	3441
19200	1599	2154	2579	2881	3169	3445
19250	1602	2157	2583	2885	3173	3449

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
19300	1604	2159	2586	2888	3177	3453
19350	1607	2162	2589	2892	3181	3458
19400	1609	2165	2592	2895	3185	3462
19450	1612	2167	2595	2899	3188	3466
19500	1614	2170	2598	2902	3192	3470
19550	1617	2173	2601	2905	3196	3474
19600	1619	2176	2604	2909	3200	3478
19650	1622	2178	2607	2912	3204	3482
19700	1624	2181	2610	2916	3207	3486
19750	1627	2184	2614	2919	3211	3491
19800	1629	2186	2617	2923	3215	3495
19850	1632	2189	2620	2926	3219	3499
19900	1634	2192	2623	2930	3223	3503
19950	1637	2195	2626	2933	3226	3507
20000	1639	2197	2629	2937	3230	3511
20050	1642	2200	2632	2940	3234	3515
20100	1644	2203	2635	2944	3238	3520
20150	1647	2206	2638	2947	3242	3524
20200	1649	2208	2641	2950	3245	3528
20250	1652	2211	2644	2954	3249	3532
20300	1654	2214	2648	2957	3253	3536
20350	1657	2216	2651	2961	3257	3540
20400	1659	2219	2654	2964	3261	3544
20450	1662	2222	2657	2968	3264	3548
20500	1664	2225	2660	2971	3268	3553
20550	1667	2227	2663	2975	3272	3557
20600	1669	2230	2666	2978	3276	3561
20650	1672	2233	2669	2982	3280	3565
20700	1674	2235	2672	2985	3284	3569
20750	1677	2238	2675	2988	3287	3573
20800	1679	2241	2679	2992	3291	3577
20850	1681	2243	2681	2995	3295	3581
20900	1683	2246	2684	2998	3298	3585
20950	1684	2248	2687	3001	3301	3588
21000	1686	2251	2689	3004	3304	3592
21050	1687	2253	2692	3007	3308	3595
21100	1689	2255	2695	3010	3311	3599
21150	1691	2258	2697	3013	3314	3602
21200	1692	2260	2700	3016	3317	3606
21250	1694	2262	2702	3019	3321	3609
21300	1695	2265	2705	3022	3324	3613
21350	1697	2267	2708	3025	3327	3616

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
21400	1698	2269	2710	3027	3330	3620
21450	1700	2272	2713	3030	3333	3623
21500	1701	2274	2716	3033	3337	3627
21550	1703	2277	2718	3036	3340	3630
21600	1704	2279	2721	3039	3343	3634
21650	1706	2281	2723	3042	3346	3637
21700	1707	2284	2726	3045	3350	3641
21750	1709	2286	2729	3048	3353	3644
21800	1710	2288	2731	3051	3356	3648
21850	1712	2291	2734	3054	3359	3652
21900	1713	2293	2737	3057	3362	3655
21950	1715	2295	2739	3060	3366	3659
22000	1716	2298	2742	3063	3369	3662
22050	1718	2300	2744	3066	3372	3666
22100	1719	2303	2747	3069	3375	3669
22150	1721	2305	2750	3071	3379	3673
22200	1722	2307	2752	3074	3382	3676
22250	1724	2310	2755	3077	3385	3680
22300	1726	2312	2758	3080	3388	3683
22350	1727	2314	2760	3083	3392	3687
22400	1729	2317	2763	3086	3395	3690
22450	1730	2319	2766	3089	3398	3694
22500	1732	2321	2768	3092	3401	3697
22550	1733	2324	2771	3095	3404	3701
22600	1735	2326	2773	3098	3408	3704
22650	1736	2328	2776	3101	3411	3708
22700	1738	2331	2779	3104	3414	3711
22750	1739	2333	2781	3107	3417	3715
22800	1741	2336	2784	3110	3421	3718
22850	1742	2338	2787	3113	3424	3722
22900	1744	2340	2789	3115	3427	3725
22950	1745	2343	2792	3118	3430	3729
23000	1747	2345	2794	3121	3433	3732
23050	1748	2347	2797	3124	3437	3736
23100	1750	2350	2800	3127	3440	3739
23150	1751	2352	2802	3130	3443	3743
23200	1753	2354	2805	3133	3446	3746
23250	1754	2357	2808	3136	3450	3750
23300	1756	2359	2810	3139	3453	3753
23350	1758	2362	2813	3142	3456	3757
23400	1759	2364	2815	3145	3459	3760
23450	1761	2366	2818	3148	3462	3764

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
23500	1762	2369	2821	3151	3466	3767
23550	1764	2371	2823	3154	3469	3771
23600	1765	2373	2826	3157	3472	3774
23650	1767	2376	2829	3159	3475	3778
23700	1768	2378	2831	3162	3479	3781
23750	1770	2380	2834	3165	3482	3785
23800	1771	2383	2836	3168	3485	3788
23850	1773	2385	2839	3171	3488	3792
23900	1774	2388	2842	3174	3492	3795
23950	1776	2390	2844	3177	3495	3799
24000	1777	2392	2847	3180	3498	3802
24050	1779	2395	2850	3183	3501	3806
24100	1780	2397	2852	3186	3504	3809
24150	1782	2399	2855	3189	3508	3813
24200	1783	2402	2857	3192	3511	3816
24250	1785	2404	2860	3195	3514	3820
24300	1786	2406	2863	3198	3517	3823
24350	1788	2409	2865	3201	3521	3827
24400	1789	2411	2868	3203	3524	3830
24450	1791	2414	2871	3206	3527	3834
24500	1793	2416	2873	3209	3530	3837
24550	1794	2418	2876	3212	3533	3841
24600	1796	2421	2878	3215	3537	3844
24650	1797	2423	2881	3218	3540	3848
24700	1799	2425	2884	3221	3543	3851
24750	1800	2428	2886	3224	3546	3855
24800	1802	2430	2889	3227	3550	3858
24850	1803	2432	2892	3230	3553	3862
24900	1805	2435	2894	3233	3556	3865
24950	1806	2437	2897	3236	3559	3869
25000	1808	2440	2899	3239	3563	3872
25050	1809	2442	2902	3242	3566	3876
25100	1811	2444	2905	3245	3569	3879
25150	1812	2447	2907	3247	3572	3883
25200	1814	2449	2910	3250	3575	3886
25250	1815	2451	2913	3253	3579	3890
25300	1817	2454	2915	3256	3582	3893
25350	1818	2456	2918	3259	3585	3897
25400	1820	2458	2920	3262	3588	3901
25450	1821	2461	2923	3265	3592	3904
25500	1823	2463	2926	3268	3595	3908
25550	1825	2466	2928	3271	3598	3911

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
25600	1826	2468	2931	3274	3601	3915
25650	1828	2470	2934	3277	3604	3918
25700	1829	2473	2936	3280	3608	3922
25750	1831	2475	2939	3283	3611	3925
25800	1832	2477	2941	3286	3614	3929
25850	1834	2480	2944	3289	3617	3932
25900	1835	2482	2947	3291	3621	3936
25950	1837	2484	2949	3294	3624	3939
26000	1838	2487	2952	3297	3627	3943
26050	1840	2489	2955	3300	3630	3946
26100	1841	2492	2957	3303	3633	3950
26150	1843	2494	2960	3306	3637	3953
26200	1844	2496	2962	3309	3640	3957
26250	1846	2499	2965	3312	3643	3960
26300	1847	2501	2968	3315	3646	3964
26350	1849	2503	2970	3318	3650	3967
26400	1850	2506	2973	3321	3653	3971
26450	1852	2508	2976	3324	3656	3974
26500	1853	2510	2978	3327	3659	3978
26550	1855	2513	2981	3330	3663	3981
26600	1856	2515	2983	3333	3666	3985
26650	1858	2518	2986	3335	3669	3988
26700	1860	2520	2989	3338	3672	3992
26750	1861	2522	2991	3341	3675	3995
26800	1863	2525	2994	3344	3679	3999
26850	1864	2527	2997	3347	3682	4002
26900	1866	2529	2999	3350	3685	4006
26950	1867	2532	3002	3353	3688	4009
27000	1869	2534	3004	3356	3692	4013
27050	1870	2536	3007	3359	3695	4016
27100	1872	2539	3010	3362	3698	4020
27150	1873	2541	3012	3365	3701	4023
27200	1875	2544	3015	3368	3704	4027
27250	1876	2546	3018	3371	3708	4030
27300	1878	2548	3020	3374	3711	4034
27350	1879	2551	3023	3377	3714	4037
27400	1881	2553	3025	3379	3717	4041
27450	1882	2555	3028	3382	3721	4044
27500	1884	2558	3031	3385	3724	4048
27550	1885	2560	3033	3388	3727	4051
27600	1887	2562	3036	3391	3730	4055
27650	1888	2565	3039	3394	3734	4058

