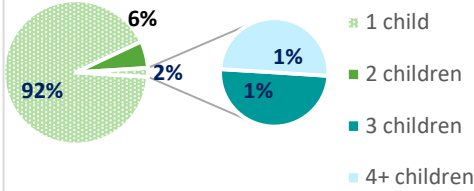
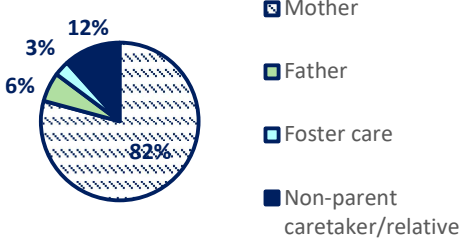



FINDINGS FROM THE ANALYSIS OF CASE FILE DATA AND LABOR MARKET DATA

<p>Federal Requirement to Analyze Data</p>	<p>45 C.F.R 302.56(h)(2) requires the analysis of case data on:</p> <ul style="list-style-type: none"> • Application of and deviations from the child support guidelines • Rates of default, imputation, and application of the low-income adjustment • Comparison of payment patterns by case characteristics including default, income imputation and application of the low-income adjustment • Findings should inform changes to ensure limited deviations and appropriate guidelines amounts 																					
<p>Cases Selected for Analysis</p>	<ul style="list-style-type: none"> • 8,333 unduplicated orders • Selection criteria are all orders tracked on the Alabama child support system (ALECS) with an order for current support that took in effect 01/01/2018 – 12/31/2018 and the case was active in 2019. This included new order establishments and order modifications. Data were insufficient to determine whether the orders were new establishments or modifications. • Guidelines information was available for 2,308 orders. This is the source of income information for the guidelines calculation. Quarterly wage is also available for some parents. 																					
<p>Other Characteristics</p>	<p>Number of Children (n= 8,333)</p>  <table border="1"> <caption>Number of Children (n= 8,333)</caption> <thead> <tr> <th>Number of Children</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>1 child</td> <td>92%</td> </tr> <tr> <td>2 children</td> <td>6%</td> </tr> <tr> <td>3 children</td> <td>1%</td> </tr> <tr> <td>4+ children</td> <td>1%</td> </tr> </tbody> </table>	Number of Children	Percentage	1 child	92%	2 children	6%	3 children	1%	4+ children	1%	<p>Receiving Parent's Relationship to Child (n= 8,333)</p>  <table border="1"> <caption>Receiving Parent's Relationship to Child (n= 8,333)</caption> <thead> <tr> <th>Relationship</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Mother</td> <td>82%</td> </tr> <tr> <td>Father</td> <td>6%</td> </tr> <tr> <td>Foster care</td> <td>3%</td> </tr> <tr> <td>Non-parent caretaker/relative</td> <td>12%</td> </tr> </tbody> </table>	Relationship	Percentage	Mother	82%	Father	6%	Foster care	3%	Non-parent caretaker/relative	12%
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<p>Federal regulation encourages states to keep guidelines deviations at a minimum</p>	<ul style="list-style-type: none"> • Alabama's guidelines deviation rate of 9% is in line with those of other states. • Deviation rates in other states range from less than 10% when downloaded from automated system and 20-30% when examined from actual court files 	<p>Percentage of Orders with Deviations from the Guidelines (N = 8,333)</p>  <p>9%</p>																				
<p>Incarcerated Parents</p>	<p>45 C.F.R 302.56(c)(3) requires a state guidelines to provide that incarceration may not be treated as voluntary unemployment in establishing or modifying support orders.</p> <p>A limited amount of information is obtained about arrests and incarceration in ALECS. It finds that:</p> <ul style="list-style-type: none"> • 45% of orders involve a party who has been arrested; and • 3% of orders involve a party who was ever incarcerated. • These percentages are likely understated due to how the data are obtained for ALECS. 																					

Federal Regulation Requires the Consideration of the Individual Circumstances of the Parent when Income Imputation Is Authorized

Income imputation is measured two ways:

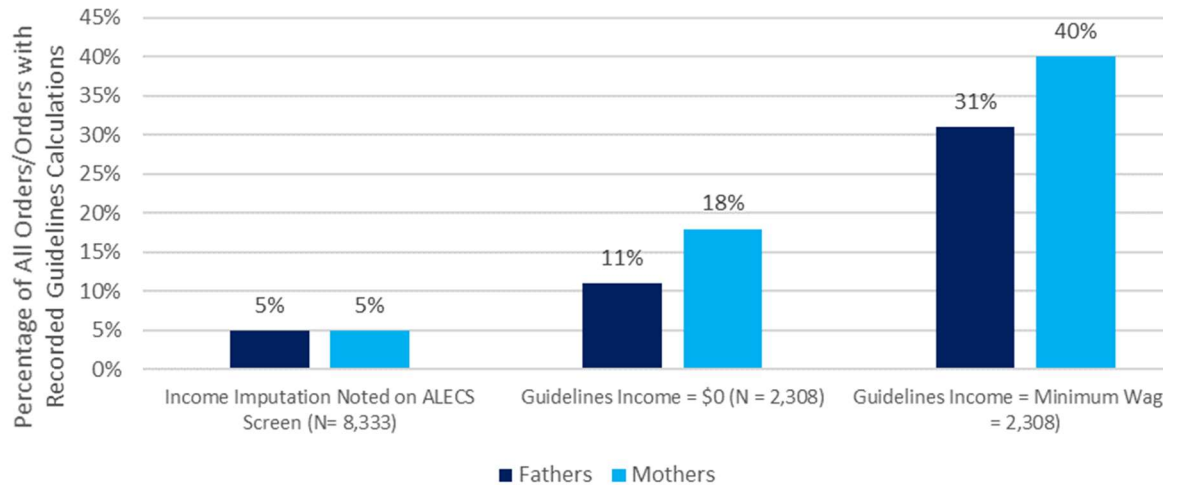
- Consideration of a datafield noting income imputation on ALECS. (The datafield is not always populated.)
- Consideration of incomes in the guidelines calculation that are equivalent to full-time, minimum wage earnings.

