

STATE OF ALABAMA
ADVISORY COMMITTEE ON CHILD
SUPPORT GUIDELINES AND
ENFORCEMENT
MONTGOMERY, ALABAMA

IN RE: CHILD SUPPORT GUIDELINES
COMMITTEE MEETING

March 12, 2004

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The following Committee Meeting was had and done by the Advisory Committee on Child Support Guidelines and Enforcement, held on March 12, 2004, at the Alabama Judicial Building, 300 Dexter Avenue, Montgomery, Alabama, and transcribed from a videotape by Laura A. Head, Court Reporter.

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Kelley Christian (for Bonnie Teague)

1 (W h e r e u p o n , t h e f o l l o w i n g
2 C o m m i t t e e M e e t i n g w a s h a d
3 a n d d o n e o n V i d e o t a p e
4 T h r e e a s f o l l o w s :)

5 J U D G E G O S A : I t h i n k t h e b e s t
6 f o r m a t , i f y o u w i l l m a k e y o u r
7 p r e s e n t a t i o n , a n d t h e n w e ' l l o p e n
8 i t u p t o q u e s t i o n s f r o m t h e
9 c o m m i t t e e , i f t h a t ' s a g r e e a b l e
10 w i t h y o u , D r . V e n o h r . A n d t h e n
11 a f t e r h e r p r e s e n t a t i o n , D r . R o g e r s
12 w i l l m a k e a p r e s e n t a t i o n a t t h e
13 r e q u e s t o f M r . B l a c k s t o n , a
14 c o m m i t t e e m e m b e r , a n d w e h a v e
15 a s k e d h i m t o g i v e u s a t h i r t y -
16 m i n u t e t i m e s l o t . A n d a f t e r h e
17 m a k e s h i s p r e s e n t a t i o n , w e w i l l
18 o p e n i t u p t o q u e s t i o n s f r o m t h e
19 c o m m i t t e e .

20 C O M M I T T E E M E M B E R :
21 (I n a u d i b l e .)

22 J U D G E G O S A : V - e - n - o - h - r .
23 A n y t h i n g f r o m t h e c o m m i t t e e
24 b e f o r e w e g e t s t a r t e d h e r e ?
25 O k a y .

1 D r . V e n o h r , w e w e l c o m e y o u t o
2 A l a b a m a a n d l o o k f o r w a r d t o
3 h e a r i n g f r o m y o u .

4 D R . J A N E C . V E N O H R : T h a n k
5 y o u . I ' v e e n j o y e d A l a b a m a v e r y
6 m u c h s o f a r .

7 I ' v e b e e n i n v o l v e d w i t h c h i l d
8 s u p p o r t g u i d e l i n e s f o r o v e r t e n
9 y e a r s . I f i r s t s t a r t e d o r I f i r s t
10 d e e p l y g o t i n v o l v e d w h e n I w a s i n
11 g r a d u a t e s c h o o l . I h a d t o
12 p r o g r a m a l l t h e s t a t e s ' c h i l d
13 s u p p o r t g u i d e l i n e s . A n d w h a t I - -
14 I w a s a r e s e a r c h a s s i s t a n t b a c k
15 t h e n , a n d t h i s i s a p r o j e c t f r o m
16 t h e N a t i o n a l I n s t i t u t e o f H e a l t h
17 a n d a P u b l i c N e t w o r k f o r C h i l d
18 W e l l - B e i n g . I t ' s a g r o u p o f
19 a c a d e m i c s f r o m t h e U n i v e r s i t y o f
20 M i c h i g a n , B r e n a u , U n i v e r s i t y o f
21 C o l o r a d o , F u r m a n I n s t i t u t e w h i c h
22 i s a t h i n k t a n k i n W a s h i n g t o n ,
23 D . C . , C h i l d ' s T r e n d s w h i c h i s
24 a n o t h e r t h i n k t a n k i n W a s h i n g t o n ,
25 D . C . A n d i t ' s a g r o u p o f f o l k s

1 t h a t a r e d o i n g r e s e a r c h , a c a d e m i c
2 r e s e a r c h , o n t h e e f f e c t s o n
3 c h i l d r e n i n d i s r u p t e d f a m i l i e s a n d
4 s t e p f a m i l i e s a n d s o f o r t h .

5 A n d a p a r t i c u l a r p r o f e s s o r I
6 w a s w o r k i n g w i t h w a s d o i n g
7 r e s e a r c h o n t h e i m p a c t o f c h i l d
8 s u p p o r t g u i d e l i n e s , s o t h a t ' s w h y
9 I h a d t o p r o g r a m e v e r y s i n g l e
10 s t a t e ' s g u i d e l i n e s . A n d I b e c a m e
11 p r e t t y d a r n f a m i l i a r w i t h a l l
12 t h o s e s t a t e g u i d e l i n e s .

13 A n d w h a t t h a t r e s e a r c h w a s
14 u s e d f o r e v e n t u a l l y - - T h e r e w e r e
15 s e v e r a l s t u d i e s t h a t c a m e o u t o f
16 i t . O n e w a s t h a t p r e s u m p t i v e
17 c h i l d s u p p o r t g u i d e l i n e s h a d
18 i n c r e a s e d t h e n u m b e r o f c a s e s
19 w i t h c h i l d s u p p o r t o r d e r s o n
20 s i n g l e - p a r e n t f a m i l i e s . T h a t w a s
21 o n e o f t h e a c a d e m i c s t u d i e s t h a t
22 c a m e o u t o f t h a t r e s e a r c h .

23 A n o t h e r o n e i s t h a t
24 p r e s u m p t i v e c h i l d s u p p o r t
25 g u i d e l i n e s h e l p e d p a r e n t s r e a c h

1 a g r e e m e n t s . A n d y o u c a n
2 v i s u a l i z e t h i s a s b a r g a i n i n g i n
3 t h e s h a d o w o f t h e l a w , t h a t i f
4 p a r e n t s k n o w w h a t t h e o r d e r
5 a m o u n t i s g o i n g t o b e b a s e d u p o n
6 t h e g u i d e l i n e s , t h e n t h e y c a n
7 w o r k a n a g r e e m e n t a r o u n d t h a t .

8 E v e n t u a l l y , I m o v e d o n t o
9 P o l i c y S t u d i e s , I n c . , a n d I ' v e
10 b e e n t h e r e f o r q u i t e a w h i l e . A n d
11 I h a v e a s s i s t e d o v e r t w e n t y s t a t e s
12 w i t h c h i l d s u p p o r t g u i d e l i n e s ,
13 j u s t t o g i v e y o u a n i d e a o f m y
14 b a c k g r o u n d .

15 W h a t I ' m g o i n g t o t a l k a b o u t
16 t o d a y i s I ' m g o i n g t o e s s e n t i a l l y
17 w a l k t h r o u g h t h i s r e p o r t , a n d I ' m
18 g o i n g t o s t a r t o u t w i t h s o m e
19 i n t r o d u c t i o n m a t e r i a l s . A n d I ' m
20 g o i n g t o s t a r t o f f w i t h t h e
21 f e d e r a l r e q u i r e m e n t s p e r t a i n i n g
22 t o c h i l d s u p p o r t g u i d e l i n e s . I ' m
23 g o i n g t o g i v e y o u a l i t t l e b i t
24 m o r e i n - d e p t h b a c k g r o u n d
25 i n f o r m a t i o n . T h e n I ' m g o i n g t o

1 talk about why the crux of this is
2 updating the schedule and what
3 assumptions we use, what
4 information we use to update the
5 Alabama schedule in this report.
6 Then I'm going to talk a little
7 bit about the low-income
8 adjustment and the self-support
9 reserve. We did propose some
10 alternative methods to include the
11 self-support reserve.

12 And what that is is that --
13 There is a self-support reserve
14 incorporated in the existing
15 schedule. And what it does is it
16 makes sure that the noncustodial
17 parent's income, after payment of
18 child support and taxes, is never
19 less than the poverty level. And
20 obviously that's out of date now
21 since the guidelines haven't been
22 updated since the late eighties.
23 So I'm going to talk more about
24 that assumption and ways to
25 adjust for low income

1 noncustodial parents.

2 I'm also going to talk about a
3 shared-parenting time adjustment.
4 That's in Chapter VI. And I'm
5 going to talk about adjustments
6 for additional dependents. I'm
7 going to talk about what other
8 states do that also (inaudible).
9 Then, finally, I'm going to give
10 you some conclusions that are out
11 of Chapter VII.

12 I think everybody is aware
13 here that the reason we're here is
14 because federal requirements say
15 that states must review their
16 child support guidelines every
17 four years. And as part of that
18 review, they must consider the
19 economic data on the cost of
20 child-rearing.

21 And I want to go back to the
22 federal requirements that states
23 must have child support
24 guidelines. And the requirements
25 are pretty vague. There's mainly

1 t h r e e p o i n t s . O n e i s t h a t t h e y
2 h a v e t o b e b a s e d o n s p e c i f i c
3 d e s c r i p t i v e n u m e r i c c r i t e r i a . A n d
4 t h a t m e a n s - - W h a t t h a t m e a n s i s
5 (u n i n t e l l i g i b l e) u s e a p e r c e n t a n d
6 s a y t h a t t h e o r d e r a m o u n t i s
7 s e v e n t e e n p e r c e n t o f h i s i n c o m e .
8 A n d s o i f h i s i n c o m e c h a n g e d ,
9 t h e y d i d n ' t h a v e t o g o m o d i f y t h e
10 o r d e r . A n d w h a t h a p p e n e d o n t h a t
11 i s t h a t t h e y f o u n d o r t h e y
12 s u g g e s t e d t h a t i t n e v e r m a d e i t t o
13 c o u r t a n d t h a t v i o l a t e d t h i s r e g ,
14 t h i s r e g u l a t i o n . S o t h e y s a i d n o ,
15 i t h a s t o b e e x p r e s s e d i n a d o l l a r
16 a m o u n t .

17 N o w , s o m e p e o p l e b e l i e v e t h a t
18 t h i s r e g r i g h t h e r e m e a n s t h a t i t
19 c a n ' t b e e x p r e s s e d a s a r a n g e .
20 B u t G e o r g i a u s e s a r a n g e f o r t h e i r
21 g u i d e l i n e s , a n d t h e y s a y , y o u
22 k n o w , a c e r t a i n p e r c e n t .
23 M a s s a c h u s e t t s g i v e s a r a n g e o f
24 a b o u t f i v e p e r c e n t , a n d t h a t ' s
25 n e v e r b e e n c h a l l e n g e d .

1 The second point is that the
2 guidelines must consider all the
3 earnings and income of the
4 noncustodial parent, and that's
5 why you see states that include
6 lottery earnings, things like that.
7 Those are income, too.

8 The third point is that the
9 child support guidelines was
10 provided with child health care
11 needs. There must be a provision
12 in there.

13 In 1987, child support
14 guidelines, it was mandated that
15 they be statewide and advisory.
16 So it did mean that they were just
17 advisory. They didn't have to be
18 used in every case. In 1989,
19 however, the federal reg became
20 that they must be statewide with
21 a rebuttable presumption.

22 So to help states -- In the
23 early eighties, there were only a
24 few states that had child support
25 guidelines. So to help states

1 develop child support guidelines,
2 the House Ways and Means
3 Committee asked the Federal
4 Office of Child Support
5 Enforcement to convene a
6 National Child Support Guidelines
7 Advisory Panel. And they were
8 charged with helping states to
9 develop recommendations on state
10 guidelines.

11 The advisory panel was
12 comprised of judicial,
13 legislative, and child support
14 officials. It included
15 representatives of custodial and
16 noncustodial parents advocacy
17 groups. It included a law
18 scholar. It included an economic
19 scholar, who was actually Bob
20 Willis who is in -- who's actually
21 my dissertation chair's
22 dissertation chair. So it's two --
23 So we're going to the second
24 generation as far as our
25 knowledge of guidelines. He is

1 a n e c o n o m i c s p r o f e s s o r a t t h e
2 U n i v e r s i t y o f C h i c a g o . A n d h e
3 w a s m y d i s s e r t a t i o n c h a i r ' s - -
4 w h o i s L i z P e t e r s , w h o i s n o w - -
5 s h e ' s a p r o f e s s o r a t C o r n e l l
6 U n i v e r s i t y .

7 A n d t h e f i n a l p o i n t i s t h a t
8 t h i s p a n e l r e c o m m e n d e d t h e
9 I n c o m e S h a r e s m o d e l o r t h e
10 M e l s o n f o r m u l a , a n d A l a b a m a u s e s
11 a n I n c o m e S h a r e s m o d e l . A n d h o w
12 B o b W i l l i a m s , w h o i s m y b o s s n o w
13 - - h o w D r . W i l l i a m s p l a y e d i n t o
14 t h i s i s h e w a s t h e s t a f f p e r s o n
15 f o r t h i s p a n e l . A n d w h e n h e f i r s t
16 s t a r t e d o n t h i s p r o j e c t a s a s t a f f
17 p e r s o n - - o r t h e p r i n c i p a l
18 i n v e s t i g a t o r w a s t h e o f f i c i a l t i t l e
19 - - w a s h e w a s w i t h t h e N a t i o n a l
20 C e n t e r f o r S t a t e C o u r t s .

21 T h e r e a r e t h i r t y - t h r e e s t a t e s
22 t h a t u s e t h e I n c o m e S h a r e s m o d e l .
23 A n d t h e c o n c e p t I t h i n k e v e r y b o d y
24 i s p r e t t y f a m i l i a r w i t h ; a t l e a s t I
25 g o t t h a t i m p r e s s i o n w h e n I w a s a t

1 the public hearings yesterday.
2 It's the child should be held
3 harmless. That is, the child
4 should receive the same amount of
5 expenditures that child would
6 have received if the parents lived
7 together.

8 So if an intact family with
9 four thousand -- or five thousand
10 dollars in income spends a
11 thousand dollars a month on that
12 child, that's what the child
13 should receive. And that amount
14 is prorated between the parents
15 according to their income. So if
16 the father's share is sixty
17 percent, then six hundred would
18 be his share, and if the mother's
19 share is forty percent, four
20 hundred would be her share. If
21 the mother is the custodial
22 parent, it's assumed that she
23 spends that amount roughly on the
24 child, and that the father's
25 amount becomes child support.

1 W h a t t h i s s h o w s i s j u s t h o w
2 m a n y s t a t e s a n d w h i c h s t a t e s a r e
3 u s i n g t h e I n c o m e S h a r e s m o d e l .
4 A g a i n , t h e r e ' s t h i r t y - t h r e e
5 s t a t e s .

6 T h e s e c o n d - m o s t c o m m o n m o d e l
7 i s j u s t a f l a t - - w e l l , s o m e o f - -
8 t h e r e ' s a f e w s t a t e s t h a t u s e
9 v a r y i n g , b u t i t ' s a p e r c e n t a g e o f
10 o b l i g o r i n c o m e . S o t h e r e ' s n o
11 c o n s i d e r a t i o n o f t h e c u s t o d i a l
12 p a r e n t o r t h e o b l i g e e ' s i n c o m e .
13 T h e r e a r e t h i r t e e n s t a t e s t h a t u s e
14 t h a t m o d e l . T h a t i n c l u d e s
15 G e o r g i a . T h e y h a v e n ' t c h a n g e d
16 t h e i r g u i d e l i n e s . T h a t i n c l u d e s
17 T e n n e s s e e . T h e y h a v e n ' t - - T h e y
18 a r e - - A c t u a l l y , t h e y j u s t h a d a
19 p r o p o s a l t o g o t o I n c o m e S h a r e s
20 u p f o r p u b l i c c o m m e n t . A n d t h a t
21 i n c l u d e s M i n n e s o t a . T h e y u s e a
22 p e r c e n t o f t h e o b l i g o r i n c o m e .
23 T h e r e i s n o c o n s i d e r a t i o n o f t h e
24 c u s t o d i a l p a r e n t ' s i n c o m e i n
25 t h o s e s t a t e s .

1 Now, in the Income Shares
2 model, increases in the custodial
3 parent's income will reduce the
4 order amounts.

5 And then there's a handful of
6 states -- those are the orange
7 ones on my screen. They're a
8 pretty ugly mustard on that
9 screen -- that use a different
10 model. And it includes the
11 Melson Formula, which was one of
12 the ones that the national panel
13 recommended. And the simplest
14 way to explain the Melson
15 Formula without going into any
16 detail is it's a hybrid approach,
17 that it starts off using Income
18 Shares approach for the basic
19 needs of the child. Those are
20 prorated between the parents.
21 And then it moves to a percentage
22 of obligor income after that. So
23 that's how the Melson Formula
24 works in a nutshell.

25 The other model, which is the

1 D. C. - Massachusetts approach, is
2 just the opposite. It starts off
3 as a percent of obligor income,
4 and then once custodial parent's
5 income reaches a certain
6 threshold -- it's twenty thousand
7 dollars per year less child care
8 costs in Massachusetts -- then it
9 kicks into an Income Shares
10 approach. And the rationale
11 behind that in Massachusetts is
12 that they believe that the
13 custodial parent should be given
14 some extra incentives to help get
15 her into the work market, or
16 effectively that's what it is.

17 I just want to go through some
18 of the principles of that 1984 and
19 '87 National Guidelines Panel
20 because I think it's important,
21 particularly since, you know,
22 Alabama hasn't changed its
23 guidelines for fifteen years. It's
24 sometimes good to go back to
25 basics and what it was founded

1 o n . A n d t h e s e w e r e t h e
2 p r i n c i p l e s t h a t l e d t o - - t h a t
3 p a n e l t o r e c o m m e n d t h e I n c o m e
4 S h a r e s o r t h e M e l s o n F o r m u l a .

5 T h e f i r s t o n e i s t h a t b o t h
6 p a r e n t s s h o u l d s h a r e l e g a l
7 f i n a n c i a l r e s p o n s i b i l i t y t o t h e i r
8 c h i l d r e n . S o i t ' s n o t s u r p r i s i n g
9 t h a t t h e y r e c o m m e n d e d t h e I n c o m e
10 S h a r e s o r t h e M e l s o n F o r m u l a
11 b e c a u s e t h o s e a r e t h e f o r m u l a s
12 t h a t w e r e o u t t h e r e t h a t
13 c o n s i d e r e d b o t h p a r e n t s ' i n c o m e .

14 T h e s e c o n d p r i n c i p l e w a s t h a t
15 t h e - - a g u i d e l i n e s h o u l d c o n s i d e r
16 t h e s u b s i s t e n c e n e e d s o f t h e
17 p a r e n t s , y e t e s t a b l i s h a p r e c e d e n t
18 t o p a y . S o t h a t ' s w h y t h e r e i s a
19 s e l f - s u p p o r t r e s e r v e t h a t ' s
20 i n c o r p o r a t e d i n t o t h e s c h e d u l e .
21 T h e r e ' s o n e r i g h t n o w i n t h e
22 A l a b a m a s c h e d u l e t h a t ' s b a s e d o n
23 t h e 1 9 8 8 F e d e r a l P o v e r t y
24 G u i d e l i n e s t h a t - - s o t h e
25 n o n c u s t o d i a l p a r e n t ' s i n c o m e ,

1 a f t e r p a y m e n t o f c h i l d s u p p o r t
2 a n d t a x e s , i s n e v e r b e l o w t h a t
3 s e l f - s u p p o r t r e s e r v e . Y e t t h e
4 s e c o n d p a r t o f t h a t s t a t e m e n t , Y e t
5 e s t a b l i s h e s a p r e c e d e n t t o p a y ,
6 t h a t m e a n s t h a t t h e r e s h o u l d n ' t b e
7 z e r o o r d e r e d , t h a t t h e r e s h o u l d b e
8 f i f t y d o l l a r s i s u s u a l l y t h e
9 m i n i m u m a m o u n t . A n d t h a t i s j u s t
10 t o m a k e s u r e t h a t t h e
11 n o n c u s t o d i a l p a r e n t g e t s i n t o t h e
12 s y s t e m . W a g e s f o r t h e a v e r a g e
13 p e r s o n - - I r e a d a s t u d y r e c e n t l y
14 t h a t w e c h a n g e j o b s a b o u t
15 f o u r t e e n t i m e s f r o m w h e n y o u ' r e
16 a b o u t e i g h t e e n t o a b o u t t h i r t y -
17 e i g h t . S o i f y o u g e t s o m e b o d y
18 i n t o t h e s y s t e m , t h e n y o u c a n
19 m o d i f y t h e o r d e r i n t h e e v e n t t h a t
20 t h e i r i n c o m e i n c r e a s e s l a t e r . S o
21 t h a t ' s w h y t h e r e ' s a p r e c e d e n t a s
22 s u c h , a t l e a s t s o m e s o r t o f o r d e r
23 r e g a r d l e s s o f w h e t h e r i t ' s a t o k e n
24 a m o u n t s u c h a s f i f t y d o l l a r s .
25 T h e t h i r d p o i n t i s t h a t t h e

1 child should share in a lifestyle
2 that the parents can afford. And
3 so what this means is that the
4 guidelines shouldn't be a
5 minimum or poverty level
6 guidelines, that if the parents
7 have the ability to contribute
8 more -- If they are making a
9 hundred thousand, forty thousand
10 dollars or more or something like
11 that, they can afford to pay more
12 in child support than the poverty
13 level or the basic needs for
14 raising their child.

15 The fourth point is each child
16 has a right to share in that
17 parent's income subject to
18 various factors. And what that
19 means or it supports is it
20 supports adjustments for
21 additional dependents. And if
22 you look at the original
23 guidelines model, it did talk
24 about it and by subject to various
25 factors. One of the factors that

1 t h e y i n c l u d e i n t h e s e p r i n c i p l e s
2 i n c l u d e a g e o f t h e c h i l d , t h e
3 i n c o m e o f t h e p a r e n t s , e t c e t e r a .

4 T h i s i s t h e l a s t o f i t , b u t I
5 t h i n k i t ' s g o o d t o t h i n k a b o u t
6 t h e s e .

7 T h e f i f t h p o i n t i s t h a t e a c h
8 c h i l d i s e n t i t l e d t o s u p p o r t
9 a m o u n t s w i t h o u t r e s p e c t t o t h e
10 p a r e n t s ' m a r i t a l s t a t u s . A n d b y
11 t h a t , i t m e a n s t h a t j u s t b e c a u s e a
12 c h i l d i s b o r n o u t o f w e d l o c k , t h e y
13 s h o u l d n ' t b e t r e a t e d a n y
14 d i f f e r e n t l y t h a n a c h i l d t h a t w a s
15 b o r n t o m a r r i e d p a r e n t s . T h e y
16 s h o u l d h a v e t h e s a m e
17 o p p o r t u n i t i e s , t h e s a m e s o r t o f
18 f i n a n c i a l c o m m i t m e n t s p r o v i d e d
19 a s w i t h p a r e n t s t h a t h a v e s i m i l a r
20 i n c o m e s .

21 T h e s i x t h p o i n t i s t h e g e n d e r
22 o f t h e c u s t o d i a l p a r e n t s h o u l d
23 m a k e n o d i f f e r e n c e i n t h e
24 g u i d e l i n e s d e t e r m i n a t i o n . A n d I ,
25 y o u k n o w - - T h e r e ' s n o t a

1 guidelines out there puts he or
2 she. I mean, it's pretty gender-
3 neutral. And if I slip into he or
4 she today, it's only because
5 custodial parent and noncustodial
6 parent or nonresidential parent
7 and non-primary residential
8 parent is a very long phrase to
9 use. So I apologize for that.
10 The latest census statistics
11 actually show about fourteen
12 percent of custodial parents are
13 fathers.

14 The seventh point is that
15 guidelines should not create
16 extraneous negative effects on
17 the major life decisions of either
18 parent. And there's two things I
19 want to say about this. The
20 negative effects. It doesn't say
21 positive effects. I mean, there's
22 lots of positive effects from
23 child support guidelines. There's
24 a study by Lucia Nixon that was
25 published in the Journal of Human

1 Resources in 1995, I believe, that
2 says that child support has
3 reduced divorce. And that's a
4 positive outcome in our society.
5 There's several studies out there,
6 recent studies. One is by Irv
7 Garfinkle, who's a professor at
8 Columbia University, that finds
9 that child support has reduced
10 non-marital births. That's a
11 positive effect.

12 Now, when I say extraneous
13 negative effects, what then we're
14 addressing is, one of the
15 outcomes that you can see from it
16 is that's one of the reasons that
17 the second spouse's income is not
18 considered. Because if it was
19 considered, that would be a
20 negative effect in that it would
21 mean that the -- there might be
22 some motivation or disincentive
23 to remarry. So that is one of the
24 reasons that you don't see the
25 second spouse's income

1 c o n s i d e r e d i n g u i d e l i n e s .

2 F i n a l l y , t h a t t h e g u i d e l i n e s
3 s h o u l d e n c o u r a g e i n v o l v e m e n t
4 f r o m b o t h p a r e n t s a n d c o n s i d e r
5 f i n a n c i a l s u p p o r t i n s h a r e d
6 p h y s i c a l c u s t o d y s i t u a t i o n s . A n d
7 I ' m g o i n g t o t a l k m o r e a b o u t t h a t
8 l a t e r , b u t w e ' l l s e e t h a t m o s t
9 I n c o m e S h a r e s s t a t e s d o i n c l u d e a
10 f o r m u l a o r p r o v i s i o n s f o r s h a r e d -
11 p a r e n t i n g t i m e .

12 T h i s i s n ' t i n t h e r e p o r t . T h e
13 s t u f f t h a t I t a l k e d a b o u t e a r l i e r
14 - - I ' m g o i n g t o t r y t o r e f e r e n c e
15 p a g e n u m b e r s - - i s i n t h e r e p o r t .
16 T h a t ' s i n f o o t n o t e o n e , i f y o u
17 w a n t e d t o l o o k a t t h e r e f e r e n c e s .
18 T h e r e ' s a f o o t n o t e o n e , a n d w h a t
19 I d i d w a s j u s t p u l l s t u f f o u t o f
20 t h a t N a t i o n a l C h i l d S u p p o r t
21 G u i d e l i n e s A d v i s o r y C o m m i t t e e
22 r e p o r t .

23 S o t h i s i s s o m e t h i n g t h a t I
24 t h o u g h t - - I t h i n k i t ' s a l w a y s
25 h e l p f u l t o l o o k a t w h a t t h e

1 bordering states look like
2 compared to your state. And I
3 just happened to have this. This
4 wasn't part of our contract, but I
5 had the information under my
6 fingertips. So I thought I'd just
7 -- it might be good to use.

8 And I'm going to be the total
9 nerd and get my pointer out. I
10 apologize for (inaudible).

11 And the solid line is Alabama,
12 and Mississippi is definitely the
13 lowest guidelines I've ever
14 looked at. And what we see -- As
15 far as the other states, what I've
16 included, I included most of the
17 bordering states and Louisiana
18 because Louisiana is probably the
19 closest to Alabama in income as
20 far as median family income.
21 Mississippi does have lower
22 median family income or lower
23 income than Alabama in general,
24 and most of these other states
25 have higher income. Tennessee

1 does and Georgia.

2 So the solid line is Alabama,
3 and this is the scenario where we
4 have one child, obligee income
5 equals zero. Here, on this axis
6 as we move along, we're showing
7 increases in net income. And I'm
8 using net income because
9 obviously there's going to be
10 different consequences and taxes
11 among states -- for (inaudible)
12 states. So just so we don't, you
13 know, compare apples and
14 oranges, I'm using net income.

15 So -- And I'm expressing it as
16 a percent of obligor net income
17 as far as what the order is. And
18 you can see that Alabama
19 gradually increases. As income
20 increases, the percent devoted to
21 child support gets smaller. And
22 that's consistent with the
23 economic data on child-rearing
24 costs, that as parents have more
25 income, they spend a smaller

1 p o r t i o n o f i t o n t h e c h i l d .

2 A n d l e t ' s s e e w h a t s t a t e t h i s
3 i s . T h i s i s L o u i s i a n a . S l i g h t l y
4 m o r e . A n d y o u n o t i c e t h a t
5 T e n n e s s e e - - I m e a n , A l a b a m a
6 s t o p s q u i c k e r . A n d t h a t ' s
7 b e c a u s e o f t h e t e n t h o u s a n d
8 g r o s s . A n d t h e n t h i s o n e i s
9 F l o r i d a . A l i t t l e b i t h i g h e r .
10 N o w , F l o r i d a , L o u i s i a n a , a n d
11 A l a b a m a a r e b a s e d o n p r e t t y m u c h
12 t h e s a m e e v i d e n c e o f c h i l d -
13 r e a r i n g c o s t s , b u t F l o r i d a i s n o t
14 a d j u s t e d f o r i t s i n c o m e . I t ' s
15 u s i n g n a t i o n a l d a t a . L o u i s i a n a i s
16 a d j u s t e d f o r i t s i n c o m e . A l a b a m a
17 i s a d j u s t e d f o r i t s i n c o m e . A n d
18 u p h e r e i s p r o p o s e d T e n n e s s e e .
19 L i k e I s a i d , t h e y a r e g o i n g t o
20 I n c o m e S h a r e s , a n d t h e r e ' s a
21 p r o p o s a l o u t t h e r e r i g h t n o w .
22 T h e y ' r e s e e k i n g p u b l i c c o m m e n t s
23 o n t o g o t o I n c o m e S h a r e s . T h e i r
24 g u i d e l i n e s a r e a d m i n i s t r a t i v e
25 r u l e s , s o i t ' s i n t h e r u l e s r i g h t

1 n o w .

2 A n d r i g h t h e r e , t h i s i s t h e i r
3 l o w e r i n c o m e a n d s e l f - s u p p o r t
4 r e s e r v e a d j u s t m e n t . N o w , t h i s i s
5 a n a n o m a l y . T h i s i s G e o r g i a .
6 I t ' s t h e o n e t h a t s p i k e s u p h e r e .
7 A n d t h e r e a s o n t h a t G e o r g i a d o e s
8 t h i s i s i t ' s a f l a t p e r c e n t o f
9 g r o s s i n c o m e . S o w h e n y o u
10 c o n v e r t t h a t b a c k t o n e t i n c o m e - -
11 b e c a u s e o u r t a x r a t e s a r e
12 p r o g r e s s i v e ; t h e y g e t h i g h e r a s
13 w e m a k e e a r n e d i n c o m e - - t h e n i t
14 b e c o m e s a h i g h e r p r o p o r t i o n o f i t
15 t h e r e . S o I j u s t t h i n k t h i s i s a
16 u s e f u l b e n c h m a r k . I h o p e y o u
17 d o n ' t , y o u k n o w - - I h o p e y o u
18 f e e l t h e s a m e b e c a u s e I f e e l l i k e
19 I a d d e d t h a t a t t h e l a s t m i n u t e .

20 A n d t h i s i s t h e s a m e t h i n g f o r
21 t w o c h i l d r e n . A g a i n , y o u c a n s e e
22 M i s s i s s i p p i . T h e s o l i d l i n e i s
23 A l a b a m a . A n d t h e r e i s t h a t
24 a n o m a l y w i t h G e o r g i a g o i n g u p
25 a n d s p i k i n g u p t h e r e .

1 A n d t h i s i s w i t h t h r e e
2 c h i l d r e n . Y o u c a n s e e t h a t
3 G e o r g i a d o e s n ' t f a r e a s b a d , a n d
4 A l a b a m a c o m e s m i d d l e o f t h e r o a d
5 o n t h i s .

6 A n d t h i s i s w h e n w e a d d
7 i n c o m e t o t h e o b l i g e e . A n d
8 b e c a u s e M i s s i s s i p p i i s b a s e d o n a
9 f l a t p e r c e n t n e t , i t d o e s n ' t
10 c h a n g e . I t ' s t h e s a m e a m o u n t
11 r e g a r d l e s s o f w h e t h e r t h e o b l i g e e
12 h a s i n c o m e o r n o t . A n d t h e s a m e
13 w i t h G e o r g i a . Y o u c a n s e e t h e
14 o t h e r s t a t e s t h a t a r e a l l I n c o m e
15 S h a r e s , t h e y ' r e c o m i n g d o w n .
16 T h e y ' r e g o i n g t o b e l e s s i n a
17 s i t u a t i o n w h e r e t h e o b l i g e e h a s
18 i n c o m e .

19 T h i s i s f o r t w o c h i l d r e n . A n d
20 y o u c a n s e e A l a b a m a i s t h e s o l i d
21 l i n e t h e r e . A n d t h i s i s f o r t h r e e
22 c h i l d r e n .

23 O k a y . I j u s t w a n t e d t o g i v e
24 y o u t h a t b a c k g r o u n d i n f o r m a t i o n .
25 N o w , I ' m g o i n g t o g e t i n t o t h e

1 real meat, into the stuff of the
2 report, the deep stuff.

3 This is an overview of the
4 steps we took to update the
5 schedule. This is on page III,
6 Roman number III-4. This is a
7 summary that I'm just going to
8 put in my own words.

9 And I'm going to go through
10 this over and over again
11 (inaudible). It's very
12 complicated, and we all learn
13 differently. Some of us are
14 visual. Some of us are more
15 auditory. So I'm going to try to
16 say it five or six different ways,
17 every key point.

18 The first thing that happened
19 is that we worked with Dr. David
20 Betson, and I'm going to talk
21 more about him later. He's the
22 economist at the University of
23 Notre Dame that does most of the
24 measurements of the child-rearing
25 costs. We worked with him to

1 r e a l i g n t h e n a t i o n a l
2 m e a s u r e m e n t s . T h e s e a r e b a s e d
3 o n n a t i o n a l d a t a . I ' m g o i n g t o
4 t a l k m o r e a b o u t t h e d a t a l a t e r .
5 W e r e a l i g n t h e m f o r A l a b a m a ' s
6 i n c o m e , a n d y o u c a n l o o k a t T a b l e
7 I - i - - a n d t h a t ' s i n t h e a p p e n d i x
8 - - t o s h o w - - s e e w h y w e d o t h a t .
9 I f y o u l o o k a t T a b l e I - i , y o u ' l l
10 s e e t h a t A l a b a m a - - i n A l a b a m a ,
11 t h e r e ' s e i g h t p e r c e n t o f t h e
12 f a m i l i e s h a v e i n c o m e s l e s s t h a n
13 t e n t h o u s a n d . N a t i o n a l l y , t h e
14 c o m p a r a b l e p e r c e n t a g e i s f i v e
15 p o i n t f i v e . S o A l a b a m a i s t i l t e d
16 a l i t t l e b i t o n t h e l o w i n c o m e
17 e n d , t o w a r d s t h e l o w i n c o m e
18 s c a l e .