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
27700	1890	2567	3041	3397	3737	4062
27750	1892	2570	3044	3400	3740	4065
27800	1893	2572	3046	3403	3743	4069
27850	1895	2574	3049	3406	3746	4072
27900	1896	2577	3052	3409	3750	4076
27950	1898	2579	3054	3412	3753	4079
28000	1899	2581	3057	3415	3756	4083
28050	1901	2584	3060	3418	3759	4086
28100	1902	2586	3062	3420	3763	4090
28150	1904	2588	3065	3423	3766	4093
28200	1905	2591	3067	3426	3769	4097
28250	1907	2593	3070	3429	3772	4100
28300	1908	2596	3073	3432	3775	4104
28350	1910	2598	3075	3435	3779	4107
28400	1911	2600	3078	3438	3782	4111
28450	1913	2603	3081	3441	3785	4114
28500	1914	2605	3083	3444	3788	4118
28550	1916	2607	3086	3447	3792	4121
28600	1917	2610	3088	3450	3795	4125
28650	1919	2612	3091	3453	3798	4128
28700	1920	2614	3094	3456	3801	4132
28750	1922	2617	3096	3459	3804	4135
28800	1924	2619	3099	3462	3808	4139
28850	1925	2622	3102	3464	3811	4142
28900	1927	2624	3104	3467	3814	4146
28950	1928	2626	3107	3470	3817	4150
29000	1930	2629	3109	3473	3821	4153
29050	1931	2631	3112	3476	3824	4157
29100	1933	2633	3115	3479	3827	4160
29150	1934	2636	3117	3482	3830	4164
29200	1936	2638	3120	3485	3834	4167
29250	1937	2640	3123	3488	3837	4171
29300	1939	2643	3125	3491	3840	4174
29350	1940	2644	3127	3493	3842	4177
29400	1941	2646	3129	3495	3844	4179
29450	1942	2647	3130	3496	3846	4181
29500	1943	2648	3131	3498	3848	4183
29550	1943	2649	3133	3499	3850	4185
29600	1944	2650	3134	3501	3851	4186
29650	1945	2652	3135	3502	3853	4188
29700	1946	2653	3137	3504	3855	4190
29750	1947	2654	3138	3505	3857	4192

<b>Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
29800	1948	2655	3140	3507	3859	4194
29850	1949	2656	3141	3508	3860	4196
29900	1950	2658	3142	3510	3862	4198
29950	1951	2659	3144	3512	3864	4200
30000	1952	2660	3145	3513	3866	4202

<b>Semi-Monthly Chart of Basic Child Support Obligations</b> (No Minimum Order or Self-Support Reserve)						
Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
250	45	66	80	90	99	107
300	54	79	96	107	118	128
350	63	92	111	124	136	148
400	70	103	125	140	153	167
450	78	115	139	155	171	185
500	86	126	153	170	187	204
550	94	138	166	186	204	222
600	101	149	180	201	221	240
650	109	160	194	216	238	259
700	117	171	207	231	255	277
750	124	183	221	246	271	295
800	132	193	234	261	287	312
850	139	204	247	276	304	330
900	147	215	260	291	320	348
950	154	226	273	305	336	365
1000	162	237	286	320	352	383
1050	169	248	299	334	368	400
1100	176	258	312	349	384	417
1150	183	269	325	363	400	434
1200	191	280	338	378	416	452
1250	198	291	351	392	432	469
1300	205	301	364	407	447	486
1350	213	312	377	421	463	504
1400	220	323	390	436	479	521
1450	227	333	403	450	495	538

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1500	235	344	416	465	511	556
1550	242	355	429	479	527	573
1600	249	366	442	493	543	590
1650	256	376	454	508	558	607
1700	263	387	467	522	574	624
1750	271	397	480	536	590	641
1800	278	408	493	550	605	658
1850	285	418	506	565	621	675
1900	292	429	518	579	637	692
1950	299	439	531	593	653	709
2000	306	449	543	607	667	725
2050	312	459	554	619	681	740
2100	319	468	565	631	694	755
2150	325	477	576	644	708	770
2200	331	486	587	656	722	784
2250	337	495	598	668	735	799
2300	344	504	609	681	749	814
2350	350	513	620	693	762	829
2400	356	522	631	705	776	843
2450	362	532	642	718	789	858
2500	368	541	653	730	803	873
2550	375	550	664	742	816	887
2600	381	559	675	755	830	902
2650	387	568	687	767	844	917
2700	393	576	696	777	855	929
2750	395	578	698	779	857	932
2800	398	580	700	781	860	934
2850	400	583	701	783	862	937
2900	402	585	703	785	864	939
2950	405	587	705	788	866	942
3000	407	589	707	790	869	944
3050	410	592	710	793	873	949
3100	414	597	715	799	879	955
3150	417	601	720	804	884	961
3200	420	605	725	809	890	968
3250	423	609	729	815	896	974
3300	427	613	734	820	902	981
3350	430	617	739	825	908	987
3400	435	624	747	834	918	998
3450	440	630	755	844	928	1009

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
3500	445	637	763	853	938	1020
3550	451	644	772	862	948	1031
3600	456	651	780	871	958	1042
3650	461	658	788	880	969	1053
3700	466	664	796	889	978	1063
3750	470	670	802	896	986	1072
3800	473	675	809	904	994	1080
3850	477	681	815	911	1002	1089
3900	480	687	822	918	1009	1097
3950	484	692	828	925	1017	1106
4000	487	698	834	932	1025	1114
4050	490	701	838	936	1030	1119
4100	492	703	840	939	1032	1122
4150	494	705	842	941	1035	1125
4200	496	707	845	943	1038	1128
4250	497	708	847	946	1041	1131
4300	499	710	849	948	1043	1134
4350	501	712	851	951	1046	1137
4400	504	715	855	955	1050	1142
4450	507	719	859	959	1055	1147
4500	510	723	863	964	1060	1153
4550	513	727	867	969	1066	1158
4600	516	730	871	973	1071	1164
4650	519	734	876	978	1076	1169
4700	523	738	880	983	1081	1175
4750	525	740	883	987	1085	1180
4800	527	742	887	991	1090	1185
4850	530	744	890	995	1094	1189
4900	532	747	894	999	1098	1194
4950	534	749	898	1003	1103	1199
5000	537	751	901	1006	1107	1203
5050	539	753	905	1010	1111	1208
5100	542	755	908	1014	1116	1213
5150	544	757	912	1018	1120	1218
5200	546	759	915	1022	1124	1222
5250	549	763	920	1027	1130	1228
5300	553	768	925	1033	1136	1235
5350	556	773	930	1039	1143	1242
5400	560	779	935	1045	1149	1249
5450	563	784	941	1051	1156	1256