Information based on ALECS screen

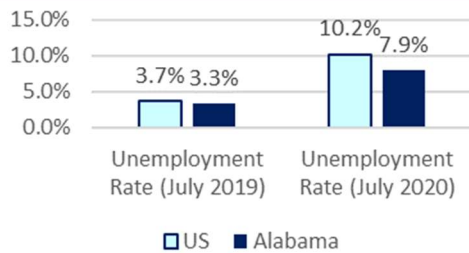
- The income imputation rate was 5 percent for both mothers and fathers.
- Among those with income imputation note, it was imputed at minimum wage for 88 percent of fathers and 89 percent of mothers.

Information based on ALECS Recorded Guidelines Calculation

- A parent’s income may actually be equivalent to minimum-wage earnings or imputed at minimum wage earnings. Due to this, these percentages may be overstated.
- Nearly a third (31%) of fathers have incomes equivalent to full-time, minimum-wage earnings (\$1,160 - \$1,260) where Federal minimum wage is \$7.25 per hour.¹ When the income was restricted to \$1,256 or \$1,257 per month, the percentage is 4%.
- Forty per cent of mothers have incomes equivalent to full-time, minimum-wage earnings. When the income was restricted to \$1,256 or \$1,257 per month, the percentage is 4%.
- Among fathers with incomes of \$1,160 - \$1,260 per month, 20% has quarterly wage data available. Their median monthly income based on quarterly wage data in the year that took in effect was \$895.
- The exhibit below also shows notable percentage of parents with \$0 income in the recorded guidelines calculation (11% of fathers and 18% of mothers).



Federal Regulation Requires the Consideration of Labor Market Data



- Average hours worked by Alabama workers (July 2020)
All private sector: 35.7 hours
Leisure and hospitality sector: 27.3 hours
- Median wage of Alabama food preparation workers = \$9.23/hr
- 33% drop in Alabama’s leisure and hospitality industry Since Covid-19 pandemic

¹ A 40-hour workweek at \$7.25 averages \$1,256.67 per month. Some users may round to four weeks per month at 40 hours, which is \$1,160 per month. While others may round up to \$1,260 per month.

Federal Regulation Requires the Analysis of the Application of the Low-Income Adjustment

Combined Adjusted Gross Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
0-800.00	50	50	50	50	50	50
850.00	60	61	61	62	63	63
900.00	91	93	94	95	96	97
950.00	123	124	126	127	129	130
1000.00	155	156	158	160	162	163
1050.00	189	191	193	195	196	200
1100.00	224	227	229	232	234	237
1150.00	253	262	265	268	271	274
1200.00	282	298	301	304	307	311
1250.00	272	333	337	340	344	348
1300.00	281	368	372	376	381	385
1350.00	290	404	408	413	417	422
1400.00	299	435	444	449	454	459
1450.00	308	447	478	483	488	494
1500.00	316	459	512	517	523	529
1550.00	325	471	545	551	557	563
1600.00	333	483	570	585	592	598
1650.00	342	495	584	619	626	633
1700.00	350	507	598	653	660	667
1750.00	359	519	611	683	694	702
1800.00	367	532	626	699	729	736
1850.00	376	545	641	716	753	771
1900.00	385	558	656	733	797	806
1950.00	394	571	672	750	825	840
2000.00	403	584	687	767	844	875
2050.00	412	597	702	784	863	909
2100.00	421	609	717	801	882	944
2150.00	430	622	733	818	900	975
2200.00	439	635	748	835	919	995

A self-support reserve (SSR) related to the 2007 federal poverty guidelines for one person is incorporated into the schedule in the blue shaded area. The non-shaded area of the schedule is based on average expenditures for a family of that size and combined parental income. For incomes of \$0 - \$800 per month, a monthly minimum order of \$50 applies.

Findings from Orders with Recorded Guidelines Calculations (N = 2,308)

- 5% of orders were in the shaded area.

Findings from All Orders (N = 8,333)

- Less than 1% of orders set at the minimum of \$50 per month.
- Less than 1% of orders set at \$0.
- 3% of orders set between \$1 and below \$50
 - 73% of these orders were non-parent caretakers

Federal Regulation Requires the Analysis of Payments

The payment information is for those with orders > \$0.