19 S o t o a c c o u n t f o r t h a t , w h a t
20 w e d o i s w e t a k e t h e
21 (u n i n t e l l i g i b l e) d a t a . W e h a v e
22 t h a t i n f o r m a t i o n f r o m t h a t t a b l e .
23 W h a t w e d o i s w e ' l l l o o k a t a
24 h o u s e h o l d i n t h e U . S . a v e r a g e
25 p o o l . W e ' l l l o o k a t , O k a y ,

1 w h a t ' s t h e i n c o m e w h e r e w e f i n d
2 t h a t t w e n t y p e r c e n t o f t h e U . S .
3 h o u s e h o l d s h a v e i n c o m e s l e s s t h a n
4 t h a t . O k a y . S o t w e n t y p e r c e n t .
5 L e t ' s s a y t h a t t h a t i n c o m e e n d s
6 u p b e i n g t h i r t y t h o u s a n d . O k a y .
7 I n t h e n a t i o n a l d a t a , i f w e l o o k
8 a t t h i r t y t h o u s a n d , w e f i n d t h a t
9 t w e n t y - f i v e p e r c e n t o f t h a t t h i r t y
10 t h o u s a n d i s s p e n t o n c h i l d - r e a r i n g
11 c o s t s . W e t a k e t h a t t w e n t y - f i v e
12 p e r c e n t s p e n t o n c h i l d - r e a r i n g
13 c o s t s a n d w e a p p l y i t t o t h a t
14 t w e n t y p e r c e n t i l e h o u s e h o l d i n
15 A l a b a m a , w h i c h m a k e s a n i n c o m e
16 o f t w e n t y t h o u s a n d . S o y o u t a k e
17 t h a t t w e n t y - f i v e p e r c e n t a n d
18 a p p l y i t t o t w e n t y t h o u s a n d , a n d
19 t h a t ' s h o w y o u d o i t . W h a t i t
20 d o e s i s i t s h i f t s t h e m e a s u r e m e n t s
21 o f c h i l d - r e a r i n g c o s t s d o w n .

22 A n d I t h i n k y o u s a w i t e a r l i e r
23 o n t h i s p r e v i o u s o v e r h e a d h o w
24 t h e s e a r e a l l d o w n w a r d s l o p i n g
25 b e c a u s e t h o s e m e a s u r e m e n t s o f

1 child-rearing costs indicate that
2 a smaller portion of child-rearing
3 costs -- a smaller portion of
4 income is devoted to child-
5 rearing costs the greater the
6 income is. So, essentially, we're
7 shifting it so the smaller is back
8 that way using that methodology.

9 At the same time, Betson
10 updates those measurements of
11 child-rearing costs for current
12 price levels. We used December
13 2003 Consumer Price Index
14 because that was the most recent
15 available when we developed the
16 schedule. There's also
17 (unintelligible) as far as when
18 data was collected and when you
19 can use it. And I'll talk more
20 about what data collection
21 (inaudible) Betson used.

22 The second step is that we
23 subtract child care and
24 extraordinary medical expenses
25 because those are add-ons to the

1 s c h e d u l e . T h a t c a m e u p i n t h e
2 p u b l i c h e a r i n g y e s t e r d a y , h o w
3 c h i l d c a r e c o s t s a r e n ' t
4 i n c o r p o r a t e d i n t o t h e s c h e d u l e
5 b u t t h e y a r e t r e a t e d s e p a r a t e l y .
6 T h e y ' r e a d d e d o n i t a f t e r w a r d s .
7 A n d e x t r a o r d i n a r y m e d i c a l
8 e x p e n s e s a r e a l s o s u b t r a c t e d o u t .
9 S o w e s u b t r a c t t h o s e o u t .

10 T h e t h i r d s t e p i s w e d o
11 d e v e l o p a n e t i n c o m e s c h e d u l e ,
12 t h a t t h e s e m e a s u r e m e n t s i n c h i l d -
13 r e a r i n g c o s t s t h a t B e t s o n u s e s a r e
14 u s u a l l y e x p r e s s e d a s a p e r c e n t o f
15 e x p e n d i t u r e s o r p e r c e n t o f n e t
16 i n c o m e . S o w e s t a r t w i t h n e t - - a
17 n e t i n c o m e s c h e d u l e , a n d I ' m
18 g o i n g t o s h o w m o r e a b o u t t h a t
19 l a t e r .

20 C O M M I T T E E M E M B E R : C a n I
21 a s k a q u e s t i o n ? T h e r e w a s a l o t
22 o f q u e s t i o n s y e s t e r d a y a b o u t w h a t
23 i s c o n s i d e r e d n e t i n c o m e .

24 D R . V E N O H R : Y e a h . I ' l l t a l k
25 a b o u t t h a t . A n d I ' m s o r r y . I ' l l

1 take more questions at the end.
2 But, you know, I want to get you
3 guys out of here. Usually I'm on
4 for a whole day (inaudible). But
5 yeah, and if you hear stuff like
6 that, be sure you call it
7 (inaudible).

8 So then we subtract out the
9 self-support reserve. That's the
10 second to the last step, and then
11 we back it out into gross income.
12 And I'm going to show you that.
13 I'm going to take (unintelligible)
14 right now. And this was
15 something we added to clarify
16 this. So what you'll see is --
17 This is what you'll see. You
18 don't see this hidden cost here.
19 But what you see is the gross
20 income, and then you see the
21 child support schedule for one,
22 two, three, four, five, six
23 children.

24 And these amounts are
25 actually feeding off this column

1 t h a t i s h i d d e n , w h i c h i s t h e n e t
2 e q u i v a l e n t t o t h i s g r o s s i n c o m e .
3 S o i f y o u b a c k i t o u t u s i n g - - A n d
4 I ' l l e x p l a i n w h a t w e u s e . W e u s e
5 f e d e r a l t a x e s . W e u s e s t a t e
6 t a x e s . A n d w e u s e F I C A . T h e n
7 w e a s s u m e t h a t a l l t h e i n c o m e i s
8 t a x e d a t w h a t i t w o u l d b e f o r a
9 s i n g l e p e r s o n , s i n g l e t a x p a y e r
10 j u s t c l a i m i n g h i m - o r h e r s e l f .

11 A n d t h i s i s a c t u a l l y a n
12 a s s u m p t i o n t h a t ' s f a v o r a b l e t o t h e
13 N C P , a n d t h e r e a s o n b e i n g i s t h a t
14 s i n g l e p e r s o n s p a y m o r e t a x e s
15 t h a n s o m e b o d y w i t h d e p e n d e n t s .
16 S o t h i s a m o u n t w o u l d b e h i g h e r .
17 T h i s n e t i n c o m e w o u l d b e h i g h e r
18 i f w e a s s u m e d a n y t h i n g e l s e .
19 T h a t ' s t h e m o s t f a v o r a b l e t a x
20 a s s u m p t i o n w e c o u l d u s e . A n d
21 t h e n i f t h e s e a m o u n t s a r e h i g h e r ,
22 t h e s e a m o u n t s w o u l d b e h i g h e r .
23 T h i s i s f e e d i n g - - T h e s e a m o u n t s
24 a r e f e e d i n g o f f o f t h i s .

25 A n d I t h i n k t h e c o n c e r n s

1 y e s t e r d a y o n w h e t h e r t o u s e n e t
2 i n c o m e o r g r o s s i n c o m e w e r e
3 v a l i d . I m e a n , y o u k n o w , I t h i n k
4 w e ' v e d o n e t h i s . T h i s i s t h e w a y
5 i t w a s d o n e i n t h e e x i s t i n g
6 A l a b a m a s c h e d u l e o n l y i t w a s
7 1 9 8 8 o r ' 8 9 t a x e s w e r e u s e d .
8 T h i s i s e x a c t l y t h e s a m e
9 m e t h o d o l o g y t h a t w a s u s e d . A n d I
10 t h i n k g i v e n r e c e n t t a x c h a n g e s - -
11 I m e a n , t h e r e h a v e b e e n s o m e
12 h u g e t a x c h a n g e s . T h e y ' r e
13 s c h e d u l e d t o p h a s e o u t i n 2 0 1 0 .
14 C o n g r e s s i s t h i n k i n g a b o u t m a y b e
15 p h a s i n g t h e m o u t e v e n s o o n e r
16 b e c a u s e , y o u k n o w , t h e y h a v e a
17 f e d e r a l d e f i c i t . I m e a n , t h e r e ' s a
18 g o o d p o i n t t o g o i n g t o n e t i n c o m e
19 b e c a u s e w e d o n ' t k n o w w h a t t h e
20 f e d e r a l t a x s i t u a t i o n s a r e . A n d
21 r i g h t n o w , t h e A l a b a m a s c h e d u l e
22 i s b a s e d o n t a x e s i n 1 9 8 8 . S o i f
23 y o u w e n t t o n e t i n c o m e , y o u
24 w o u l d d e v i a t e - - y o u ' d e l i m i n a t e
25 t h a t p r o b l e m o f h a v i n g t o d e a l

1 with changes in federal taxes.

2 But it's not an easy solution
3 because net income also creates
4 other problems. And I think I
5 don't have to tell you -- most of
6 you guys this because you're
7 practicing attorneys and judges --
8 that it's difficult to get gross
9 income information in a lot of
10 cases. So to get net income or to
11 get tax information, that adds
12 another level of discovery or
13 difficulty. That's one
14 disadvantage of using net income.

15 A second disadvantage is that
16 if you have two similarly situated
17 noncustodial parents -- let's say
18 that they both earn thirty
19 thousand a year and that the
20 custodial parent in that case also
21 earns thirty thousand dollars a
22 year, and there's one child.

23 Okay. Now, let's suppose that
24 one noncustodial parent is single,
25 has no additional dependents, and

1 t h i s o t h e r n o n c u s t o d i a l p a r e n t ,
2 g r e a t p e r s o n , a d o p t s f i v e k i d s .
3 W h a t ' s g o i n g t o h a p p e n t o h i s t a x
4 c o n s e q u e n c e s ? A l l o f a s u d d e n ,
5 h e ' s g o t f i v e k i d s a n d h i s i n c o m e ,
6 h i s n e t i n c o m e , i s g o i n g t o s h o o t
7 w a y u p . A n d i f y o u ' r e u s i n g a
8 n e t i n c o m e s c h e d u l e , o r d e r s c a n
9 g o u p b e c a u s e h e ' s g o t l e s s
10 t a x a b l e i n c o m e n o w b e c a u s e h e ' s
11 g o t t h e s e f i v e o t h e r k i d s . S o
12 t h a t ' s a d i s a d v a n t a g e .

13 A n d i t ' s n o t j u s t a d d i t i o n a l
14 d e p e n d e n t s . I t c o u l d b e
15 m a r r i a g e . I t c o u l d h o u s i n g
16 p r i n c i p a l , e t c e t e r a . Y o u k n o w ,
17 i t a l l d e p e n d s o n w h a t , y o u k n o w ,
18 h i s o r h e r t a x c o n s e q u e n c e s a r e .

19 I t ' s n o t a n e a s y s o l u t i o n . I ' m
20 n o t g o i n g t o k i d y o u . I m e a n , t h e
21 t a x e s a r e a d i f f i c u l t t h i n g . T h e y
22 - - Y o u k n o w , e v e n w h e n y o u ' r e
23 n o t d i v o r c e d , i t c a u s e s p e o p l e
24 h e a d a c h e s , o r w h e n y o u d o n ' t
25 h a v e c h i l d s u p p o r t .

1 I'm going to show you
2 Vermont's solution, and a couple
3 of states do this. What they do
4 is they standardize net income,
5 which means that they start with
6 gross income, a gross -- the
7 parent's gross income. And they
8 say, Okay, you're the
9 noncustodial parent, We're going
10 to assume that your tax
11 consequences are that of a single
12 taxpayer. And for the custodial
13 parent, they'll say, Okay, we're
14 going to assume that your tax
15 consequences are head of
16 household with one child, one
17 dependent, and that you're going
18 to get the EITC, earned income
19 tax credit, that you're going to
20 get the child tax credit, blah,
21 blah, blah.

22 And how that works is -- this
23 is Vermont -- is that they have
24 another schedule that shows the
25 tax rates. So here we have a

1 column that looks a lot like the
2 regular child support schedule.
3 Here we have income, only this
4 would be the individual parent's
5 income. In this column, we show
6 what the equivalent for one child
7 is, using the midpoint in this end
8 of the gross income. And this is
9 the custodial parent's after-tax
10 income for one child, assuming
11 that she claims the child and so
12 forth. And this column is for two
13 children. It assumes that she
14 claims two children.

15 I like that. You're shaking
16 your head. It tells me you
17 figured it out and some people
18 are understanding it because it's
19 complicated.

20 And the final column is the
21 NCP's after-tax income, assuming
22 that he files as a single taxpayer.
23 And so what you would do in this
24 case is, you know, if we have a
25 custodial parent that makes

1 t w e n t y - f i v e h u n d r e d , w e g o u p
2 t h e r e - - a n d s h e h a s o n e c h i l d - -
3 w e a s s u m e h e r i n c o m e i s t w e n t y -
4 o n e o h s i x . A n d t h e n o n c u s t o d i a l
5 p a r e n t a c t u a l l y m a d e t w e n t y - f i v e
6 h u n d r e d , t o o . W e ' d a s s u m e h i s
7 i n c o m e , a f t e r - t a x i n c o m e , i s
8 n i n e t e e n t h i r t y - s i x . T h e n w e a d d
9 t h o s e t o g e t h e r , a n d t h e n w e g o t o
10 t h e n e t i n c o m e s c h e d u l e . A n d
11 t h e n y o u ' r e b a c k i n t o h o w
12 A l a b a m a d o e s i t .

13 A n d t h i s o b v i o u s l y a d d s a n
14 e x t r a s t e p . I t a d d s a n e x t r a l e v e l
15 o f c o m p l i c a t i o n . A n d i n
16 a d d i t i o n , V e r m o n t i s o n e o f t h o s e
17 t h i r t y - f o u r s t a t e s t h a t h a s a
18 s h a r e d - p a r e n t i n g a d j u s t m e n t . S o
19 t h e y h a v e t o h a v e a n o t h e r t a b l e
20 f o r w h e n t h e r e i s s h a r e d
21 p a r e n t i n g b e c a u s e t h e t a x
22 c o n s e q u e n c e s t h e r e a r e a s s u m e d t o
23 b e s p l i t .

24 A n d - - L e t ' s s e e . W h a t e l s e
25 d o I w a n t t o s a y a b o u t t h i s ?

1 O h , i t s h o u l d b e c l e a r t h a t
2 w h e n V e r m o n t d o e s t h i s , t h e y u s e
3 t h e m o n t h l y i n c o m e w i t h h o l d i n g ,
4 t h e m o n t h l y e m p l o y e r w i t h h o l d i n g
5 g u i d e s f o r t a x e s a n d t h a t t h e r e i s
6 - - A n d t h a t ' s a r e a l l y i m p o r t a n t
7 p o i n t w h e n y o u ' r e t h i n k i n g a b o u t
8 t a x e s . A n d i f y o u ' r e g o i n g t o d o
9 a n y t h i n g a b o u t t a x e s , y o u h a v e t o
10 u n d e r s t a n d t h e d i f f e r e n c e b e t w e e n
11 m o n t h l y e m p l o y e r w i t h h o l d i n g s
12 a n d y e a r - e n d b e c a u s e t h e y ' r e n o t
13 a l w a y s e q u a l .

14 I m e a n , I r e m e m b e r t h e d a y s
15 w h e n I w a s a s i n g l e p e r s o n w i t h a
16 s a l a r y a n d , y o u k n o w , I f i l e d m y
17 t a x e s . I d i d E Z , t h e 1 0 4 0 f o r m .
18 I c o u l d n e v e r f i g u r e o u t t h e e x a c t
19 a m o u n t o f w i t h h o l d i n g s , y o u
20 k n o w . I d i d n ' t h a v e a n y
21 p r o p e r t y , n o t h i n g . A n d w h y d i d I
22 a l w a y s o w e o r t h e y o w e m e a t t h e
23 e n d o f t h e y e a r ? I t ' s b e c a u s e
24 t h o s e f o r m u l a s a r e n o t e x a c t l y t h e
25 s a m e .

1 In particular, the earned
2 income tax credit, when they
3 advance that, they don't advance
4 all of it to custodial parents or
5 eligible folks. And in a big
6 sense, from the IRS point of
7 view, from the flipside, you don't
8 want to end up in a position of
9 refunding the EITC. You know,
10 the IRS probably doesn't want to
11 do that.

12 But the earned income tax
13 credit is to help alleviate
14 poverty. They don't -- The IRS
15 doesn't want to be giving out
16 money, and then at the end of the
17 year, let's say that those folks
18 changed jobs or the custodial
19 parent changed jobs. They might
20 not be eligible for that earned
21 income tax credit, and it would
22 be awful to have to pay it back.
23 So that's one of the reasons that
24 the feds do not advance all of the
25 EITC, the earned income tax

1 credit.

2 And Vermont's stance is that
3 they would rather use the monthly
4 employer withholding guide
5 because most people live paycheck
6 to paycheck, rather than using the
7 year-end.

8 Okay. So surprisingly,
9 there's not a lot of differences
10 between using what Alabama does,
11 where you have that hidden
12 column, and using the Vermont
13 approach. And what this graph
14 does is just illustrate that. The
15 one child obligor income equals
16 fifty percent of the obligee
17 income. Here we just use those
18 built-in withholding tables, that
19 hidden column that I showed you
20 in that first overhead, and here
21 that Vermont method where we did
22 that extra step. And you can see
23 that (unintelligible) results in a
24 little bit different child support
25 order (unintelligible) is

1 negligible. And this includes the
2 child tax credit, by the way. We
3 averaged them in even though it's
4 not part of, you know, the
5 employer withholding tables. And
6 this is for six children. And you
7 can see even in this case where
8 they're going to get a much
9 larger child tax credit because of
10 the six children, that they're
11 pretty close.

12 So it really is a tradeoff in
13 terms of simplicity and making it
14 more obvious what's happening
15 there. And, unfortunately,
16 there's not an easy solution when
17 it comes to taxes.

18 Okay. We're turning to the
19 other factors that are addressed
20 in the update of the schedule.
21 This is from Chapters III and V,
22 and I just summarized it on the
23 table. When we updated the
24 schedule, we used the same
25 methodology that was used back

1 then (inaudible). And there are a
2 few differences. We use more
3 current economic factors. The
4 current schedule -- we're going
5 to talk more about this -- is
6 based on -- it is based on the
7 economic study of child-rearing
8 costs that was published in 1984.
9 We're going to use something that
10 was published in (videotape
11 malfunction).

12 I'm going to talk more about
13 the data that were used. And for
14 the current schedule, the data
15 were collected in 1972, and this
16 was a Consumer Expenditure
17 Survey. And it did include six
18 Alabama counties, and those --
19 Actually, I'm not sure which
20 Alabama counties it included back
21 then. But I know it included
22 (inaudible). The current schedule
23 is based on (videotape
24 malfunction) price levels. We
25 updated it, as I said earlier, to

1 D e c e m b e r 2 0 0 3 p r i c e l e v e l s . I
2 e x p l a i n e d e a r l i e r t h a t w e u s e d
3 c e n s u s d a t a t o r e a l i g n i t , t o m a k e
4 t h a t s h i f t .

5 T h e c u r r e n t s c h e d u l e i s b a s e d
6 o n 1 9 8 0 c e n s u s d a t a . T h e u p d a t e d
7 s c h e d u l e i s b a s e d o n 2 0 0 2
8 s u p p l e m e n t a l c e n s u s d a t a . T h e
9 t a x r a t e s i n t h e c u r r e n t s c h e d u l e
10 a r e ' 8 7 . W e ' r e u s i n g 2 0 0 4 . T h e
11 s e l f - s u p p o r t r e s e r v e w a s f o u r f o u r
12 s e v e n a m o n t h , w h i c h i s t h e
13 e q u i v a l e n t t o t h e f e d e r a l p o v e r t y
14 g u i d e l i n e s f o r o n e p e r s o n i n
15 1 9 8 6 . W e ' r e u s i n g s e v e n f o r t y -
16 e i g h t , w h i c h i s e q u i v a l e n t t o t h e
17 p o v e r t y l e v e l i n 2 0 0 3 . A n d t h e y
18 j u s t r e l e a s e d t h e 2 0 0 4 p o v e r t y
19 l e v e l . W e d i d n ' t h a v e e n o u g h
20 t i m e t o p u t i t i n t h e r e . T h e y j u s t
21 r e l e a s e d i t t h r e e w e e k s a g o . T h e
22 c u r r e n t f e d e r a l p o v e r t y g u i d e l i n e s
23 f o r o n e p e r s o n i s s e v e n h u n d r e d
24 a n d s e v e n t y - s i x d o l l a r s . S o i t ' s
25 a l i t t l e b i t m o r e t h a n t h e s e v e n

1 f o r t y - e i g h t a m o u n t .

2 A n d , f i n a l l y , a s I m e n t i o n e d
3 e a r l i e r , w e e x c l u d e d
4 e x t r a o r d i n a r y m e d i c a l e x p e n s e s ,
5 b u t t h e s c h e d u l e d o e s i n c l u d e
6 s o m e o r d i n a r y m e d i c a l e x p e n s e s .

7 A n d t h e r e a s o n b e i n g i s t h a t
8 c h i l d r e n , w e h o p e , w i l l i n c u r
9 s o m e m e d i c a l c o s t s j u s t t h r o u g h
10 r o u t i n e c h e c k u p s a n d s o m e
11 a s p i r i n , B a n d - A i d s , e t c e t e r a .

12 A n d t h e s c h e d u l e - - T h e e x i s t i n g
13 A l a b a m a s c h e d u l e a s s u m e s t h o s e
14 e x p e n s e s a r e a h u n d r e d d o l l a r s
15 p e r y e a r p e r c h i l d . T h e p r o p o s e d
16 s c h e d u l e a s s u m e s t h a t t h e y a r e
17 t w o h u n d r e d a n d f i f t y d o l l a r s p e r
18 y e a r p e r c h i l d , a n d t h a t ' s b a s e d
19 o n n a t i o n a l s t u d i e s o n w h a t t h e
20 a v e r a g e o u t - o f - p o c k e t e x p e n s e s
21 a r e .

22 S o I ' m g o i n g t o t a l k m o r e
23 a b o u t t h e r e s t o f t h e s e i t e m s .
24 I ' d l i k e t o g e t d o w n t o t h e b o t t o m
25 l i n e . I t h i n k - - I ' v e b e e n i n

1 Alabama for two days now, and I
2 don't think you guys like to
3 waste time around here. So I'm
4 going to tell you what the bottom
5 line is first, and then I'm going
6 to tell you why it ends up this
7 way, what's the difference
8 between the existing schedule and
9 what's the difference between the
10 proposed schedule. And you can
11 even see it mapped out in every
12 single numbered appendix, the
13 very last few pages of this
14 report, Appendix V.

15 And surprisingly, despite
16 having a sixty-one percent
17 increase in prices since the
18 schedule was last reviewed, we
19 have orders going down. And we
20 have orders or basic obligations
21 -- this is before they're
22 converted to orders -- going up.
23 And most people look at me and
24 they go, What, How can this be,
25 We haven't updated the schedule

1 i n s o m a n y y e a r s . I m e a n , i n
2 A l a b a m a ' s c a s e , w e ' r e t a l k i n g
3 f i f t e e n y e a r s . H o w c a n w e h a v e
4 o b l i g a t i o n s g o i n g d o w n a s w e l l a s
5 g o i n g u p ?

6 W e l l , t h e b i g g e s t - - L e t m e
7 t a l k a b o u t t h e b a s i c o b l i g a t i o n s
8 g o i n g u p f i r s t . T h e b i g g e s t
9 f a c t o r i s - - a n d t h i s i s g o i n g t o
10 b e t r u e f o r t h e o n e s g o i n g d o w n ,
11 t o o - - i s t h e n e w m e a s u r e m e n t s o f
12 c h i l d - r e a r i n g c o s t s a r e h i g h e r i n
13 s o m e a r e a s b u t n o t a l l . A n d I ' m
14 g o i n g t o s h o w y o u m o r e o n t h a t .

15 A l s o , w e h a v e a n i n c r e a s e i n
16 p r i c e l e v e l s . W e h a d a b o u t a
17 s i x t y - o n e p e r c e n t i n c r e a s e i n
18 p r i c e l e v e l s , s o t h a t s h o u l d b e n o
19 s u r p r i s e t h a t t h e s c h e d u l e i s
20 g o i n g d o w n .

21 A t h i r d f a c t o r i s t h a t t h e
22 e f f e c t i v e t a x r a t e s a c t u a l l y
23 d e c r e a s e d , a n d t h i s i s l a r g e l y d u e
24 t o t h e t a x r e f o r m t h a t h a p p e n e d
25 l a s t s u m m e r .

1 Now, why do we have some
2 basic obligations going down?
3 Well, the biggest factor is these
4 new measurements in child-
5 rearing costs. It's just the
6 numbers are landing a lot
7 differently, and we're also using
8 a different -- I'm going to talk
9 about it more. We're using the
10 Rothbarth methodology rather
11 than the (inaudible) methodology.

12 And then a second factor is
13 more is being subtracted from the
14 schedule because of increased
15 child care costs and increased
16 medical costs, and I don't think
17 anybody in this room is probably
18 surprised that we have increases
19 in child care and medical costs.
20 So when those are subtracted out,
21 there's a higher amount being
22 subtracted. So that's also
23 contributing to the decrease.

24 A third thing that I want to
25 talk about updating the schedule

1 - - and I think it's really
2 important - - is that since we're
3 using more recent data, there's a
4 bigger pool of households with
5 higher incomes. So it allows the
6 schedule to go up to twenty
7 thousand dollars per month, where
8 when we had income data from
9 '72, '73 (unintelligible), that we
10 could only go up to ten thousand
11 dollars per month.

12 And the comparisons are, you
13 know - - You look at the
14 comparisons. You'll see the side
15 by sides. There's graphs in
16 Appendix IV and Appendix V.
17 There's a bigger discussion of
18 comparisons in Chapter - - is it V?
19 Chapter V.

20 So I just want to talk a little
21 bit about where those
22 measurements come from,
23 measurements of child-rearing
24 costs come from. There was a
25 study done by Dr. Thomas

1 E s p e n s h a d e , a n d i t w a s f o r t h e
2 s p e c i f i c p u r p o s e s o f d e v e l o p i n g
3 c h i l d s u p p o r t g u i d e l i n e s . I t w a s
4 f o r c h i l d w e l f a r e , t h e f o s t e r c a r e
5 p a r e n t s . T h a t w a s t h e i n t e n t o f
6 t h e s t u d y . I t w a s f u n d e d t h r o u g h
7 t h e N a t i o n a l I n s t i t u t e f o r H e a l t h .
8 I t w a s t h e s t u d y t h a t w a s u s e d b y
9 t h e N a t i o n a l C h i l d S u p p o r t
10 G u i d e l i n e s P r o j e c t i n 1 9 8 0 t o
11 d e v e l o p a p r o t o t y p e c h i l d s u p p o r t
12 s c h e d u l e .

13 A n d t h a t ' s w h e r e A l a b a m a
14 s t a r t e d w a s f r o m t h i s p r o t o t y p e
15 I n c o m e S h a r e s s c h e d u l e , a n d i t
16 w a s m o d i f i e d t o a c c o u n t f o r
17 A l a b a m a ' s t a x e s a n d f o r
18 A l a b a m a ' s r e l a t i v e l y l o w i n c o m e .
19 I t u s e d a C o n s u m e r E x p e n d i t u r e
20 S u r v e y , 1 9 7 2 - ' 7 3 .

21 A l l s t u d i e s t h a t I ' m g o i n g t o
22 t a l k a b o u t a n d a l l r e p u t a b l e
23 s t u d i e s t h a t a r e u s e d i n c h i l d
24 s u p p o r t g u i d e l i n e s u s e a C o n s u m e r
25 E x p e n d i t u r e S u r v e y , a n d i t d o e s

1 include Alabama. It includes six
2 counties in Alabama. And the
3 reason being is that it's the most
4 comprehensive survey out there on
5 expenditures. It includes some
6 two thousand items, and it
7 surveys about eight thousand
8 households per year. And it
9 would just be impossible to
10 replicate that sort of study at a
11 state level. Although, I would
12 encourage it because I love data
13 and I love information. I mean,
14 the academic side of me says,
15 Yes, yes, please states, do your
16 own study. But as somebody that
17 is paid to consult with states, I
18 would have to say that it's not a
19 good use of tax dollars, money.
20 You know, it would probably take
21 two or three years to do the study
22 and a hundred thousand to do it,
23 and I'm not even sure you're
24 going to get data that was much
25 different than what you see as it

1 is .

2 Originally, Espenshade's study
3 was used in twenty-six states.
4 There are still ten states that
5 base at least a part of their
6 guidelines or a part of their
7 schedule on Espenshade, including
8 Alabama. And it's based on a
9 Marginal Cost approach to
10 measuring child-rearing costs.
11 And what that means is that there
12 are so many expenditures made in
13 a household that are intertwined
14 between the adult and the
15 children. There's housing. I
16 mean, how do you know what share
17 of the housing expenditures go to
18 the child? Transportation, what
19 percent of the vehicle goes to the
20 child? Even the peanut butter
21 jar, I mean, what percent is eaten
22 by the child? There's probably
23 eighty percent of all expenditures
24 are commingled in a household.
25 So the Marginal Cost

1 approach, what it does is it looks
2 at households without children --
3 for families without children and
4 families with children. And they
5 take families that are equally
6 well off, and then it looks at the
7 difference in expenditures in that
8 family without children, husband
9 and wife, and that family with
10 children. And the difference is
11 how much it costs to raise
12 children.

13 And the trick to this Marginal
14 Cost approach methodology is
15 whether those households are
16 equally well off. And, you know,
17 in Espenshade's study, he used
18 the Engel methodology in his food
19 shares. It's kind of a (inaudible)
20 approach, and I'm going to talk
21 more about the Engel methodology
22 in a minute.

23 Where -- The proposed
24 schedule is based on
25 measurements developed by Dr.

1 David Betson, Professor of
2 Economics, University of Notre
3 Dame. He was commissioned by
4 the Department of Health and
5 Human Services in 1990 to
6 develop new measurements for
7 child-rearing costs, and this
8 study was at the request of
9 Congress again. It's part of the
10 Family Support Act. And with the
11 exclusive purpose of providing
12 states with information that could
13 be used in periodic guideline
14 reviews. So that's why he did
15 this study.

16 And he used actually five
17 different methodologies. There's
18 a whole bunch of other
19 alternatives besides this Marginal
20 Cost approach, and there's even
21 variations of this Marginal Cost
22 approach where, you know, they
23 look at a household with children
24 and a household without children
25 and compare the difference. I

1 t a l k e d a b o u t t h e E n g e l
2 m e t h o d o l o g y t h a t l o o k s a t f o o d
3 s h a r e s t o s e e i f h o u s e h o l d s a r e
4 e q u a l l y w e l l o f f . W e l l , B e t s o n
5 a l s o u s e d t h e R o t h b a r t h
6 m e t h o d o l o g y , w h i c h l o o k s a t
7 e x p e n d i t u r e s o f a d u l t g o o d s .

8 T h e m e t h o d - - B e t s o n ' s
9 c o n c l u s i o n f r o m h i s r e s u l t s w e r e
10 t h a t t h e R o t h b a r t h m e t h o d o l o g y
11 w a s t h e m o s t p l a u s i b l e , t h e m o s t
12 r o b u s t . B e t s o n d i d t h e s t u d y i n
13 1 9 9 0 u s i n g ' 8 0 - ' 8 6 d a t a . I n
14 2 0 0 1 , h e r e c e i v e d s o m e t y p e o f
15 f u n d i n g f r o m t h e I n s t i t u t e f o r
16 R e s e a r c h o n P o v e r t y a n d t h r o u g h
17 C a l i f o r n i a a n d M i c h i g a n a n d w a s
18 a b l e t o u p d a t e h i s m e a s u r e m e n t s
19 u s i n g t h e e x a c t s a m e
20 m e t h o d o l o g y , s a m e c o m p u t e r
21 (i n a u d i b l e) , e t c e t e r a , e t c e t e r a .
22 A n d h e ' s u s i n g ' 9 6 - ' 9 9 d a t a .

23 A n d I s h o u l d g o b a c k a n d
24 m e n t i o n t h a t t h i s C o n s u m e r
25 E x p e n d i t u r e S u r v e y , t h e r e ' s a b o u t

1 e i g h t t h o u s a n d h o u s e h o l d s p e r
2 y e a r t h a t a r e s u r v e y e d , a n d a
3 h o u s e h o l d s t a y s i n t h e r e f o r f i v e
4 c o n s e c u t i v e q u a r t e r s . I t ' s a
5 r o l l i n g s a m p l e . S o t h e s e w o u l d
6 b e h o u s e h o l d s s u r v e y e d i n ' 9 6
7 t h r o u g h ' 9 9 i s t h e a g g r e g a t e
8 n u m b e r o f y e a r s . T h i s w o u l d b e
9 h o u s e h o l d s f r o m ' 8 0 - ' 8 6
10 (u n i n t e l l i g i b l e) . A n d t h e n w h a t
11 t h e A l a b a m a s c h e d u l e i s b a s e d o n
12 r i g h t n o w i s t h e h o u s e h o l d s t h a t
13 w e r e s u r v e y e d f r o m ' 7 2 t o ' 7 3 . S o
14 B e t s o n s t i l l c o n c l u d e d t h a t t h e
15 R o t h b a r t h m e t h o d o l o g y i s t h e b e s t
16 t o u s e i n 2 0 0 1 .

17 S o I ' m j u s t g o i n g t o w a l k
18 t h r o u g h t h e s e d i f f e r e n t
19 m e a s u r e m e n t s o f c h i l d - r e a r i n g
20 c o s t s , a n d t h e s e a r e t h e a v e r a g e s .
21 T h e y ' r e n o t b r o k e n d o w n b y
22 i n c o m e l e v e l s . A n d t h i s i s
23 E x h i b i t 2 i n C h a p t e r I I . A n d
24 E x h i b i t 2 r e a c h e s a v e r a g e s i n
25 t a b u l a r f o r m , a n d w e j u s t p u t i t

1 in graphs to make it easier to
2 look at (inaudible).

3 So this first column is what
4 the Alabama schedule is based on.
5 That's the Espenshade-Engel --
6 That's with Dr. Espenshade's
7 estimates using the Engel
8 methodology applied to '72-'73
9 data. In this, we're just looking
10 at percent of total family
11 expenditures devoted to child-
12 rearing costs. And for one child,
13 you can see it's twenty-four
14 percent on the average. If you
15 look at the Betson-Engel, he also
16 used the Engel approach, and it
17 went up noticeably to thirty
18 percent. But if you look at his
19 Rothbarth, which is what we're
20 using to update this schedule,
21 it's twenty-five percent. So it's
22 an incremental change.

23 We also have the USDA, and
24 like I said, all these studies use
25 the Consumer Expenditure Survey.

1 The U S D A is up there. And this
2 column right here, we just
3 prorated it. You know, let's say
4 that there was a family that spent
5 one thousand dollars a month on
6 household expenditures, and there
7 was three family members. If we
8 prorated it, it would mean that
9 each family member uses three
10 hundred and thirty-three dollars
11 per month.

