RUTGERS
School of Social Work

Quadrennial Review: Final Report

Developed by the
New Jersey Child Support Institute
Institute for Families

In cooperation with the
New Jersey Supreme Court Family Practice Committee
And the Office of Child Support Services,
Division of Family Development,
Department of Human Services

March 22, 2013

PARTNERING for CHANGE
Rutgers, The State University of New Jersey

This report has been developed through a cooperative effort of the New Jersey Supreme Court Family Practice Committee (FPC), the Office of Child Support Services (OCSS) and the New Jersey Child Support Institute (NJCSI), Rutgers, The State University of New Jersey.

The following individuals are acknowledged for their vital contribution to the development of this report:

Family Practice Subcommittee

Mary M. McManus-Smith, Esq. - Co-chair
Richard A. Russell, Esq. - Co-chair
Lesley Renee Adams, Esq.
Ivette Ramos Alvarez , Esq.
Patrick J. Boyle, Esq.
William R. DeLorenzo, Jr., J.S.C.
Ronald G. Lieberman, Esq.
John R. Rauh, J.S.C.
Maureen P. Sogluizzo, P.J.F.P.
Sandra Terry, F.D.M. Mercer
Andrea Beth White, Esq.

Staff: Beverly C. Murphy, Esq., PCSES
Staff: William Woodworth, Sup. CSHOP

Office of Child Support Services

Alisha Griffin, Assistant Director, DFD

New Jersey Child Support Institute

Mia Sena, Director, Office of Training and Education Programs
Katherine Findley, Graduate Research Assistant

Subject Matter Experts

William Rodgers III, Ph.D.
Burt Barnow, Ph.D.
Margaret Haynes, J.D.
David Macpherson , Ph.D.

Introduction

The New Jersey Child Support Institute (NJCSI) is a collaborative partnership of the Department of Human Services (DHS), Division of Family Development (DFD), Office of Child Support Services (OCSS); the Administrative Office of the Courts (AOC); the Judiciary; the County Welfare Agencies (CWAs); and the Institute for Families (IFF) at the School of Social Work, Rutgers, The State University of New Jersey. The project is funded by the New Jersey Department of Human Services.

NJCSI offers the first comprehensive training program designed specifically for the 2,500 professionals employed in New Jersey's Child Support Program. It also provides technical assistance to the Division of Family Development, Office of Child Support Services.

In preparation for the upcoming Quadrennial Review of New Jersey's child support guidelines, NJCSI, the New Jersey Office of Child Support Services (OCSS), and the New Jersey Judiciary hosted a New Jersey Child Support Guidelines Working Forum in July 2009. The goal of the two-day forum was to identify and discuss policy issues related to the quadrennial review. The forum was attended by members of the Supreme Court Family Practice Committee, Child Support Subcommittee (Subcommittee), judges, attorneys, judiciary staff, and DHS/DFD staff. This forum informed the *Child Support Guidelines Working Forum Compendium*, which was issued in Fall 2009.

With the experience of the Working Forum and the child support issues that the Subcommittee had discussed over the past few years (in anticipation of the quadrennial review), the Subcommittee identified a number of issues requiring expert economic research. It wanted to review the research before comprehensively addressing any modifications to the formula for calculating child support. In response, NJCSI contracted with DHS/DFD to provide the research on those issues identified by the Subcommittee as requiring expert economic advice.

NJCSI prepared the *Quadrennial Review: Preliminary Report of October 2010* to address the questions posed by the Subcommittee. The Subcommittee reviewed the Preliminary Report, providing comments on several areas that required further analysis. A secondary report (released January 2012) incorporated additional expert analysis.

This final report is the product of continued expert analysis, Subcommittee discussions and decisions, and further consultation.

Executive Summary

The New Jersey Child Support Institute (NJCSI) is a collaborative partnership of the Department of Human Services (DHS), Division of Family Development (DFD), Office of Child Support Services (OCSS); the Administrative Office of the Courts (AOC); the Judiciary; the County Welfare Agencies (CWAs); and the Institute for Families (IFF) at the School of Social Work, Rutgers, The State University of New Jersey. As part of that collaboration, NJCSI, the New Jersey Office of Child Support Services (OCSS), and the New Jersey Judiciary hosted a New Jersey Child Support Guidelines Working Forum in July 2009.

The goal of the two-day forum was to identify and discuss policy issues related to the quadrennial review. The forum was attended by members of the Supreme Court Family Practice Committee, Child Support Subcommittee (Subcommittee), judges, attorneys, judiciary staff, and DHS/DFD staff. The forum began with experts' presentations on the history of child support guidelines and their implementation nationally, the role that economists can and should play in the creation of child support guidelines, the current economic crisis in New Jersey and its impact on child support, and policy considerations in structuring child support guidelines. This forum informed the *Child Support Guidelines Working Forum Compendium*, which was issued in Fall 2009.