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
5500	567	789	946	1057	1162	1263
5550	570	794	951	1063	1169	1271
5600	574	800	957	1069	1176	1278
5650	578	806	963	1076	1183	1286
5700	582	812	969	1082	1190	1294
5750	586	817	974	1088	1197	1301
5800	590	823	980	1095	1204	1309
5850	594	829	986	1101	1211	1317
5900	597	834	992	1108	1219	1325
5950	601	838	998	1115	1226	1333
6000	605	843	1004	1121	1233	1341
6050	608	847	1010	1128	1241	1349
6100	612	852	1016	1135	1248	1357
6150	615	856	1022	1141	1255	1364
6200	619	861	1028	1148	1263	1372
6250	622	865	1034	1154	1270	1380
6300	626	869	1039	1161	1277	1388
6350	630	874	1045	1168	1284	1396
6400	633	878	1051	1174	1292	1404
6450	637	883	1057	1181	1299	1412
6500	640	887	1063	1188	1306	1420
6550	644	891	1069	1194	1314	1428
6600	647	896	1075	1201	1321	1436
6650	651	900	1081	1208	1328	1444
6700	655	905	1087	1214	1336	1452
6750	658	909	1093	1221	1343	1460
6800	662	914	1099	1228	1350	1468
6850	664	917	1103	1232	1356	1473
6900	667	920	1107	1237	1361	1479
6950	670	924	1111	1241	1365	1484
7000	672	927	1115	1246	1370	1490
7050	675	930	1119	1250	1375	1495
7100	677	933	1123	1254	1379	1499
7150	679	936	1126	1258	1384	1504
7200	682	939	1130	1262	1388	1509
7250	684	942	1133	1266	1393	1514
7300	686	945	1137	1270	1397	1518
7350	689	948	1140	1274	1401	1523
7400	691	951	1144	1278	1406	1528
7450	693	954	1148	1282	1410	1533

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
7500	696	957	1151	1286	1414	1537
7550	698	960	1155	1290	1419	1542
7600	700	963	1158	1294	1423	1547
7650	703	966	1162	1298	1427	1552
7700	705	969	1165	1302	1432	1556
7750	707	972	1169	1306	1436	1561
7800	710	975	1172	1310	1441	1566
7850	712	978	1176	1314	1445	1571
7900	714	981	1180	1318	1449	1575
7950	717	984	1183	1322	1454	1580
8000	719	987	1187	1325	1458	1585
8050	721	990	1190	1329	1462	1590
8100	723	993	1194	1333	1467	1594
8150	726	996	1197	1337	1471	1599
8200	728	999	1201	1341	1475	1604
8250	731	1002	1204	1345	1479	1608
8300	734	1005	1207	1349	1484	1613
8350	736	1008	1211	1352	1488	1617
8400	739	1011	1214	1356	1492	1621
8450	742	1013	1217	1360	1496	1626
8500	744	1016	1221	1363	1500	1630
8550	747	1019	1224	1367	1504	1635
8600	750	1022	1227	1371	1508	1639
8650	752	1025	1231	1375	1512	1644
8700	755	1028	1234	1378	1516	1648
8750	757	1031	1237	1382	1520	1652
8800	760	1034	1241	1386	1524	1657
8850	763	1037	1244	1389	1528	1661
8900	765	1039	1247	1393	1532	1665
8950	768	1042	1250	1396	1536	1670
9000	770	1045	1253	1400	1540	1674
9050	773	1048	1256	1403	1544	1678
9100	775	1050	1260	1407	1548	1682
9150	778	1053	1263	1410	1551	1686
9200	781	1056	1266	1414	1555	1691
9250	783	1059	1269	1417	1559	1695
9300	786	1061	1272	1421	1563	1699
9350	788	1064	1275	1424	1567	1703
9400	791	1067	1278	1428	1571	1707
9450	793	1070	1282	1432	1575	1712

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
9500	796	1073	1285	1435	1579	1716
9550	798	1075	1288	1439	1582	1720
9600	801	1078	1291	1442	1586	1724
9650	803	1081	1294	1446	1590	1728
9700	806	1084	1297	1449	1594	1733
9750	808	1086	1300	1453	1598	1737
9800	811	1089	1304	1456	1602	1741
9850	813	1092	1307	1460	1606	1745
9900	816	1095	1310	1463	1609	1749
9950	818	1097	1313	1467	1613	1754
10000	821	1100	1316	1470	1617	1758
10050	824	1103	1319	1474	1621	1762
10100	826	1106	1322	1477	1625	1766
10150	829	1108	1326	1481	1629	1770
10200	831	1111	1329	1484	1633	1775
10250	834	1114	1332	1488	1636	1779
10300	836	1117	1335	1491	1640	1783
10350	839	1119	1338	1495	1644	1787
10400	841	1122	1341	1498	1648	1791
10450	842	1125	1344	1501	1651	1795
10500	844	1127	1347	1504	1654	1798
10550	846	1129	1349	1507	1658	1802
10600	847	1132	1352	1510	1661	1806
10650	849	1134	1355	1513	1664	1809
10700	850	1137	1357	1516	1668	1813
10750	852	1139	1360	1519	1671	1816
10800	853	1141	1363	1522	1674	1820
10850	855	1144	1365	1525	1677	1823
10900	856	1146	1368	1528	1681	1827
10950	858	1149	1371	1531	1684	1830
11000	860	1151	1373	1534	1687	1834
11050	861	1153	1376	1537	1691	1838
11100	863	1156	1379	1540	1694	1841
11150	864	1158	1381	1543	1697	1845
11200	866	1161	1384	1546	1700	1848
11250	867	1163	1387	1549	1704	1852
11300	869	1165	1389	1552	1707	1855
11350	870	1168	1392	1555	1710	1859
11400	872	1170	1395	1558	1713	1863
11450	873	1173	1397	1561	1717	1866

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
11500	875	1175	1400	1564	1720	1870
11550	877	1177	1403	1567	1723	1873
11600	878	1180	1405	1570	1727	1877
11650	880	1182	1408	1573	1730	1880
11700	881	1185	1411	1576	1733	1884
11750	883	1187	1413	1579	1736	1887
11800	884	1189	1416	1582	1740	1891
11850	886	1192	1419	1585	1743	1895
11900	887	1194	1421	1588	1746	1898
11950	889	1197	1424	1590	1750	1902
12000	890	1199	1427	1593	1753	1905
12050	892	1201	1429	1596	1756	1909
12100	894	1204	1432	1599	1759	1912
12150	895	1206	1435	1602	1763	1916
12200	897	1209	1437	1605	1766	1920
12250	898	1211	1440	1608	1769	1923
12300	900	1213	1443	1611	1772	1927
12350	901	1216	1445	1614	1776	1930
12400	903	1218	1448	1617	1779	1934
12450	904	1221	1451	1620	1782	1937
12500	906	1223	1453	1623	1786	1941
12550	907	1225	1456	1626	1789	1945
12600	909	1228	1459	1629	1792	1948
12650	911	1230	1461	1632	1795	1952
12700	912	1233	1464	1635	1799	1955
12750	914	1235	1467	1638	1802	1959
12800	915	1237	1469	1641	1805	1962
12850	917	1240	1472	1644	1809	1966
12900	918	1242	1475	1647	1812	1969
12950	920	1245	1477	1650	1815	1973
13000	921	1247	1480	1653	1818	1977
13050	923	1249	1483	1656	1822	1980
13100	925	1252	1485	1659	1825	1984
13150	926	1254	1488	1662	1828	1987
13200	928	1257	1491	1665	1831	1991
13250	929	1259	1493	1668	1835	1994
13300	931	1261	1496	1671	1838	1998
13350	932	1264	1499	1674	1841	2002
13400	934	1266	1501	1677	1845	2005
13450	935	1269	1504	1680	1848	2009

**Semi-Monthly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
13500	937	1271	1507	1683	1851	2012
13550	938	1273	1509	1686	1854	2016
13600	940	1276	1512	1689	1858	2019
13650	942	1278	1515	1692	1861	2023
13700	943	1281	1517	1695	1864	2026
13750	945	1283	1520	1698	1868	2030
13800	946	1285	1523	1701	1871	2034
13850	948	1288	1525	1704	1874	2037
13900	949	1290	1528	1707	1877	2041
13950	951	1293	1531	1710	1881	2044
14000	952	1295	1533	1713	1884	2048
14050	954	1297	1536	1716	1887	2051
14100	955	1300	1539	1719	1891	2055
14150	957	1302	1541	1722	1894	2059
14200	959	1305	1544	1725	1897	2062
14250	960	1307	1547	1728	1900	2066
14300	962	1309	1549	1731	1904	2069
14350	963	1312	1552	1734	1907	2073
14400	965	1314	1555	1737	1910	2076
14450	966	1317	1557	1740	1913	2080
14500	968	1319	1560	1742	1917	2083
14550	969	1321	1563	1745	1920	2087
14600	970	1323	1564	1747	1922	2089
14650	971	1324	1566	1749	1924	2091
14700	972	1325	1567	1750	1926	2093
14750	973	1327	1569	1752	1928	2095
14800	974	1328	1570	1754	1929	2097
14850	975	1329	1571	1755	1931	2099
14900	976	1330	1573	1757	1933	2101
14950	977	1331	1574	1758	1935	2103
15000	978	1333	1576	1760	1937	2105