12 So -- But we know (inaudible)
13 that children actually cost less
14 than adults. So we know this
15 thirty-three percent is definitely
16 the upper boundary because, as I
17 said, children cost less than
18 adults.

19 Now, for two children, here is
20 what the current schedule is
21 based on. And you can see that
22 we're going to the middle column.
23 So that's a drop. That's why
24 you're going to see some of the
25 obligations going down. And the

1 same with three children, you're
2 going to see it more for three
3 children going down, going down
4 once we use these new
5 measurements.

6 And, again, you could build a
7 schedule based on the Betson-
8 Engel, which is the second
9 column, if you wanted to.
10 There's no reason you couldn't.
11 But Betson does believe that
12 these are better measurements,
13 and we do have some reservations
14 about this because in our -- I
15 mean, it doesn't make sense to
16 set child support guidelines
17 above what you withhold
18 (unintelligible) the Consumer
19 Credit Protection limit. So fifty
20 percent -- fifty, sixty-five
21 percent of after-tax income. So
22 that would be a lot of orders.
23 But most of your orders, probably
24 eighty percent of your orders
25 (inaudible).

1 Now, the Betson study was
2 independently evaluated by the
3 Lewin Group. They were
4 contracted by the DHHS to review
5 Betson's work, and that Lewin
6 Group is referenced in Chapter II.
7 Their study is referenced and
8 (inaudible). So is Betson's work
9 (inaudible). They are both
10 government documents, so there
11 should be a library that
12 (inaudible).

13 And what the Lewin Group
14 concluded is that the Engel
15 methodology overstates actual
16 child-rearing costs. And then
17 this is the methodology that the
18 Alabama schedule is currently
19 based on and is used by Dr.
20 Espenshade and also used by
21 Betson. And that the Rothbarth
22 methodology understates actual
23 child-rearing costs. And they've
24 recommended that states use any
25 level between those two amounts.

1 A n d t h e y a l s o c o n c l u d e d t h a t t h e
2 U S D A m e t h o d o l o g y o v e r s t a t e s
3 a c t u a l c h i l d r e n - r e a r i n g c o s t s .
4 M o s t s t a t e s t h a t h a v e u p d a t e d
5 t h e i r s c h e d u l e i n t h e l a s t t e n
6 y e a r s h a v e u s e d t h e B e t s o n -
7 R o t h b a r t h m e t h o d o l o g y .

8 W h a t t h i s d o e s i s i t j u s t
9 s h o w s t h a t g r a d a t i o n t h a t I ' v e
10 b e e n t a l k i n g a b o u t , a b o u t h o w a s
11 i n c o m e i n c r e a s e s , a s m a l l e r
12 p e r c e n t o f c h i l d - r e a r i n g c o s t s a r e
13 d e v o t e d - - o r a s m a l l e r
14 p e r c e n t a g e o f n e t i n c o m e i s
15 d e v o t e d t o c h i l d - r e a r i n g c o s t s .

16 A n d t h i s i s t h e e x h i b i t a t t h e
17 e n d o f C h a p t e r I I . A n d i t s h o w s
18 t h a t f o r o n e c h i l d (i n a u d i b l e) ,
19 t w o c h i l d r e n , t h r e e c h i l d r e n . A n d
20 y o u c a n s e e t h a t ' s g o i n g d o w n .
21 A n d t h e B e t s o n - R o t h b a r t h h a v e a
22 s t e e p e r g r a d e t h a n t h e
23 E s p e n s h a d e - E n g e l . S o t h a t ' s a
24 b i g c o n t r i b u t o r t o t h a t d e c r e a s e
25 t h a t y o u s e e a t t h e h i g h e r e n d o f

1 the schedule.

2 These are the graphs from
3 Chapter V and Appendix IV, and I
4 didn't add (inaudible) into it.
5 And it shows the existing Alabama
6 schedule as the solid line. This
7 diamond right here -- the diamond
8 one, that's the proposed Alabama.
9 Here's that increase in the self-
10 support reserve that I'm going to
11 talk about more in a minute, big
12 increase. And it really will
13 result in orders going down. I'm
14 going to talk more about the
15 options with that in a minute.

16 And what I did -- I was just
17 curious. I took the existing
18 schedule, which is based on the
19 Espenshade, and I updated it for
20 inflation and taxes only, and
21 that's this line here. And then
22 you see that the Rothbarth does
23 result in a little bit of increase
24 for one child in this portion of
25 (inaudible). This is a situation

1 w h e r e t h e r e i s n o i n c o m e b y t h e
2 o b l i g e e .

3 H e r e y o u s e e i t f o r t w o
4 c h i l d r e n . A g a i n , y o u c a n s e e t h a t
5 t h e o n e w i t h t h e d i a m o n d s i s t h e
6 i n c r e a s e i n t h e s c h e d u l e , a n d t h i s
7 d o t t e d l i n e i s j u s t u p d a t e d f o r
8 i n f l a t i o n . D i d n ' t d o a n y t h i n g f o r
9 t h a t s e l f - s u p p o r t r e s e r v e . S o y o u
10 c a n s e e t h a t t h e R o t h b a r t h
11 d o e s n ' t h a v e t h a t i n c r e a s e a t t h e
12 h i g h e n d .

13 T h i s i s f o r t h r e e c h i l d r e n .
14 Y o u c a n r e a l l y s e e t h e R o t h b a r t h
15 d e c r e a s e . A n d , a g a i n , t h i s i s
16 w i t h t h a t s e l f - s u p p o r t r e s e r v e I ' m
17 g o i n g t o t a l k a b o u t l a t e r . A n d
18 t h i s i s t h e s i t u a t i o n w h e n
19 o b l i g e e ' s i n c o m e i s h a l f a s m u c h
20 a s o b l i g o r ' s . A n d i f y o u ' r e l i k e
21 m o s t s t a t e s , t h e r a t i o i s p r o b a b l y
22 g o i n g t o a v e r a g e c l o s e r t o s i x t y ,
23 u s u a l l y i n t h e r a n g e o f f o r t y t o
24 s i x t y p e r c e n t , j u s t t o s h o w y o u
25 t h e (i n a u d i b l e) .

1 S o i n m o s t s t a t e s , f i f t y t o
2 s e v e n t y p e r c e n t o f t h e o r d e r s
3 i n v o l v e o n e c h i l d , I w o u l d s a y i s
4 a s a f e r a n g e . S o t h i s i s g o i n g t o
5 b e t h e m o s t d i f f i c u l t s i t u a t i o n
6 c a s e s c e n a r i o . Y o u ' l l s e e s o m e
7 i n c r e a s e s r i g h t t h e r e , b u t
8 d e c r e a s e s h e r e .

9 T h i s f o r t w o c h i l d r e n . T h i s i s
10 f o r t h r e e c h i l d r e n . A g a i n , t h i s i s
11 a c a s e w h e r e t h e o b l i g e e i s
12 m a k i n g h a l f a s m u c h a s t h e
13 o b l i g o r .

14 I ' m g o i n g t o t a l k m o r e a b o u t
15 t h e l o w - i n c o m e a d j u s t m e n t . T h i s
16 i s d e f i n i t e l y a p o l i c y d e c i s i o n ,
17 a n d i t ' s a h o t i s s u e n a t i o n a l l y .
18 A n d t h e r e a s o n t h a t i t ' s a h o t
19 i s s u e n a t i o n a l l y i s t h a t t h e r e ' s a
20 l o t o f c o n c e r n a b o u t a r r e a r s o u t
21 t h e r e . W h y d o w e h a v e s o m u c h
22 u n p a i d c h i l d s u p p o r t ? A n d i n
23 A l a b a m a , i t ' s a p p r o a c h i n g a b o u t
24 t w o m i l l i o n i n t o t a l (i n a u d i b l e) .

25 A n d t h e r e ' s a s t u d y b y E l a i n e

1 S o r e n s o n a t t h e U r b a n I n s t i t u t e
2 w h o ' s b e e n d o i n g a l o t o f
3 r e s e a r c h o n t h i s . A n d w h a t s h e i s
4 f i n d i n g i s t h a t l o w - i n c o m e
5 p a r e n t s - - t h a t l o w - i n c o m e
6 n o n c u s t o d i a l p a r e n t s h a v e
7 c h i l d r e n w i t h l o w - i n c o m e
8 n o n c u s t o d i a l p a r e n t s . T h a t b o t h
9 p a r e n t s a r e l o w i n c o m e . A n d
10 w e ' v e d o n e a l o t i n w e l f a r e
11 r e f o r m t o h e l p l o w - i n c o m e
12 c u s t o d i a l p a r e n t s , p a r t i c u l a r l y
13 t h o s e T A N F o r n e a r T A N F g e t
14 j o b s , b u t w e h a v e n ' t h e l p e d l o w -
15 i n c o m e n o n c u s t o d i a l f a t h e r s g e t
16 j o b s a n d d o s i m i l a r s o r t o f
17 a s s i s t a n c e , t h a t w e d o n ' t h a v e t h e
18 s a m e t y p e o f p r o g r a m s a s w e d o
19 T A N F . W h a t ' s T A N F c a l l e d i n
20 A l a b a m a ?

21 C O M M I T T E E M E M B E R : T A N F .

22 D R . V E N O H R : I t ' s
23 s t r a i g h t f o r w a r d , y e s .

24 S o t h e r e ' s a l o t o f a r g u m e n t
25 o u t t h e r e t h a t w e ' v e b e e n a s k i n g

1 low-income noncustodial parents
2 to pay beyond what they can pay.
3 There is articles that say, you
4 know, Not Deadbeat but Death
5 Row. That's the title of an
6 article. There's another one
7 that's called, Squeezing Blood
8 out of a Turnip, et cetera, et
9 cetera.

10 These are marginally employed
11 noncustodial parents. They -- A
12 lot of them are incarcerated. A
13 lot of them are working pick-up
14 jobs, working temporary jobs.
15 They're in and out of the labor
16 market. They don't have a lot of
17 job strengths. A lot of them are
18 young. And so the argument is
19 then that, Well, maybe we need to
20 rethink how we do things and
21 maybe we need (inaudible) ones at
22 risk and -- which includes, you
23 know, updating the child support
24 schedules to include most recent
25 poverty level so that it has a

1 more generous self-support
2 reserve. And, also, the hope is
3 is that, yes, we're going to lower
4 orders. We're going to lower
5 orders, but (unintelligible) the
6 system, they'll be monitored.
7 They might be referred to a job-
8 training program to help them
9 advance their careers so they can
10 be in a position to economically
11 support their children, et cetera.
12 And that's the movement and some
13 of the background.

14 Here is an interesting
15 statistic that Elaine Sorenson
16 published. She distributed it in
17 the last year at the National
18 Conference of -- the State
19 Legislators Conference in Vale.
20 And what she did was she looked
21 at each state, and she looked at
22 tax intercepts because the
23 noncustodial parents are so far in
24 arrears that they can do federal
25 tax intercepts to any tax refunds

1 t h e y m i g h t b e g e t t i n g . A n d s h e
2 h a s s o m e n a t i o n a l d a t a f r o m
3 q u a r t e r l y w a g e s (u n i n t e l l i g i b l e) .
4 A n d s h e f o u n d t h a t s i x t y - s e v e n
5 p e r c e n t o f t h o s e t h a t h a d t a x
6 i n t e r c e p t s i n A l a b a m a s o t h e y
7 w e r e i n a r r e a r s , s i x t y - s e v e n
8 p e r c e n t o f t h e m h a d i n c o m e o f t e n
9 t h o u s a n d d o l l a r s p e r y e a r o r l e s s .
10 S o w h a t t h a t m e a n s i s t h e b u l k o f
11 t h e a r r e a r s i n A l a b a m a i s o w e d b y
12 n o n c u s t o d i a l p a r e n t s t h a t e a r n t e n
13 t h o u s a n d d o l l a r s p e r y e a r o r l e s s .
14 S o t h a t ' s p r e t t y c l o s e t o m i n i m u m
15 w a g e . M i n i m u m w a g e i s f i v e
16 f i f t e e n a n h o u r r i g h t n o w . S o
17 t h a t ' s a l i t t l e l e s s t h a n n i n e
18 h u n d r e d a m o n t h .

19 B u t o n t h e o t h e r h a n d , w h e n I
20 s h o w p e o p l e t h i s - - w h e n I s h o w
21 t h e m t h e s e o r d e r s g o i n g d o w n ,
22 p e o p l e s a y , W e l l , w h a t a b o u t t h e
23 c h i l d r e n . Y o u k n o w , w e ' v e g o t a
24 p o o r n o n c u s t o d i a l p a r e n t , a n d
25 w e ' v e g o t a p o o r c u s t o d i a l

1 parent. What do you do? I mean,
2 unfortunately, this is
3 (unintelligible). It's just a no-
4 win situation in these cases.
5 And, you know, some of these --
6 Somebody is going to get
7 shortchanged, but we don't even
8 know if in these -- Obviously, in
9 these lower income cases in
10 Alabama, they're not paying
11 anyway.

12 So it's -- I did some research.
13 I've been working with D. C. And
14 talk about someplace that's really
15 impoverished, it's probably one
16 of the poorest places I've ever
17 worked. I did a case file review
18 there, and the statistic -- I had
19 some higher income folks. I had
20 some low income folks. And I
21 had some low incomes that are
22 paying forty percent of what they
23 earn in child support, and at the
24 high incomes, they were paying
25 eighty percent of what they owed.

1 S o i t d o e s m a k e a d i f f e r e n c e .
2 Y o u k n o w , y o u r i n c o m e d o e s
3 a f f e c t - - o r t h e n o n c u s t o d i a l
4 p a r e n t ' s i n c o m e d o e s a f f e c t w h a t
5 t h e y p a y . S o t h a t g o e s - - f e e d s
6 i n t o t h a t a r g u m e n t , Y o u c a n ' t
7 s q u e e z e b l o o d o u t o f a t u r n i p .

8 B u t I j u s t w a n t t o b e c l e a r
9 t h a t i t i s a p o l i c y d e c i s i o n
10 b e c a u s e i t j u s t - - y o u ' r e
11 b a l a n c i n g t h e n e e d s o f c u s t o d i a l
12 p a r e n t s a n d n o n c u s t o d i a l p a r e n t s .
13 A n d I w i s h t h e r e w a s a n e a s y
14 s o l u t i o n , b u t t h e r e ' s n o t .

15 A n d w h e n w e u p d a t e d t h e
16 s c h e d u l e , w h a t w e d i d w a s w e j u s t
17 u s e d t h e s a m e m e t h o d o l o g y t h a t
18 w a s u s e d b a c k i n ' 8 8 . S o w e j u s t
19 u p d a t e d i t u s i n g t h e m o s t c u r r e n t
20 f e d e r a l p o v e r t y g u i d e l i n e s , a n d
21 t h a t ' s w i t h t h e s e l f - s u p p o r t
22 r e s e r v e a t s e v e n f o r t y - e i g h t .

23 S o t h e r e a r e s o m e s t a t e s t h a t
24 h a v e c h o s e n c o n s c i o u s l y t o h a v e
25 t h e s e l f - s u p p o r t r e s e r v e l o w e r

1 t h a n s e v e n f o r t y - e i g h t o r t h e
2 c u r r e n t p o v e r t y l e v e l . A n d t h e r e
3 a r e s o m e s t a t e s t h a t h a v e
4 c o n s c i o u s l y c h o s e n t o h a v e t h a t
5 h i g h e r . A n d t h e r a n g e i s f o u r
6 h u n d r e d a n d f o r t y - t h r e e . T h e r e i s
7 a s t a t e t h a t h a s a l o w e r s e l f -
8 s u p p o r t r e s e r v e t h a n A l a b a m a . I
9 c a n ' t t e l l y o u w h a t i t i s o f f t h e
10 t o p o f m y h e a d . I t m i g h t b e
11 V i r g i n i a o r - - I t ' s o n e o f t h e
12 s t a t e s t h a t h a v e n e v e r u p d a t e d
13 t h e i r s c h e d u l e , w h i c h i s V i r g i n i a ,
14 A l a b a m a , M a r y l a n d , K e n t u c k y ,
15 I n d i a n a . T h e r e ' s p a r t o f
16 L o u i s i a n a t h a t h a v e (i n a u d i b l e) .
17 A n d t h e h i g h e s t a m o u n t i s a
18 h u n d r e d a n d t h i r t y - f i v e p e r c e n t o f
19 t h e p o v e r t y , w h i c h w o u l d b e a b o u t
20 f i f t e e n f i f t y i s t h e a m o u n t t h a t
21 w a s u s e d f o r s e l f - s u p p o r t r e s e r v e .
22 A n d n o t a l l s t a t e s h a v e s e l f -
23 s u p p o r t r e s e r v e s . M o s t p e r c e n t -
24 o f - o b l i g o r - i n c o m e s t a t e s , s u c h a s
25 G e o r g i a , t h e y d o n ' t h a v e a s e l f -

1 support reserve. They don't do
2 any sort of adjustments for low
3 income. Tennessee, the existing
4 guidelines doesn't. They will
5 when they go to Income Shares.
6 Louisiana has a self-support
7 reserve. Mississippi doesn't.
8 Florida does.

9 Now, I'm going to talk a little
10 bit about the adjustment in the
11 very first Appendix and some
12 information in Chapter III. We
13 can incorporate -- Right now, that
14 self-support reserve is invisible
15 in this schedule. Probably a lot
16 of you guys didn't even know
17 about it. And we did another
18 little calculation (inaudible)
19 onto that to incorporate it.

20 There are some states that
21 they shaded it so it's obvious
22 when the noncustodial parent gets
23 a break from a low income. And
24 then there are some states that
25 include it in their worksheet, and

1 I'm going to show you. It's
2 included in the schedule in
3 twenty-one states, shaded in four
4 states, and included in the
5 worksheet in eleven states.
6 (Inaudible.) Oh, it's New York.

7 Right now, going hand in hand
8 with that self-support reserve is
9 a minimum order. As I mentioned
10 earlier, that there is -- that the
11 panel felt like there should be at
12 least a token amount, a minimum
13 order so that there shouldn't be a
14 zero order, that it's better to
15 establish some sort of number,
16 precedent, that the noncustodial
17 parent is to pay or an amount of
18 financial obligation to his or her
19 child.

20 Right now in Alabama, it's
21 discretionary what that amount
22 should be if it's five hundred and
23 fifty gross or less. The proposed
24 is fifty, but this is, again, a
25 policy decision. Mainly, we put

1 t h a t n u m b e r i n t h e r e b e c a u s e i t ' s
2 e a s i e r t o g r a p h . I t ' s h a r d t o
3 g r a p h d i s c r e t i o n a r y . S o i f y o u
4 w a n t e d t o p u l l t h a t o u t
5 (i n a u d i b l e) . A n d t h a t w o u l d b e a t
6 e i g h t f i f t y . T h e r e a s o n i t ' s
7 b u m p e d u p i s t o a c c o m m o d a t e t h a t
8 s e l f - s u p p o r t r e s e r v e o f s e v e n
9 h u n d r e d a n d f o r t y - e i g h t p e r
10 m o n t h . S o w e h a v e t o b u m p i t u p
11 b e c a u s e o b v i o u s l y , i f h i s i n c o m e
12 w a s s e v e n h u n d r e d a n d f i f t y n e t ,
13 h e w o u l d o n l y h a v e t w o d o l l a r s
14 d i f f e r e n c e b e t w e e n t h e s e l f -
15 s u p p o r t r e s e r v e a n d h i s n e t
16 i n c o m e . S o t h e r e w o u l d o n l y b e
17 t w o d o l l a r s a v a i l a b l e f o r c h i l d
18 s u p p o r t . S o t h a t ' s h o w w e d o i t .
19 Y o u l o o k a t t h e d i f f e r e n c e
20 b e t w e e n s e v e n f o r t y - e i g h t a n d t h e
21 a f t e r - t a x i n c o m e . A n d m o s t
22 s t a t e s c a m e o u t a r o u n d s i x f i f t y ,
23 a n d t h a t ' s a n e t (i n a u d i b l e) .

24 I j u s t - - U n f o r t u n a t e l y - -
25 W e l l , y o u c a n s e e t h e s h a d e d

1 area. This is part of Exhibit Six,
2 and I only selected a few incomes
3 here. You can see how that
4 shaded area is where that self-
5 support reserve is incorporated
6 into the schedule, and it fades
7 out. What we do is we look at
8 the difference between the
9 obligor's net income and his self-
10 support reserve. And then for
11 one child, we multiply that by
12 ninety percent. So not every
13 single dollars goes to child
14 support. There's some work
15 incentive.

16 For two children, we multiply
17 that difference by ninety-one
18 percent. So there is, again, some
19 sort of work incentive.

20 So when that amount -- When
21 that equation I just described to
22 you is more than what it would be
23 if we just used the strict Betson-
24 Rothbarth numbers, then we go to
25 Betson-Rothbarth's numbers, and

1 those break points are shown
2 right there. That's the shaded
3 area where that self-support
4 reserve is incorporated. You just
5 see that gradually, from one
6 child, one oh five; or two
7 children, one oh six, or three
8 children, one oh seven; one oh
9 eight for four; five children, one
10 oh nine; six children, one one
11 one. You can see it's just a
12 little bit more (unintelligible).

13 It's not that consistent here,
14 which is not surprising, because
15 here we're basing it on actual
16 data, actual measurements of
17 child-rearing costs, actual family
18 data. So, you know, families are
19 inconsistent, so you're not going
20 to all see a consistent increase
21 from one child to two children
22 and three children and so forth.

23 Now, the way the shaded area
24 works is that if the noncustodial
25 parent's income alone falls into

1 the shaded area, you use the
2 obligee -- you can assume the
3 obligee's income is zero, and
4 then you calculate support based
5 on that. So if you have an
6 obligor that earns a thousand
7 dollars per month and an obligee
8 that earns a thousand dollars per
9 month and there is one child,
10 obligor's income falls into the
11 shaded area. And here is a
12 thousand dollars. Here's one
13 child. It's in the shaded area.
14 So we just assume her income is
15 zero, and the order amount would
16 be a hundred and five dollars in
17 that case.

18 Now, if we didn't do that,
19 we'd have two thousand dollars in
20 combined income, which is this
21 amount here, and the basic
22 obligation is four hundred and six
23 dollars. And since the parents
24 have equal income, we divide it
25 by two, and the order amount

1 w o u l d b e t w o h u n d r e d a n d t h r e e
2 d o l l a r s . S o y o u c a n s e e h o w m u c h
3 o f a b r e a k t h e y ' r e g e t t i n g .

4 A n d t h e r e a s o n t h e y s h a d e t h a t
5 i s b e c a u s e t h e r e ' s a n a n o m a l y
6 t h a t o c c u r s w h e n y o u g e t i n t o t h e
7 r e a l l y h i g h i n c o m e s . S o i t ' s
8 g o i n g t o b e a n u n l i k e l y c a s e . B u t
9 y o u c o u l d h a v e a c a s e w h e r e t h e
10 c u s t o d i a l p a r e n t m a k e s t e n
11 t h o u s a n d d o l l a r s a y e a r , a n d t h e
12 n o n c u s t o d i a l m a k e s f i f t y d o l l a r s .
13 O b v i o u s l y , h i s s h a r e o f t h e b a s i c
14 o b l i g a t i o n i s g o i n g t o b e v e r y ,
15 v e r y , v e r y s m a l l . S o i n t h a t
16 s i t u a t i o n , y o u w o u l d w a n t t o d o
17 t w o c a l c u l a t i o n s a n d t a k e t h e
18 l e s s e r o f t h o s e t w o . A n d t h a t ' s
19 h o w t h o s e s t a t e s u s e t h e s h a d e d
20 a r e a , y o u k n o w , t o e n s u r e t h a t h e
21 r e a l l y i s g o i n g t o g e t t h a t b r e a k .
22 S o u t h C a r o l i n a i s a s t a t e t h a t
23 u s e d t h e s h a d e d a r e a ,
24 C o n n e c t i c u t . T h e r e ' s a f e w
25 s t a t e s .

1 Another approach to adjusting
2 for low income -- And this is
3 more explicit, and I think these
4 days it's better to get explicit
5 because of all the criticism. A
6 lot of states don't realize that
7 they have a low-income
8 adjustment in there. So it does
9 create an extra step, but at least
10 everybody knows what's being
11 done. And you do the adjustment
12 in the worksheet.

13 And here, I've only -- This is
14 from Appendix A. I've got a
15 whole worksheet in there, and
16 I've only taken a few lines, the
17 most important lines, to put them
18 on the screen here. Here we have
19 certain gross income. Here we're
20 just looking at the percentage,
21 figuring each parent's
22 percentage. And then we figured
23 out the basic obligations from the
24 schedule. We've prorated it.
25 And in this case, the father's

1 share -- we're going to assume
2 that the father is the
3 noncustodial parent -- his share
4 is two hundred and sixteen
5 dollars.

6 So now, we're going to go to
7 ability to pay compilation.
8 That's what Vermont calls it.
9 Vermont came up with this
10 methodology. And they set the --
11 In this case, we have a self-
12 support reserve of seven hundred
13 and forty-eight. So the
14 noncustodial parent's ability to
15 pay is the difference between his
16 income and the self-support
17 reserve, which is a hundred and
18 fifty-two dollars per month. So
19 the child support obligation is
20 set at the lower, from this line to
21 this line, which is a hundred and
22 fifty-two. So it's the same sort
23 of calculation, but now we made
24 it exclusive in the worksheet.

25 There are a couple of nuances

1 a n d v a r i a t i o n s t o t h i s t h a t I
2 s h o u l d e x p l a i n . A n d n o t i c e t h a t I
3 d o n ' t h a v e c h i l d c a r e a n d
4 e x t r a o r d i n a r y m e d i c a l o r h e a l t h
5 i n s u r a n c e h e r e . I t ' s n o t - - I
6 d i d n ' t i n c l u d e i t i n t h i s s i m p l e
7 c a l c u l a t i o n .

8 I n V e r m o n t , t h o s e c a l c u l a t i o n s
9 a r e m a d e u p h e r e , a n d t h e n t h e
10 c o m p a r i s o n i s d o n e . S o i n
11 s i t u a t i o n s w h e r e t h e r e ' s a n
12 e x t r a o r d i n a r y a m o u n t o f c h i l d
13 c a r e - - I t h i n k w e h e a r d i n t h e
14 p u b l i c h e a r i n g s y e s t e r d a y a b o u t a
15 c o u p l e o f c a s e s w h e r e t h e i r
16 o r d e r s w e r e h i g h , a n d i t w a s
17 b e c a u s e o f c h i l d c a r e c o s t s . A n d
18 i n c a s e s w i t h t h i s , t h e
19 n o n c u s t o d i a l p a r e n t w o u l d n o t - -
20 I f y o u p u t t h e c h i l d c a r e a b o v e
21 t h i s l i n e , t h e n o n c u s t o d i a l p a r e n t
22 w o u l d n ' t b e p a y i n g a n y c h i l d
23 c a r e . H e w o u l d j u s t b e p a y i n g
24 t h e d i f f e r e n c e b e t w e e n h i s i n c o m e
25 a n d t h e s e l f - s u p p o r t r e s e r v e .

1 A n o t h e r l i t t l e n u a n c e t o t h i s
2 i s t h e w o r k s h e e t t h a t I i n c l u d e d
3 i n A p p e n d i x A - - N o , i t ' s n o t
4 A p p e n d i x A . I ' m s o r r y . I t ' s
5 A p p e n d i x I I I . A p p e n d i x I I I .
6 W o r k s h e e t A . I f y o u l o o k a t t h i s ,
7 t h i s i s W e s t V i r g i n i a ' s
8 w o r k s h e e t . A s y o u l o o k a t l i n e
9 t e n , t h e y m u l t i p l y t h e
10 n o n c u s t o d i a l p a r e n t ' s i n c o m e b y
11 e i g h t y - f i v e p e r c e n t , a n d t h a t ' s t o
12 s i m u l a t e t h e t a x e f f e c t b e c a u s e
13 r e m e m b e r - - a s y o u r e c a l l e a r l i e r ,
14 I s a i d t h a t t h e w a y t h e s e l f -
15 s u p p o r t r e s e r v e i s s u p p o s e d t o
16 w o r k i s t h a t w e ' r e l o o k i n g a t t h e
17 d i f f e r e n c e o f a n o n c u s t o d i a l
18 p a r e n t ' s a f t e r - t a x i n c o m e . A f t e r
19 c h i l d s u p p o r t , h e o r s h e s h o u l d b e
20 l e f t w i t h a t l e a s t t h e a m o u n t o f
21 t h e s e l f - s u p p o r t r e s e r v e . O k a y ?
22 S o s i n c e W e s t V i r g i n i a , l i k e
23 A l a b a m a , b a s e s i t s g u i d e l i n e s o n
24 g r o s s i n c o m e , t h e y d o t h a t l i t t l e
25 t a x c o n v e r s i o n . T h a t e i g h t y - f i v e

1 p e r c e n t o n l i n e t e n i s t o a c c o u n t
2 f o r t a x e s . N o w , s o m e s t a t e s ,
3 w h a t t h e y ' l l d o i s t h e y ' l l i n f l a t e
4 t h e s e l f - s u p p o r t r e s e r v e o r u s e a
5 d i f f e r e n t g r o s s , a g r o s s
6 e q u i v a l e n t i n s t e a d . S o t h e r e ' s a
7 c o u p l e o f v a r i a t i o n s t o t h i s i f
8 y o u ' r e g o i n g t o u s e i t .

9 O n e r e a l l y p o s i t i v e t h i n g
10 a b o u t u s i n g t h i s m e t h o d , o r I
11 t h i n k s o - - I n m y o p i n i o n , a n d
12 t h i s i s p u r e l y m y o p i n i o n . Y o u
13 k n o w , i t ' s b a s e d o n , y o u k n o w , m y
14 t e n y e a r s o f w o r k i n g i n t h i s
15 i n d u s t r y . T h e b e s t t h i n g y o u c a n
16 d o f o r a c h i l d i s t w o p a r e n t s t h a t
17 g e t a l o n g . A n d p a r t o f g e t t i n g
18 a l o n g i s c h i l d s u p p o r t , a g r e e i n g
19 t o c h i l d s u p p o r t .

20 A n d w h e n I w a s d o i n g a c a s e
21 l a w r e v i e w u p i n V e r m o n t , i t w a s
22 i n t e r e s t i n g t o h a v e t h i s - - T h e y
23 h a v e t h i s w o r k s h e e t h e r e . A n d
24 w h a t p a r e n t s w o u l d d o , t h e y
25 w o u l d d e v i a t e . T h e y w o u l d a g r e e

1 to an amount that was halfway
2 between this amount and this
3 amount. And I attribute it to
4 making it explicit. And they
5 knew that the noncustodial parent
6 was getting a break. And the
7 noncustodial parent probably
8 said, Well, you know, maybe we
9 should work something out. And
10 to me, any time you can get two
11 parents to agree, that's a
12 wonderful thing. That's the first
13 step to having a better child.

14 If you use the Vermont method
15 or that worksheet, you would have
16 to use a difference schedule.
17 And that schedule, or at least the
18 first page of that schedule, is
19 going to be different. It's shown
20 in that Appendix III. If you look
21 at the first page, we've got the --
22 these are all the Betson-
23 Rothbarth's now. There is no
24 shaded area. Okay? But if I was
25 to print the second page of this

1 s c h e d u l e , i t w o u l d l o o k e x a c t l y
2 l i k e t h e o n e t h a t ' s i n T a b l e 6 ,
3 E x h i b i t 6 , a n d t h a t ' s t h e p r o p o s e d
4 s c h e d u l e .

5 S o h e r e i s E x h i b i t 6 . Y o u c a n
6 s e e t h e s h a d e d , a n d t h e n w h e n y o u
7 g o t o A p p e n d i x I I I , t h e r e i t i s
8 w i t h t h e n u m b e r s w i t h o u t . A n d
9 a n y t h i n g b e t w e e n t h e s e t w o
10 a m o u n t s i s a c c e p t a b l e , I t h i n k .
11 T h e s e a r e b a s e d o n w h a t i t c o s t s
12 t o r a i s e c h i l d r e n . T h e s e a r e a l l
13 t h e B e t s o n - R o t h b a r t h
14 m e a s u r e m e n t s . A n d t h e n t h e
15 s h a d e d a r e a i s w i t h t h e p o v e r t y
16 l e v e l i n c o r p o r a t e d i n t o i t . S o i f
17 y o u ' r e t h i n k i n g a b o u t d o i n g
18 s o m e t h i n g a l i t t l e b i t d i f f e r e n t - -

19 C O M M I T T E E M E M B E R : I d o n ' t
20 t h i n k w e ' v e g o t A p p e n d i x V I .

21 D R . V E N O H R : I t ' s i n
22 A p p e n d i x I I I . H e r e i t i s . Y o u ' v e
23 g o t i t . Y e a h , t h a t ' s i t . T h i s i s
24 j u s t t h e t h i r d p a g e . W h e n y o u
25 h a v e t h i r t y e x h i b i t s - -

1 C O M M I T T E E M E M B E R : W e
2 d o n ' t h a v e o n e t h a t l o o k s l i k e
3 t h a t s h a d e d a r e a .

4 D R . V E N O H R : O h , t h a t ' s o n
5 p a g e I I I - 1 1 .

6 I ' m w o r k i n g w i t h - - I ' v e b e e n
7 w o r k i n g w i t h t h e D i s t r i c t o f
8 C o l u m b i a , a n d t h e y h a v e a
9 g u i d e l i n e f o r m u l a w h e r e t h e y
10 d i s r e g a r d t h e f i r s t s i x t e e n
11 t h o u s a n d f i v e h u n d r e d d o l l a r s o f
12 t h e c u s t o d i a l p a r e n t ' s (i n a u d i b l e)
13 p l u s a n a d d i t i o n a l t w o t h o u s a n d
14 d o l l a r s f o r e a c h c h i l d . A n d w h e n
15 I w e n t t h e r e - - A n d t h e n t h e y d o a
16 g r o s s p e r c e n t (i n a u d i b l e) . S o
17 w h e n I w e n t t h e r e - - I t ' s a
18 d i f f e r e n t g u i d e l i n e s m o d e l t h a n
19 I ' m u s e d t o w o r k i n g w i t h . W e
20 u s u a l l y d o t h e I n c o m e S h a r e s , b u t
21 w e w i l l c o n s u l t w i t h s t a t e s t h a t
22 u s e o t h e r g u i d e l i n e s m o d e l s .