With the experience of the Working Forum and the child support issues that the Subcommittee had discussed the past few years (in anticipation of the quadrennial review), the Subcommittee decided that there were a number of issues requiring additional expert economic research, including the potential need for adjustments to the New Jersey guidelines to reflect the economic realities of families in New Jersey. NJCSI entered into a contract with DHS/DFD to obtain that expert economic advice so as to assist the Subcommittee in addressing any potential modifications to the formula for calculating child support.

In 2010 NJCSI issued the *Quadrennial Review: Preliminary Report of October 2010*. This preliminary report documented the Subcommittee's examination of the current New Jersey Child Support Guidelines in preparation for the quadrennial review and addressed nine issue areas that the Subcommittee had raised. The Family Court Practice Committee and Subcommittee reviewed the report and identified a number of issues requiring further analysis.

In response to a request by the Subcommittee, Dr. William M. Rodgers III, Dr. Burt Barnow, and Margaret Campbell Haynes[1] conducted additional research on specific topics. This research was summarized within a secondary report released January 2012. The purpose of the secondary report was to incorporate the preliminary research regarding various issue areas with additional research, including research on two new issue areas, and to identify final expert recommendations.

From January 2012 through March 2013, the Subcommittee interacted closely with Dr. William Rodgers. William M. Rodgers III is Professor of Public Policy and Chief Economist at Rutgers University's Heldrich Center for Workforce Development. He holds a BA from Dartmouth College, MA degrees from UC Santa Barbara and Harvard University, and a Ph.D. from Harvard University. Dr. Rodgers is a member of the graduate faculty of Rutgers' School of Management and Labor Relations, and a senior research affiliate of the National Poverty Center, University of Michigan. He is an elected member of the National Academy of Social Insurance, and serves on the Academy's Board of Directors. Rodgers serves on the U.S. Board of Labor Statistics' Technical Advisory Committee. In 2011 he was a visiting scholar at the Cardiff School of Business, Wales, United Kingdom. Before coming to Rutgers, he served as chief economist at the U.S. Department of Labor from 2000-2001, appointed to that position by Alexis Herman, U.S. Secretary of Labor. At the time of his appointment, he was the Frances L. and Edwin L. Cummings Professor of Economics at the College of William and Mary.

Dr. Rodgers' research examines issues in labor economics and the economics of social problems. In recent years, his research has focused on the 1990s economic expansion, the 2001 jobless

[1] See Exhibit IV to this report for more detailed information about Dr. Burt Barnow and Margaret Campbell Haynes, J.D.

recovery, and the current recession's impacts on the earnings and employment of Americans, with a particular focus on youth and minorities. While he was at The College of William and Mary, the Commonwealth of Virginia contracted with Dr. Rodgers to develop a new child support obligation schedule. Dr. Rodgers' policy work spans from working on Acting Governor Codey's pensions benefits review task force to serving as a member of Governor Corzine's commission on government efficiency and reform. Currently, he sits on the National Urban League's Council of Economic Advisors, and he served on President Obama's Department of Labor Transition Team.

During the exchanges between the Subcommittee and Dr. Rodgers, the Subcommittee asked Dr. Rodgers to expand upon his original research for New Jersey and conduct further study into the impact of including various years of Consumer Expenditure Survey (CEX) data. Out of this collaboration a decision was also made to use a new approach, examining family outlays as opposed to family expenditures. The result of that decision is an inclusion of mortgage principal payments, which had previously been excluded under the expenditure-based guideline. Once Dr. Rodgers had developed proposed new child support guidelines, the Subcommittee compared the current guideline awards with those under the proposed guidelines at various income levels. Where necessary, Dr. Rodgers made adjustments to smooth out the schedule, reducing discrete jumps as income rises.

This final report summarizes the research that played a role in the Subcommittee's review of New Jersey's Child Support Guidelines. It proposes an updated Schedule for Appendix IX-F that continues to be based on the Income Shares model, but uses the CEX micro data from 2000 to 2011. The analysis switches from using total family expenditures as the base for estimating child-rearing expenditures to total family outlays. It changes how the New Jersey Basic Child Support Award Schedule addresses Social Security and other government derivative benefits. As a result of decisions made by the Subcommittee, this final report also includes proposed amendments to Appendix IX-A, Appendix IX-B, Appendix IX-C, and Appendix IX-D of the New Jersey Court Rule 5:6A Child Support Guidelines.