Bi-Weekly Chart of Basic Child Support Obligations						
(No Minimum Order or Self-Support Reserve)						
Combined Gross Bi-Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
200	36	53	64	72	79	86
250	45	66	80	90	98	107
300	54	79	96	107	118	128
350	62	91	110	123	135	147
400	70	102	124	138	152	165
450	78	114	138	154	169	184
500	85	125	151	169	186	202
550	93	137	165	184	203	220
600	101	148	179	200	220	239
650	108	159	192	215	236	257
700	116	170	206	230	253	275
750	123	181	219	244	269	292
800	131	192	232	259	285	310
850	138	203	245	274	301	328
900	146	214	258	289	318	345
950	153	225	271	303	333	362
1000	160	235	284	318	349	380
1050	168	246	297	332	365	397
1100	175	257	310	347	381	414
1150	182	267	323	361	397	432
1200	190	278	336	375	413	449
1250	197	289	349	390	429	466
1300	204	300	362	404	445	484
1350	211	310	375	419	461	501
1400	219	321	388	433	477	518
1450	226	332	401	448	492	535
1500	233	342	414	462	508	552
1550	240	353	426	476	524	569
1600	248	363	439	491	540	587
1650	255	374	452	505	555	604
1700	262	385	465	519	571	621
1750	269	395	477	533	587	638
1800	276	406	490	548	602	655
1850	283	416	502	561	617	671
1900	289	425	513	573	631	685
1950	296	434	524	586	644	700
2000	302	443	535	598	658	715
2050	308	452	546	610	671	730
2100	314	461	557	623	685	744
2150	320	470	568	635	698	759

### Bi-Weekly Chart of Basic Child Support Obligations

(No Minimum Order or Self-Support Reserve)

Combined Gross Bi- Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
2200	327	479	579	647	712	774
2250	333	489	590	660	725	789
2300	339	498	601	672	739	803
2350	345	507	613	684	753	818
2400	352	516	624	696	766	833
2450	358	525	635	709	780	848
2500	363	532	643	718	790	858
2550	365	534	644	720	792	861
2600	368	536	646	722	794	863
2650	370	539	648	724	796	866
2700	373	541	650	726	799	868
2750	375	543	652	728	801	871
2800	378	546	654	731	804	874
2850	381	550	659	736	810	880
2900	384	554	664	741	816	886
2950	387	558	669	747	821	893
3000	391	562	673	752	827	899
3050	394	566	678	757	833	906
3100	397	570	683	763	839	912
3150	403	577	691	772	849	923
3200	408	584	700	781	860	934
3250	413	591	708	791	870	945
3300	418	598	716	800	880	956
3350	424	604	724	809	890	968
3400	429	611	733	818	900	979
3450	433	617	739	826	908	987
3500	436	623	746	833	916	996
3550	440	628	752	840	924	1005
3600	443	634	758	847	932	1013
3650	447	639	765	854	939	1021
3700	450	645	771	861	947	1030
3750	453	648	774	865	951	1034
3800	455	649	776	867	954	1037
3850	456	651	779	870	957	1040
3900	458	653	781	872	959	1043
3950	460	655	783	874	962	1046
4000	462	657	785	877	965	1049
4050	464	659	788	880	968	1052
4100	468	663	792	885	973	1058
4150	471	667	796	890	978	1064

Bi-Weekly Chart of Basic Child Support Obligations						
(No Minimum Order or Self-Support Reserve)						
Combined Gross Bi-Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
4200	474	671	801	894	984	1069
4250	477	674	805	899	989	1075
4300	480	678	809	904	994	1080
4350	483	682	813	908	999	1086
4400	485	684	817	912	1003	1091
4450	488	686	820	916	1008	1095
4500	490	688	824	920	1012	1100
4550	492	690	827	924	1016	1105
4600	495	692	831	928	1021	1109
4650	497	694	834	932	1025	1114
4700	500	697	838	936	1029	1119
4750	502	699	841	940	1034	1124
4800	504	701	845	944	1038	1128
4850	507	705	849	949	1044	1134
4900	511	710	855	955	1050	1141
4950	514	715	860	960	1056	1148
5000	518	720	865	966	1063	1155
5050	521	726	870	972	1069	1162
5100	525	731	876	978	1076	1169
5150	529	736	881	984	1083	1177
5200	533	742	887	991	1090	1185
5250	536	748	893	997	1097	1192
5300	540	754	899	1004	1104	1200
5350	544	759	904	1010	1111	1208
5400	548	765	910	1017	1118	1216
5450	552	770	916	1023	1126	1223
5500	555	775	922	1030	1133	1231
5550	559	779	928	1036	1140	1239
5600	562	783	934	1043	1147	1247
5650	566	788	940	1050	1155	1255
5700	570	792	946	1056	1162	1263
5750	573	797	952	1063	1169	1271
5800	577	801	958	1070	1177	1279
5850	580	806	964	1076	1184	1287
5900	584	810	970	1083	1191	1295
5950	587	814	976	1090	1199	1303
6000	591	819	981	1096	1206	1311
6050	595	823	987	1103	1213	1319
6100	598	828	993	1110	1221	1327
6150	602	832	999	1116	1228	1335

### Bi-Weekly Chart of Basic Child Support Obligations

(No Minimum Order or Self-Support Reserve)

Combined Gross Bi- Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
6200	605	836	1005	1123	1235	1343
6250	609	841	1011	1130	1242	1351
6300	612	845	1017	1135	1249	1358
6350	615	848	1021	1140	1254	1363
6400	617	852	1025	1144	1259	1368
6450	620	855	1029	1149	1264	1374
6500	623	858	1033	1153	1269	1379
6550	625	861	1036	1157	1273	1384
6600	627	864	1040	1161	1277	1389
6650	629	867	1043	1165	1282	1393
6700	632	870	1047	1169	1286	1398
6750	634	873	1050	1173	1290	1403
6800	636	876	1054	1177	1295	1408
6850	639	879	1057	1181	1299	1412
6900	641	882	1061	1185	1304	1417
6950	643	885	1064	1189	1308	1422
7000	646	888	1068	1193	1312	1426
7050	648	891	1072	1197	1317	1431
7100	650	894	1075	1201	1321	1436
7150	653	897	1079	1205	1325	1441
7200	655	900	1082	1209	1330	1445
7250	657	903	1086	1213	1334	1450
7300	660	906	1089	1217	1338	1455
7350	662	909	1093	1221	1343	1460
7400	664	912	1096	1225	1347	1464
7450	667	915	1100	1229	1352	1469
7500	669	918	1104	1233	1356	1474
7550	671	921	1107	1237	1360	1479
7600	674	924	1110	1240	1364	1483
7650	676	927	1114	1244	1368	1488
7700	679	930	1117	1248	1373	1492
7750	682	933	1120	1251	1377	1496
7800	684	935	1124	1255	1381	1501
7850	687	938	1127	1259	1385	1505
7900	690	941	1130	1263	1389	1510
7950	692	944	1134	1266	1393	1514
8000	695	947	1137	1270	1397	1519
8050	698	950	1140	1274	1401	1523
8100	700	953	1144	1277	1405	1527
8150	703	956	1147	1281	1409	1532