23 S o t h e f i r s t t h i n g I a s k e d
24 t h e m w a s , y o u k n o w , I f y o u g u y s
25 w a n t t o g e t t h i s d o n e , y o u ' r e

1 g o i n g t o h a v e t o m a k e a
2 c o m m i t m e n t w h a t g u i d e l i n e s m o d e l
3 y o u ' r e g o i n g t o u s e . S o I w a n t t o
4 m a k e s u r e , b e c a u s e I d o n ' t w a n t
5 t o g o t h r o u g h t h i s w h o l e p r o c e s s
6 a n d h a v e y o u g u y s s w i t c h
7 g u i d e l i n e s m o d e l s o n m e , b e c a u s e
8 i t ' s a b i g d e a l , y o u k n o w , b e c a u s e
9 t h e n y o u h a v e t o g o t h r o u g h t h e
10 s t e p s a g a i n a b o u t w h a t
11 m e a s u r e m e n t s o f c h i l d - r e a r i n g
12 c o s t s , (u n i n t e l l i g i b l e) g u i d e l i n e s
13 m o d e l s , (u n i n t e l l i g i b l e) U S D A
14 m e a s u r e m e n t s , (u n i n t e l l i g i b l e)
15 m e a s u r e m e n t s . Y o u h a v e t o m a k e
16 t h a t d e c i s i o n r e g a r d l e s s o f w h a t
17 g u i d e l i n e s m o d e l s y o u ' r e g o i n g t o
18 u s e . S o t h e y s a i d , N o , n o , w e ' r e
19 g o i n g t o s t i c k w i t h o u r g u i d e l i n e s
20 m o d e l . S o , o k a y . S o I w e n t
21 b a c k , a n d I d i d a l l t h e
22 c a l c u l a t i o n s .

23 A n d I w e n t b a c k , g a v e t h e m
24 t h e n e w s c h e d u l e b a s e d o n D r .
25 E n g e l , a n o t h e r s c h e d u l e b a s e d o n

1 B e t s o n - R o t h b a r t h , a n d a n o t h e r
2 s c h e d u l e o n U S D A . B u t y o u c o u l d
3 j u s t t e l l t h e y w e r e s o u n c e r t a i n
4 w h e r e t h e y w a n t e d t o g o . S o I
5 t h o u g h t I ' d j u s t g i v e t h e m a l l
6 t h r e e s c h e d u l e s b a s e d o n t h e
7 c u r r e n t m o d e l , a n d t h e n w e ' l l
8 s e e .

9 S o w e w e n t b a c k a n d t h e y
10 d e c i d e d . T h e y p i c k e d o n e . A
11 m o n t h l a t e r , t h e y s a i d , W e d i d n ' t
12 r e a l l y l i k e t h a t , C o u l d y o u d o
13 t h i s a n d t h a t . A n d I s a i d o k a y .
14 S o I d i d a n o t h e r m o d e l .
15 A c t u a l l y , I d i d a b o u t f o u r o r f i v e
16 m o d e l s , a n d e v e n t u a l l y , w h a t i t
17 r e d u c e d d o w n t o w a s I n c o m e
18 S h a r e s . T h e y f i n a l l y d e c i d e d t h a t
19 t h e y d i d n ' t l i k e t h a t d i s r e g a r d .

20 A n d s o I g u e s s t h e r e a s o n I ' m
21 r e m i n d e d o f t h i s i s w h e n y o u ' r e
22 f r e a k i n g a b o u t h o w m a n y c h a r t s
23 y o u ' r e f l i p p i n g a t , b e g l a d y o u ' r e
24 n o t i n D . C . T h e y h a v e a t l e a s t ,
25 y o u k n o w - - T h e y h a v e a t l e a s t

1 fifteen, twenty different
2 versions. So it could be worse,
3 you know, if that helps any. And
4 so now the custodial advocacy
5 groups are screaming about them
6 going to Income Shares, so we'll
7 see if that is accomplished.

8 Okay. I'm going to move on
9 to adjustment for shared-
10 parenting time. This is Chapter
11 VI. I'm on page 1. And the
12 measurements of children-rearing
13 costs using a schedule that's
14 based on intact families, there's
15 no assumption about shared
16 parenting incorporated into that
17 schedule. There's no assumption.
18 And while we're talking about
19 using measurements of intact
20 families, sometimes I'm asked
21 why we don't use expenditures on
22 single families. And I think a
23 lot of you guys already know that
24 about thirty -- about a third of
25 single-parent families are poor,

1 s o w e e n d u p w i t h a p o v e r t y
2 s c h e d u l e . A n d a c t u a l l y , s i n g l e -
3 p a r e n t f a m i l i e s s p e n d a h i g h e r
4 p r o p o r t i o n o f t h e i r i n c o m e o r
5 d e v o t e a h i g h e r p r o p o r t i o n o f
6 t h e i r i n c o m e t o c h i l d - r e a r i n g
7 c o s t s . S o i f y o u w e r e j u s t t o u s e
8 t h o s e p r o p o r t i o n s , i t w o u l d r e s u l t
9 i n a h i g h e r s c h e d u l e . A n d I
10 s h o u l d a l s o m e n t i o n t h a t t h e
11 U S D A m e a s u r e m e n t s o f s i n g l e -
12 p a r e n t f a m i l i e s , w e f i n d t h a t
13 w h e n t h e y d o t h e i r m e a s u r e m e n t s ,
14 e i g h t y - t h r e e p e r c e n t o f s i n g l e -
15 p a r e n t f a m i l i e s a n d
16 (u n i n t e l l i g i b l e) h a v e i n c o m e s o f
17 l e s s t h a n f o r t y t h o u s a n d a y e a r .
18 A n d s o a n o t h e r l i m i t i n g f a c t o r i n
19 u s i n g e c o n o m i c d a t a f r o m s i n g l e -
20 p a r e n t f a m i l i e s i s t h a t t h e r e i s n ' t
21 e n o u g h (u n i n t e l l i g i b l e) i n c o m e
22 f o r s i n g l e - p a r e n t f a m i l i e s t o m a k e
23 t h o s e s c h e d u l e s . O n l y s e v e n t e e n
24 p e r c e n t o f (i n a u d i b l e) .
25 S o m o v i n g b a c k t o t h e s h a r e d -

1 p a r e n t i n g t i m e a d j u s t m e n t . W h a t
2 I m e a n - - S h a r e d - p a r e n t i n g t i m e ,
3 w h a t I m e a n b y t h a t i s s h a r e d
4 p h y s i c a l c u s t o d y o r v i s i t a t i o n .
5 I t m e a n s t h a t t h e c h i l d i s
6 p h y s i c a l l y w i t h t h e o t h e r p a r e n t ,
7 t h e n o n r e s i d e n t i a l p a r e n t , t h e
8 n o n - p r i m a r y c u s t o d i a l p a r e n t .
9 T h e s t a t e s h a v e d i f f e r e n t
10 v e r n a c u l a r t h a t t h e y u s e f o r t h a t .

11 A n d I ' m a l m o s t d o n e . I t h i n k
12 I ' v e g o t a b o u t t e n , f i f t e e n
13 m i n u t e s .

14 M o s t s t a t e s , t h i r t y - f o u r s t a t e s
15 p r o v i d e a f o r m u l a o r a d e v i a t i o n
16 f a c t o r i n t h e f o r m u l a . M o s t o f
17 t h o s e a r e I n c o m e S h a r e s s t a t e s .

18 A n d i t ' s n o t s u r p r i s i n g g i v e n t h a t
19 t h a t w a s o n e o f t h e p r i n c i p l e s o f
20 t h e A d v i s o r y C o m m i t t e e .

21 F o u r t e e n s t a t e s , i n c l u d i n g
22 A l a b a m a , o f f e r d e v i a t i o n s b u t d o
23 n o t s p e c i f y f o r m u l a s . A n d t h e n
24 t h e r e ' s t h r e e s t a t e s t h a t d o n ' t
25 e v e n a d d r e s s s h a r e d - p a r e n t i n g

1 t i m e .

2 A n d t h i s j u s t s h o w s a m a p .
3 T h i s i s a m a p r i g h t o u t o f t h a t
4 C h a p t e r V I . A n d w h a t t h i s m a p
5 s u g g e s t s t o m e i s t h a t m a y b e
6 (i n a u d i b l e) h a s a b e t t e r c h a n c e i n
7 t h e S o u t h b e c a u s e t h e r e ' s
8 o b v i o u s l y s o m e t h i n g i n c o m m o n
9 t h a t t h e s e s t a t e s h a v e d e v i a t i o n s
10 b u t n o f o r m u l a f o r s h a r e d
11 p a r e n t i n g , a n d s o d o t h e s e s t a t e s .
12 I h a v e n o i d e a w h y t h e y ' r e
13 c l u s t e r e d i n t h e N o r t h e a s t a n d i n
14 t h e S o u t h . B u t y o u c a n s e e t h a t
15 t h e s t a t e s t h a t d o s p e c i f y a
16 f o r m u l a a r e M i d w e s t , e t c e t e r a .
17 H e r e i s o u r t h r e e s t a t e s t h a t
18 d o n ' t h a v e a n y t h i n g .

19 I w a n t t o t a l k a l i t t l e b i t
20 a b o u t t h e c o m p o n e n t s o f a s h a r e d -
21 p a r e n t i n g a d j u s t m e n t . F i r s t , t h e y
22 d o h a v e a t h r e s h o l d f o r a p p l y i n g
23 t h e a d j u s t m e n t , a n d t h e r e ' s t w o
24 p e r s p e c t i v e s o n t h i s . T h e f i r s t
25 p e r s p e c t i v e i s , W h e n i s t h e

1 c u s t o d i a l p a r e n t ' s c o s t r e d u c e d
2 b e c a u s e t h e c h i l d w a s i n t h e o t h e r
3 h o m e . C a n s h e - - I f t h e c h i l d i s
4 i n t h e o t h e r p a r e n t s ' h o m e , c a n
5 s h e r e n t o u t t h e r o o m ? N o . I
6 m e a n , p r o b a b l y n o t . I m e a n , w h e n
7 d o e s i t m a k e a s u b s t a n t i a l
8 r e d u c t i o n i n h e r c o s t t h a t y o u c a n
9 a d j u s t f o r i t ? A n d s t a t e s u s u a l l y
10 s e t t h a t t h r e s h o l d a t t w e n t y t o
11 t h i r t y - f i v e p e r c e n t . T h e r e a r e
12 s o m e s t a t e s t h a t s e t i t m o r e t o
13 e q u a l , l i k e N e b r a s k a , K a n s a s .
14 T h e y d o n ' t p e r m i t i t u n t i l i t ' s
15 n e a r l y e q u a l . A f e w s t a t e s - - a n d
16 t h i s i s t h e n e w e s t t r e n d - - s e t i t
17 a t - - a n d t h i s i s a d i f f e r e n t
18 p e r s p e c t i v e - - a t a s l i t t l e a s t w o
19 t o f o u r o v e r n i g h t s p e r y e a r . A n d
20 i t ' s v e r y s m a l l . A r i z o n a i s a
21 c a s e i n p o i n t w h e r e i t ' s j u s t a n
22 a d j u s t m e n t f o r e v e n f o o d . I t ' s
23 l i k e a o n e p e r c e n t a d j u s t m e n t . S o
24 i n d e v e l o p i n g a f o r m u l a , t h i s i s
25 a n i m p o r t a n t c o n s i d e r a t i o n , w h e n

1 is that adjustment going to kick
2 in.

3 In addition -- I don't have
4 this written out. Another factor
5 is how are you going to define it.
6 Is it going to be based on actual
7 visitation? Is it going to be
8 based on court-ordered
9 visitation? Is it going to be
10 based on -- agreed to by the
11 parties? Most guidelines state
12 it's either in the order -- it's a
13 time-sharing order or it's in the
14 parenting plan or agreed to by the
15 parties. That's when they're
16 eligible for the adjustment.

17 And then we also have to get
18 into the issue of how are we
19 going to define overnights, you
20 know (unintelligible). In
21 Arizona, I ran into problems on a
22 complicated case where the child
23 was split between the mother and
24 the father. And the father
25 worked nights so, you know -- and

1 t h e m o t h e r w o r k e d t h e o t h e r
2 s h i f t . S o i t w a s - - Y o u k n o w ,
3 t h e y w r o t e t h e C o d e a r o u n d i t .
4 A n d i f y o u l o o k a t w h a t A r i z o n a
5 h a s p r o p o s e d r i g h t n o w , i t ' s v e r y
6 c o m p l i c a t e d . I t ' s o n t h e i r
7 w e b s i t e . B u t t h e y d o a v e r y
8 r e f i n e d d e f i n i t i o n o f o v e r n i g h t s
9 t o g e t a t t h a t i s s u e .

10 S o a n o t h e r f a c t o r t h a t y o u ' v e
11 g o t t o c o n s i d e r - - a g a i n , t h i s i s
12 a l l i n C h a p t e r V I - - i s t h e
13 a d j u s t m e n t m e t h o d . A n d t h e m o s t
14 c o m m o n u s e d a p p r o a c h i s a c r o s s -
15 c r e d i t . A n d I ' m g o i n g t o s h o w
16 y o u a n e x a m p l e n o w . T h e r e ' s f o u r
17 s t a t e s t h a t u s e t h e I n d i a n a
18 a p p r o a c h o r a v a r i a t i o n o f t h e
19 I n d i a n a a p p r o a c h . A n d t h e r e i s
20 n i n e s t a t e s t h a t a r e j u s t a l l o v e r
21 t h e m a p a s f a r a s w h a t t h e y u s e .

22 C a l i f o r n i a e m b e d s t h e i r
23 p a r e n t i n g - t i m e a d j u s t m e n t r i g h t
24 i n t o t h e i r g u i d e l i n e s . T h e y s t a r t
25 w i t h t h e p r e s u m p t i o n t h a t t h e

1 noncustodial parent may have the
2 child twenty percent of the time.
3 And they'll upwards adjust if it's
4 less than twenty percent, and
5 they'll downwards adjust if it's
6 more than twenty percent.

7 Michigan actually does my
8 favorite formula. And they
9 proposed my even most favorite
10 formula, but it's cubed. It's to
11 the third power. So, you know,
12 unless you're into it like me, you
13 probably don't want to calculate
14 that out each time. But the
15 results are beautiful as far as
16 it's a nice, graduated increase as
17 parenting time increases.

18 So those are some of the
19 oddball things. I'm going to talk
20 more about the cross-credit and
21 the Indiana approach.

22 A third component is a
23 multiplier. Most states with a
24 shared-parenting adjustment
25 include a multiplier, and that's

1 to account for child-rearing
2 expenditures that are duplicated
3 between the two sets of
4 households, such as housing and
5 transportation. New Jersey may
6 include housing (inaudible).

7 This is on page VI-4. This
8 just walks through the cross-
9 credit adjustment for time
10 sharing. And here we go through
11 the regular calculations. We
12 start off with the parents'
13 income, and we've prorated it.
14 And we look at the basic
15 obligation on the schedule. Here
16 on this line, we multiply it by
17 fifty percent to account for those
18 duplicated expenditures. So the
19 parents are going to share in that
20 duplicated expense, how much it
21 now costs. It costs more to raise
22 a child in two households than it
23 does to raise a child in one
24 household. So they're going to
25 share that combined amount.

1 In this scenario, we have
2 parents that have equal time. So
3 here, we took each parent's
4 prorated share based on their
5 income. Now, the next step is we
6 look at their time division. And
7 then the cross-credit approach
8 comes by taking each parent's
9 share, and you multiply it by the
10 amount of time the child has with
11 the other parent. And that's what
12 that parent owes that other
13 parent. You do the same thing
14 for the other parent and multiply
15 it, and you can do it this way,
16 too. It's showing the remaining
17 amount.

18 So you do the regular basic --
19 You do the regular calculation,
20 and then you prorate it by the
21 parents' time. You balance by
22 the time, and then you offset it.
23 And the difference is the child
24 support obligation. And then
25 from here, you could do your

1 regular stuff for child care and
2 so forth and extraordinary
3 medical expenses that
4 (inaudible).

5 This is the Arizona approach,
6 and it's come full circle as far as
7 the methodology. It's -- The
8 basis of it, there was a judge in
9 Indiana back in the early nineties
10 -- I think it was -- Judge Vaughn.
11 And this came from Indiana
12 originally, so it's kind of funny
13 that Indiana just adopted the
14 shared-parenting formula
15 recently. And what Judge Vaughn
16 did was he grouped child-rearing
17 expenditures into three
18 categories.

19 Variable, which means food
20 mostly, and variable costs can be
21 shifted from one parent to the
22 other. You know, if the child is
23 with the noncustodial parent on
24 the weekend, there is food cost,
25 and then you shift them back.

1 A n d t h e s e c o n d c a t e g o r y i s
2 c a l l e d - -

3 (W h e r e u p o n , V i d e o t a p e 3
4 e n d e d , a n d V i d e o t a p e 4
5 b e g a n w i t h D r . V e n o h r
6 c o n t i n u i n g a s f o l l o w s :)

7 D R . V E N O H R : T h i s i s f r o m
8 E x h i b i t 2 3 , a n d t h e a d d i t i o n a l -
9 d e p e n d e n t s a d j u s t m e n t i s
10 p e r m i s s i v e i n n i n e s t a t e s ,
11 i n c l u d i n g A l a b a m a . I t ' s
12 p r e s u m p t i v e i n t w e n t y - f o u r
13 s t a t e s , m e a n i n g t h a t i t d o e s n ' t
14 h a v e t o b e j u d i c i a l d i s c r e t i o n .
15 I t ' s o n t h e w o r k s h e e t t h e r e .

16 T h e m o s t c o m m o n f o r m o f t i m e
17 f o r m u l a i s t o s u b t r a c t t h e d u m m y
18 o r d e r f r o m t h e p a r e n t ' s i n c o m e ,
19 a n d t h a t ' s s i m i l a r t o w h a t ' s d o n e
20 i n A l a b a m a ' s g u i d e l i n e s . A n d b y
21 t h a t , I m e a n t h a t y o u t a k e t h e
22 p a r e n t ' s i n c o m e a n d , i f t h e r e ' s
23 o n e a d d i t i o n a l d e p e n d e n t a n d t h a t
24 p a r e n t ' s i n c o m e i s a t h o u s a n d
25 d o l l a r s , y o u l o o k a t t h e s c h e d u l e ,

1 figure out what the support order
2 would be for that one child, and
3 you subtract that amount from the
4 parent's income before
5 determining support for the
6 children that you are (inaudible).
7 Alabama uses this approach.

8 A few states multiply that
9 dummy order by seventy-five
10 percent, and that has a
11 mathematical effect in equalizing
12 the support between the two sets
13 of children.

14 And for some states, they take
15 the philosophy first born -- you
16 know, kind of like mortgage
17 principals, you know, first in
18 first out (inaudible), however you
19 want to phrase it.

20 In other states, they believe
21 that, you know, there shouldn't
22 be a distinction between the first
23 born and the second born as far
24 as the sets of children. And,
25 obviously, if you're taking that

1 dollar amount off the obligor's
2 income -- the obligee's income
3 because it would be applicable to
4 the obligee, that that first child
5 -- the first child would be
6 subtracted to have a priority, a
7 greater share of income than the
8 second children.

9 So seventy-five percent in the
10 dummy order tends to equalize it.
11 And there's a couple of states,
12 South Carolina, West Virginia --
13 I think it is -- that use that
14 seventy-five percent multiplier.

15 I have been fascinated with
16 additional-dependents adjustment
17 lately, so that's probably why
18 you have the long table that you
19 do in Chapter VI, that Exhibit 22.
20 And I'll tell you why.

21 It's that I've been working
22 with Tennessee lately. And I
23 think it was a year ago. The
24 Tennessee guidelines were
25 constitutionally challenged, and

1 i t h a d t o d o w i t h a d d i t i o n a l
2 d e p e n d e n t s . T e n n e s s e e w a s t h e
3 o n l y s t a t e t o e x p l i c i t l y e x c l u d e
4 a d j u s t m e n t s f o r a d d i t i o n a l
5 d e p e n d e n t s .

6 A n d b y a d d i t i o n a l d e p e n d e n t s ,
7 I ' m t a l k i n g a b o u t c h i l d r e n t h a t
8 a r e n o t c o v e r e d b y c h i l d s u p p o r t
9 o r d e r s . S o , y o u k n o w , i t c o u l d b e
10 t h a t t h e n o n c u s t o d i a l p a r e n t
11 r e m a r r i e d a n d h a d o t h e r c h i l d r e n
12 o r - - w h o k n o w s - - t h e y h a d a n
13 a f f a i r w h e n t h e y w e r e s t i l l w i t h ,
14 y o u k n o w , t h e i r w i f e , o r t h e r e ' s a
15 c h i l d s u p p o r t o r d e r f o r c h i l d r e n
16 o u t s i d e , y o u k n o w , t h e m a r r i a g e ,
17 e t c e t e r a . T h e r e a r e a l l s o r t s o f
18 s i t u a t i o n s t h a t c o u l d o c c u r .

19 W e l l , T e n n e s s e e w a s t h e o n l y
20 s t a t e t h a t e x p l i c i t l y e x c l u d e d a n y
21 s o r t o f a d j u s t m e n t s f o r t h a t . S o
22 i t m a d e i t a l l t h e w a y u p t o t h e
23 S u p r e m e C o u r t o f T e n n e s s e e , y o u
24 k n o w , e q u a l p r o t e c t i o n , b l a h ,
25 b l a h , b l a h (i n a u d i b l e) . A n d t h e y

1 did find that that violated the
2 constitutional stuff, and I have
3 the case if you want it.

4 But what did happen after that
5 is that the legislation was just
6 outraged -- the legislature was
7 just outraged by this whole
8 lawsuit. There is a lot of anger
9 about it because it takes a lot of
10 state resources to be sued like
11 that.

12 And so they said, Oh, we're
13 just going to make you guys do an
14 additional-dependent adjustment.
15 So they did, and they ended up
16 with a six-page adjustment for
17 additional dependents. There is a
18 provision for E kids, F kids, G
19 kids. And that's the only way
20 you can refer to it because E kids
21 are kids that were covered by a
22 child support order. F kids are
23 kids in the home that are not
24 covered by a child support order.
25 G kids are those that are not in

1 the home and not covered by a
2 child support order but could be
3 covered by a child support order
4 later.

5 So I've been trying to work
6 with them. And I think I've
7 convinced Tennessee to do this,
8 that they need to get rid of that
9 six pages and make it a simple
10 adjustment. So I just had to look
11 at every single nuance there is
12 about how additional dependents
13 (inaudible) in other states
14 because, you know, I hadn't even
15 thought about it before.

16 A lot of states are now
17 recognizing that. A lot of states
18 only permit the adjustment for
19 children in the home, additional
20 dependents in the home. They
21 don't permit it for children that
22 are additional dependents that are
23 outside the home.

24 So I've learned all sorts of
25 little nuances like this. So

1 that's the detail in Exhibit 22
2 and -- or 23. And the things that
3 I want to just bring up to you is
4 that the adjustment is usually
5 available to either parent. There
6 are a couple of states out there
7 that still only make it applicable
8 to the noncustodial parent. But,
9 you know, what's good for the
10 goose is good for the gander. So
11 most states take that attitude.

12 Most states specify that a
13 change in additional dependents
14 alone is not (inaudible) is not a
15 change in circumstances that can
16 be used for a review of the child
17 support or child support
18 modification. There is a handful
19 of states that, you know, limit it
20 to five or more children, you
21 know, that they won't do it --
22 they won't do the adjustment for
23 subsequent children.

24 And Pennsylvania's approach
25 is considered a policy practice.

1 I wrote up -- I wrote it up where
2 we had this (inaudible) with the
3 Federal Office of Child Support
4 Enforcement about best practices
5 for handling a low-income
6 custodial parent. And my Federal
7 Project Officer just loved
8 Tennessee's approach.

9 What it does -- It's not a very
10 practical approach, though. But
11 what it does is it looks at all the
12 children in the orders, and then
13 it adds it up, adds
14 (unintelligible). And they'll do
15 dummy orders if there's children
16 in the home. If that total
17 exceeds fifty percent of the
18 obligor's net income, which is
19 the CCPA, the Consumer Credit
20 Protection Act amount, then
21 they'll go back and adjust all
22 those orders downward so it --
23 proportionally so they just equal
24 fifty percent of the obligor's net
25 income.

1 A n d t h e r e a s o n t h a t t h e
2 F e d e r a l P r o j e c t O f f i c e r l i k e d i t
3 s o m u c h i s b e c a u s e i t r e a l l y
4 r e s p e c t s t h e C C P A a m o u n t , b u t i t
5 a l s o a c k n o w l e d g e s t h a t i f t h e
6 n o n c u s t o d i a l p a r e n t h a s t h e
7 a b i l i t y t o p a y a l l t h e s e c h i l d
8 s u p p o r t o r d e r s , t h e n , y o u k n o w ,
9 h e o r s h e s h o u l d p a y t h e m .

10 S o t h a t ' s w h y i t ' s c o n s i d e r e d
11 a p o l i c y p r a c t i c e . A n d I t h i n k - -
12 I ' m s u r p r i s e d I d o n ' t s e e j u d g e s
13 a n d a t t o r n e y s g o i n g , G o b a c k a n d
14 m o d i f y a l l t h o s e o r d e r s . I t ' s - -
15 P r a c t i c a l l y , i t ' s n o t v e r y
16 p r a c t i c a l .

17 S o , f i n a l l y , b r e a k t i m e i s
18 c o m i n g , I t h i n k . T h e
19 c o n c l u s i o n s , a n d t h e s e a r e i n
20 C h a p t e r V I I . A n d , a g a i n , I
21 a p p r e c i a t e y o u r p a t i e n c e . L i k e I
22 s a i d , u s u a l l y i t t a k e s a d a y t o g o
23 t h r o u g h a l l t h i s s t u f f .

24 N u m b e r o n e , w e r e c o m m e n d
25 u p d a t i n g t h e s c h e d u l e t o t h e m o s t

1 current economic factors. Two, I
2 recommend reviewing the
3 (unintelligible) the self-support
4 reserve and the minimum support
5 orders. We put in seven forty-
6 eight a month, which is the
7 poverty level for 2003, and
8 minimum orders of fifty dollars,
9 reviewing that again to think
10 about whether you're going to
11 incorporate it into the schedule
12 or worksheet. Again, that's a
13 policy decision. If you're going
14 to update the schedule, the third
15 point is that you'll want to
16 update your definition of
17 extraordinary medical expenses to
18 include two hundred and fifty
19 dollars per year per child because
20 that's consistent with the
21 proposed schedule. The fourth
22 thing is that it might be
23 beneficial to do a shared-
24 parenting adjustment and give
25 more predictability to order

1 a m o u n t s i f t h e r e i s a f o r m u l a
2 i n c l u d e d . A n d t h e f i n a l p o i n t i s
3 t h a t y o u m i g h t w a n t t o e q u a l i z e
4 s u p p o r t t o s u b s e q u e n t c h i l d r e n b y
5 u s i n g t h e s e v e n t y - f i v e p e r c e n t
6 (i n a u d i b l e) .

7 S o t h a n k y o u .

8 J U D G E G O S A : B e f o r e w e o p e n
9 f o r q u e s t i o n s , w e h a v e t h r e e
10 c o m m i t t e e m e m b e r s t h a t w e r e n ' t
11 h e r e y e s t e r d a y . I ' l l l e t y ' a l l
12 i n t r o d u c e y o u r s e l v e s a n d t e l l u s
13 w h e r e y o u ' r e f r o m a n d w h a t y o u
14 d o , p l e a s e .

15 C O M M I T T E E M E M B E R : M y
16 n a m e i s S t e v e W r i g h t . I ' m f r o m
17 B i r m i n g h a m , A l a b a m a . M y
18 p r a c t i c e i s l i m i t e d t o a d o m e s t i c
19 r e l a t i o n s p r a c t i c e .

20 C O M M I T T E E M E M B E R : I ' m
21 D r e w W h i t m i r e , B i r m i n g h a m , a l s o .
22 I d o a b o u t e i g h t y p e r c e n t
23 a d o p t i o n s , a n d I d o - - I ' v e d o n e a
24 l o t o f d i v o r c e s .

25 C O M M I T T E E M E M B E R : G o r d o n

1 B a i l e y . I ' m i n p r i v a t e p r a c t i c e
2 i n A n n i s t o n , a n d I t h i n k I ' v e b e e n
3 i n v o l v e d i n c h i l d s u p p o r t c o u r t
4 s i n c e 1 9 7 6 .

5 J U D G E G O S A : T h a n k y o u .
6 L e t ' s t a k e a b o u t a f i f t e e n - m i n u t e
7 b r e a k , a n d t h e n w e ' l l o p e n i t f o r
8 q u e s t i o n s .

9 (W h e r e u p o n , a b r i e f r e c e s s
10 w a s h a d , a f t e r w h i c h
11 V i d e o t a p e 4 w a s r e s t a r t e d
12 w i t h a c o m m i t t e e m e m b e r
13 a l r e a d y i n p r o g r e s s a s
14 f o l l o w s :)

15 C O M M I T T E E M E M B E R : - -
16 s e l f - s u p p o r t r e s e r v e b r e a k a n d
17 o n e o f t h e e x a m p l e s t h a t w a s
18 s h o w n , a n d I t h i n k t h a t ' s v e r y
19 p r o b l e m a t i c .

20 D R . V E N O H R : Y e a h . T h e r e
21 i s n ' t a n y s t a t e r i g h t n o w t h a t h a s
22 a s e l f - s u p p o r t r e s e r v e i n t h e
23 s c h e d u l e f o r t h e c u s t o d i a l p a r e n t .
24 T h e r e a r e a c o u p l e o f w a y s t h a t
25 y o u c a n d o t h a t .

1 And the reason that they don't
2 is because it's -- you could
3 subtract a self-support reserve
4 from both parents' income, but
5 after you do all the calculations,
6 you're still going to end up with
7 situations where the noncustodial
8 parent's income is going to be
9 above -- the noncustodial parent
10 -- the child support order would
11 be greater than the self-support
12 reserve and -- Let me say that
13 one more time. Excuse me. And I
14 think I actually have a graph
15 somewhere that I'll look for
16 later. Is that you could subtract
17 self-support reserve from each
18 parent's income before the
19 calculations of support, but by
20 the time you get down to the
21 bottom line, after you do all the
22 calculations of prorating and
23 stuff, you could end up with an
24 order amount that is greater than
25 the difference between the

1 noncustodial parent's income and
2 the self-support reserve.

3 So the only way to do it, if
4 you really want to protect the
5 integrity of that self-support
6 reserve mathematically, is to do
7 it at the very bottom, the last
8 calculation, and not consider the
9 custodial parent's income. But it
10 does create a policy that this is
11 our policy decision in that the
12 noncustodial parent's needs come
13 first before the children's or,
14 you know, the custodial parent's.

15 And there are a couple of
16 states, what they've done -- and
17 it's a very complicated method of
18 how they arrived at it. And it's
19 -- South Dakota did this. When
20 we looked at the noncustodial
21 parent's income after taxes,
22 because, you know, there's
23 different tax consequences
24 depending on how you claim
25 children, we looked at the

1 c u s t o d i a l p a r e n t ' s t a x
2 c o n s e q u e n c e s . W e s t a r t e d w i t h
3 t h e a s s u m p t i o n - - A n d i t w a s e a s y
4 t o d o t h i s i n S o u t h D a k o t a
5 b e c a u s e t h e y h a v e a p r e s u m p t i o n
6 t h a t e a c h p a r e n t i s c a p a b l e o f
7 e a r n i n g m i n i m u m w a g e , a n d i f
8 t h e y ' r e n o t , t h e y h a v e t o p r o v i d e
9 e v i d e n c e t h a t t h e y ' r e e i t h e r
10 d i s a b l e d o r c a r i n g f o r s o m e b o d y .
11 S o w e s t a r t e d w i t h t h e a s s u m p t i o n
12 t h a t t h e p a r e n t w a s m a k i n g
13 m i n i m u m w a g e a n d t h a t t h e
14 c u s t o d i a l p a r e n t i s c l a i m i n g t h e
15 t a x d e d u c t i o n f o r t h e c h i l d r e n ,
16 t h e n o n c u s t o d i a l p a r e n t i s o n l y
17 c l a i m i n g t h e m s e l v e s . W e f i g u r e d
18 o u t w h a t t h e i r a f t e r - t a x i n c o m e
19 w a s a n d , o f c o u r s e - - a n d t h e n t h e
20 c u s t o d i a l p a r e n t i s g o i n g t o h a v e
21 a h i g h e r a f t e r - t a x i n c o m e b e c a u s e
22 o f t h e d i f f e r e n c e i n t a x
23 c o n s e q u e n c e s . A n d t h e n w e
24 c o m p a r e d e a c h o f t h o s e t o t h e
25 p o v e r t y l e v e l , a n d t h e n w e

1 d e t e r m i n e d w h a t t h e m i n i m u m
2 o r d e r s w o u l d b e , a s s u m i n g t h a t
3 t h e s e p a r e n t s h a d e q u a l i n c o m e ,
4 e q u a l r e l a t i v e t o t h e i r p o v e r t y
5 l e v e l .

6 S o i n S o u t h D a k o t a , t h a t
7 w o r k e d o u t t o b e a m i n i m u m o r d e r
8 o f a b o u t a h u n d r e d f o r o n e c h i l d ,
9 a n d i t w a s a h u n d r e d a n d f i f t y f o r
10 t w o c h i l d r e n . A n d t h e n w e
11 g r a d u a l l y t o o k f o r t y p e r c e n t - - o r
12 w a s i t f i f t y p e r c e n t - - u n t i l w e
13 w o r k e d i n t o t h e n e w s c h e d u l e .

14 S o i f y o u w a n t e d t o - - I n
15 s h o r t , w h a t I ' m s a y i n g i s , i f y o u
16 w a n t e d t o c o n s i d e r t h e c u s t o d i a l
17 p a r e n t ' s i n c o m e a n d p o v e r t y l e v e l
18 o f t h e c u s t o d i a l p a r e n t a n d t h e
19 c h i l d r e n , s o m e t h i n g l i k e S o u t h
20 D a k o t a ' s a p p r o a c h w o u l d p r o b a b l y
21 b e m o r e a p p r o p r i a t e t h a n t r y i n g
22 t o d o a s u b t r a c t i o n f r o m t h e
23 w o r k s h e e t , b e c a u s e t h e w o r k s h e e t
24 - - I t ' s j u s t n o t g o i n g t o w o r k
25 m a t h e m a t i c a l l y .

1 C O M M I T T E E M E M B E R : C o u l d
2 y o u s e n d u s t h a t ?

3 D R . V E N O H R : Y e s . A n d I
4 m i g h t e v e n h a v e i t o n a s c r e e n .
5 I ' l l l o o k f o r i t . B e c a u s e i t ' s
6 c o m e u p s o m e w h e r e b e f o r e . I ' l l
7 s e e i f I ' v e g o t i t i n m y l a p t o p .
8 B u t I ' l l s e n d y o u S o u t h D a k o t a ' s ,
9 a n d I ' l l a l s o s e n d y o u a n e x a m p l e
10 o f w h y i t d o e s n ' t w o r k w h e n y o u
11 s u b t r a c t i t o n b o t h s i d e s .

12 C O M M I T T E E M E M B E R : T h e
13 p r o p o s e d s c h e d u l e , t h o u g h , i n
14 C h a p t e r I I I , i t d o e s h a v e t h a t
15 b u i l t i n - -

16 D R . V E N O H R : R i g h t .

17 C O M M I T T E E M E M B E R : - - t h e
18 s c h e d u l e .

19 D R . V E N O H R : T h a t s h a d e d
20 a r e a h a s t h a t s e v e n h u n d r e d a n d
21 f o r t y - e i g h t b u i l t i n , a n d t h e
22 r e a s o n w e d i d t h a t w a s t h a t t h e
23 e x i s t i n g s c h e d u l e h a s t h a t f o u r
24 f o r t y - s e v e n b u i l t i n . S o w e w e r e
25 j u s t t a k i n g t h e s a m e s t e p s o n l y

1 using more updated economic
2 data.

3 COMMITTEE MEMBER: One
4 way to make it more obvious
5 would be to say in the Rule that
6 it's incorporated.

7 DR. VENOHR: And some states
8 do that. You know, they --
9 Pennsylvania has a shaded area,
10 and they say in their rules --
11 Nobody knows what it means.
12 They actually call it -- This is
13 kind of a funny story, and I
14 probably shouldn't say this. But
15 it's Friday, and I'm getting
16 tired. They call their self-
17 support reserve CAM, and they
18 call it Computable Allowable
19 Minimum. But really, what
20 they're making fun of is WAM,
21 which is Walking Around Money
22 that the legislators get. They
23 call this Crawling Around Money.

24 COMMITTEE MEMBER: I have
25 I guess it's an observation, and

1 y o u c a n t e l l m e i f I ' m w r o n g .
2 I ' v e n e v e r h e a r d o f a n y a p p r o a c h
3 t h a t c o n s i d e r s t h e i n - k i n d c a r e
4 t h a t t h e c u s t o d i a l p a r e n t g i v e s
5 t h e c h i l d .

6 A n d , f o r e x a m p l e , i f t h e
7 c u s t o d i a l p a r e n t p r o v i d e d o n l y
8 s i x h o u r s a d a y o n l y t w e n t y d a y s
9 a m o n t h i n - k i n d c a r e - - I ' m
10 t a l k i n g a b o u t 2 : 0 0 a . m . f e e d i n g s ,
11 a l l t h o s e t h i n g s t h a t p a r e n t s h a v e
12 t o d o t o r a i s e a c h i l d - - a t
13 m i n i m u m w a g e , t h a t ' s s i x h u n d r e d
14 a n d e i g h t e e n d o l l a r s a m o n t h i n -
15 k i n d c a r e . A n d I ' v e n e v e r h e a r d
16 a n y m o d e l t h a t e v e n a d d r e s s e s
17 t h a t . A m I c o r r e c t ?

18 D R . V E N O H R : Y e a h . Y o u
19 k n o w , t h e r e ' s a l i t t l e b i t o f a n
20 e l e m e n t o f t h a t i n t h e D . C . -
21 M a s s a c h u s e t t s g u i d e l i n e s t h a t
22 u s e s a d i s r e g a r d o n t h e f i r s t
23 t w e n t y t h o u s a n d , a n d I t h i n k i n
24 M a s s a c h u s e t t s , i t w a s s i x t e e n
25 t h o u s a n d f i v e h u n d r e d , b e c a u s e

1 they wanted to credit -- give an
2 opportunity for the (inaudible) to
3 take care of the children. You
4 know, that was -- If you read
5 some of the background
6 information, you know,
7 (inaudible), and that was one of
8 the reasons.

9 You know, D. C. really
10 struggled with whether to
11 recommend getting rid of that
12 custodial parent disregard. What
13 they really were trying to do was
14 to (inaudible).

15 And they're getting a lot of
16 flack from it. The American
17 Legal -- Law Institute, excuse
18 me, they have a guidelines
19 (inaudible), though they don't
20 explicitly say (inaudible) they
21 want -- they covered, you know,
22 when the child -- the parenting
23 time (inaudible) caring for the
24 children and definitely are more
25 advocates of the D. C. and

1 M a s s a c h u s e t t s a p p r o a c h . S o I
2 t h i n k t h e A m e r i c a n L a w I n s t i t u t e
3 w o u l d p r o b a b l y b e t h e c l o s e s t .
4 A n d i t d o e s r e s u l t i n h i g h e r
5 o r d e r s .

6 C O M M I T T E E M E M B E R : I h a v e
7 a q u e s t i o n . (I n a u d i b l e .) I f y o u
8 w o u l d , p l e a s e e x p l a i n t o m e h o w
9 A l a b a m a - - h o w t h i s n e w p r o p o s a l
10 t h a t y o u h a v e b a s e d o n y o u r n e w
11 u p d a t e d c h a r t s - - T o t a k e a n
12 e x a m p l e , l o w i n c o m e p a r e n t s
13 t h a t ' s o n m i n i m u m w a g e o f f i v e
14 d o l l a r s a n d f i f t e e n c e n t s . P u t
15 t h a t i n t o o u r c h a r t s a n d t e l l m e
16 h o w m u c h m o n e y d o e s t h e
17 n o n c u s t o d i a l p a r e n t h a v e l e f t
18 a f t e r h e ' s p a i d h i s c h i l d s u p p o r t .

19 D R . V E N O H R : T h a t ' s p r o b a b l y
20 g o i n g t o b e m a y b e a b o u t f i f t y
21 b u c k s .

22 C O M M I T T E E M E M B E R : F i f t y
23 d o l l a r s l e f t a f t e r h e p a y s h i s
24 c h i l d s u p p o r t ?

25 D R . V E N O H R : O h , n o . I ' m

1 s o r r y . T h a t ' s t h e o r d e r . T h e
2 o r d e r , y o u k n o w , i s g o i n g t o b e
3 o n t h e s e l f - s u p p o r t r e s e r v e .
4 L e t ' s s e e . T h a t ' s a f t e r - t a x
5 i n c o m e .

6 C O M M I T T E E M E M B E R : A s I
7 u n d e r s t a n d i t , t h e s e l f - s u p p o r t
8 r e s e r v e i s f i g u r e d i n t o - -

9 D R . V E N O H R : R i g h t .

10 C O M M I T T E E M E M B E R : - - y o u r
11 p r o p o s a l . A n d i f t h a t i s t r u e , t h e
12 w a y m y f i g u r e s c a l c u l a t e , h e ' s
13 g o i n g t o h a v e s e v e n t y - t w o d o l l a r s
14 a w e e k l e f t t o s p e n d a f t e r h e p a y s
15 h i s c h i l d s u p p o r t . Y o u ' v e g o t
16 t h i s g u y l i v i n g u n d e r a b r i d g e .
17 Y o u m i g h t a s w e l l t i e a r o p e
18 a r o u n d h i s n e c k a n d p u s h h i m o f f
19 t h e b r i d g e . W i t h s e v e n t y - t w o
20 d o l l a r s a w e e k , h e ' s n o t g o i n g t o
21 b e a b l e t o s u r v i v e

22 D R . V E N O H R : N o , h e ' s
23 a c t u a l l y g o i n g t o h a v e m o r e t h a n
24 t h a t i f h e ' s a t m i n i m u m w a g e .

25 C O M M I T T E E M E M B E R : I ' m

1 looking at your chart. At
2 minimum wage, he's going to have
3 --

4 DR. VENOHR: If you look at
5 this chart -- and maybe I can --
6 I've got it -- No, I don't have it
7 on the screen. It's on page III-
8 11. And if you have a minimum
9 wage obligor --

10 COMMITTEE MEMBER: What
11 page is it?

12 DR. VENOHR: It's III-11,
13 Roman number III-11. And I
14 think this is a really good
15 question because it ties into what
16 should order amounts be in low
17 income cases. And this affects a
18 lot of parenting. And I'm going
19 to pull out -- I've got a copy of
20 the -- I'm going to pull out my
21 Rule 32 because I think these are
22 really worth comparing. And it's
23 going to help decide what to do
24 with low incomes to see this.
25 And the reason it's so important

1 is that -- I know some of you
2 guys work with taxes; some of you
3 don't. And I apologize that
4 (unintelligible) is that in TANF
5 cases, it's not uncommon to
6 impute at minimum wage if you
7 don't know the noncustodial
8 parent's income, and so it's a
9 really critical juncture.

10 COMMITTEE MEMBER: Could
11 you include (inaudible)? Would
12 that help?

13 DR. VENOHR: Actually, that
14 might be a better one.

15 COMMITTEE MEMBER:
16 (Inaudible.)

17 DR. VENOHR: Yeah. That's
18 actually -- Thank you. Boy,
19 you've been looking at this stuff,
20 haven't you? Thank you. It's on
21 page V-4. And minimum wage
22 would be approximately nine
23 hundred dollars a month at five
24 fifteen per hour at forty hours
25 per week, four point three three

1 w e e k s p e r m o n t h . A n d f o r n i n e
2 h u n d r e d u n d e r t h e e x i s t i n g
3 A l a b a m a s c h e d u l e - - a n d I t h i n k
4 t h i s i s f o r t w o k i d s - - i t ' s t w o
5 h u n d r e d a n d f i f t y - n i n e d o l l a r s a
6 m o n t h . A n d f o r t h e p r o p o s e d
7 A l a b a m a s c h e d u l e , i t w o u l d b e
8 e i t h e r f i f t y d o l l a r s m i n i m u m
9 o r d e r o r t h e c o u r t d i s c r e t i o n .
10 A n d y o u c a n s e e t h a t a l s o - - S e e
11 t h i s h e r e , r i g h t h e r e , a n d y o u c a n
12 a l s o s e e i t i n t h i s e x h i b i t . R i g h t
13 t h e r e w e d i d n ' t (i n a u d i b l e) .

14 C O M M I T T E E M E M B E R : H o w
15 d i d y o u a r r i v e a t t h e m o n t h l y
16 i n c o m e a t m i n i m u m w a g e ?

17 D R . V E N O H R : I t o o k f i v e
18 f i f t e e n a n h o u r t i m e s f o u r t h r e e
19 t h r e e t i m e s f o r t y . S o i t ' s g o i n g
20 t o b e a b o u t e i g h t h u n d r e d a n d
21 n i n e t y - t w o d o l l a r s , a n d s i n c e t h e
22 A l a b a m a (i n a u d i b l e) r o u n d s i t u p ,
23 i t w o u l d b e a b o u t n i n e h u n d r e d .

24 C O M M I T T E E M E M B E R :
25 (I n a u d i b l e .) I s t h i s p r e s e n t l y

1 discretionary?

2 DR. VENOHR: No, but we're
3 recommending that that's
4 discretionary or that fifty dollar
5 order. It's really up to you
6 guys. (Inaudible) moved up to
7 what that -- the increase in the
8 self-support reserve.

9 COMMITTEE MEMBER:
10 (Inaudible.)

11 COMMITTEE MEMBER: Could I
12 -- I'm still not real clear on
13 that. On the very back of your
14 book, I think -- I don't know
15 what appendix that is. Some of
16 your pages are not marked very
17 clear. I'm having a hard time
18 following. I guess it's Appendix
19 V. As I understand it, this is the
20 proposed schedule that you would
21 intend?

22 DR. VENOHR: No, this is a
23 comparison of existing and
24 proposed. This column is
25 existing, and this column is

1 p r o p o s e d . S o y o u c a n l o o k a t t h e
2 d i f f e r e n c e i n t h e s c h e d u l e s . T h i s
3 i s t h e a m o u n t s . T h i s i s t h e
4 d o l l a r c h a n g e . I f y o u w e r e t o
5 e x p r e s s t h a t a s a p e r c e n t a g e , i f
6 y o u t o o k t h i s c o l u m n a n d d i v i d e d
7 t h a t c o l u m n , t h a t w o u l d b e - -

8 C O M M I T T E E M E M B E R : S o
9 y o u r p r o p o s e d c o l u m n i s h e r e , a n d
10 t h i s i s w h a t y o u ' r e p r o p o s i n g t h a t
11 w e r a i s e o u r g u i d e l i n e s f i g u r e t o .

12 D R . V E N O H R : I f i t ' s a r a i s e .
13 I f i t ' s a n e g a t i v e , t h e n i t ' s a
14 d e c r e a s e .

15 C O M M I T T E E M E M B E R : O k a y .
16 B a s e d o n m y f i g u r e s , a t t h e
17 i n c o m e l e v e l o f t w o p a r e n t s
18 e a r n i n g m i n i m u m w a g e , t h e
19 f a t h e r ' s c h i l d s u p p o r t s h a r e i s
20 t w o h u n d r e d a n d f o r t y - t w o d o l l a r s
21 a m o n t h .

22 D R . V E N O H R : O h , I k n o w
23 w h a t y o u d i d w r o n g . H e r e , I ' l l
24 s h o w y o u . I t ' s t h a t w e a s s u m e
25 t h e s h a d e d a r e a . T h i s i s - -

1 C O M M I T T E E M E M B E R : B o t h o f
2 t h e m a t m i n i m u m i s e i g h t e e n
3 h u n d r e d . A n d i t ' s t h r e e s e v e n t y ,
4 a n d h a l f o f t h a t i s a h u n d r e d
5 t h i r t y - f i v e - - a h u n d r e d a n d
6 e i g h t y - f i v e d o l l a r s a m o n t h .

7 D R . V E N O H R : Y e s . B u t i f
8 y o u u s e t h e s h a d e d a r e a , t h e n
9 y o u ' r e o n l y u s i n g h i s i n c o m e .

10 C O M M I T T E E M E M B E R : W e l l , I
11 c a n s e e t h i s - - b y t h i s w e n e e d a
12 m u c h s i m p l e r m e t h o d o f
13 c a l c u l a t i n g c h i l d s u p p o r t . I
14 d o n ' t t h i n k a n y b o d y r e a l l y
15 u n d e r s t a n d s w h a t ' s g o i n g o n .
16 T h e s e c h a r t s h e r e a r e n i c e t o l o o k
17 a t , b u t t h e y r e a l l y d o n ' t e x p l a i n
18 t h e t r u t h . W h e n y o u g e t d o w n
19 h e r e t o t h e r u b b e r m e e t i n g t h e
20 r o a d a n d y o u ' r e m a k i n g o u t y o u r
21 c h i l d s u p p o r t o b l i g a t i o n s h e e t a n d
22 y o u c o m e u p a n d f i n d o u t t h a t
23 y o u r n o n c u s t o d i a l p a r e n t h a s
24 s e v e n t y - t w o d o l l a r s a m o n t h - - a
25 w e e k t o l i v e o n , s o m e t h i n g i s

1 s e v e r e l y w r o n g w i t h t h a t . N o w ,
2 i t i s t h e p o s i t i o n i n A l a b a m a t h a t
3 b o t h p a r e n t s a r e t o b e i n v o l v e d i n
4 t h e c h i l d ' s l i f e . T h e r e i s n o w a y
5 t h a t t h e n o n c u s t o d i a l p a r e n t c a n
6 h a v e a n y t h i n g t o d o w i t h e i t h e r o f
7 h i s c h i l d r e n i f h e h a s s e v e n t y - t w o
8 d o l l a r s a w e e k l e f t a f t e r p a y i n g
9 t h e c h i l d s u p p o r t o b l i g a t i o n .

10 C O M M I T T E E M E M B E R : T h e
11 s a m e p r i n c i p l e a p p l i e s t o t h e
12 c u s t o d i a l p a r e n t , p l u s t h e
13 c u s t o d i a l p a r e n t i s p r o v i d i n g ,
14 w i t h m y f i g u r e s , a t l e a s t t w o
15 h u n d r e d a n d f o r t y h o u r s a m o n t h
16 c a r e . I m e a n , t h a t ' s - -

17 C O M M I T T E E M E M B E R : I f y o u
18 t a k e f r o m t h e n o n c u s t o d i a l p a r e n t
19 a n d g i v e i t t o t h e c u s t o d i a l
20 p a r e n t , h e r i n c o m e r i s e s
21 d r a m a t i c a l l y - -

22 C O M M I T T E E M E M B E R : H e r s
23 d o e s n ' t . H e r s d o e s n ' t . T h i s
24 d i s c u s s i o n i s n o t a d d r e s s i n g t h e
25 c h i l d ' s n e e d s . T h a t ' s w h a t w e ' r e

1 h e r e a b o u t .

2 C O M M I T T E E M E M B E R : W e l l ,
3 t h a t ' s t r u e .

4 C O M M I T T E E M E M B E R : I f a
5 p e r c e n t a g e - - I f w e h a d t h e
6 m i n i m u m w a g e n o n c u s t o d i a l , w h a t
7 i s t h e p e r c e n t a g e i f t h e c u s t o d i a l
8 p a r e n t i s h a v i n g a s i m i l a r o r
9 s l i g h t l y h i g h e r s a l a r y ? D o y o u
10 h a v e a n y i d e a ? I a s s u m e t h e y a r e
11 b o t h m a k i n g e q u a l a m o u n t s
12 b e c a u s e t h a t ' s j u s t t h e w a y t h e y
13 a r e . S o w h a t h e ' s s a y i n g i s - -
14 W h a t I ' m s a y i n g i s y o u s t i l l h a v e
15 a c h i l d t o d e a l w i t h . B o t h a r e
16 p r o b a b l y m a k i n g c l o s e t o m i n i m u m
17 w a g e . S o f i f t y d o l l a r s a m o n t h i s
18 n o t g o i n g t o m a k e o r b r e a k e i t h e r
19 o n e o f t h e m , b u t i t w i l l m a k e a
20 b i g d i f f e r e n c e t o t h a t c h i l d .

21 D R . V E N O H R : Y e a h . A n d
22 y o u ' r e a s k i n g i f I h a v e a n y c a s e
23 d a t a o n - -

24 C O M M I T T E E M E M B E R : I s i t
25 u s u a l l y r e f l e c t e d t h e y ' r e b o t h

1 making very close in salaries?

2 COMMITTEE MEMBER: Where
3 are you coming up with this fifty
4 dollars a months child support
5 obligation?

6 COMMITTEE MEMBER: If we
7 shaded it -- It's fifty flat for
8 under one thousand. If he's
9 making minimum (inaudible),
10 obviously it's a fifty dollar a
11 month child support --

12 COMMITTEE MEMBER: I'm
13 sorry, sir, but you're not looking
14 at the proposed table.

15 (Whereupon, several people
16 began speaking
17 simultaneously.)

18 COMMITTEE MEMBER: Yes, I
19 am. Look at Exhibit 6.

20 COMMITTEE MEMBER: Look at
21 the proposed table at the back of
22 the book.

23 COMMITTEE MEMBER: That's
24 the non-shaded.

25 COMMITTEE MEMBER: Well,

1 i t ' s a l r e a d y b e e n s t a t e d t h a t t h e
2 s e l f - s u p p o r t r e s e r v e i s f i g u r e d
3 i n t o t h i s . W h e n i t c o m e s d o w n t o
4 t h e a c t u a l f i g u r e s t h a t y o u p l u g
5 i n , r i g h t h e r e t h e y a r e , r i g h t
6 t h e r e o n t h e b a c k p a g e .

7 C O M M I T T E E M E M B E R : T h o s e
8 a r e p r o p o s e d . T h e y a r e s e p a r a t e
9 p r o p o s a l s . B u t i s t h e r e a s i m i l a r
10 - -

11 D R . V E N O H R : Y e s . I t h i n k
12 I ' l l a d d r e s s y o u r q u e s t i o n . I
13 t h i n k w h e n I l e a v e i t w i t h y o u
14 g u y s a n d I ' m n o t h e r e - - B u t I
15 t h i n k r i g h t n o w i t ' s b e t t e r t o u s e
16 m y t i m e f o r - - I m e a n , i t s o u n d s
17 l i k e t h e r e n e e d s t o b e s o m e
18 e d u c a t i o n h e r e .

19 C O M M I T T E E M E M B E R : I n
20 o t h e r w o r d s , y o u d o n ' t r e a l l y
21 h a v e a n a n s w e r f o r m e .

22 D R . V E N O H R : N o , I d o . I d i d
23 g i v e y o u t h e a n s w e r , t h a t w e
24 p r o p o s e t h e s h a d e d a r e a . A n d i t
25 s o u n d s l i k e - - I ' m g e t t i n g t h e

1 i m p r e s s i o n t h a t m o s t p e o p l e
2 u n d e r s t a n d i t . B u t i t s o u n d s l i k e
3 w e - - I c a n e i t h e r s p e n d t h e t i m e
4 h e l p i n g y o u u n d e r s t a n d i t r i g h t
5 n o w , o r e l s e I c a n a n s w e r h i s
6 q u e s t i o n . A n d i t ' s r e a l l y u p t o
7 y o u r d i s c r e t i o n w h a t y o u w a n t m e
8 t o d o .

9 C O M M I T T E E M E M B E R : M a y b e
10 y o u c a n h e l p m e . W h i c h o n e o f
11 t h e s e p r o p o s a l s d o y o u p r o p o s e
12 f o r u s , A l a b a m a , t o u s e ?

13 D R . V E N O H R : W h a t w e
14 p r o p o s e d i s o n E x h i b i t 6 w i t h t h e
15 s h a d e d a r e a , m e a n i n g t h a t t h e
16 o b l i g o r ' s i n c o m e , i f i t f a l l s i n
17 t h e s h a d e d a r e a , y o u c a l c u l a t e
18 s u p p o r t b a s e d o n t h e o b l i g o r ' s
19 i n c o m e o n l y .

20 C O M M I T T E E M E M B E R : S o w e
21 r e a l l y d o n ' t n e e d t h i s t a b l e i n
22 t h e b a c k . D o n ' t e v e n l o o k a t
23 t h a t .

24 D R . V E N O H R : I t h i n k y o u ' l l
25 p r o b a b l y w a n t t o l o o k a t i t l a t e r .

1 It's important for looking at what
2 it does to middle income levels
3 and higher income levels. If
4 you're looking at -- If you want
5 to calculate all the order amounts
6 by yourself, look at Exhibit 6 and
7 use the shaded area. If you just
8 want a side-by-side comparison,
9 that's why we put that last
10 appendix in there.

11 COMMITTEE MEMBER: So
12 we're going to increase some
13 parents' obligation by as much as
14 thirty-two percent?

15 DR. VENOHR: That's -- No,
16 it's not an obligation. It's a
17 basic obligation. That's the
18 schedule. It's not what the
19 increase of the order amount is.
20 I want to address your question.
21 I'm sorry. What was your name?

22 COMMITTEE MEMBER: Drew
23 Whitmire.

24 DR. VENOHR: Drew. I want
25 to apologize. There's too many

1 people -- too many nice people
2 I've met. Drew -- And I'll get to
3 your question in a second. I just
4 need -- I mean, I need to be
5 respectful of everybody's
6 questions and time. And I
7 apologize if I'm not moving quick
8 enough. But we have done some
9 case file reviews as far as, you
10 know, we -- I've done case file
11 reviews in Arizona and
12 Pennsylvania, and D. C. recently.
13 I haven't done any in the
14 southern states. And in D. C., we
15 really did look at that issue as
16 far as what their incomes are.
17 And I might have some statistics
18 somewhere in here. But usually,
19 if we have income data and it's
20 not imputed, parents are more
21 likely to be above minimum wage.
22 I mean, it's not surprising
23 minimum wage is five fifteen an
24 hour. And even, like, in
25 Alabama, the service sector

1 industries are more like eight
2 dollars, I think, in (inaudible).
3 So it worked out to -- I think,
4 it's eight dollars, seven an hour.
5 And minimum wage hasn't been
6 updated since -- I think it's been
7 '97 or '95, and there has been
8 talk about updating it. So first,
9 they're usually going to have
10 income above that, and in
11 Washington, D. C., as far as the
12 cases, we're sending cases where
13 the CP had greater than an NCP.
14 As I say, at the low incomes, it
15 was maybe ten to fifteen to
16 twenty percent of the caseload.
17 Now D. C. I wouldn't say is the
18 norm. It's an exceptional
19 caseload. And why -- What
20 happens is, it's really hard to get
21 an order established, and so who
22 they usually establish orders for
23 are the people in the system that
24 they can find through -- you
25 know, that are employed and all.

1 S o t h e y g e t a l o t o f p e o p l e t h a t
2 a c t u a l l y w o r k f o r t h e M e t r o f o r
3 t h e - - A n d s o I t h i n k t h e y h a v e
4 p r o b a b l y a d i s p r o p o r t i o n a t e
5 a m o u n t w h e r e t h e c u s t o d i a l p a r e n t
6 m a k e s m o r e . A n d I c a n l o o k . I
7 c a n - -

8 C O M M I T T E E M E M B E R : I w a s
9 j u s t t r y i n g t o c o m p a r e . W h a t
10 w e ' r e a r g u i n g i s w h a t t h e c h i l d ' s
11 h i d d e n d o l l a r s a r e s o a s m a l l
12 a m o u n t s h o u l d n o t b e g i v e n t o t h e
13 c u s t o d i a l p a r e n t . I w a s j u s t
14 t h i n k i n g t h e c u s t o d i a l p a r e n t
15 p r o b a b l y d o e s n ' t m a k e a w h o l e l o t
16 m o r e t h a n t h e n o n c u s t o d i a l - -

17 D R . V E N O H R : R i g h t .

18 C O M M I T T E E M E M B E R : - - i n
19 o u r s t a t e s p e c i f i c a l l y .

20 D R . V E N O H R : Y e a h , i t ' s
21 p r o b a b l y - - Y e a h , I t h i n k i n D . C .
22 t h e r e ' s p r o b a b l y a h i g h e r
23 p r o p o r t i o n o f m o t h e r s t h a t a r e
24 w o r k i n g . I t ' s a l i t t l e d i s t o r t e d ,
25 I t h i n k . A n d t h a t ' s w h y I ' m

1 (i n a u d i b l e) .

2 C O M M I T T E E M E M B E R : D o c t o r ,
3 I t h i n k p r o b a b l y w e s h o u l d u s e o r
4 l o o k a t u s i n g t h e g u i d e l i n e s i f
5 w e ' r e g o i n g t o b e u s i n g E x h i b i t
6 6 , a n d i t p r e c e d e s t h e g u i d e l i n e s
7 o n t h e b a c k p a g e . P r o b a b l y t h o s e
8 g u i d e l i n e s s h o u l d n ' t b e s t a r t e d
9 u n t i l t h e y g o t t o n i n e t e e n h u n d r e d
10 d o l l a r s . B e c a u s e t h i s E x h i b i t 6 ,
11 i t t a k e s c a r e o f i n c o m e t h r o u g h
12 e i g h t e e n h u n d r e d a n d f i f t y
13 d o l l a r s .

14 D R . V E N O H R : I ' m s o r r y . I ' m
15 n o t f o l l o w i n g y o u r q u e s t i o n .

16 C O M M I T T E E M E M B E R : S e e ,
17 w h e n y o u ' r e s t a r t i n g o v e r h e r e i t
18 - - l e t m e s t a r t o v e r . W h e n e v e r
19 w e w e r e t a l k i n g a b o u t t h e r e i n
20 t h e b a c k w h e r e I w a s n ' t - - I d o n ' t
21 h a v e a c o p y o f t h e s t u d y . B u t
22 w h e r e v e r y o u s t a r t e d o n t h e b a c k
23 p a g e o v e r t h e r e w h e r e h e w a s
24 t a l k i n g a b o u t w h a t e v e r i n c o m e
25 l e v e l s t a r t e d a t f i v e h u n d r e d a n d

1 fifty dollars, in the back --
2 Actually on Exhibit 6, it covers
3 income through eighteen hundred
4 and fifty dollars. So the
5 guidelines in the back probably
6 shouldn't even start giving an
7 amount up to that nineteen
8 hundred dollars.

9 COMMITTEE MEMBER: What
10 you can do is lap it over like
11 that -- Then you have the shaded
12 area built directly in the
13 guidelines --

14 DR. VENOHR: I think you may
15 be missing the second page.

16 COMMITTEE MEMBER:
17 (Inaudible.)

18 COMMITTEE MEMBER: Okay.
19 But what I'm saying is flipping
20 over -- turning it over to the
21 back of the page wherever Mr.
22 Blackston was getting his
23 schedule and had a different
24 number than you did. Possibly
25 that schedule shouldn't start to

1 w h e r e t h i s o n e e n d s .

2 D R . V E N O H R : W e l l , i t ' s t h e
3 s a m e s c h e d u l e - -

4 C O M M I T T E E M E M B E R : Y o u ' r e
5 t a l k i n g a b o u t o v e r l a p p i n g ?

6 D R . V E N O H R : N o .

7 C O M M I T T E E M E M B E R : T h a t ' s
8 w h a t h a p p e n s t o t h i s w h e n e v e r w e
9 o v e r l a p , s o m e b o d y ' s w o n ' t
10 o v e r l a p .

11 D R . V E N O H R : N o , n o , n o , n o ,
12 n o . Y o u ' r e - - I t ' s c o n f u s i n g .
13 A n d , g o s h , I w i s h I h a d a n e x t r a
14 c o p y o f t h e r e p o r t b e c a u s e i f I
15 h a d o n e , m a y b e i t w o u l d r e a l l y
16 h e l p . I t ' s t h a t t h e r e ' s n o
17 d i f f e r e n c e a s t h e s h a d e d m e t h o d
18 t h a t w e ' r e t a l k i n g a b o u t . T h a t ' s
19 t h e r e a s o n . T h e s c h e d u l e i s
20 e x a c t l y t h e s a m e b e t w e e n t h o s e
21 t w o , b u t i t ' s a u s e o f t h e s h a d e d
22 a r e a .

23 C O M M I T T E E M E M B E R : I t ' s
24 j u s t n o t s h a d e d o n t h e b a c k .

25 (W h e r e u p o n , s e v e r a l p e o p l e

1 b e g a n s p e a k i n g
2 s i m u l t a n e o u s l y .)

3 C O M M I T T E E M E M B E R : T h e
4 n u m b e r s i n t h e s h a d e d a r e a a r e
5 t h e o n l y d i f f e r e n c e b e t w e e n t h e
6 p r o p o s e d s c h e d u l e a n d t h e s h a d e d
7 s c h e d u l e . S o w h a t y o u d o i s y o u
8 g o t o t h e s h a d e d s c h e d u l e , a n d
9 y o u p l u g t h a t i n t o t h e s c h e d u l e i n
10 t h e b a c k .

11 C O M M I T T E E M E M B E R : I t h i n k
12 i t ' s a l r e a d y p l u g g e d i n o n t h e
13 p r o p o s e d .

14 D R . V E N O H R : Y e a h . B u t I
15 t h i n k o n e t h i n g t h a t y o u ' v e g o t t o
16 r e m e m b e r w h e n y o u ' r e l o o k i n g a t
17 t h a t l a s t s c h e d u l e i s t h i s i s a
18 s c h e d u l e . T h e s e a r e n o t o r d e r
19 a m o u n t s . O k a y ? S o y o u h a v e t o
20 t h i n k - -

21 C O M M I T T E E M E M B E R : I j u s t
22 h a v e t w o o r t h r e e q u i c k q u e s t i o n s
23 t h a t I w o u l d l i k e t o a d d r e s s , a n d
24 I d o n ' t w a n t t o t a k e u p
25 e v e r y b o d y ' s t i m e . B u t I

1 u n d e r s t a n d t h e s e f i g u r e s . E x a c t l y
2 w h e r e d i d t h e s e f i g u r e s i n t h e
3 s c h e d u l e c o m e f r o m ? I m e a n , I
4 u n d e r s t a n d b e i n g a b o u t B e t s o n
5 a n d R o t h b a r t h .

6 D R . V E N O H R : Y o u g o t i t .

7 C O M M I T T E E M E M B E R : O k a y .
8 N o w , w h e r e d i d B e t s o n a n d
9 R o t h b a r t h g e t t h e i r n u m b e r s ?

10 D R . V E N O H R : D r . B e t s o n u s e d
11 t h e R o t h b a r t h m e t h o d o l o g y , a n d
12 h e a p p l i e d i t - - L e t m e p u l l o u t
13 t h a t s l i d e , i f y o u w a n t .

14 (W h e r e u p o n , s e v e r a l p e o p l e
15 b e g a n s p e a k i n g
16 s i m u l t a n e o u s l y .)

17 D R . V E N O H R : N o , y o u k n o w ,
18 o b v i o u s l y i f y o u h a v e a q u e s t i o n ,
19 t h e r e ' s s o m e c o n f u s i o n , a n d w e
20 s h o u l d a d d r e s s i t . O k a y . I t h i n k
21 t h i s i s - - I t h i n k i t ' s a n
22 i m p o r t a n t q u e s t i o n , a n d y o u
23 s h o u l d b e r e a l l y c l e a r a b o u t t h i s .
24 I m e a n , i t ' s r e a l l y , r e a l l y
25 i m p o r t a n t .

1 It's that Dr. Betson is an
2 economist. He's a Professor of
3 Economics at the University of
4 Notre Dame. He conducted a
5 study. It was requested by
6 Congress. Okay? And what he
7 used is '80-'86 data and that's --
8 I don't have that written on the
9 slide, but it's called the
10 Consumer Expenditure Survey
11 data. And it's conducted by the
12 Bureau of Labor Statistics, and
13 they surveyed eight thousand
14 (inaudible) ethnic households per
15 year. Right now this includes six
16 counties in Alabama.

17 And so Betson aggregated that
18 data for all those years, and then
19 he does his measurements. He
20 applies what's called the
21 Rothbarth methodology to
22 estimate child-rearing costs. And
23 I have a copy of his report. I
24 can loan it --

25 COMMITTEE MEMBER: That's

1 - - I mean, I've just - - I've got a
2 couple of maybe - - I might have a
3 misconception and all on what
4 I've read and what I understand.

5 DR. VENOHR: Well, that's
6 okay. That's why I'm here.

7 COMMITTEE MEMBER: But my
8 understanding was that Betson's
9 work was in '88, which was just
10 an update of Espenshade's work
11 (inaudible) based on Consumer
12 Expenditure Survey.

13 DR. VENOHR: He used - -

14 COMMITTEE MEMBER: That
15 was collected from 1980 to '86,
16 and Espenshade's work was
17 actually not valid in calculating
18 child support awards.

19 DR. VENOHR: Why?

20 COMMITTEE MEMBER:
21 Because he didn't have the proper
22 data whenever he gathered his
23 information. He was a Sociology
24 professor. He wasn't an
25 economist.

1 DR. VENOHR: He's an
2 economist.

3 COMMITTEE MEMBER: And he
4 didn't -- Well, that's what I'm
5 saying. I --

6 DR. VENOHR: You know, I
7 wish I had a copy of his book.
8 It's called Investing in Children,
9 and it was funded by the National
10 Institute for Health. Espenshade
11 was with the Urban Institute when
12 he did that, and it's very
13 extensive. I mean, if you -- This
14 is Betson, and you can see all
15 sorts of tables and graphs and
16 numbers. I mean, Espenshade's
17 work is -- it probably has less
18 equations, you know, than
19 Betson's. But it's --

20 COMMITTEE MEMBER: I'm
21 still not clear on that fact that
22 he actually did -- That all the
23 information I've seen was that
24 Espenshade never intended his
25 work to be used in child support

1 guidelines.