Bi-Weekly Chart of Basic Child Support Obligations						
(No Minimum Order or Self-Support Reserve)						
Combined Gross Bi-Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
8200	706	959	1150	1285	1413	1536
8250	708	961	1153	1288	1417	1540
8300	711	964	1156	1292	1421	1544
8350	713	967	1160	1295	1425	1549
8400	716	970	1163	1299	1429	1553
8450	718	972	1166	1302	1432	1557
8500	721	975	1169	1306	1436	1561
8550	723	978	1172	1309	1440	1565
8600	726	981	1175	1313	1444	1570
8650	728	983	1178	1316	1448	1574
8700	731	986	1182	1320	1452	1578
8750	734	989	1185	1323	1456	1582
8800	736	992	1188	1327	1459	1586
8850	739	994	1191	1330	1463	1591
8900	741	997	1194	1334	1467	1595
8950	744	1000	1197	1337	1471	1599
9000	746	1003	1200	1341	1475	1603
9050	749	1006	1204	1344	1479	1607
9100	751	1008	1207	1348	1483	1612
9150	754	1011	1210	1351	1487	1616
9200	756	1014	1213	1355	1490	1620
9250	759	1017	1216	1358	1494	1624
9300	761	1019	1219	1362	1498	1628
9350	764	1022	1222	1365	1502	1633
9400	766	1025	1226	1369	1506	1637
9450	769	1028	1229	1372	1510	1641
9500	771	1030	1232	1376	1514	1645
9550	774	1033	1235	1380	1517	1649
9600	776	1036	1238	1383	1521	1653
9650	778	1038	1241	1386	1524	1657
9700	779	1041	1243	1389	1528	1661
9750	781	1043	1246	1392	1531	1664
9800	782	1045	1249	1395	1534	1668
9850	784	1048	1251	1398	1538	1671
9900	786	1050	1254	1401	1541	1675
9950	787	1053	1257	1404	1544	1678
10000	789	1055	1259	1407	1547	1682
10050	790	1057	1262	1410	1551	1686
10100	792	1060	1265	1413	1554	1689
10150	793	1062	1267	1416	1557	1693

### Bi-Weekly Chart of Basic Child Support Obligations

(No Minimum Order or Self-Support Reserve)

Combined Gross Bi- Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
10200	795	1065	1270	1419	1560	1696
10250	796	1067	1273	1422	1564	1700
10300	798	1069	1275	1425	1567	1703
10350	799	1072	1278	1428	1570	1707
10400	801	1074	1281	1431	1574	1710
10450	803	1077	1283	1434	1577	1714
10500	804	1079	1286	1437	1580	1718
10550	806	1081	1289	1439	1583	1721
10600	807	1084	1291	1442	1587	1725
10650	809	1086	1294	1445	1590	1728
10700	810	1089	1297	1448	1593	1732
10750	812	1091	1299	1451	1597	1735
10800	813	1093	1302	1454	1600	1739
10850	815	1096	1305	1457	1603	1743
10900	816	1098	1307	1460	1606	1746
10950	818	1101	1310	1463	1610	1750
11000	820	1103	1313	1466	1613	1753
11050	821	1105	1315	1469	1616	1757
11100	823	1108	1318	1472	1619	1760
11150	824	1110	1321	1475	1623	1764
11200	826	1113	1323	1478	1626	1768
11250	827	1115	1326	1481	1629	1771
11300	829	1117	1329	1484	1633	1775
11350	830	1120	1331	1487	1636	1778
11400	832	1122	1334	1490	1639	1782
11450	834	1125	1337	1493	1642	1785
11500	835	1127	1339	1496	1646	1789
11550	837	1129	1342	1499	1649	1792
11600	838	1132	1345	1502	1652	1796
11650	840	1134	1347	1505	1656	1800
11700	841	1137	1350	1508	1659	1803
11750	843	1139	1353	1511	1662	1807
11800	844	1141	1355	1514	1665	1810
11850	846	1144	1358	1517	1669	1814
11900	847	1146	1361	1520	1672	1817
11950	849	1149	1363	1523	1675	1821
12000	851	1151	1366	1526	1679	1825
12050	852	1153	1369	1529	1682	1828
12100	854	1156	1371	1532	1685	1832
12150	855	1158	1374	1535	1688	1835

Bi-Weekly Chart of Basic Child Support Obligations						
(No Minimum Order or Self-Support Reserve)						
Combined Gross Bi-Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
12200	857	1161	1377	1538	1692	1839
12250	858	1163	1379	1541	1695	1842
12300	860	1165	1382	1544	1698	1846
12350	861	1168	1385	1547	1701	1849
12400	863	1170	1387	1550	1705	1853
12450	864	1173	1390	1553	1708	1857
12500	866	1175	1393	1556	1711	1860
12550	868	1177	1395	1559	1715	1864
12600	869	1180	1398	1562	1718	1867
12650	871	1182	1401	1565	1721	1871
12700	872	1185	1403	1568	1724	1874
12750	874	1187	1406	1571	1728	1878
12800	875	1189	1409	1574	1731	1882
12850	877	1192	1411	1577	1734	1885
12900	878	1194	1414	1580	1738	1889
12950	880	1197	1417	1583	1741	1892
13000	881	1199	1419	1586	1744	1896
13050	883	1201	1422	1589	1747	1899
13100	885	1204	1425	1591	1751	1903
13150	886	1206	1427	1594	1754	1907
13200	888	1209	1430	1597	1757	1910
13250	889	1211	1433	1600	1760	1914
13300	891	1213	1435	1603	1764	1917
13350	892	1216	1438	1606	1767	1921
13400	894	1218	1441	1609	1770	1924
13450	895	1220	1443	1612	1773	1928
13500	896	1222	1445	1614	1775	1930
13550	897	1223	1446	1615	1777	1932
13600	898	1224	1447	1617	1779	1934
13650	899	1225	1449	1618	1781	1936
13700	900	1227	1450	1620	1782	1938
13750	901	1228	1452	1621	1784	1940
13800	902	1229	1453	1623	1786	1942
13850	903	1230	1454	1625	1788	1944
13900	903	1231	1456	1626	1790	1946
13950	904	1233	1457	1628	1792	1948
14000	905	1234	1459	1629	1793	1950

Weekly Chart of Basic Child Support Obligations						
(No Minimum Order or Self-Support Reserve)						
Combined Gross Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
100	18	27	32	36	39	43
150	27	40	48	53	59	64
200	35	51	62	69	76	83
250	43	63	76	85	93	101
300	50	74	89	100	110	119
350	58	85	103	115	126	137
400	65	96	116	130	143	155
450	73	107	129	144	159	173
500	80	118	142	159	175	190
550	87	128	155	173	191	207
600	95	139	168	188	207	224
650	102	150	181	202	222	242
700	109	161	194	217	238	259
750	117	171	207	231	254	276
800	124	182	220	245	270	293
850	131	192	232	260	285	310
900	138	203	245	274	301	327
950	145	212	257	287	315	343
1000	151	221	268	299	329	357
1050	157	231	279	311	342	372
1100	163	240	290	324	356	387
1150	170	249	301	336	370	402
1200	176	258	312	348	383	416
1250	181	266	321	359	395	429
1300	184	268	323	361	397	432
1350	186	270	325	363	399	434
1400	189	273	327	365	402	437
1450	192	277	332	371	408	443
1500	195	281	337	376	414	450
1550	199	285	342	381	420	456
1600	204	292	350	391	430	467
1650	209	299	358	400	440	478
1700	215	306	366	409	450	489
1750	218	311	373	416	458	498
1800	222	317	379	424	466	506
1850	225	322	385	431	474	515
1900	227	325	388	434	477	518
1950	229	327	390	436	480	521

**Weekly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
2000	231	328	393	438	482	524
2050	234	332	396	442	487	529
2100	237	335	400	447	492	535
2150	240	339	404	452	497	540
2200	243	342	408	456	502	545
2250	245	344	412	460	506	550
2300	247	346	415	464	510	555
2350	250	348	419	468	515	559
2400	252	350	422	472	519	564
2450	255	355	427	477	525	571
2500	259	360	433	483	531	578
2550	262	365	438	489	538	585
2600	266	371	444	495	545	592
2650	270	377	449	502	552	600
2700	274	383	455	508	559	608
2750	278	387	461	515	566	616
2800	281	392	467	522	574	624
2850	285	396	473	528	581	632
2900	288	401	479	535	588	640
2950	292	405	485	542	596	647
3000	295	409	491	548	603	655
3050	299	414	497	555	610	663
3100	303	418	503	561	618	671
3150	306	422	508	568	625	679
3200	309	426	512	572	629	684
3250	311	429	516	577	634	690
3300	314	432	520	581	639	694
3350	316	435	523	585	643	699
3400	318	438	527	589	647	704
3450	321	441	530	593	652	708
3500	323	444	534	597	656	713
3550	325	447	538	600	661	718
3600	327	450	541	604	665	723
3650	330	453	545	608	669	727
3700	332	456	548	612	674	732
3750	334	459	552	616	678	737
3800	337	462	555	620	682	742
3850	340	465	559	624	686	746
3900	342	468	562	628	690	750
3950	345	471	565	631	694	755
4000	348	474	568	635	698	759

**Weekly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
4050	350	476	572	639	703	764
4100	353	479	575	642	707	768
4150	355	482	578	646	710	772
4200	358	485	581	649	714	776
4250	360	488	584	653	718	781
4300	363	490	588	656	722	785
4350	365	493	591	660	726	789
4400	368	496	594	663	730	793
4450	371	499	597	667	734	797
4500	373	501	600	670	737	802
4550	376	504	603	674	741	806
4600	378	507	606	677	745	810
4650	381	510	610	681	749	814
4700	383	512	613	684	753	818
4750	386	515	616	688	757	823
4800	388	518	619	691	761	827
4850	390	520	622	694	764	830
4900	391	523	624	697	767	834
4950	393	525	627	700	770	837
5000	394	528	630	703	774	841
5050	396	530	632	706	777	845
5100	397	532	635	709	780	848
5150	399	535	638	712	784	852
5200	401	537	640	715	787	855
5250	402	540	643	718	790	859
5300	404	542	646	721	793	862
5350	405	544	648	724	797	866
5400	407	547	651	727	800	870
5450	408	549	654	730	803	873
5500	410	552	656	733	806	877
5550	411	554	659	736	810	880
5600	413	556	662	739	813	884
5650	414	559	664	742	816	887
5700	416	561	667	745	820	891
5750	418	564	670	748	823	894
5800	419	566	672	751	826	898
5850	421	568	675	754	829	902
5900	422	571	678	757	833	905
5950	424	573	680	760	836	909
6000	425	576	683	763	839	912
6050	427	578	686	766	843	916

**Weekly Chart of Basic Child Support Obligations**

(No Minimum Order or Self-Support Reserve)

Combined Gross Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
6100	428	580	688	769	846	919
6150	430	583	691	772	849	923
6200	431	585	694	775	852	927
6250	433	588	696	778	856	930
6300	435	590	699	781	859	934
6350	436	592	702	784	862	937
6400	438	595	704	787	865	941
6450	439	597	707	790	869	944
6500	441	600	710	793	872	948
6550	442	602	712	796	875	951
6600	444	604	715	799	879	955
6650	445	607	718	802	882	959
6700	447	609	720	805	885	962
6750	448	611	722	807	888	965
6800	449	612	724	808	889	967
6850	450	613	725	810	891	969
6900	451	614	727	812	893	971
6950	452	616	728	813	895	973
7000	453	617	729	815	897	975

## APPENDIX B: TECHNICAL DOCUMENTATION OF CHARTS

Several steps were used to develop the charts from the Betson-Rothbarth (BR) measurements.<sup>108</sup>

*Step 1.* Update to current price levels using the Consumer Price Index (CPI). The charts are based on June 2019 price levels.<sup>109</sup>

*Step 2.* Subtract child care expenses; health insurance premiums; and extraordinary, uninsured health care expenses from estimates of child-rearing expenditures. This step is necessary because the actual amounts of these expenses are considered elsewhere in the guidelines. These amounts are shown in Exhibit B-1. Using the same subset of the CES that he used to measure child-rearing expenditures, Beston measured the percentage of total expenditures devoted to child care expenses; the percentage of total expenditures devoted to out-of-pocket health care expenses, including the cost of the child's health insurance benefits; and expenditures to net income ratios. The CES does not attribute out-of-pocket health care expenses to adults and children separately; instead, a per-person amount is used. The \$250 out-of-pocket medical expense<sup>110</sup> was applied to all persons prior to Beston determining the per-person amount for medical expenses shown in Exhibit B-1. The medical expense column in Exhibit B-1 is the percentage per person spent on health insurance premiums and extraordinary, uninsured health care expenses.

*Step 3.* Extend the estimates of child-rearing expenditures—which are for one, two, and three children since there are not a sufficient number of households in the data set with four or more children to measure child-rearing expenditures for larger families—to cover four and more children. The estimates for three children are extended to four and more children using economic equivalence scales. These scales were developed by the National Research Council,<sup>111</sup> a blue-ribbon panel of academics studying poverty and family income, after extensive research.

*Step 4.* Relate the BR estimates of child-rearing expenditures to net incomes. The BR estimates of child-rearing expenditures are expressed as a percentage of total family expenditures. If a family spends all of its after-tax income, then family expenditures and after-tax income are equal and no additional adjustment is necessary. However, some families may not spend all of their disposable income on current consumption items. Hence, the estimates of child-rearing expenditures are adjusted to reflect net incomes. This is done by using the expenditures to net income ratios shown in Exhibit B-1. If the

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<sup>108</sup> Betson, David M. (2010). "Appendix A: Parental Expenditures on Children." In Judicial Council of California, *Review of Statewide Uniform Child Support Guideline*. San Francisco, California. Retrieved from <http://www.courts.ca.gov/partners/documents/2011SRL6aGuidelineReview.pdf>.

<sup>109</sup> U.S. Bureau of Labor Statistics. (July 11, 2019). The Consumer Price Index. Retrieved from <https://www.bls.gov/news.release/cpi.toc.htm>.

<sup>110</sup> The most current data is from the 2015 Medical Expenditure Panel Survey. It finds the the average out-of-pocket medical expense per child was \$248 per year. (Source: Calculated from the U.S. Department of Health and Human Services 2015 Medical Expenditure Panel Survey. Retrieved from [https://meps.ahrq.gov/mepsweb/about\\_meps/survey\\_back.jsp](https://meps.ahrq.gov/mepsweb/about_meps/survey_back.jsp).)

<sup>111</sup> Citro, Constance F. and Robert T. Michael (eds). (1995). *Measuring Poverty: A New Approach*. National Academy Press. Washington, D.C.

ratio is more than one, it is capped at one. No cap would assume that families should spend more than their after-tax income.

Exhibit B-1: Parental Expenditures on Children and Other Expenditures by Income Range Used in the BR Chart							
Annual Net Income Range (2018 dollars)	Number of Observations	Current Consumption as a % of Net Income	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth 1998–2004 data)			Child care \$ as a % of Consumption (per child)	Medical \$ as a % of Consumption (per person)
			1 Child	2 Children	3 Children		
\$ 0 – \$14,999	178	5760.89%	21.512%	33.545%	41.403%	0.275%	0.124%
\$15,000 – \$19,999	186	187.83%	22.357%	34.803%	42.901%	0.537%	0.285%
\$20,000 – \$24,999	212	148.91%	22.584%	35.140%	43.301%	0.375%	0.495%
\$25,000 – \$29,999	292	130.39%	22.760%	35.399%	43.607%	0.455%	0.572%
\$30,000 – \$34,999	290	116.26%	22.901%	35.608%	43.854%	0.562%	0.442%
\$35,000 – \$39,999	332	111.80%	23.020%	35.782%	44.060%	0.734%	0.564%
\$40,000 – \$44,999	407	104.14%	23.121%	35.931%	44.236%	0.722%	0.810%
\$45,000 – \$49,999	366	103.21%	23.210%	36.061%	44.389%	0.854%	0.540%
\$50,000 – \$54,999	409	95.55%	23.252%	36.124%	44.463%	1.017%	0.890%
\$55,000 – \$59,999	359	91.53%	23.290%	36.179%	44.527%	1.134%	0.851%
\$60,000 – \$64,999	391	89.83%	23.340%	36.252%	44.613%	1.329%	0.593%
\$65,000 – \$69,999	337	88.68%	23.389%	36.324%	44.698%	1.146%	0.955%
\$70,000 – \$74,999	379	83.93%	23.401%	36.342%	44.719%	1.337%	0.754%
\$74,999 – \$79,999	387	82.09%	23.435%	36.391%	44.777%	1.402%	0.856%
\$80,000 – \$89,999	633	78.14%	23.468%	36.440%	44.834%	1.415%	0.840%
\$90,000 – \$99,999	566	75.90%	23.528%	36.528%	44.938%	1.581%	0.847%
\$100,000 – \$119,999	850	72.91%	23.602%	36.635%	45.063%	1.568%	0.931%
\$120,000 – \$139,999	544	67.34%	23.668%	36.732%	45.177%	1.608%	0.847%
\$140,000 – \$179,999	518	62.62%	23.753%	36.855%	45.323%	1.957%	0.720%
\$180,000 or more	285	53.23%	23.862%	37.016%	45.509%	2.013%	0.723%