2 DR. VENOHR: And you know
3 what I would recommend doing is
4 going to the library and checking
5 out Espenshade because it does
6 say that, you know -- There is
7 some discussion there about why
8 NIH funded it, and it's for child
9 support and foster care. I mean,
10 I think it's worth just going to
11 the source and seeing it for
12 yourself, you know. And they
13 should have it at, you know,
14 libraries and stuff. And, I mean
15 -- And if you can't find it, I can
16 certainly photocopy the pages.

17 COMMITTEE MEMBER: Well,
18 I've got information (inaudible).
19 I just haven't seen anything to
20 contradict the fact that he wasn't
21 trying to come up with
22 information to be used in child
23 support guidelines.

24 DR. VENOHR: Yeah. I think
25 you should look at the book, or

1 I'll photocopy the books --
2 Espenshade's book, those pages
3 on that for you. So, you know,
4 that's -- Always go to the
5 primary source.

6 COMMITTEE MEMBER: Right.
7 And I'm still under the belief
8 that if we're basing all of
9 Betson-Rothbarth's work off of
10 Espenshade's work, then it
11 doesn't meet federal requirements
12 in compliance with the child
13 support guidelines.

14 DR. VENOHR: Well, two
15 things. I think still you need to
16 look at Espenshade who's work is
17 valid. It's credible. And then
18 Betson didn't base his work on
19 Espenshade.

20 COMMITTEE MEMBER: I
21 thought while ago you were saying
22 that they did base their work on
23 continuing -- on a continuation of
24 Espenshade's work.

25 DR. VENOHR: They are two

1 s e p a r a t e s t u d i e s . N o w ,
2 E s p e n s h a d e u s e d t h e E n g e l
3 e s t i m a t o r a n d s o d i d B e t s o n . B u t
4 t h e y a r e t w o d i f f e r e n t
5 e c o n o m i s t s . T h e y ' r e t w o
6 d i f f e r e n t s t u d i e s . A n d B e t s o n ' s
7 w o r k w a s - -

8 C O M M I T T E E M E M B E R : W e l l - -

9 D R V E N O H R : I ' m s o r r y . I
10 h a v e t o s a y o n e m o r e t h i n g . A n d
11 B e t s o n ' s w o r k w a s i n d e p e n d e n t - -
12 B e t s o n ' s w o r k i s p u b l i s h e d i n
13 t h i s s t u d y , a n d i t ' s r e v i e w e d b y
14 t h e L e w i n G r o u p , b y a n
15 i n d e p e n d e n t g r o u p .

16 J U D G E G O S A : N e x t q u e s t i o n .

17 C O M M I T T E E M E M B E R : I w o u l d
18 l i k e t o c l a r i f y - - I ' d l i k e t o
19 c l a r i f y m y q u e s t i o n I h a d t h e r e .
20 I t h i n k t h a t w h e r e w e g o t o f f t h e
21 t r a c k w i t h m y q u e s t i o n e a r l i e r
22 w a s w e a s s u m e d t h a t t h e f a t h e r o r
23 t h e n o n c u s t o d i a l w a s t h e o n l y o n e
24 w h o h a d i n c o m e . M y e x a m p l e w a s
25 t h a t b o t h p a r e n t s w e r e l o w i n c o m e

1 e a r n e r s . T h e y w e r e b r i n g i n g
2 i n c o m e u p t o e i g h t e e n h u n d r e d
3 d o l l a r s a m o n t h . W h a t w o u l d b e
4 t h e n o n c u s t o d i a l p a r e n t ' s s h a r e i n
5 t h a t c a s e ?

6 D R . V E N O H R : I f w e u s e t h e
7 s h a d e d a r e a , t h e o r d e r a m o u n t
8 w o u l d b e f i f t y d o l l a r s . I f y o u
9 d o n ' t u s e t h e s h a d e d a r e a o n t h a t ,
10 i t w o u l d b e w h a t e v e r a m o u n t y o u
11 s a i d i t w a s .

12 C O M M I T T E E M E M B E R : I f y o u
13 a d d b o t h i n c o m e s t o g e t h e r , t h a t
14 b r i n g s t h e m i n i m u m c h i l d s u p p o r t
15 o b l i g a t i o n u p t o t h r e e h u n d r e d
16 a n d s e v e n t y d o l l a r s f o r o n e c h i l d .
17 I t w o u l d b e f i v e h u n d r e d a n d
18 t w e n t y d o l l a r s f o r t w o c h i l d r e n .
19 Y o u a s s u m e t h a t m o s t p e o p l e h a v e
20 t w o c h i l d r e n . S o h i s t o t a l
21 o b l i g a t i o n i s g o i n g t o b e f i v e
22 h u n d r e d a n d t w e n t y d o l l a r s . T h a t
23 m a k e s t h e n o n c u s t o d i a l p a r e n t
24 p a y i n g c o n s i d e r a b l y m o r e . A n d I
25 b e l i e v e I h e a r d y o u s a y e a r l i e r

1 t h a t i n c a s e s w h e r e t h e
2 n o n c u s t o d i a l - - c u s t o d i a l p a r e n t ' s
3 i n c o m e g o e s u p , t h e n t h e a c t u a l
4 n o n c u s t o d i a l p a r e n t ' s o b l i g a t i o n s
5 g o e s d o w n . W e l l , t h a t d o e s n ' t
6 s e e m t o h o l d t r u e f o r t h i s
7 e x a m p l e .

8 C O M M I T T E E M E M B E R :
9 (I n a u d i b l e .)

10 D R . V E N O H R : G o t o t h e
11 g r a p h s f o r o b l i g o r i n c o m e ,
12 o b l i g e e i n c o m e (i n a u d i b l e) . D o
13 y o u w a n t m e t o g o t h r o u g h t h a t
14 p a r t o f t h e p r e s e n t a t i o n a g a i n ?

15 C O M M I T T E E M E M B E R :
16 (I n a u d i b l e .)

17 D R . V E N O H R : C o u l d I u s e o n e
18 t h o u s a n d , o r i s t h a t o t h e r n u m b e r
19 s p e c i a l ?

20 C O M M I T T E E M E M B E R : I
21 b e l i e v e t h e e x a m p l e w e w e r e
22 a l r e a d y w o r k i n g w i t h w a s n i n e
23 h u n d r e d d o l l a r s a m o n t h f o r t w o
24 p a r e n t s .

25 D R . V E N O H R : W e l l ,

1 a p p a r e n t l y , I s k i p p e d i t o n h e r e .
2 B u t i f t h e o b l i g o r ' s i n c o m e f a l l s
3 i n t o t h e s h a d e d a r e a , t h e n y o u
4 o n l y u s e t h e o b l i g o r ' s i n c o m e .

5 C O M M I T T E E M E M B E R : W h a t
6 y o u ' r e s a y i n g i s i t ' s i r r e l e v a n t
7 t h e n w h a t t h e c u s t o d i a l p a r e n t
8 m a k e s .

9 D R . V E N O H R : R i g h t , r i g h t .
10 A n d t h a t ' s t o p r o t e c t t h e s e l f -
11 s u p p o r t r e s e r v e . S o w h e n y o u g o
12 t o t h e g r a p h s , w h i c h a r e i n
13 A p p e n d i x I V , y o u c a n d o o n e
14 c h i l d , e q u a l i n c o m e . S o y o u h a v e
15 a m i n i m u m w a g e e x a m p l e o f n i n e
16 h u n d r e d . T h e o r d e r u s e d t o b e
17 o n e f o r t y - s e v e n , a n d t h e p r o p o s e d
18 o r d e r i s f i f t y .

19 C O M M I T T E E M E M B E R : H o w
20 d i d y o u - - W h a t w a s y o u r
21 r e c o m m e n d a t i o n o n - - I t h i n k i t
22 w o u l d b e a q u e s t i o n a b o u t w h e t h e r
23 w e d o t h e s e t h i n g s b y g u i d e l i n e s .
24 I t h i n k w h a t a l o t o f u s i n
25 A l a b a m a g e t s (i n a u d i b l e) i s j u s t

1 w h a t w e w e r e t a l k i n g a b o u t w h e r e
2 y o u s h o w e d u s a c h a r t o v e r t h e r e
3 a w h i l e a g o w h e r e y o u ' r e s a y i n g
4 y o u u s e a n e t a l r e a d y . B u t w h a t
5 t h e g e n e r a l p u b l i c s e e s i s g r o s s ,
6 a n d y o u s a y y o u h a v e a h i d d e n
7 i n c o m e - - y o u h a v e a h i d d e n
8 c o l u m n o v e r t h e r e . A n d I t h i n k
9 t h a t ' s w h e r e w e g e t i n t o t r o u b l e ,
10 w h e n w e s t a r t t r y i n g t o h i d e
11 t h i n g s a n d a l l t h e r e f r o m , y o u
12 k n o w , t h e p u b l i c . S o I ' v e l e a r n e d
13 - - I d i d n ' t k n o w t h e c h a r t w a s
14 b a s e d o n n e t a n d t h a t - - S o I
15 t h i n k - - D o y o u r e c o m m e n d t h a t
16 w h a t - - W e ' r e t a l k i n g a b o u t a l o t
17 o f d i s c r e t i o n a r y - - o r n o t
18 d i s c r e t i o n a r y , b u t a l o t o f
19 (u n i n t e l l i g i b l e) o v e r h e r e . D o
20 y o u a n d y o u r c o m p a n y r e c o m m e n d
21 t h a t t h e y b e i n c l u d e d i n t h e
22 w o r k s h e e t ?

23 D R . V E N O H R : I d o n ' t t h i n k
24 w e h a v e a n y f i r m o p i n i o n s o n
25 g r o s s v e r s u s n e t . I t h i n k t h e r e ' s

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COMMITTEE MEMBER: I'm not talking about gross versus net. I'm talking about -- Let's say like the self-support reserve that you say is being calculated into the table, but (unintelligible) talking about when is the custodial parent's costs were used and how much visitation. And on the flipside, we've got to look at when is the noncustodial costs incurred, which is the time that they pick them up. Actually, the time that they go pick them up, they're burning gas to go pick them up, which I don't want to be picky. All I can relate to is personal situations where when my children come to my house, they have all got a bedroom and they've all got closets and clothes there. We don't swap clothes back and forth. They all -- We got into a -- as you said a

1 w h i l e a g o , a r g u i n g o v e r P l a y
2 S t a t i o n s a n d w h o s e P l a y S t a t i o n
3 g a m e s . S o w e j u s t q u i t a l l t h a t .
4 I f - - G o d f o r b i d i f a h u r r i c a n e
5 c o m e a n d b l o w t h e i r m o t h e r ' s
6 h o m e a w a y t o d a y , t h e y c o u l d c o m e
7 o v e r t o t h e h o u s e a n d s t a r t , y o u
8 k n o w , b e i n g w i t h o u t a c h a n g e i n
9 l i f e s t y l e a n d a l l . B u t a t s o m e
10 p o i n t i n - - W h a t I ' m a s k i n g i s i f
11 w e ' r e g o i n g t o g i v e c r e d i t f o r t h e
12 t i m e - - t h e v i s i t a t i o n c r e d i t o r
13 e v e r h o w y o u w a n t t o - - p a r e n t i n g
14 c r e d i t , e v e r h o w y o u w a n t t o t a l k
15 a b o u t i t . I f w e ' r e l o o k i n g a t
16 w h e n t h e c u s t o d i a l p a r e n t ' s c o s t
17 b e g i n s t o g o d o w n , w e n e e d t o
18 l o o k a t w h e n t h e n o n c u s t o d i a l
19 p a r e n t ' s s t a r t s . A n d s o w h a t I ' m
20 s a y i n g i s , i s t h a t s o m e t h i n g t h a t
21 w e w a n t t o i n c l u d e i n t h e
22 g u i d e l i n e w o r k s h e e t - - I m e a n ,
23 f i g u r e o u t a w a y t o p u t i t i n t h e
24 w o r k s h e e t b e c a u s e , y o u k n o w , o n e
25 o f t h e t h i n g s w e g e t a r o u n d t o - -

1 a n d I h e a r d y e s t e r d a y a n d I h e a r d
2 a l o t o f t h e j u d g e s , y o u k n o w ,
3 T h i s g o e s o n i n m y c o u r t r o o m .
4 A n d s o m e o f t h e t h i n g s I c o u l d
5 t e l l s o m e o f t h e j u d g e s w e r e
6 a p p a l l e d a t w h a t w a s g o i n g o n i n
7 s o m e o f t h e o t h e r c o u r t r o o m s a n d
8 s o m e w e t a l k e d a b o u t . S o w e
9 n e e d a m o r e u n i f o r m i t y a c r o s s
10 t h a t r a t h e r t h a n j u d i c i a l
11 d i s c r e t i o n . M y d i s c r e t i o n m i g h t
12 n o t b e y o u r d i s c r e t i o n .

13 C O M M I T T E E M E M B E R : S h e s e t
14 t h a t o u t i n t h e p r e s e n t a t i o n .
15 T h a t w i l l b e a c o m m i t t e e d e c i s i o n
16 w h e t h e r o r n o t w e ' r e g o i n g t o
17 m a k e p o l i c y c h a n g e s o n t h a t .

18 C O M M I T T E E M E M B E R : O k a y .

19 D R . V E N O H R : Y e a h .

20 C O M M I T T E E M E M B E R : W e l l , I
21 w a s j u s t a s k i n g (u n i n t e l l i g i b l e) .

22 D R . V E N O H R : Y e s , b e i n g
23 p r e d i c t a b l e . H a v i n g m o r e
24 p r e d i c t a b i l i t y i n s h a r e d - p a r e n t
25 a d j u s t m e n t b y a d d i n g (i n a u d i b l e) .

1 I'm sure you'll be discussing
2 that.

3 COMMITTEE MEMBER: Can I
4 ask a question about additional
5 dependents? I know you had the
6 chart for the various states,
7 which was helpful. But in the
8 proposed chart that we have, at
9 this point there's nothing in
10 there; is that correct?

11 DR. VENOHR: No, no, I
12 didn't do --

13 COMMITTEE MEMBER: It's
14 not correct or it is correct?

15 DR. VENOHR: There's nothing
16 -- no adjustment in there.

17 COMMITTEE MEMBER: So if
18 we decided we wanted to do
19 something, we can come back as a
20 committee and get additional
21 information from you?

22 DR. VENOHR: Sure. And I
23 think you actually have all the
24 information you need.

25 COMMITTEE MEMBER: But the

1 majority of the states, as I
2 understand, don't make that
3 recommendation; is that correct?

4 DR. VENOHR: Well, this is --
5 It's permissive in nine states,
6 including Alabama, presumptive
7 in twenty-four, and then there is
8 a bunch of states that don't
9 address it. And it's done right
10 in the worksheet, and I could get
11 you copies of worksheets that had
12 it.

13 COMMITTEE MEMBER: Does
14 your company -- Are you making a
15 distinction when you say
16 additional dependents between
17 prior-born and subsequent-born?

18 DR. VENOHR: No, no.

19 COMMITTEE MEMBER: That's
20 the confusion. That's the
21 confusion. They allow for prior-
22 born. That's where the majority
23 is coming from.

24 DR. VENOHR: Okay. Yeah,
25 yeah. Thank you for clarifying

1 t h a t .

2 C O M M I T T E E M E M B E R : F o r
3 a f t e r - b o r n c h i l d r e n , w h a t ' s t h e
4 m a j o r i t y r u l e ?

5 D R . V E N O H R : F o r a f t e r - b o r n ,
6 t h e r e ' s o n l y - - I h a v e t o - - S o r r y ,
7 I h a v e t o p u t i t i n m y t e r m s .
8 T h e r e ' s m a y b e t h r e e , C o l o r a d o ,
9 N e w M e x i c o , A l a b a m a , L o u i s i a n a .
10 T h e r e ' s m a y b e f o u r o r f i v e s t a t e s
11 t h a t l i m i t t h e a d j u s t m e n t t o i t ' s
12 o n l y f i r s t - b o r n . A n d s o w h e n y o u
13 s u b t r a c t f i v e s t a t e s f r o m t h o s e
14 n u m b e r s - - I c a n c a l c u l a t e t h e m
15 a n d a d d t h e m u p f o r y o u . I j u s t
16 d o n ' t h a v e t h e m t h e w a y t h a t y o u
17 a s k e d . B u t - - B e c a u s e I t h i n k o f
18 i t b a c k w a r d s , h o w m a n y s t a t e s
19 l i m i t i t t o a p r i o r - b o r n , a n d
20 t h e r e ' s m a y b e a b o u t f o u r o r f i v e
21 s t a t e s .

22 C O M M I T T E E M E M B E R : O n
23 y o u r c h a r t o n I V - 1 1 w h e r e y o u u s e
24 s e v e n t y - f i v e p e r c e n t a n d u s e t h e
25 (i n a u d i b l e) d u m m y o r d e r , i s t h a t

1 w h a t m o s t o f t h e (i n a u d i b l e) t o
2 e q u a l i z e (i n a u d i b l e) ?

3 D R . V E N O H R : (I n a u d i b l e .)

4 Y e s , e q u a l i z e d - -

5 (W h e r e u p o n , s e v e r a l p e o p l e
6 b e g a n s p e a k i n g
7 s i m u l t a n e o u s l y .)

8 C O M M I T T E E M E M B E R : - -

9 b e t w e e n t h e c h i l d r e n a n d w h e r e
10 y o u h a v e a d j u s t m e n t s f o r
11 a d d i t i o n a l d e p e n d e n t s .

12 D R . V E N O H R : Y e a h , y e a h .

13 A n d t h i s i s - - Y o u k n o w , i t ' s j u s t
14 w h e r e i t f e l l o u t m a t h e m a t i c a l l y .
15 T h e r e ' s n o , y o u k n o w , l o s s o f
16 a n y , y o u k n o w , i n t u i t i v e t h i n g i n
17 t h e r e . J u s t s e v e n t y - f i v e p e r c e n t
18 t e n d s t o e q u a l i t o u t ; o t h e r w i s e ,
19 t h e c h i l d r e n t h a t a r e s u b t r a c t e d
20 o u t f i r s t , o b v i o u s l y h a v e h i g h e r
21 o r d e r s (i n a u d i b l e) .

22 C O M M I T T E E M E M B E R : I g u e s s
23 I w a s g o i n g b a c k t o y o u r
24 s t a t e m e n t t h a t m o s t s t a t e s
25 p r i o r i t i z e f i r s t c h i l d r e n , b u t

1 s o m e s t a t e s t r y t o e q u a l i z e
2 (i n a u d i b l e) .

3 D R . V E N O H R : O h , y e a h .
4 R i g h t . T h a t d o e s m a k e i t
5 c o n f u s i n g b e c a u s e i t ' s - - Y e a h ,
6 b e c a u s e - - B o y , n o w I h a v e t o b e
7 v e r y c a r e f u l h o w I w o r d t h i s .
8 T h e r e ' s - - L e t ' s s e e . I f y o u l o o k
9 a t E x h i b i t 2 3 , a n d y o u l o o k d o w n
10 a t C o l o r a d o . A n d i t s a y s d u m m y
11 o r d e r f o r p r i o r - b o r n c h i l d r e n
12 l i v i n g a t h o m e , b l a h , b l a h , b l a h .
13 S o i t d o e s n ' t a d j u s t f o r
14 s u b s e q u e n t c h i l d r e n . S o t h a t ' s
15 o n e i s s u e . A n d w h a t I d i d w a s
16 c o n f u s e t w o i s s u e s . S o t h e r e ' s
17 o n e t h a t s p e c i f i c a l l y s t a t e s i n t h e
18 g u i d e l i n e s i t ' s l i m i t e d t o p r i o r -
19 b o r n c h i l d r e n . B u t t h e n w e g e t t o
20 t h e f o r m u l a . I f y o u d o n ' t d o t h a t
21 e q u a l i z a t i o n , i t a c t u a l l y f a v o r s
22 t h e p r i o r - b o r n c h i l d r e n , a n d I
23 p r o b a b l y s h o u l d h a v e w o r d e d t h a t
24 s e n t e n c e a l i t t l e b e t t e r t o c l a r i f y
25 t h o s e t w o p o i n t s b e c a u s e o n e

1 i s s u e i s a d j u s t m e n t , w h o s e
2 a p p l i c a b l e , a n d t h e s e c o n d i s s u e
3 i s w h e n w e m a k e t h a t a d j u s t m e n t ,
4 t h e m e c h a n i c s o f t h e f o r m u l a ,
5 d o e s i t f a v o r o n e s e t o f t h e
6 c h i l d r e n o v e r t h e o t h e r . A n d I
7 t h i n k w h a t I d i d w h e n I w a s
8 t a l k i n g w i t h y o u , I m a d e i t s o I
9 c o n f u s e d t h o s e t w o i s s u e s f o r
10 y o u . T h e y ' r e r e a l l y s e p a r a t e .

11 C O M M I T T E E M E M B E R : S o a s
12 i t s t a n d s n o w , i s A l a b a m a ' s m o d e l
13 i n t h e n o r m , w h i c h d o e s p r i o r i t i z e
14 f i r s t c h i l d r e n o v e r s e c o n d
15 c h i l d r e n ? O r - - A n d m y s e c o n d
16 q u e s t i o n i s , i s t h e t r e n d t o w a r d s
17 c h a n g i n g t h a t ?

18 D R . V E N O H R : I t h i n k t h a t t h e
19 s u b t r a c t i o n t h a t ' s w r i t t e n i n t h e
20 g u i d e l i n e s i s t h e n o r m , b u t w h a t ' s
21 d i f f e r e n t a b o u t A l a b a m a i s t o
22 l i m i t t h a t t o t h e p r i o r - b o r n . A n d
23 I u n d e r s t a n d t h e r e ' s c a s e l a w t h a t
24 d o e s t h a t , t o o .

25 C O M M I T T E E M E M B E R : T h e r e ' s

1 case law that allows us to go
2 outside of the guidelines to
3 deviate for after-born children;
4 however, you cannot use the
5 guidelines as the basis for
6 deduction. There's a Court of
7 Civil Appeals case. A lot of
8 them may have allowed some
9 deviation. I've forgotten the
10 case. Some of you practicing
11 attorneys who do it every day --
12 But there's a Court of Civil
13 Appeals case that says we can't
14 do the calculation what that
15 parent would be paying for this
16 after-born child based on that
17 income and use the guideline
18 figure.

19 DR. VENOHR: And that
20 limitation makes Alabama unique.
21 You know, that's where Alabama
22 stands alone.

23 COMMITTEE MEMBER: I
24 believe I'm confused whenever
25 you say prior-born. Prior-born

1 w o u l d b e u n d e r t h e o r d e r a n y w a y ,
2 w o u l d n ' t i t ?

3 D R . V E N O H R : N o t
4 n e c e s s a r i l y . A n d w h e r e - -

5 C O M M I T T E E M E M B E R : W h e r e
6 w o u l d t h a t c o m e i n t o p l a y ?

7 D R . V E N O H R : Y o u k n o w , s a y
8 y o u h a v e a m a r r i e d m a n t h a t h a s
9 a n e x t r a m a r i t a l a f f a i r a n d h a s
10 a n o t h e r c h i l d . S o t h e c h i l d r e n i n
11 h i s h o m e t h a t a r e s t i l l l i v i n g
12 w i t h h i s w i f e a r e p r i o r - b o r n , b u t
13 t h e y ' r e n o t u n d e r a n o r d e r . A n d
14 t h e n t h e y g e t a c h i l d s u p p o r t
15 o r d e r f o r a c h i l d t h a t ' s c o n c e i v e d
16 o u t o f t h a t e x t r a m a r i t a l a f f a i r .

17 C O M M I T T E E M E M B E R : H o w
18 w o u l d t h a t d i f f e r f r o m c h i l d r e n o f
19 a s u b s e q u e n t m a r r i a g e ? I m e a n ,
20 y o u s t i l l g e t i n t o c h i l d r e n - - T h e
21 o n l y d i f f e r e n c e i s h e h a d a n
22 e x t r a m a r i t a l a f f a i r r a t h e r t h a n
23 b e i n g r e m a r r i e d .

24 C O M M I T T E E M E M B E R : I t h i n k
25 t h a t ' s f o r u s t o a d d r e s s .

1 (W h e r e u p o n , s e v e r a l p e o p l e
2 b e g a n s p e a k i n g
3 s i m u l t a n e o u s l y .)

4 C O M M I T T E E M E M B E R : I d o n ' t
5 t h i n k s h e c a n a d d r e s s t h a t .

6 C O M M I T T E E M E M B E R : T h e
7 p r o b l e m I h a v e w i t h t h i s a f t e r -
8 b o r n i s s u e i s w h e t h e r o r n o t b y
9 r u l e w e c a n c h a n g e t h e
10 s u b s t a n t i v e l a w o f t h e s t a t e . T h e
11 r u l e o f l a w i s y o u c a n ' t b e c a u s e
12 i t ' s a s u b s t a n t i v e r u l e . O f
13 c o u r s e , J u d g e C r a w l e y m i g h t b e
14 m o r e - - a n d J u s t i c e S t u a r t w o u l d
15 b e b e t t e r a t a n s w e r i n g t h a t t h a n I
16 a m . B u t i f t h a t ' s a s u b s t a n t i v e
17 l a w i n t h i s s t a t e , w h i c h i t i s i n
18 m y o p i n i o n , c a n w e c h a n g e t h a t b y
19 r u l e i f t h e S u p r e m e C o u r t a d o p t s
20 o u r r e c o m m e n d a t i o n ? I d o n ' t
21 k n o w t h e a n s w e r t o t h a t . T h a t ' s a
22 l a w s c h o o l q u e s t i o n t h a t I d o n ' t
23 k n o w t h e a n s w e r t o . S o m e o f y o u
24 a r e s m a r t e r t h a n I a m , b u t t h a t ' s
25 a p o l i c y d e c i s i o n . A g a i n , I t h i n k

1 t h e c o m m i t t e e i s g o i n g t o h a v e t o
2 a d d r e s s i t .

3 J U D G E G O S A : A r e t h e r e a n y
4 m o r e q u e s t i o n s ? W e ' r e r i g h t
5 a f t e r 1 2 : 0 0 . T h a n k y o u s o m u c h .

6 L e t m e a s k t h e c o m m i t t e e ,
7 w e ' v e s c h e d u l e d D r . R o g e r s a f t e r
8 h e r f o r t h i r t y m i n u t e s . W h a t ' s
9 t h e c o n s e n s u s o f t h e c o m m i t t e e ?
10 D o y o u w a n t t o p r o c e e d o n o r
11 b r e a k f o r l u n c h ? I k n o w s o m e o f
12 y o u h a v e t o l e a v e .

13 C O M M I T T E E M E M B E R : I w o u l d
14 r a t h e r h e a r h i m n o w .

15 J U D G E G O S A : I s t h a t
16 a g r e e a b l e t o t h e c o m m i t t e e ?

17 (W h e r e u p o n , s e v e r a l p e o p l e
18 b e g a n s p e a k i n g
19 s i m u l t a n e o u s l y .)

20 J U D G E G O S A : A l l r i g h t . M r .
21 B l a c k s t o n , d o y o u w a n t t o
22 i n t r o d u c e h i m ?

23 J A M E S R . B L A C K S T O N : T h i s
24 i s M a r k R o g e r s f r o m A t l a n t a ,
25 G e o r g i a , t h e P e a c h t r e e C i t y a r e a .

1 Well-known in economics. Done
2 studies in states all over the
3 country in helping them decide
4 with their child support
5 guidelines. Mr. Rogers.

6 MARK ROGERS: Thank you
7 very much. It's a pleasure to be
8 here. Is it possible to hook my
9 laptop here?

10 DR. VENOHR: I can get mine
11 out of there. I was just giving
12 you some space. I'm sorry.
13 You're welcome to use mine, also.

14 MR. ROGERS: It will
15 probably be faster just to swap
16 cables. I'm just basically
17 pushing buttons.

18 DR. VENOHR: I'm sorry.

19 (Whereupon, there was a
20 brief pause.)

21 MR. ROGERS: While that's
22 warming up, let me introduce
23 myself. I'm Mark Rogers. I
24 apologize. My voice is not what
25 I would prefer it to be. I'm

1 recovering from some minor
2 surgery, but I think I can talk
3 thirty minutes. I'm an economist
4 that consults primarily on child
5 support issues as well as
6 macroeconomic issues.

7 Prior to being a consultant, I
8 was at the Federal Reserve Bank
9 in Atlanta for nineteen years as a
10 forecaster and was appointed to
11 Georgia's Child Support
12 Commission in 1998. That's how
13 some of my professional interests
14 developed on these issues.

15 And let me pull up a couple of
16 files. Basically -- I do have
17 some handouts. I'm just going to
18 touch on some bullet points from
19 some Word documents. So we'll
20 just be hitting some highlights.

21 It never goes as fast as you
22 want it to. All right.

23 What I do that's a little bit
24 different in terms of discussing
25 child support issues is that I

1 frequently appear in court as an
2 expert witness. And one of the
3 issues has to do with what is the
4 legal context for me going into
5 court and testifying on child cost
6 issues. And basically, I work
7 with the attorneys, and there's
8 one in particular that I work with
9 who's a retired constitutional law
10 professor. And basically, the
11 issue is one of rebuttal, and the
12 issue is that the child support
13 guidelines are rebuttable
14 presumptions. It's a very
15 different concept of treating a
16 guideline as a legal presumption
17 as opposed to a mere policy
18 choice. It's a huge difference.

19 And I may -- I'm beginning to
20 wonder if this is locked up.

21 There are some handouts. I don't
22 know if they're going around.

23 Are they going around?

24 COMMITTEE MEMBER: Yes.

25 MR. ROGERS: Let's just do

1 t h a t . A n d I ' m g o i n g t o j u m p
2 a r o u n d b e c a u s e I w a s o r i g i n a l l y
3 h i r e d t o j u s t p r o v i d e a v e r y b r i e f
4 c r i t i q u e o f t h e c u r r e n t
5 g u i d e l i n e s , a n d t h e n l a t e r I w a s
6 a s k e d t o o f f e r s o m e c o m m e n t a r y
7 o n t h e p r o p o s e d g u i d e l i n e s . A n d
8 I r e a l l y d i d n ' t h a v e a l o t o f t i m e
9 f o r t h a t , b u t I h a v e s o m e r e l e v a n t
10 m a t e r i a l s .

11 A n d i f y o u t u r n t o p a g e 2 o f
12 t h i s d o c u m e n t , t h e b r i e f s u m m a r y ,
13 t h e r e a r e s o m e b u l l e t p o i n t s
14 r e l a t i n g t o f e d e r a l r e g u l a t o r y
15 r e q u i r e m e n t s , c o n s t i t u t i o n a l
16 p r i n c i p l e s r e l a t e d t o c h i l d
17 s u p p o r t g u i d e l i n e s . A n d t h i s i s
18 b a s i c a l l y t h e c o n s t r a i n i n g l e g a l
19 i s s u e s i n t e r m s o f h o w I a p p r o a c h
20 c h i l d s u p p o r t g u i d e l i n e s i n a n
21 e c o n o m i c s e n s e . I a l w a y s h a v e t o
22 g o b a c k t o , w h a t ' s a t e c o n o m i c
23 i s s u e a n d h o w d o e s i t f i t i n i n
24 t e r m s o f b e i n g a l e g a l
25 p r e s u m p t i o n . A n d i n t e r m s o f a

1 l e g a l p r e s u m p t i o n , t h e r e a r e a
2 n u m b e r o f f a c t o r s t h a t m u s t a p p l y
3 - -

4 C O M M I T T E E M E M B E R :

5 (I n a u d i b l e .)

6 M R . R O G E R S : W h a t ?

7 C O M M I T T E E M E M B E R :

8 (I n a u d i b l e .)

9 M R . R O G E R S : I t h i n k i t ' s
10 j u s t n o t v e r y h a p p y j u g g l i n g t o o
11 m a n y t h i n g s a t o n e t i m e r i g h t
12 n o w .

13 T h e i s s u e s i n t e r m s o f a l e g a l
14 p r e s u m p t i o n , n u m b e r o n e , t h e
15 g u i d e l i n e m u s t b e b a s e d o n
16 p r i n c i p l e o f e q u a l d u t y o f
17 s u p p o r t .

18 N u m b e r t w o , t h e y m u s t b e
19 l i b e r a l l y r e b u t t a b l e . T h e r e a r e a
20 n u m b e r o f i s s u e s - - A n d y o u
21 p r o b a b l y h a v e t o g o b a c k w h e r e
22 s t a t e s h a d f a c e t s o f t h e i r
23 g u i d e l i n e s t h a t a r e i r r e b u t t a b l e .
24 I t v i o l a t e s t h e p r i n c i p l e o f
25 r e b u t t a b l e p r e s u m p t i o n s . F o r

1 e x a m p l e , y o u m a y h a v e a
2 p r e s u m p t i o n t h a t y o u c a n n o t t a k e
3 i n t o a c c o u n t a d d i t i o n a l
4 d e p e n d e n t s t h a t a r e n o t p r e - b o r n
5 o r f i r s t - b o r n . T h a t i s a n
6 i r r e b u t t a b l e p r e s u m p t i o n .
7 P r o b a b l y n u l l a n d v o i d i f
8 c h a l l e n g e d . T h e r e a r e o t h e r
9 e x a m p l e s o f i r r e b u t t a b l e
10 p r e s u m p t i o n s .

11 A d d i t i o n a l l y , a l e g a l
12 p r e s u m p t i o n c a n n o t b e a r b i t r a r y .
13 T h e r e m u s t b e s o m e f a c t u a l b a s i s .
14 N o w , t h i s i s i n c o n t r a s t t o
15 l o o k i n g a t a g u i d e l i n e a s a p o l i c y
16 c h o i c e . T r e a t i n g a g u i d e l i n e a s a
17 l e g a l p r e s u m p t i o n h a s a m u c h
18 h i g h e r s t a n d a r d t h a n , W e w i s h , I t
19 w o u l d b e g o o d , i n c o n t r a s t t o
20 w h a t i s t h e f a c t u a l b a s i s , i s t h e r e
21 a n e m p i r i c a l b a s i s . A n d w h e n I
22 g o i n t o c o u r t a n d w o r k w i t h
23 a t t o r n e y s , m y j o b i s t o l o o k a t
24 t h e g u i d e l i n e s a n d t h e n a t t a c k a l l
25 t h e d i f f e r e n t c o m p o n e n t s o f t h e

1 guidelines, whether they're
2 arbitrary, whether they violate
3 principle of equal duty of
4 support, and if it has some
5 factual basis. So there's a huge
6 difference between treating a
7 guideline as a legal presumption
8 versus just a policy decision.

9 And there's an additional
10 handout written by the
11 constitutional law professor,
12 retired, who works with me on
13 these kinds of issues.

14 I'm going to jump around a bit
15 because it just seems logical
16 based on what I've been asked to
17 do since first brought in on this.