*Step 5.* Calculate marginal percentages between income ranges. This step is necessary to gradually phase-in the estimates of child-rearing expenditures between income ranges similar to how a tax table phases in different tax rates between income ranges. Otherwise, there would be sudden changes in amounts as the table moved from income range to the next income range.

*Step 6.* Extrapolate to higher incomes. The existing chart for monthly income extends to a net income of the obligated parent of \$5,000 per month. The monthly income shares chart developed in this report extends to \$30,000 gross per month in combined parental income. The gross-income conversions of the BR measurements are actually valid to combined gross incomes of about \$29,300 per month (about \$18,000 net). Above that income, there were an insufficient number of high-income families in the CES to know if a family with \$30,000 per month in gross income devoted the same percentage of income to child-rearing expenditures as a family with \$35,000 per month. The extrapolation formula is based on logged income to the third degree. It is applied to determine the percentage of income devoted to child-rearing expenditures at \$25,000 net per month. In turn, net-income amounts are converted to gross income as described in Step 8.

*Step 7.* The amounts from above are adjusted to consider the differences between Arkansas prices and U.S. prices as a whole using an index developed by the U.S. Bureau of Economic Analysis (BEA).<sup>112</sup> This is because the expenditures data used by Betson are national data,<sup>113</sup> while the cost of living in Arkansas is less than the national average. Specifically, the BEA finds for every \$1.00 spent on the U.S. on average, \$0.865 is needed for the same level of expenditures in Arkansas.

*Step 8.* So far, the steps lead to a chart based on net income from the BR measurements. It is backed out to gross income using federal and state income tax withholding formula assuming all income is earned by a single or head-of-household with one allowance. This is the amount instructed by the 2019 W-4 IRS<sup>114</sup> and is congruent with the Tax Cuts and Jobs Act (P.L 115-97) that was passed December 2017 and became effective January 1, 2018, which eliminated the personal exemption for minor children.

The state tax withholding formula dates back to 2014 and has not been updated.<sup>115</sup> To this end, there is some “drift” between the application of the formula and the state withholding tables,<sup>116</sup> but the withholding tables do not extend to high incomes, so the formula is used. The IRS income tax withholding formula also provides for the Social Security and Medicare tax.<sup>117</sup> In 2019, the Social Security tax rate is 6.2 percent and the base limit is \$132,900 per year. The Medicare tax rate is 1.45 percent. An additional 0.9 percent applies to incomes in excess of \$200,000 per year. The federal monthly withholding allowance is \$350. The income conversion table does not consider the Earned Income Tax Credit because it is not considered in the federal income tax withholding formula. The Child Tax credit is not advanced so is also not considered.<sup>118</sup>

*Step 9.* Adjust for the self-support reserve. As described in Section 4, there are several ways a guidelines can provide a self-support reserve (SSR) and many parameters in the SSR. Appendix C shows the first page of the income shares charts with an SSR equivalent to \$900, which approximates the 2019 federal poverty guidelines (FPG) for one person (\$1,041 per month)<sup>119</sup> adjusted for Arkansas prices using the Arkansas price parity. The area adjusted for the SSR is shaded. (This is why only the first page is shown.

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<sup>112</sup> U.S. Bureau of Economic Analysis. (2018). *2016 Regional Price Parities by State (US = 100)*. Retrieved from <https://www.bea.gov/news/2018/real-personal-income-states-and-metropolitan-areas-2016>.

<sup>113</sup> There is not state-level data available at the depth of the national data; it would be prohibitive to collect at the state level.

<sup>114</sup> U.S. Department of Treasury Internal Revenue Service. (2019). *IRS W-4*. Retrieved from <https://www.irs.gov/pub/irs-pdf/fw4.pdf>.

<sup>115</sup> Arkansas Department of Finance and Administration. (Oct. 20, 2014). *Withholding Method*. Retrieved from <https://www.dfa.arkansas.gov/images/uploads/incomeTaxOffice/whformula.pdf>.

<sup>116</sup> Arkansas Department of Finance and Administration. (Apr., 16, 2019). *Withholding Tax: Instructions for Employers*. <https://www.dfa.arkansas.gov/images/uploads/incomeTaxOffice/withholdTaxTables.pdf>.

<sup>117</sup> U.S. Department of Treasury Internal Revenue Service. (2019). *Publication 15 (2019), (Circular E), Employer's Tax Guide*. <https://www.irs.gov/publications/p15>.

<sup>118</sup> Based on the IRS W-4 form, the number of personal allowances would be adjusted for the child tax credit, but the number of personal allowances (e.g., claim four allowances for each) allotted appears generous relative to what a party, particularly a low-income party who works for hourly pay with inconsistent weekly hours, may earn over the course of the year.

<sup>119</sup> U.S. Department of Health and Human Services Assistant Secretary for Planning and Evaluation (ASPE). (Jan. 2019). *U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs*. Retrieved from <https://aspe.hhs.gov/poverty-guidelines>. In its FAQ, ASPE notes that the federal poverty guidelines can be either a gross income or after-tax income amount. Retrieved from <https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty>.

If adopted, the remaining pages of the charts would be based on the amounts shown in Appendix A.) In addition, the charts in Appendix C assume a minimum order of \$125 per month for gross incomes below \$900 per month. Above gross incomes of \$900 per month, the SSR is phased out using 70 percent of the difference between the combined income and the SSR for one child, 71 percent of the difference for two children, and so forth up to 75 percent of the difference for six children. If the percentage difference is less than the BR4 amount, it is placed in the chart. If the BR4 amount is less, the BR4 amount is placed in the chart. The effective tax rate at the incomes where the SSR is incorporated is about 10 to 15 percent. So, the 70-75 percentage applied to the difference allows the obligated parent sufficient income after paying the child support order and taxes to increase his or spendable income; that is, there is an economic incentive to earn more.

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### Consumer Expenditure Data

Most studies of child-rearing expenditures, including the BR measurements, draw on expenditures data collected from families participating in the Consumers Expenditures Survey (CES) that is administered by the Bureau of Labor Statistics (BLS). Economists use the CES because it is the most comprehensive and detailed survey conducted on household expenditures and consists of a large sample. The CES surveys about 7,000 households per quarter on expenditures, income, and household characteristics (*e.g.*, family size). In the survey quarters used in the fourth BR (BR4) study (*i.e.*, first quarter of 2004 through the first quarter of 2009), households remain in the survey for five consecutive quarters, with households rotating in and out each quarter. Most economists, including Betson, use three or four quarters of expenditures data for a surveyed family. This means that family expenditures are averaged for about a year rather than over a quarter, which may not be as reflective of typical family expenditures.

In all, the BR4 study relies on expenditures/outlays data from 7,846 households in which 2,937 households were childless married couples and 4,909 were married couples with children. The subset of CES households used for the BR4 study consisted of married couples of child-rearing age with no other adults living in the household (*e.g.*, grandparents), households with no change in family size or composition during the survey period, and households with at least three completed interviews.