18 I'm going to look at this
19 document called, Cost Shares:
20 Child Support Guidelines. Does
21 everyone have this? Yes?
22 Maybe? I'm not sure who has the
23 packet. Is there someone who has
24 those?

25 There are two approaches that

1 I have advocated in terms of the
2 economics in child support
3 guidelines. Those that follow my
4 work are mostly familiar with
5 what I call the Cost Shares
6 approach. It's somewhat
7 different -- It has similar
8 features to the Income Shares,
9 but it does have some different
10 features.

11 In recent months, I have also
12 adopted the philosophy that
13 Income Shares can be modified to
14 become relatively economically
15 sound. And I believe that the
16 proposal that PSI has brought you
17 today can be adapted. Even if
18 it's not Cost Shares, it can be
19 adapted to meet the legal
20 principles of the legal
21 presumption.

22 I think this is probably --
23 This is not the best screen.
24 We're just going to go with the
25 notes.

1 If you turn to page 7, the
2 bottom of page 7, what I want to
3 do first is give you an overview
4 of the assumptions of the Income
5 Shares guidelines. And it's good
6 to keep in mind how does this
7 conform to requirements for legal
8 presumptions. It's at the bottom
9 of page 7, families in an intact
10 household. It assumes that there
11 is only one house and no
12 additional overhead.

13 The second bullet point on the
14 next page I'm not going to go
15 into too much detail on. But
16 based on the Betson-Rothbarth
17 methodology, it assumes income
18 that is there that may not
19 actually be there.

20 The next assumption is the
21 Income Shares cost schedule does
22 not take into account the child-
23 related tax benefit as a cost
24 offset. That's an important
25 issue. Income Shares cost table

1 does not treat the child-related
2 tax benefits as a cost offset.

3 Continuing, the Income Shares
4 cost table assumes the custodial
5 parent has the child or children
6 all the time. That's the
7 assumption of the cost table.

8 And the methodology is an
9 indirect methodology comparing
10 income equivalents by looking at
11 household changes and spending
12 on alcohol, tobacco, and adult
13 clothing. I don't need to go into
14 a lot of detail.

15 And, again, I'm pulling notes
16 together from other presentations,
17 so we're going to skip a lot of
18 things here.

19 Turn to page 9. Let me just
20 differentiate a little bit about
21 the Cost Shares methodology.
22 Cost Shares takes data from the
23 U. S. Department of Agriculture,
24 plus data from the Department of
25 the Interior on housing costs.

1 A n d i t d o e s r e q u i r e a d j u s t i n g t h e
2 d a t a f r o m t h e D e p a r t m e n t o f
3 A g r i c u l t u r e s i g n i f i c a n t l y . W e d i d
4 i t o n a M a r g i n a l C o s t b a s i s .

5 B u t t h e p o i n t i s , t h e C o s t
6 S h a r e s m e t h o d o l o g y l o o k s a t
7 s i n g l e - p a r e n t h o u s e h o l d d a t a a n d
8 a s s u m e s t w o h o u s e h o l d s i n s t e a d o f
9 o n e . I n c o m e S h a r e s a s s u m e s o n e
10 h o u s e h o l d .

11 L e t m e j u s t g i v e y o u a n
12 e x a m p l e o f w h y t h a t m a d e m o r e
13 s e n s e . S u p p o s e y o u h a v e , u n d e r
14 I n c o m e S h a r e s , a m o t h e r a n d
15 f a t h e r e a c h m a k i n g f o u r t h o u s a n d
16 d o l l a r s e a c h a m o n t h . I n c o m e
17 S h a r e s s p e n d s o n t h e c h i l d a s i f
18 e i g h t t h o u s a n d d o l l a r s i s
19 a v a i l a b l e i n a h o u s e h o l d ; y e t , i n
20 I n c o m e S h a r e s , i n r e a l i t y , e a c h
21 p a r e n t h a s f o u r t h o u s a n d d o l l a r s
22 t o s p e n d o n t h a t p a r e n t . S o
23 e s s e n t i a l l y , I n c o m e S h a r e s s a y s
24 t h e c h i l d h a s a r i g h t t o a h i g h e r
25 s t a n d a r d o f l i v i n g t h a n e i t h e r

1 p a r e n t . T h e c h i l d h a s s p e n d i n g
2 b a s e d o n e i g h t t h o u s a n d . E a c h
3 p a r e n t s p e n d s o n e a c h p a r e n t a s i f
4 e a c h p a r e n t h a s f o u r t h o u s a n d
5 b e c a u s e t h a t ' s w h a t e a c h p a r e n t
6 h a s .

7 T h e c o n f l i c t w i t h t h e l e g a l
8 p r i n c i p l e s b a s i c a l l y r e v o l v e s
9 a r o u n d t h e i s s u e t h a t t h e r e i s a n
10 u n d e r l y i n g f a c t - - A n d t h i s i s
11 r e l a t e d t o p r e s u m p t i o n s , a n d
12 t h o s e w h o a r e a t t o r n e y s p r o b a b l y
13 u n d e r s t a n d t h e i s s u e o f
14 u n d e r l y i n g f a c t s w h e t h e r t h e y
15 e x i s t i n a p p l i c a t i o n o f a
16 p r e s u m p t i o n o r n o t . B a s i c a l l y ,
17 t h e r e ' s a k e y u n d e r l y i n g f a c t t h a t
18 t h e f a m i l y ' s i n t a c t t h a t
19 o v e r s t a t e s a v a i l a b l e i n c o m e . A n d
20 t h a t u n d e r l y i n g f a c t d o e s n o t
21 e x i s t i n a p p l i c a t i o n i n a n y c a s e
22 t o w h i c h t h e s e g u i d e l i n e s a r e
23 a p p l i e d . S o a s a n e c o n o m i s t t h a t
24 t e s t i f i e s r e f o r m i n g t h e l e g a l
25 p r i n c i p l e s , t h a t i s o n e o f t h e

1 first issues that should be raised,
2 why you have a guideline that's
3 based on underlying facts that do
4 not exist in any case to which
5 they're applied.

6 The Cost Shares methodology
7 assumes two households. It's
8 based on average income, and then
9 much of the allocation procedure
10 after that looks very similar.
11 The cost tables for the southeast
12 can be found in legislation in
13 Georgia in House Bill 149. There
14 is similar legislation in
15 Minnesota. I don't recall that
16 legislation.

17 If you turn to page -- Let's
18 jump to page 11. What the Cost
19 Shares explicitly tries to do that
20 Income Shares is very piecemeal
21 about, in any guideline, there are
22 two key facets. Number one, the
23 cost schedule, what it costs.
24 That's the first issue. The
25 second issue is how you allocate

1 the cost from the cost schedule.
2 Any guideline answers both of
3 those questions. Cost Shares
4 explicitly approaches the issue of
5 integrating cost schedule and the
6 allocation of the cost according
7 to equal duty of support. With
8 Income Shares, it's a loose
9 relationship which each state may
10 choose to implement in varying
11 degrees of whether there's equal
12 duty of support or not.

13 If you look at page 11, you
14 see two charts that show child-
15 related tax benefits as charted
16 against gross income. This is
17 how much extra after-tax income a
18 custodial parent gets depending
19 on what the gross income is. And
20 this is just the federal child-
21 related tax benefits. The chart
22 at the top of the page includes
23 all of the child-related tax
24 benefits, earned income tax
25 credits, household status,

1 e x e m p t i o n s , c h i l d t a x c r e d i t s . I t
2 d o e s n o t i n c l u d e c h i l d c a r e
3 c r e d i t s . T h a t ' s s e p a r a t e .

4 T h e b o t t o m c h a r t s h o w s w h a t
5 t h e c h i l d - r e l a t e d t a x b e n e f i t s
6 w o u l d b e i f y o u h a d a v e r y n a r r o w
7 d e f i n i t i o n , j u s t t h e e x e m p t i o n s
8 a n d c h i l d t a x c r e d i t s . U s i n g j u s t
9 t h e v e r y n a r r o w d e f i n i t i o n , t h e
10 c h i l d - r e l a t e d t a x c r e d i t t y p i c a l l y
11 i s w o r t h a h u n d r e d d o l l a r s i n
12 e x t r a a f t e r - t a x i n c o m e p e r m o n t h
13 p e r c h i l d . A n d i f o n e a p p l i e s a
14 p r i n c i p l e o f e q u a l d u t y o f
15 s u p p o r t , t h e n i t w o u l d b e l o g i c a l
16 t h a t i f b o t h p a r e n t s s h a r e t h e
17 b e f o r e - t a x c o s t , t h e p a r e n t s
18 s h o u l d a l s o s h a r e t h e t a x o f f s e t s .
19 S o t o f u l l y i m p l e m e n t e q u a l d u t y
20 o f s u p p o r t , y o u n e e d t o t a k e i n t o
21 a c c o u n t t h e c h i l d - r e l a t e d t a x
22 c r e d i t s .

23 A n d i f w e s k i p t o p a g e 1 3 , y o u
24 c a n s e e a n e x a m p l e w i t h n o
25 p a r e n t i n g - t i m e a d j u s t m e n t . I

1 don't have the cost tables. But
2 the calculation procedure is very
3 similar to Income Shares. The
4 cost table is different, but it
5 also builds in some of these
6 equal-duty-of-support features.
7 We've got a combined standard
8 cost of ten sixteen, and we've got
9 the father's and mother's gross
10 incomes. So we're going to
11 assume no parenting time in this
12 case. The mother's expenses are
13 a thousand sixteen. But as a cost
14 offset, the mother, as custodial
15 parent, gets an extra two hundred
16 and seventy-three dollars a month
17 in after-tax income as a cost
18 offset. So instead of prorating
19 the thousand sixteen, you prorate
20 the seven forty-three. That
21 would apply equal duty of support
22 standards.

23 Then if you turn to page 15, it
24 is basically the same example but
25 applying a parenting-time

1 adjustment. And Jane Venohr did
2 a great job talking about the
3 alternative parenting time
4 arrangements. But this is a very
5 simplistic line. I've become a
6 big fan of the Arizona parenting-
7 time adjustment, though there's
8 always opportunities for
9 improvement. In this example,
10 it's a straight-line adjustment
11 parenting time where you prorate
12 the one thousand and sixteen in
13 child cost according to each
14 parent's share of parenting time.
15 You have an expense column for
16 each parent. And then you
17 subtract the child-related tax
18 benefit, and then you prorate the
19 remainder. The father pays a
20 share of the mother's expenses,
21 and the mother shares the father's
22 expenses. That's meeting the
23 principle of equal duty of
24 support.

25 That's a very simplified

1 v e r s i o n o f C o s t S h a r e s . B u t I
2 t h i n k w h a t t h r e e t h i n g s - - Y o u
3 k n o w , a t t h i s m o m e n t , t h r e e
4 t h i n g s s t a n d o u t t o d i f f e r e n t i a t e
5 C o s t S h a r e s . T h e c o s t t a b l e i s
6 b a s e d o n s i n g l e - p a r e n t d a t a ,
7 i n c l u d i n g e q u a l - d u t y - o f - s u p p o r t
8 s t a n d a r d s t h r o u g h p r e s u m p t i v e l y
9 a p p l y i n g t h e c o s t o f f s e t f r o m t h e
10 t a x b e n e f i t a n d p r e s u m p t i v e l y
11 i n c l u d i n g t h e p a r e n t i n g - t i m e
12 a d j u s t m e n t .

13 N o w , w h a t I w a n t t o d o n o w i s
14 s h o w t h e b i g p i c t u r e . T h e r e ' s a
15 v e r y s m a l l h a n d o u t . I ' m g o i n g t o
16 z i p t h r o u g h t h i s . S t a n d a r d
17 I n c o m e S h a r e s G u i d e l i n e s , N o r t h
18 C a r o l i n a a s a n E x a m p l e . A n d o n e
19 o f t h e i s s u e s w h e n I ' m i n c o u r t
20 i s , i s t h e p r e s u m p t i v e a w a r d
21 e q u i t a b l e .

22 C O M M I T T E E M E M B E R : I ' m
23 s o r r y . W h a t p a p e r ?

24 M R . R O G E R S : I t l o o k s l i k e
25 t h i s , v e r y s m a l l , a n d i t s a y s ,

1 S t a n d a r d I n c o m e S h a r e s
2 G u i d e l i n e s , N o r t h C a r o l i n a a s a n
3 E x a m p l e . D o e s e v e r y o n e h a v e
4 t h a t ? A l l r i g h t . V e r y g o o d .

5 W h a t I w a n t t o d o h e r e i s
6 p r e s e n t t h e b i g p i c t u r e o f t h e
7 i m p a c t o f I n c o m e S h a r e s
8 g u i d e l i n e s i n t e r m s o f t h e e q u i t y
9 i s s u e , d o e s i t m a k e s e n s e i n t e r m s
10 o f b e i n g f a i r . T h e p r o p o s e d
11 g u i d e l i n e s , b a s e d o n v e r y c u r s o r y
12 r e v i e w , s h o w t h a t t h e p r o p o s e d
13 A l a b a m a g u i d e l i n e s a r e v e r y
14 s i m i l a r t o t h e o n e s t h a t a l r e a d y
15 e x i s t i n N o r t h C a r o l i n a . T h e r e
16 a r e s o m e d i f f e r e n c e s , a n d I
17 s u s p e c t t h e y ' r e r e l a t e d t o
18 d i f f e r e n c e s i n s t a t e i n c o m e t a x e s .
19 W e ' v e a l r e a d y d o n e s o m e w o r k i n
20 N o r t h C a r o l i n a , a n d t h i s i s a n
21 e x a m p l e o f t h e o u t c o m e .

22 S o w h a t w e c a n d o i s - - W h a t
23 i s t h e i m p a c t o f p r e s u m p t i v e
24 a w a r d i n a t y p i c a l c a s e w h e r e
25 b o t h p a r e n t s h a v e p a r e n t i n g t i m e ?

1 We're going to assume twenty -
2 five percent with the
3 noncustodial parent. Custodial
4 parent has child-related tax
5 benefits. North Carolina does
6 have a presumptive parenting-time
7 adjustment, but there's a
8 minimum. So this example does
9 not get into that range. The
10 minimum is about one-third of the
11 parenting time. And I'm just
12 going to kind of zip through this
13 idea.

14 Turn to page 2, Table 1 and
15 Table 2. The idea is to compare
16 what is the impact of the standard
17 of living of each household, the
18 custodial and the noncustodial
19 parent households. And the
20 standard of living will depend not
21 just on the adults in the
22 household, but also the children
23 in the household. Because
24 there's parenting time for both
25 parents, both parents have

1 p a r e n t i n g t i m e c o s t s t h a t a f f e c t
2 t h e s t a n d a r d o f l i v i n g .

3 S o w h a t w e w a n t t o d o i s h a v e
4 a b e n c h m a r k o f , y o u k n o w , h o w
5 m u c h a f t e r - t a x , a f t e r - c h i l d -
6 s u p p o r t - - T h i s i s t h e c o m p a r i s o n :
7 W h a t i s t h e a f t e r - t a x , a f t e r -
8 c h i l d - s u p p o r t i n c o m e o f e a c h
9 p a r e n t ? A f t e r t h e n o n c u s t o d i a l
10 p a r e n t a n d c u s t o d i a l p a r e n t p a y
11 t a x e s a n d a f t e r t h e n o n c u s t o d i a l
12 p a r e n t p a y s t h e c h i l d s u p p o r t
13 a w a r d , h o w m u c h i n c o m e d o e s t h a t
14 h o u s e h o l d h a v e a n d h o w m u c h
15 i n c o m e i s t h a t t o a b e n c h m a r k f o r
16 a s t a n d a r d o f l i v i n g ? A n d
17 b a s i c a l l y , w e ' r e g o i n g t o h a v e a
18 p o v e r t y t h r e s h o l d f o r o n e , t w o ,
19 a n d t h r e e c h i l d r e n b a s e d o n t h e
20 a m o u n t o f p a r e n t i n g t i m e . A n d
21 I ' m j u s t g o i n g t o s a y t h e
22 b e n c h m a r k s a r e T a b l e 2 .

23 S o w e ' l l w a n t t o l o o k a t - -
24 T u r n t o p a g e 3 . T h e s e - - I f I
25 u s e d A l a b a m a , t h e n u m b e r s a r e

1 going to be very similar, little
2 differences in income taxes and
3 small differences in the cost
4 schedules.

5 We're going to have one
6 simple example. Both parents
7 have four thousand a month. And
8 these are annual numbers, forty -
9 eight thousand. The noncustodial
10 parent after-tax income, thirty -
11 four thousand six hundred. The
12 custodial parent, thirty - seven
13 thousand six hundred and sixty -
14 three because of the child-related
15 tax benefits. This is for one
16 child.

17 And using a very similar
18 Income Shares cost schedule and
19 calculation, the noncustodial
20 parent's after-tax and after -
21 child-support income is twenty -
22 nine thousand five dollars. The
23 custodial parent's is forty - three
24 thousand - odd dollars. Then you
25 compare that to the ratio of the

1 p o v e r t y t h r e s h o l d s f o r e a c h
2 a c c o r d i n g t o p a r e n t i n g t i m e . A n d
3 t h e c u s t o d i a l p a r e n t ' s m u l t i p l e s
4 o f t h e p o v e r t y t h r e s h o l d i s t h r e e
5 p o i n t s e v e n . T h e n o n c u s t o d i a l
6 p a r e n t ' s i s t w o p o i n t n i n e
7 r o u n d e d .

8 S o b a s i c a l l y , e v e n t h o u g h t h e y
9 s t a r t o u t w i t h t h e s a m e g r o s s
10 i n c o m e , b e c a u s e o f t h e e c o n o m i c
11 n a t u r e o f t h e I n c o m e S h a r e s
12 g u i d e l i n e , t h e c u s t o d i a l p a r e n t
13 e n d s u p w i t h a t w e n t y - n i n e
14 p e r c e n t h i g h e r s t a n d a r d o f l i v i n g .

15 A n d t h e n t h e r e a r e t h r e e b a s i c
16 r e a s o n s f o r t h a t . T h e c o s t
17 s c h e d u l e i s b a s e d o n i n t a c t f a m i l y
18 d a t a . T h e g u i d e l i n e s d o n o t
19 p r e s u m p t i v e l y t a k e i n t o a c c o u n t
20 t h e c h i l d - r e l a t e d t a x b e n e f i t s .
21 A n d u p t o t h i s p o i n t , t h e
22 g u i d e l i n e s d o n o t t r e a t b o t h
23 p a r e n t s ' p a r e n t i n g t i m e s e q u a l l y .

24 C O M M I T T E E M E M B E R : C a n I
25 a s k a q u e s t i o n ?

1 MR. ROGERS: Sure.

2 COMMITTEE MEMBER: I may
3 not be understanding. I'm
4 probably not.

5 MR. ROGERS: I went through
6 a lot quickly.

7 COMMITTEE MEMBER: By
8 increasing the custodial parent to
9 twenty-nine percent, isn't that
10 consistent with what the column
11 -- the sum of the estimated child-
12 rearing expenses are?

13 MR. ROGERS: No, that's --
14 This -- That's how much higher
15 the custodial parent's standard of
16 living is.

17 COMMITTEE MEMBER: Yes.
18 Right, but they also have that
19 child they're paying for.

20 MR. ROGERS: Well, but this
21 calculation takes into account the
22 higher cost of that child. The
23 custodial parent's benchmark is
24 eleven thousand six hundred and
25 forty based on three quarters of

1 the parenting time. The
2 noncustodial parent's benchmark
3 is ten thousand one hundred and
4 nineteen. It's lower. So the
5 custodial parent does have higher
6 costs, and taking that into
7 account, the custodial parent
8 household still has a twenty-nine
9 percent higher standard of living.

10 But the point is, they both
11 started out with equal gross
12 incomes. Why should a guideline
13 result in one parent having a
14 higher standard of living if they
15 start out with the same income?

16 COMMITTEE MEMBER: I don't
17 have that (inaudible). Does that
18 take into account the -- any
19 credit to the custodial parent for
20 all the in-kind care provided by
21 the custodial parent?

22 MR. ROGERS: No, it does not,
23 but if --

24 COMMITTEE MEMBER: How
25 can you conclude there's a

1 t w e n t y - n i n e p e r c e n t h i g h e r
2 s t a n d a r d o f l i v i n g i f t h e y h a v e
3 t h e c u s t o d i a l p a r e n t t a k i n g c a r e
4 o f t h i s c h i l d n i g h t a f t e r n i g h t
5 a f t e r n i g h t - -

6 M R . R O G E R S : I ' m g o i n g t o - -

7 C O M M I T T E E M E M B E R : N o n e
8 o f t h e s e m o d e l s a d d r e s s t h a t t h a t
9 I ' v e h e a r d .

10 M R . R O G E R S : I ' m j u s t g o i n g
11 t o g i v e y o u t h e s h o r t a n s w e r .
12 T h i s i s s o m e t h i n g t h a t c o u l d b e
13 d e b a t e d a t l e n g t h . A s J a n e
14 V e n o h r i n d i c a t e d e a r l i e r , a l m o s t
15 a l l t h e g u i d e l i n e s o n l y l o o k a t
16 o u t - o f - p o c k e t e x p e n s e s . W h e n - -
17 e v e n f r o m a n e c o n o m i s t
18 p e r s p e c t i v e , I ' v e t e s t i f i e d i n
19 c o u r t r e l a t e d t o i s s u e s o f
20 p e r s o n a l i n j u r y , a n d y o u g e t i n t o
21 w h a t e c o n o m i s t s c a l l
22 (u n i n t e l l i g i b l e) , w h a t ' s t h e v a l u e
23 o f - -

24 C O M M I T T E E M E M B E R : I ' m n o t
25 c o n c e r n e d a b o u t t h a t . I ' m

1 c o n c e r n e d a b o u t t h e i n v a l i d i t y o f
2 y o u r c o n c l u s i o n .

3 M R . R O G E R S : N o w , m y p o i n t
4 i s , w h e n y o u - - T h e s t a n d a r d o f
5 l i v i n g l o o k s a t g o o d s a n d
6 s e r v i c e s . T h a t ' s j u s t a v e r y
7 t e c h n i c a l d e f i n i t i o n . W h e n y o u
8 g e t i n t o t h e i s s u e o f
9 c o m p e n s a t i o n f o r t i m e s p e n t
10 r a i s i n g t h e c h i l d , t h a t r e a l l y - -
11 j u s t t o b e b l u n t - - i t o p e n s a c a n
12 o f w o r m s .

13 C O M M I T T E E M E M B E R : I
14 a g r e e .

15 M R . R O G E R S : A n d j u s t a
16 q u i c k e l a b o r a t i o n , w h a t y o u ' r e
17 a l s o i g n o r i n g i s , w h a t i s t h e
18 v a l u e o f t h e e n j o y m e n t o f r a i s i n g
19 t h e c h i l d . D o y o u o f f s e t t h e - -
20 B a s i c a l l y , e c o n o m i s t s w o u l d s a y
21 y o u ' r e r a i s i n g t h e i s s u e o f t h e
22 l o s s o f l e i s u r e . D o y o u c a l c u l a t e
23 t h e v a l u e o f l o s t l e i s u r e b u t t h e n
24 o f f s e t i t b y t h e e n j o y m e n t o f
25 r a i s i n g t h e c h i l d ? T h e n t o m a k e

1 o n y o u r a d j u s t e d p o v e r t y
2 t h r e s h o l d - -

3 M R . R O G E R S : Y e s .

4 C O M M I T T E E M E M B E R : U n d e r
5 y o u r c o n c e p t , y o u ' l l h a v e a
6 c u s t o d i a l p a r e n t w i t h t h r e e
7 q u a r t e r s o f t h e t i m e w i t h t h e
8 c h i l d a n d o n e q u a r t e r w i t h t h e
9 n o n c u s t o d i a l . Y e t w e h a v e o n l y
10 a p p r o x i m a t e l y f i f t e e n h u n d r e d
11 d o l l a r s d i f f e r e n c e i n
12 e x p e n d i t u r e s .

13 M R . R O G E R S : T h i s i s a t t h e
14 p o v e r t y l e v e l .

15 C O M M I T T E E M E M B E R : P o v e r t y
16 l e v e l . T h e d i f f e r e n c e i s y o u a r e
17 t r a c k i n g t h a t a t o n l y a t h o u s a n d
18 d o l l a r s a m o n t h d i f f e r e n c e . A n d
19 t h e n y o u f i g u r e i t u p w h e r e y o u
20 c o m e o u t w i t h t w e n t y - n i n e p e r c e n t
21 - -

22 M R . R O G E R S : B u t w h e n y o u
23 d o i t i n t e r m s o f a r a t i o , t h a t
24 r a t i o a c t u a l l y c o n t i n u e s i n t h e
25 s a m e p r o p o r t i o n - -

1 C O M M I T E E M E M B E R : I
2 u n d e r s t a n d i t g o e s h i g h e r , b u t
3 s t i l l i t ' s m i s l e a d i n g t o b e l i e v e
4 t h a t t h e r e i s o n l y f i f t e e n h u n d r e d
5 d o l l a r s f o r t h r e e q u a r t e r s o f t h e
6 p e r i o d o f t i m e f o r b r i n g i n g u p t h e
7 c h i l d .

8 M R . R O G E R S : I t ' s t h e
9 p e r c e n t a g e d i f f e r e n c e t h a t
10 m a t t e r s , n o t t h e d o l l a r , b e c a u s e
11 i f y o u a c t u a l l y e x t r a p o l a t e t h e
12 m u l t i p l e s , t h i s a c t u a l l y - - T h i s
13 m e t h o d o l o g y , i f y o u g o i n t o t h e
14 e c o n o m i c d e t a i l , a c t u a l l y
15 u n d e r s t a t e s t h e c u s t o d i a l p a r e n t ' s
16 s t a n d a r d o f l i v i n g b e c a u s e c h i l d
17 c o s t s t e n d t o d e c r e a s e
18 p r o p o r t i o n a l l y a s y o u g o - - g e t
19 h i g h e r a b o v e t h e p o v e r t y
20 t h r e s h o l d . S o t h i s i s a c t u a l l y
21 c o n s e r v a t i v e m e t h o d o l o g y a s f a r
22 a s s t a n d a r d s o f l i v i n g .

23 Y e s ?

24 C O M M I T T E E M E M B E R : B e f o r e
25 I f o r g e t , I j u s t w a n t t o - - I m e a n ,

1 s o m e o f t h i s i s a l i t t l e o v e r m y
2 h e a d s o - - B u t , a n y w a y , I w a n t t o
3 a d d r e s s t h e i n - k i n d , t h e p a y m e n t
4 f o r i n - k i n d .

5 M R . R O G E R S : Y e s .

6 C O M M I T T E E M E M B E R :

7 W o u l d n ' t t h a t b e o f f s e t b e c a u s e
8 a l l o f i t i s o f f s e t i n t h e t i m e f o r
9 t h e p a r e n t i n g t i m e b e c a u s e t h a t
10 s a m e n o n c u s t o d i a l p a r e n t , i f h e
11 h a d h i m t w e n t y - f i v e p e r c e n t o f
12 t h e t i m e , w o u l d h a v e t h e i n - k i n d
13 s e r v i c e f o r t h e t w e n t y - f i v e
14 p e r c e n t o f t h e t i m e . A l l o f i t i s
15 g o i n g t o b e b a s e d o n - -

16 M R . R O G E R S : N o t
17 n e c e s s a r i l y . I g u e s s i t w o u l d
18 d e p e n d o n - -

19 C O M M I T T E E M E M B E R : - - t i m e
20 w i t h t h e c h i l d ?

21 M R . R O G E R S : I t d e p e n d s o n
22 h o w m u c h p a r e n t i n g t i m e e a c h
23 p a r e n t h a s . I t ' s r e a l l y a c a n o f
24 w o r m s t o g e t i n t o t h e v a l u e o f
25 b e i n g a p a r e n t . S h o u l d y o u b e

1 paid to be a parent?

2 COMMITTEE MEMBER: Just a
3 simple -- Just looking at it,
4 maybe where I come from, it looks
5 to me like if you've had in-kind
6 services, you divide seventy-five
7 percent of the time because the
8 other parent has in-kind services
9 that he provides twenty-five
10 percent of the time. So that's all
11 really taken care of in that
12 parenting time --

13 MR. ROGERS: Well, it applies
14 to both parents, but if one parent
15 has more than fifty percent of the
16 time, it raises the issue of
17 difference. I just think it's a
18 can of worms that -- I'm not sure
19 why -- I wouldn't ever say never,
20 but I think it should not be an
21 issue typically raised to be paid
22 to either parent. I would never
23 say never because that would be
24 irrebuttable.

25 I think I need to wind up.

1 T h e r e a r e m o r e t a b l e s i n h e r e o f
2 t h e s t a n d a r d o f l i v i n g
3 c o m p a r i s o n s . T h e I n c o m e S h a r e s
4 g u i d e l i n e h a s s o m e p e c u l i a r
5 e q u i t y o u t c o m e s u n l e s s
6 a d j u s t m e n t s a r e m a d e t o t h e
7 I n c o m e S h a r e s g u i d e l i n e .

8 A n d I ' m g o i n g t o w i n d u p b a c k
9 w i t h t h i s p a p e r , A B r i e f S u m m a r y .
10 T h i s i s a c t u a l l y w h a t I w a s f i r s t
11 a s k e d t o d o . I ' m j u s t g o i n g t o
12 t o u c h o n t h i s . A n d I ' v e r e v i e w e d
13 t h e c u r r e n t C o d e a n d R u l e 3 2 .

14 A n d t u r n t o p a g e 6 . T h e r e a r e
15 a c t u a l l y s o m e p o r t i o n s o f t h e
16 g u i d e l i n e s , w h i c h I t h i n k c r e a t e
17 s o m e l e g a l i s s u e s i n t e r m s o f
18 r e b u t t a b l e p r e s u m p t i o n s , w h e t h e r
19 t h e y a r e f a c t u a l o r a r b i t r a r y .

20 T h e f i r s t o n e h a s t o d o w i t h
21 t h e s t a t e d a s s u m p t i o n t h a t t h e
22 g u i d e l i n e s a s s u m e s t a n d a r d
23 v i s i t a t i o n . I d o n ' t t h i n k t h e r e ' s
24 a n y f a c t u a l b a s i s f o r t h a t . T h e
25 c o s t t a b l e s i n t h e c u r r e n t

1 s c h e d u l e a n d t h e o n e s p r o p o s e d
2 a s s u m e t h e c h i l d i s i n o n e
3 h o u s e h o l d . S o t h e r e ' s r e a l l y n o
4 f a c t u a l b a s i s f o r t h a t .

5 T u r n i n g t o p a g e 7 , t h i s i s a
6 m i n o r t e c h n i c a l i s s u e r e l a t e d t o
7 s e l f - e m p l o y m e n t i n c o m e . I ' m n o t
8 g o i n g t o e l a b o r a t e o n t h a t . T h e r e
9 s h o u l d b e a n a d j u s t m e n t f o r s e l f -
10 e m p l o y m e n t i n c o m e t o b e
11 c o m p a r a b l e w i t h p a y r o l l i n c o m e .
12 O t h e r s t a t e s d o t h a t . I t ' s a v e r y
13 m i n o r i s s u e . B u t i n t e r m s o f
14 c o m p a r a b l e a b i l i t y t o p a y
15 d e f i n i t i o n s , i t s h o u l d b e
16 a d d r e s s e d .

17 B o t t o m o f p a g e 7 c o n t i n u i n g ,
18 t h e r e i s a t l e a s t m i s l e a d i n g
19 s t a t e m e n t s r e l a t i n g t o t h e t a x
20 e x e m p t i o n s . Y o u c o u l d g o i n t o a
21 l o t o f d e t a i l . I j u s t p r e s e n t e d a
22 p a p e r a t a n e c o n o m i c s c o n f e r e n c e
23 t h a t w i l l h o p e f u l l y b e p u b l i s h e d .
24 T h e r e i s n o c h i l d - r e l a t e d c o s t
25 o f f s e t t a k e n i n t o a c c o u n t i n t h e

1 cost tables. That is factually
2 incorrect.

3 Page 9, just repeating in a
4 separate section the commentary
5 on visitation. There is no built-
6 in standard visitation cost table.
7 That's what you call basic
8 arbitrary.

9 The last issue, and it's going
10 to lead into some suggestions, the
11 cost schedule is based on intact
12 family cost data. Basically,
13 you're having cost data based on
14 a situation that does not exist in
15 application. And what I would
16 recommend -- And I think the
17 guidelines that have been
18 proposed can be adjusted to work
19 well in terms of applying equal
20 duty of support and reflecting
21 actual circumstances.

22 Basically, you need to delete
23 the commentary related to the tax
24 benefits and standard visitation.
25 Also, we recommend that the cost

1 s c h e d u l e b e a d j u s t e d , a n d I ' v e
2 d o n e t h i s i n s o m e s p e c i f i c c a s e s
3 t h a t I ' v e t e s t i f i e d o n . B a s i c a l l y ,
4 t h e c o s t s c h e d u l e c a n b e a d a p t e d
5 t o w h e r e i t ' s o n a t w o - h o u s e h o l d
6 b a s i s . S o m e s t a t e s h a v e s t a r t e d
7 l o o k i n g a t w h a t ' s c a l l e d a s e c o n d
8 h o u s e h o l d d i s c o u n t . T h e b a s i c
9 q u e s t i o n i s , w h a t i s t h e
10 d i f f e r e n c e b e t w e e n t h e i n c o m e
11 t h a t ' s d i s c r e t i o n a r y o r a v a i l a b l e
12 f o r c h i l d c o s t o n c e t h e a d u l t
13 h o u s i n g e x p e n s e s a r e p a i d . I t ' s
14 b a s i c a l l y t h e e x t r a c o s t o f t h e
15 s e c o n d h o u s e .

16 S o a s i m p l e a d j u s t m e n t o f
17 s u b t r a c t i n g f r o m c o m b i n e d i n c o m e
18 t h e c o s t o f t h e s e c o n d h o u s e
19 m o r t g a g e o r r e n t a n d u t i l i t i e s
20 w o u l d b a s i c a l l y p u t t h e c o s t
21 s c h e d u l e o n a t w o - h o u s e h o l d
22 b a s i s . T h a t w o u l d b e o n e o f m y
23 s t r o n g r e c o m m e n d a t i o n s .

24 N u m b e r o n e , a d j u s t t h e c o s t
25 s c h e d u l e w i t h a s e c o n d h o u s e h o l d

1 discount. Number two,
2 incorporate child-related tax
3 benefits as a cost offset, and
4 then presumptively include a
5 parenting-time adjustment.

6 And I've covered a lot of
7 territory. And I'm going to stop
8 there.

9 COMMITTEE MEMBER: I have
10 a question. Mr. Rogers, you say
11 that you were retained or asked to
12 do something. Who retained you?