The CES asks households about expenditures on over a hundred detailed items. Exhibit B-2 shows the major categories of expenditures captured by the CES. It includes the purchase price and sales tax on all goods purchased within the survey period. In recent years, the CES has added another measure of “expenditures” called “outlays.” The key difference is that outlays essentially include installment plans on purchases, mortgage principal payments, and payments on home equity loans, while expenditures do not. To illustrate the difference, consider a family who purchases a home theater system during the survey period, puts nothing down, and pays for the home theater system through 36 months of installment payments. The expenditures measure would capture the total purchase price of the home theater system. The outlays measure would only capture the installment payments made in the survey period.

**Exhibit B-2: Partial List of Expenditure Items Considered in the Consumer Expenditure Survey**

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

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

Outlays include mortgage principal payments, payments on second mortgages, and home equity payments, which is what the 2010 Betson-Rothbarth measurement considers. The CES traditional measure of expenditures does not consider these outlays. The merit of using expenditures, which does not include mortgage principal payments, is that any equity in the home should be considered part of the property settlement and not part of the child support payments. The limitations are not all families have substantial equity in their homes and some families have second mortgages or home equity loans that further reduce home equity. The merit of using outlays is that it is more in line with family budgeting on a monthly basis in that it considers the entire mortgage payment including the amounts paid toward both interest and principal, and the amount paid toward a second mortgage or home equity loan if there is such a payment. Both measures include payment of the mortgage interest, rent among households dwelling in apartments, utilities, property taxes, and other housing expenses as indicated in the above table. Housing-related items, which are identified in Exhibit B-2, comprise the largest share of total family expenditures. Housing expenses compose about 40 percent of total family expenditures.

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

are an important consideration when measuring child-rearing expenditures because the family's use of the vehicle is often longer than the survey period. In Betson's first three studies, he excluded them because in his earlier estimates that consider expenditures the vehicle can be sold again later after the survey period. In contrast, Betson's 2010 estimates that consider outlays capture vehicle payments made over the survey period. The USDA, which relies on expenditures, includes all transportation expenses including net vehicle outlays. There are some advantages and disadvantages to each approach. Excluding it makes sense when the vehicle may be part of the property settlement in a divorce. An alternative to that would be to include a value that reflects depreciation of the vehicle over time, but that information is not available. Including the entire net vehicle outlay when expenditures are used as the basis of the estimate likely overstates depreciation. When the basis of the estimates is outlays, it includes only vehicle installment payments rather than net vehicle outlays. This effectively avoids the issues of vehicle equity and depreciation.

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

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

The BLS has concerns that income may be underreported in the CES. Although underreporting of income is a problem inherent to surveys, the BLS is particularly concerned because expenditures exceed income among low-income households participating in the CES. The BLS does not know whether the cause is underreporting of income or that low-income households are actually spending more than their incomes because of an unemployment spell, the primary earner is a student, or the household is otherwise withdrawing from its savings. In an effort to improve income information, the BLS added and revised income questions in 2001. The new questions impute income based on a relationship to its expenditures when households do not report income. The 2010 Betson-Rothbarth measurements rely on these new questions. Previous Betson measurements do not.

The BLS also does not include changes in net assets or liabilities as income or expenditures. In all, the BLS makes it clear that reconciling differences between income and expenditures and precisely measuring income are not parts of the core mission of the CES. Rather, the core mission is to measure and track expenditures. The BLS recognizes that at some low-income levels, the CES shows that total expenditures exceed after-tax incomes, and at very high incomes, the CES shows total expenditures are considerably less than after-tax incomes. However, the new income questions used by the BLS

ameliorate some of this perceived anomaly at low incomes. The consideration of outlays rather than expenditures at high incomes lessens some of the perceived anomaly at high incomes.

In developing child support guidelines, a long-standing assumption has been that at higher incomes the difference between after-tax income and expenditures is a form of “savings.” This includes traditional savings (*i.e.*, deposits into a bank account) and other contributions to family wealth such as mortgage principal payments, which are included in CES measurement of expenditures but not in the CES measurement of outlays.

A high level of “savings” seems to contradict reports about the national savings rate being low. However, economists calculate the national savings rate using a different methodology.<sup>120</sup> Some of the differences concern the treatment of housing and medical expenses. When calculating the national savings rate, economists define savings to be the difference between disposable income and consumption. In defining consumption, economists impute the rental value of housing to homeowners even though the rental value may exceed the mortgage payment. Similarly, economists impute the value of all medical services received even though there was insurance coverage and the family incurred no out-of-pocket expense. These imputed values increase consumption considerably and hence, reduce the national savings rate. In fact, the escalating cost of health services contributes significantly to the declining national savings rate.<sup>121</sup>

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<sup>120</sup> More information about this difference can be found in California’s guidelines review report (Judicial Council, 2006).

<sup>121</sup> *Ibid.*

## APPENDIX C: CHARTS WITH SELF-SUPPORT RESERVE

These are the first pages of scheduled based on a self-support reserve of \$900 per month, which approximates the Arkansas price parity multiplied by the 2019 federal poverty guidelines for one person. It includes a minimum order of \$125 per month and a phase-out of the SSR based on 70 percent of the difference between the combined income and the SSR for one child, 71 percent of the difference for two children, and so forth up to 75 percent of the difference for six children. The area with the SSR is shaded in light blue. All unshaded areas have amounts identical to the charts appearing in Appendix A.

Excerpt of Proposed Income Shares Chart						
<b>Monthly Chart of Basic Child Support Obligations</b>						
(Self-Support Reserve = \$900/month, Minimum Order = \$125 per month)						
Combined Gross Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1-1050	125	125	125	125	125	125
1100	140	142	144	146	148	150
1150	175	178	180	183	185	188
1200	203	213	216	219	222	225
1250	211	249	252	256	259	263
1300	218	284	288	292	296	300
1350	226	320	324	329	333	338
1400	234	343	360	365	370	375
1450	241	354	396	402	407	413
1500	249	365	432	438	444	450
1550	256	376	454	475	481	488
1600	264	387	468	511	518	525
1650	271	398	481	537	555	563
1700	279	409	494	552	592	600
1750	286	420	507	567	623	638
1800	293	431	520	581	639	675
1850	301	442	534	596	656	713
1900	308	453	547	611	672	730
1950	316	463	560	626	688	748
2000	323	474	573	640	704	765

<b>Semi-Monthly Chart of Basic Child Support Obligations</b>						
(Self-Support Reserve = \$900/month, Minimum Order = \$125 per month)						
Combined Gross Semi-Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1-550	63	63	63	63	63	63
550	70	71	72	73	74	75
600	101	107	108	110	111	113
650	109	142	144	146	148	150
700	117	171	180	183	185	188
750	124	183	216	219	222	225
800	132	193	234	256	259	263
850	139	204	247	276	296	300
900	147	215	260	291	320	338
950	154	226	273	305	336	365
1000	162	237	286	320	352	383

<b>Bi-Weekly Chart of Basic Child Support Obligations</b>						
(Self-Support Reserve = \$900/month, Minimum Order = \$125 per month)						
Combined Gross Bi-Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1-500	58	58	58	58	58	58
550	93	96	97	98	100	101
600	101	131	133	135	137	138
650	108	159	169	171	174	176
700	116	170	205	208	211	213
750	123	181	219	244	248	251
800	131	192	232	259	285	288
850	138	203	245	274	301	326
900	146	214	258	289	318	345
950	153	225	271	303	333	362
1000	160	235	284	318	349	380

<b>Weekly Chart of Basic Child Support Obligations</b>						
(Self-Support Reserve = \$900/month, Minimum Order = \$125 per month)						
Combined Gross Weekly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1-250	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>29</b>
300	50	<b>66</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>
350	58	85	<b>102</b>	<b>104</b>	<b>105</b>	<b>107</b>
400	65	96	<b>116</b>	<b>130</b>	<b>142</b>	<b>144</b>
450	73	107	129	144	<b>159</b>	173
500	80	118	142	159	175	190
550	87	128	155	173	191	207
600	95	139	168	188	207	224