13 MR. ROGERS: Yes. Alabama
14 Family Rights Association asked
15 me to provide a cursory review,
16 but my view in doing that is to
17 act as an expert and be able to
18 withstand what's called the peer
19 review.

20 COMMITTEE MEMBER: I was
21 on the committee that adopted the
22 original Income Shares model
23 back in the eighties. And we
24 looked at five different guideline
25 concepts. Was your Cost Shares

1 c o n c e p t a v a i l a b l e a t t h a t t i m e ?

2 M R . R O G E R S : T h a t w a s a
3 t h e o r e t i c a l c o n c e p t a t t h a t t i m e .
4 N o w , l e t m e p o i n t o u t - - m a k e o n e
5 c o m m e n t . A l a b a m a , V i r g i n i a ,
6 S o u t h C a r o l i n a , a n d I b e l i e v e ,
7 L o u i s i a n a n o w , h a s s p e c i a l
8 a d j u s t m e n t s t o t h e c o s t s t a b l e t o
9 r e f l e c t t h e i n c o m e d i s t r i b u t i o n
10 r e l a t i v e t o t h e U . S . A s a n
11 e c o n o m i s t , I w o u l d a c t u a l l y h a v e
12 t o s a y , t h a t i s a n a r b i t r a r y
13 a d j u s t m e n t . B u t I t h i n k t h e
14 i n t u i t i o n w a s a t t h a t t i m e - - n o t
15 j u s t i n A l a b a m a b u t i n t h e s e o t h e r
16 s t a t e s , w a s t h e g u i d e l i n e c o s t
17 s c h e d u l e j u s t s e e m e d t o h i g h .
18 A n d w h a t I ' m s u g g e s t i n g i s y o u
19 m a y - - I s a y m a y b e c a u s e I
20 h a v e n ' t d o n e a l l t h e n u m b e r -
21 c r u n c h i n g - - y o u m a y h a v e m a d e
22 t h e r i g h t d e c i s i o n b u t f o r t h e
23 w r o n g r e a s o n . I t r e a l l y i s n o t
24 e c o n o m i c a l l y s o u n d t o m a k e t h e
25 i n c o m e d i s t r i b u t i o n a d j u s t m e n t .

1 It would be economically sound to
2 make the second household
3 adjustment, and that would be
4 economically valid, basically to
5 just reconstruct the second table
6 for the additional cost by
7 incomes. Would not be a big
8 deal. Could even be incorporated
9 into the cost schedule. You
10 would have sort of the same
11 result, but it would be
12 economically sound.

13 COMMITTEE MEMBER: If we
14 adopted some of your proposals,
15 would the child support generally
16 go up or down?

17 MR. ROGERS: The cost would
18 go down to the extent that you
19 reduce the schedule for the
20 second household discount. Then
21 the next question is, does the
22 spending go up or down versus
23 how is it allocated between the
24 parents. If you adopt my
25 proposal, the spending does not

1 really change, but it's recognized
2 that there are actually three
3 parties that pay child costs in
4 child support cases: The mother,
5 the father, and the government.
6 We can forget about the third.

7 What this proposal would do
8 would recognize that there are
9 three parties paying child costs,
10 not two. And it would also
11 recognize that it's just as valid
12 that when a noncustodial parent
13 cares for the child twenty-five
14 percent of the time, that is just
15 as valid a contribution as cash.

16 And what I like to do -- And I
17 don't have a good example here,
18 at least not without digging.
19 When I go into court, I'll show
20 these rebuttal calculations. And
21 the cash is generally a lot
22 smaller than expected, but when
23 you add the total amount spent on
24 the child, you add the cash
25 transfer, add how much the

1 c u s t o d i a l p a r e n t s p e n d s , y o u a d d
2 h o w m u c h t h e n o n c u s t o d i a l p a r e n t
3 s p e n d s , t h e n y o u a d d t h e c h i l d -
4 r e l a t e d t a x b e n e f i t s , w h e n y o u
5 p u l l a l l t h o s e c o m p o n e n t s
6 t o g e t h e r , t h e t o t a l s p e n d i n g i s
7 a c t u a l l y q u i t e h i g h e v e n t h o u g h
8 t h e c a s h t r a n s f e r i s q u i t e s m a l l .

9 C O M M I T T E E M E M B E R : I ' m
10 s o r r y . A r e y o u s a y i n g t h a t t h e
11 c o u r t o r d e r w o u l d g o u p o r d o w n ?
12 T h a t w a s m y q u e s t i o n . I ' m s o r r y .

13 M R . R O G E R S : T h e c o u r t
14 o r d e r , t h e c a s h a w a r d , w o u l d g o
15 d o w n . B u t t h i s m e t h o d o l o g y
16 w o u l d r e c o g n i z e t h a t t h e t o t a l
17 s p e n d i n g i s s t i l l q u i t e l a r g e .
18 T h e r e ' s a h u g e d i f f e r e n c e b e t w e e n
19 j u s t t h e c a s h t r a n s f e r v e r s u s w h a t
20 b o t h p a r e n t s s p e n d d i r e c t l y p l u s
21 t h e g o v e r n m e n t c o n t r i b u t e s t o t h e
22 c u s t o d i a l p a r e n t t h a t s h o u l d b e
23 s h a r e d . T h a t ' s w h a t t h e s t a n d a r d
24 g u i d e l i n e f o r g e t s . I t f o r g e t s t o
25 a d d u p a l l o f t h e s e d i f f e r e n t

1 pieces, and if you apply the
2 constitutional principles of the
3 guidelines cannot be arbitrary,
4 must be of factual basis, and you
5 apply a standard for equal duty of
6 support, you can still have a very
7 high spending level on the
8 children, but the cash transfer is
9 not that large and shouldn't be,
10 not if you imply equal duty of
11 support.

12 COMMITTEE MEMBER: Has
13 Cost Shares been adopted in some
14 states?

15 MR. ROGERS: It has only
16 been adopted in pieces. Most
17 states actually have the Cost
18 Shares concept for add-ons, such
19 as child care, extraordinary
20 medical. And what Cost Shares
21 really means is looking at the
22 actual spending and the --

23 COMMITTEE MEMBER: And
24 that's what Alabama does with its
25 child care and extraordinary

1 m e d i c a l .

2 M R . R O G E R S : T h a t ' s t h e C o s t
3 S h a r e s m e t h o d o l o g y , b u t i t ' s o n l y
4 o n t h e a d d - o n s . B u t i f y o u l i k e
5 P o l i c y S t u d i e s ' p r o p o s a l , I t h i n k
6 i t i s n o t h a r d t o a d a p t i t w h e r e i t
7 h a s a s t r o n g e r e c o n o m i c b a s i s a n d
8 h a v e t h e s e c o n d - h o u s e h o l d
9 d i s c o u n t , t h e n a p p l y t h e c h i l d -
10 r e l a t e d t a x b e n e f i t s a s a n o f f s e t .

11 I w o u l d a c t u a l l y r e c o m m e n d
12 l o o k i n g a t a b i l l i n G e o r g i a . I t ' s
13 n o t g o i n g t o g o a n y w h e r e t h i s
14 y e a r b e c a u s e i t ' s a n e l e c t i o n
15 y e a r . I t ' s H o u s e B i l l 1 4 5 2 . I t ' s
16 N o r t h C a r o l i n a ' s g u i d e l i n e c o s t
17 t a b l e , p l u s A r i z o n a ' s p a r e n t i n g -
18 t i m e a d j u s t m e n t , p l u s a v e r y
19 s i m p l e v e r s i o n o f t h e c h i l d -
20 r e l a t e d t a x b e n e f i t s . I t w o u l d b e
21 s o m e g o o d l e g i s l a t i o n t o l o o k a t ,
22 H o u s e B i l l 1 4 5 2 .

23 C O M M I T T E E M E M B E R : T h i s
24 b u s i n e s s o f c h i l d - r e l a t e d t a x
25 b e n e f i t s e s c a p e s m e b e c a u s e

1 a r e n ' t y o u a s s u m i n g - -
2 s p e c u l a t i n g o n w h a t t h a t i s ? H o w
3 c a n y o u k n o w w h a t t h a t s i t u a t i o n
4 i s u n t i l t h e y e a r i s o v e r ? I s n ' t
5 t h a t a r b i t r a r y ?

6 M R . R O G E R S : W e l l , t h a t ' s
7 p a r t l y t r u e d e p e n d i n g o n y o u r
8 d e f i n i t i o n o f t h e c h i l d - r e l a t e d
9 t a x b e n e f i t s . I f - -

10 C O M M I T T E E M E M B E R :

11 (I n a u d i b l e) f e d e r a l d e f i n i t i o n - -

12 M R . R O G E R S : W e l l , i f y o u ' r e
13 l o o k i n g a t t h e e a r n e d i n c o m e t a x
14 c r e d i t s , t h e r e ' s a l o t o f
15 u n c e r t a i n t y t h e r e . B u t , n u m b e r
16 o n e , y o u ' r e a s s u m i n g w h a t t h e
17 i n c o m e i s f o r b o t h p a r e n t s
18 a n y w a y . Y o u ' r e m a k i n g a n
19 a s s u m p t i o n . Y o u ' r e m a k i n g a
20 f i n d i n g o f f a c t . T h e g r o s s
21 i n c o m e o f t h e m o t h e r i s X . T h e
22 g r o s s i n c o m e o f t h e f a t h e r i s Y .
23 Y o u a l r e a d y h a v e a l l t h e
24 i n f o r m a t i o n y o u n e e d , a n d y o u
25 k n o w t h e n u m b e r o f c h i l d r e n .

1 You can have a very narrow
2 definition related to the
3 exemptions and child tax credits.
4 You can have it slightly broader
5 to include head of household
6 status.

7 But once you have each
8 parent's income, gross income,
9 and the number of children,
10 you're locked in anyway until you
11 want to modify. It's no
12 difference. It's really no
13 difference.

14 And the numbers are huge. It
15 is typically thousands of dollars
16 each year in child-related tax
17 benefits. It's a windfall.
18 Basically, if you do not take
19 those into account, the custodial
20 parent has a lower duty of
21 support than the noncustodial
22 parent. You violate the principle
23 of the equal duty of support. I
24 mean, from a legal perspective,
25 it's that straightforward. You

1 w a n t t o h a v e t h e p r i n c i p l e o f
2 e q u a l d u t y o f s u p p o r t .

3 C O M M I T T E E M E M B E R : W h a t
4 y o u ' r e s a y i n g i s t h a t A l a b a m a a n d
5 t h i r t y - t w o o t h e r s t a t e s h a v e
6 u n c o n s t i t u t i o n a l g u i d e l i n e s r i g h t
7 n o w .

8 M R . R O G E R S : I ' m s a y i n g t h a t
9 t h e y a r e n o t e c o n o m i c a l l y s o u n d .
10 I ' v e l e a r n e d t o n o t s a y t h e y ' r e
11 u n c o n s t i t u t i o n a l a s l o u d l y a n d a s
12 o f t e n . B u t c e r t a i n l y , t h e y c o u l d
13 b e r e b u t t e d o r - -

14 C O M M I T T E E M E M B E R : D o y o u
15 k n o w o f a n y g u i d e l i n e s t h a t h a v e
16 b e e n s u c c e s s f u l l y c h a l l e n g e d i n
17 c o u r t o n t h a t b a s i s ?

18 M R . R O G E R S : I k n o w s o m e
19 t h a t w e r e t e m p o r a r i l y
20 s u c c e s s f u l l y c h a l l e n g e d . A r i z o n a
21 a c t u a l l y h a s l a n g u a g e i n t h e i r
22 C o d e t h a t m a n d a t e s p r o r a t i n g t h e
23 e x e m p t i o n s b e t w e e n t h e p a r e n t s
24 b a s e d o n t h e p r o p o r t i o n o f t h e i r
25 g r o s s i n c o m e s . I t a c t u a l l y g i v e s

1 s o m e e x a m p l e s w h e r e i f o n e
2 p a r e n t h a s t w i c e a s m u c h g r o s s
3 i n c o m e , t h e n t h a t p a r e n t s h o u l d
4 h a v e t h e e x e m p t i o n s t w i c e a s
5 o f t e n . S o i t ' s b u i l t i n t o t h e
6 A r i z o n a - - I t ' s a l i t t l e m o r e
7 a w k w a r d , I p e r s o n a l l y t h i n k .

8 T h e l a n g u a g e i n t h e b i l l i n
9 G e o r g i a s a y s y o u c a n h a v e a - - b y
10 c o u r t r u l e , t h e t a b l e , t h e l o o k - u p
11 t a b l e e a c h y e a r o f w h a t t h e c h i l d -
12 r e l a t e d t a x b e n e f i t s w o u l d b e
13 w o r t h . I t ' s n o t a b i g d e a l .
14 I n d i a n a s p e c i f i c a l l y s a i d t h e
15 c h i l d - r e l a t e d t a x b e n e f i t s a r e n o t
16 t a k e n i n t o a c c o u n t .

17 C O M M I T T E E M E M B E R : I h a v e
18 o n e m o r e q u e s t i o n . A s I
19 u n d e r s t a n d i t , y o u r p r o p o s a l
20 w o u l d b e t o a d d i n - - s u b t r a c t t h e
21 s e c o n d h o u s e h o l d o n t h e g r o s s
22 i n c o m e a n d t h e n - -

23 M R . R O G E R S : S u b t r a c t - -
24 T h e r e ' s a c t u a l l y n a t i o n a l d a t a ,
25 a n d I a m f a m i l i a r w i t h s o m e s t a t e

1 data on housing costs. The IRS
2 actually publishes county data on
3 that. They do a little --

4 COMMITTEE MEMBER: But my
5 question is, you take that
6 approach and make adjustments
7 for second household, and then
8 you also are going to have a
9 shared-parenting adjustment. I
10 thought one of the concepts of
11 shared parenting was that the --
12 was that both the parents were
13 getting credit for the household
14 and all the caring the caregiver
15 (inaudible) the primary caretaker
16 where if you had shared, you
17 share -- Like the man here said,
18 he had the child forty percent of
19 the time. I thought the argument
20 there was that they should have
21 credit for that time because they
22 were not being credited for the
23 expenses that they incurred. It
24 seems to me there would a
25 duplication.

1 MR. ROGERS: It's actually --
2 It's a subtlety, I have to admit.
3 They are two separate issues.
4 The Income Shares cost table
5 assumes that both parents still
6 live in the same house, that you
7 have an intact family, and it
8 assumes that the --- we'll call it
9 -- discretionary income is based
10 on you only have one mortgage,
11 one set of utilities. So by being
12 an intact family, you have more
13 discretionary income on children,
14 which means if you're intact, if
15 you have two adults living
16 together, you have more income to
17 spend on the children, so the cost
18 table would be higher.

19 Now, when you're divorced,
20 you've got two houses. So, for
21 the same amount of income,
22 whatever the incomes were when
23 you were living together,
24 married, you're divorced and
25 you've still got the same income,

1 but now you have two mortgages
2 or two rents and two utilities,
3 heat, electricity. Call that the
4 adult overhead. So the difference
5 in the amount of discretionary
6 income for spending on children
7 is how much income goes toward
8 that adult overhead, and it
9 doesn't matter whether that
10 second adult has any parenting
11 time or not because you still have
12 to pay the adult overhead first.

13 The parenting-time adjustment
14 is a separate issue. But if you
15 wanted to have a cost table that
16 conformed to the idea that a
17 presumption should have
18 underlying facts that exist in
19 application -- And that's an issue
20 that gets raised in court when I
21 testify a lot. There are a lot of
22 assumptions in the guidelines that
23 don't exist in application in
24 terms of rebuttal. You could take
25 intact family data and make that

1 o n e a d j u s t m e n t , a n d I t h i n k i t
2 w o u l d b e r e l a t i v e l y e c o n o m i c a l l y
3 s o u n d .

4 C O M M I T T E E M E M B E R : I ' m n o t
5 s u r e y o u a n s w e r e d m y q u e s t i o n . I
6 d i d n ' t u n d e r s t a n d i f y o u d i d . M y
7 q u e s t i o n w a s , i f y o u - - A t t h i s
8 p o i n t , t h e r e ' s a p r e s u m p t i o n o r
9 t h e r e w a s a p r e s u m p t i o n y e s t e r d a y
10 t h a t t h e p a r e n t w h o h a d a c h i l d
11 f o r t y p e r c e n t o f t h e t i m e s h o u l d
12 h a v e a n o f f s e t o r c r e d i t f o r
13 a d d i t i o n a l e x p e n s e s t h a t h e o r s h e
14 i n c u r r e d .

15 M R . R O G E R S : R i g h t .

16 C O M M I T T E E M E M B E R : O k a y .
17 I f y o u ' r e a l r e a d y a d d i n g o r
18 s u b t r a c t i n g , h o w e v e r y o u
19 f o r m u l a t e t h a t , b y p u t t i n g t h e
20 s e c o n d h o u s e h o l d e x p e n s e s , i t
21 s e e m s t o m e t h e r e i s a d o u b l e
22 c o n s i d e r a t i o n t h e r e .

23 C O M M I T T E E M E M B E R : W e l l ,
24 y o u w o u l d j u s t b e c o n s i d e r i n g t h e
25 a d d i t i o n a l e x p e n s e o f h a v i n g t h e

1 child forty percent of the time.
2 You would only factor in variable
3 costs like food, not fixed costs
4 such as the housing. Is that
5 correct?

6 MR. ROGERS: I'm sorry. I
7 had a little noise here.

8 COMMITTEE MEMBER: If you
9 want to adjust the cost, support
10 cost or allowance because a
11 parent has the child forty percent
12 of the time, you would not change
13 the amount of the fixed costs,
14 such as housing costs. You would
15 only adjust to some extent the
16 variable costs, such as food.

17 MR. ROGERS: Well, the way I
18 would do it is you would have the
19 second-household discount only
20 for the amount of housing for the
21 adult, which would be a very
22 tight definition. But you don't
23 want to blend that in if that adult
24 doesn't have any parenting time.
25 So what you would do, you would

1 l a t e r f a c t o r i n i f t h e r e i s
2 a d d i t i o n a l h o u s i n g c o s t s f o r
3 p a r e n t i n g t i m e . L i k e w i t h t h e
4 A r i z o n a p l a n , y o u w o u l d f a c t o r i n
5 a f t e r a s i g n i f i c a n t p e r c e n t a g e o f
6 p a r e n t i n g t i m e . B u t i t ' s a
7 s u b t l e t y , b u t i t ' s a s e p a r a t e i s s u e
8 o f t h e s e c o n d - h o u s e h o l d d i s c o u n t
9 j u s t f o r t h e a d u l t v e r s u s t h e
10 p a r e n t i n g - t i m e a d j u s t m e n t t h a t i s
11 r e l a t e d t o t h e c h i l d c o s t . O n e i s
12 f o r t h e a d u l t o v e r h e a d , a n d t h e
13 o t h e r i s f o r t h e c h i l d e x p e n s e s .
14 I t ' s a s u b t l e t y , I a d m i t .

15 C O M M I T T E E M E M B E R : O k a y .
16 N o w , w h a t y o u ' r e - - Y o u ' r e
17 s a y i n g t h a t t h e r e a r e f i g u r e s
18 b a s e d o n h o u s i n g c o s t s t h a t y o u
19 w o u l d h a v e a t a b l e t o u s e f o r
20 t h a t . L i k e , J o h n c o u l d n ' t g o o u t
21 a n d m a r r y a n h e i r e s s a n d l i v e i n a
22 f i v e t h o u s a n d s q u a r e f o o t h o u s e
23 a n d s a y , I h a v e a f i v e t h o u s a n d
24 d o l l a r a m o n t h h o u s e p a y m e n t .
25 H o w w o u l d t h a t - -

1 M R . R O G E R S : A s a
2 p r e s u m p t i o n , y o u w o u l d w a n t t o
3 a d d s o m e r e a s o n a b l e n u m b e r s .
4 B u t , a g a i n , e v e r y t h i n g s h o u l d b e
5 r e b u t t a b l e , w h i c h m e a n s e v e n t h a t
6 s h o u l d b e r e b u t t a b l e . I t h i n k
7 t h a t ' s g o o f y , b u t t h a t w a s y o u r
8 p o i n t . B u t , y e s , y o u s h o u l d h a v e
9 s o m e v e r y s t a t i s t i c a l l y - o r i e n t e d
10 n u m b e r s b a s e d o n h o w m u c h i s
11 s p e n t o n h o u s i n g a t d i f f e r e n t
12 i n c o m e l e v e l s . A n d t h e
13 i n t e r e s t i n g t h i n g a b o u t t h i s w i t h
14 t h e l i t t l e b i t o f w o r k t h a t I ' v e
15 d o n e o n t h i s , t h e d o l l a r v a l u e s g o
16 u p w i t h i n c o m e , b u t t h e l o w e r
17 i n c o m e l e v e l s , t h e s i z e o f t h e
18 i m p a c t i s b i g g e r . A n d o n e t h i n g
19 t h a t w a s n ' t - - A n d I t h i n k t h a t ' s
20 a g o o d t h i n g , o n e t h i n g t h a t w a s
21 n o t d i s c u s s e d . A n d t h i s i s a
22 p r o b l e m w i t h a l l c h i l d c o s t t a b l e s
23 b a s e d o n t h e C o n s u m e r
24 E x p e n d i t u r e S u r v e y , e s p e c i a l l y a t
25 l o w i n c o m e l e v e l s .

1 The data actually show in
2 many cases for low income
3 families, spending -- total
4 spending exceeds actual income,
5 which raises the issue of whether
6 the cost tables have this bias. I
7 haven't seen a good answer to
8 that problem. But the second-
9 household adjustment would have
10 a declining impact at higher
11 income levels and more of an
12 impact at the lower income
13 levels, if correctly done. I think
14 that it would have a lot of good
15 economic features.

16 JUDGE GOSA: Any other
17 questions?

18 COMMITTEE MEMBER: I have
19 one. What is your definition of a
20 second household?

21 MR. ROGERS: It's -- All
22 right. Just generally, the fact
23 that you need a second house.
24 Now, what you may be asking --
25 And I'm interpreting. You're

1 asking, Well, do we measure it by
2 the custodial parent or by the
3 noncustodial parent. That may be
4 what you're asking.

5 COMMITTEE MEMBER: A
6 noncustodial parent (inaudible).

7 MR. ROGERS: Well, the way I
8 would answer it is, why not use
9 an average. And if you're
10 looking at the income of both
11 parents, it's actually -- You
12 already have all the information.
13 With the basic cost table, you're
14 looking at combined income. So
15 for the second-household
16 adjustment, you would look at the
17 average of that income for what
18 you want the discount to be
19 related to.

20 COMMITTEE MEMBER: Well,
21 how would you qualify for that
22 second household? The reason I
23 ask that is when you get into a
24 blacker area, you find that twenty
25 percent of the noncustodial

1 p a r e n t s w i l l c o m e u p a n d s a y , I
2 l i v e w i t h s o - a n d - s o , I d o n ' t o w n
3 m y h o m e , I ' m n o t p a y i n g a
4 m o r t g a g e n o t e , I ' m l i v i n g w i t h m y
5 m o t h e r , I ' m l i v i n g w i t h m y
6 g i r l f r i e n d , I ' m l i v i n g w i t h s o -
7 a n d - s o . S o h o w d o y o u - - H o w
8 w o u l d t h a t f i t i n u n d e r t h a t
9 s e c o n d - i n c o m e h o u s e h o l d u n d e r
10 y o u r m o d e l ?

11 M R . R O G E R S : Y o u r a i s e a n
12 i n t e r e s t i n g q u e s t i o n . W h e n
13 e c o n o m i s t s h a v e t o u g h t i m e s
14 a n s w e r i n g q u e s t i o n s , y o u c a n
15 a l w a y s r e s o r t t o t h e i d e a o f
16 o p p o r t u n i t y c o s t s , a n d I ' m s u r e
17 s o m e h o w t h a t a n s w e r s y o u r
18 q u e s t i o n . B u t s o m e o n e i s p a y i n g
19 f o r t h e s e c o n d h o u s e h o l d .

20 C O M M I T T E E M E M B E R : W e l l ,
21 t h e r e a s o n I a s k i s u n d e r t h e
22 i d e a l s i t u a t i o n (i n a u d i b l e) , y o u
23 h a v e a s e c o n d h o u s e o r m o r t g a g e
24 o r a l l t h i s . B u t w e s e e i t s o
25 o f t e n i n t h e b l a c k e r c o u n t i e s

1 w h e r e t h a t i s n o t t h e c a s e , a n d I
2 c o u l d s e e h o w - -

3 C O M M I T T E E M E M B E R : W o u l d
4 y o u n o t r e f e r t o t h e a v e r a g e - - I
5 m e a n , t h e g o v e r n m e n t a v e r a g e o r
6 w h a t e v e r t h e a v e r a g e i s i n t h e i r
7 - -

8 C O M M I T T E E M E M B E R :
9 W o u l d n ' t t h a t a s s u m e a n a r b i t r a r y
10 f i g u r e , t h o u g h ?

11 (W h e r e u p o n , s e v e r a l p e o p l e
12 b e g a n s p e a k i n g
13 s i m u l t a n e o u s l y .)

14 C O M M I T T E E M E M B E R : H o w
15 d o e s y o u r m o d e l t r e a t t h e
16 c h i l d r e n i n t h e s e c o n d h o m e o f
17 t h e n o n c u s t o d i a l p a r e n t ?

18 M R . R O G E R S : C o s t S h a r e s
19 d o e s n o t h a v e a n e c o n o m i c
20 p r e f e r e n c e . A c t u a l l y , f r o m a n
21 e c o n o m i s t ' s p e r s p e c t i v e , t h e
22 a d d i t i o n a l d e p e n d e n t i s s u e i s o n e
23 o f t h o s e - - i t ' s o n e o f t h o s e
24 w h i c h f a l l i n t h e c a t e g o r y o f
25 m a t h e m a t i c a l l y i n s o l v a b l e . I f

1 y o u w a n t a p u r e l y e q u i t a b l e
2 o u t c o m e , i t ' s n o t m a t h e m a t i c a l l y
3 s o l v a b l e , s o y o u h a v e t o f i n d a
4 s o l u t i o n t h a t y o u ' r e s a t i s f i e d
5 w i t h . M y p e r s o n a l p r e f e r e n c e i s
6 t h e d u m m y o r d e r a p p r o a c h a n d n o t
7 e x c l u d e a n y p a r t i c u l a r c a t e g o r y
8 o f d e p e n d e n t s .

9 C O M M I T T E E M E M B E R : I n
10 o t h e r w o r d s , y o u w o u l d n ' t
11 d i s t i n g u i s h b e t w e e n p r i o r - b o r n
12 a n d a f t e r - b o r n ?

13 M R . R O G E R S : T h a t c o u l d b e
14 w h a t w o u l d b e c o m e a n
15 i r r e b u t t a b l e p r e s u m p t i o n , s o I
16 w o u l d n o t e x c l u d e - - A n y t i m e
17 y o u h a v e a g u i d e l i n e t h a t h a s
18 s o m e f a c e t t h a t s a y s , E x c e p t f o r ,
19 t h e r e ' s a r e a l g o o d c h a n c e t h a t ' s
20 a n i r r e b u t t a b l e p r e s u m p t i o n a n d
21 n o t o n l y w o u l d c o n f l i c t w i t h
22 f e d e r a l r e g u l a t i o n s b u t b a s i c d u e
23 p r o c e s s o f a p r e s u m p t i o n .

24 C O M M I T T E E M E M B E R : D o y o u
25 u s e y o u r p r i n c i p l e s t o t e s t i f y i n

1 c o u r t f o r t h e c u s t o d i a l p a r e n t
2 s e e k i n g a n i n c r e a s e i n c h i l d
3 s u p p o r t ?

4 M R . R O G E R S : Y e s . B u t t h e
5 m e t h o d o l o g y - - I a c t u a l l y u s e
6 m o r e t h a n o n e m e t h o d o l o g y , a
7 t w o - h a n d e d e c o n o m i s t , y o u k n o w .
8 I d o l i k e t o u s e C o s t S h a r e s , b u t
9 a l s o , w h a t e v e r t h e s t a t e ' s
10 g u i d e l i n e i s , I a l w a y s t r y t o ,
11 O k a y , h o w c a n w e t a k e t h a t
12 g u i d e l i n e a n d q u a n t i f y d e v i a t i o n
13 f a c t o r s a n d m a k e s o m e
14 a d j u s t m e n t s . S o t h e r e a r e w a y s
15 t o d o b o t h .

16 C O M M I T T E E M E M B E R : J u s t
17 o n e q u e s t i o n , a n d t h i s i s m y l a s t
18 o n e . I f I u n d e r s t a n d y o u , t h i s
19 p a p e r t h a t M r . G r a h a m d i d - - A n d
20 h e ' s s a y i n g t h a t w e p r o b a b l y - -
21 t h a t w e ' r e n o t i n c o m p l i a n c e w i t h
22 f e d e r a l r e g u l a t i o n s . A n d i f I
23 u n d e r s t a n d y o u c o r r e c t l y , i f w e
24 a d o p t t h e p r o p o s a l , w e w o u l d b e
25 i n c o m p l i a n c e ? I h e a r d y o u o n e

1 time say, You could be brought in
2 compliance. So are you saying
3 that if we adopt it as proposed,
4 that we would be brought into
5 federal compliance?

6 MR. ROGERS: What I would
7 strongly recommend is reviewing
8 what Mr. Graham has discussed in
9 terms of legal presumptions, treat
10 the guidelines as a legal
11 presumption, not just as a policy
12 decision but as a legal
13 presumption, and then you would
14 want to review the facets of any
15 proposals in terms of any degree
16 of arbitrariness, is there a
17 factual basis, does it apply the
18 principle of equal duty of
19 support.

20 And I really had not had time
21 to prepare a lot in terms of the
22 Cost Shares, but it would be
23 doable. But if you wanted to go
24 with Policy Studies'
25 recommendation, I think it would

1 n e e d t o b e a d j u s t e d f o r t h e i s s u e s
2 t h a t I ' v e r a i s e d . A n d I t h i n k i t
3 w o u l d a d d r e s s t h e l o n g s t a n d i n g
4 i s s u e i n A l a b a m a , V i r g i n i a ,
5 L o u i s i a n a , S o u t h C a r o l i n a , t h a t
6 t h e c o s t t a b l e s j u s t s e e m h i g h .
7 W e l l , i t ' s n o t e c o n o m i c a l l y s o u n d
8 t o d o t h e i n c o m e d i s t r i b u t i o n
9 t h i n g . I t ' s n o t . B u t I t h i n k i t
10 w o u l d b e r e a s o n a b l e t o m a k e t h e
11 s e c o n d - h o u s e h o l d a d j u s t m e n t .

12 J U D G E G O S A : A n y m o r e
13 q u e s t i o n s ? T h a n k y o u .

14 L e t m e t a l k t o t h e
15 c o m m i t t e e h e r e . A f t e r t h e b r e a k ,
16 I g o t a s e n s e t h a t w e c a n ' t
17 c o m p l e t e o u r w o r k t o d a y .

18 C O M M I T T E E M E M B E R : Y o u ' r e
19 v e r y p e r c e p t i v e .

20 J U D G E G O S A : I d e t e c t s o m e
21 r e s t l e s s n e s s . W e n e e d t o t a l k
22 a b o u t a n o t h e r m e e t i n g , I g u e s s .
23 I ' m j u s t w o n d e r i n g i f F r i d a y s a r e
24 n o r m a l l y t h e b e s t d a y o f t h e w e e k
25 f o r m e e t i n g . W h a t a b o u t - - L e t ' s

1 j u s t t a l k a b o u t i t o u t l o u d . I h a d
2 a c a l e n d a r w h e n I c a m e h e r e . I ' m
3 l o o k i n g f o r m y c o u r t c a l e n d a r .
4 I ' v e g o t i t w i t h m e s o m e w h e r e a l l
5 t h e t i m e , a n d I k n o w a l l o f y o u
6 h a v e t h e s a m e p r o b l e m I d o . B u t
7 i t ' s n o t e a s y . I n o u r c i r c u i t , w e
8 h a v e o n e c o u r t r e p o r t e r f o r f o u r
9 j u d g e s , a n d i t ' s n o t e a s y t o
10 j u g g l e y o u r d o c k e t s a r o u n d . A n d
11 m y s c h e d u l e s a r e c o m p l e t e d
12 t h r o u g h t h e e n d o f J u n e
13 (i n a u d i b l e) . W h a t d o e s M a r c h
14 2 6 ^{t h} l o o k l i k e t o y o u a l l ?

15 C O M M I T T E E M E M B E R : T h a t ' s
16 s p r i n g b r e a k .

17 C O M M I T T E E M E M B E R : Y e s ,
18 t h a t ' s s p r i n g b r e a k .

19 J U D G E G O S A : (I n a u d i b l e .)
20 T h e n e x t F r i d a y t h a t I h a v e w o u l d
21 b e A p r i l 3 0 ^{t h} . I t h i n k w h i l e t h i s
22 i s f r e s h o n o u r m i n d , w e n e e d t o
23 g e t b a c k t o g e t h e r a s s o o n a s w e
24 c a n . T h a t ' s t h e n e x t F r i d a y I c a n
25 b e h e r e . T h a t ' s s i x w e e k s a w a y .

1 C O M M I T T E E M E M B E R : I ' l l b e
2 o u t o f t o w n o n t h a t d a y .

3 J U D G E G O S A : W h a t a b o u t a
4 M o n d a y ? I t r y t o l e a v e M o n d a y s
5 o p e n b e c a u s e I h a v e t o d o i n i t i a l
6 a p p e a r a n c e s a n d a l l t h a t s t u f f o n
7 M o n d a y . I d o n ' t h a v e a
8 (i n a u d i b l e) . M y n e x t M o n d a y - -
9 A n y M o n d a y i n M a r c h ?

10 (W h e r e u p o n , V i d e o t a p e 4
11 e n d e d .)

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STATE OF ALABAMA
ADVISORY COMMITTEE ON CHILD
SUPPORT GUIDELINES AND
ENFORCEMENT
MONTGOMERY, ALABAMA

IN RE: CHILD SUPPORT GUIDELINES
COMMITTEE MEETING

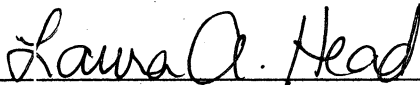
March 12, 2004

CERTIFICATE OF COMPLETION OF
REPORTER'S TRANSCRIPT

I, Laura A. Head, Court
Reporter for the State of Alabama
at Large, do hereby certify that I
have this date completed a true
and correct transcription to the
best of my ability from
videotapes of the committee
meeting held in the above-styled
cause had and done by the
Advisory Committee on Child
Support Guidelines and

Enforcement, Alabama Judicial Building, 300 Dexter Avenue, Montgomery, Alabama, on Friday, March 12th, 2004. All pages are numbered serially with the numbers appearing in the top right-hand corner of each page, and the transcript ends with the number appearing at the top of this Certificate.

DATED this 15th day of April, 2005.


LAURA A. HEAD
Court Reporter