Table of Contents

Chapter 1: Introduction 1

Chapter 2: Overview of Economic Basis for Child Support Guidelines 9

Estimating Expenditures on Children 9

Household Expenditure Data 11

Application to Child Support Guidelines 11

Chapter 3: Economic Basis for Existing Guidelines in New Jersey 14

Guidelines Model 14

Measurements of Child-Rearing Costs Used in Existing Schedule 14

Chapter 4: Developing an Updated Support Schedule 19

Introduction 19

Estimation Method 20

Expenditures on Children as Proportion of Net Income 22

Realignment of National Data to Reflect New Jersey 23

Deduction of Child Care and Health Care Costs 24

Extrapolation of Estimates for Larger Households 24

Computation of Marginal Proportions Between Income Intervals 25

Median Regression to Smooth the Relationship 25

Self-Support Reserve 26

Summary 27

Chapter 5: Summary of Key Economic Decisions and Assumptions 38

Chapter 6: Comparison of Existing and Updated Schedules 41

The Proposed Schedule: One, Two, and Three Children 41

The Proposed Schedule: Four, Five, and Six Children 44

Chapter 7: Additional Areas of Review 46

Shared Parenting Arrangements 46

Determination of Parenting Time Adjustment 47

Calculation of Support in True 50-50 Joint Custody Situations 47

Adjustment for Child's Age 48

Private School Tuition 49

Transportation Expenses 50
Mortgage Principal Payments 50
Social Security Derivative Disability Benefits 51
Government Benefits for Children Generally 53
Chapter 8: Summary 55
Exhibits
Exhibit I: New Jersey Economic Basis for Updated Child Support Schedule,
Dr. William Rodgers 62
Exhibit II: Tables and Figures to Accompany Research of Dr. William Rodgers 104
Exhibit III: New Jersey Guidelines Comparison 199
Exhibit IV: Qualifications of Subject Matter Experts 202
Exhibit V: Measure of Housing for New Jersey Child Support Guidelines,
Dr. Burt Barnow 280
Exhibit VI: Treatment of Social Security Derivative Benefits,
Margaret Campbell Haynes, J.D. 288
Exhibit VII: Proposed Amendments to Appendix IX-A of NJ Court Rule 5:6 A 307
Exhibit VIII: Proposed Amendments to:
Appendix IX-B 335
Appendix IX-C Sole Parenting Worksheet 439
Appendix IX-D Shared Parenting Worksheet 441
Exhibit IX: Proposed Amendments to Appendix IX-F of NJ Court Rule 5:6 A 443
Exhibit X: Peer Review by Dr. David A. Macpherson 452

Chapter 1: Introduction

The Family Support Act of 1988 [P.L. 100-485] requires that States review their Child Support Guidelines at least once every four years. Implementing federal regulations require that these reviews "must include an assessment of the most recent economic data on child-rearing costs and a review of case data to ensure that deviations from guidelines are limited." 45 C.F.R. § 302.56. This report documents the most recent review of New Jersey's Basic Child Support Award Schedule.

On July 8 and July 9, 2009, the New Jersey Child Support Institute (NJCSI), the New Jersey Office of Child Support Services (OCSS), and the New Jersey Judiciary hosted a forum to discuss policy recommendations for the upcoming, quadrennial review of New Jersey's Child Support Guidelines. The two-day forum was attended by members of the Supreme Court Family Practice Committee, Child Support Subcommittee (Subcommittee), judges, attorneys, judiciary staff, and DHS/DFD staff. During this New Jersey Child Support Guidelines Working Forum, subject matter experts made presentations on selected topics, including the history of child support guidelines and their implementation nationally, the role that economists can and should play in the creation of child support guidelines, the current economic crisis in New Jersey and its impact on child support, and policy considerations in structuring child support guidelines. There were also round table discussions on the guideline treatment of high and low income parents, parenting time and custody, multiple families, medical support, and special populations (i.e., incarcerated parents and children in foster care). The discussions resulted in recommendations and issues for further analysis. The discussions and recommendations of the forum are summarized in the *Child Support Guidelines Working Forum Compendium,* which was issued in Fall 2009.

Following the Forum, the Subcommittee continued to discuss at length issues that must be addressed within the quadrennial review. The Subcommittee wanted to ensure that the review included a focus on the rate of compliance with the child support guidelines and the potential need for adjustments to the guidelines to reflect the economic realities of families in New Jersey. It recognized that there were a number of issues requiring expert economic research.

In 2010 NJCSI entered into a contract with DHS/DFD to provide the needed economic research to assist the Subcommittee. The Subcommittee asked NJCSI to address its concerns regarding whether the New Jersey Child Support Guidelines accurately captured the cost of raising children in New Jersey, and specifically to review and make recommendations in the following areas:

- Whether the current model employed to extract data from the Consumer Expenditure Survey (CEX) should be modified to include expenditures by households for mortgage principal and car payment principal, which the previous model excluded as "savings."

- Whether the spending categories included in the award amounts can be better defined (i.e., whether there can be clearer definitions of what is included in, and excluded from, each of the categories of expenses covered by the child support awards. These are currently defined as 38% fixed costs, 37% variable costs, and 25% controlled costs. An example would be to clarify whether extraordinary expenses, such as private schooling, children's cars, or other special items should be included in or excluded from controlled costs.).

- Whether the percentages for the spending categories used to make adjustments for parenting time (38%, 37%, 25%) are still valid, or whether they must be adjusted, or even realigned, in conjunction with a new model or a new definition structure for the categories.

- Whether the minimum and maximum income standards for the guidelines should be adjusted up or down. Whether the six children limit of the tables should be adjusted or expanded.

- Whether the poverty level (self support threshold) should be adjusted.

- Whether the Betson-Rothbarth Marginal Cost Estimator should still be employed, or whether an alternative estimator of marginal cost, such as the Engel estimator of marginal cost or some new estimator should be created or employed.

- Whether the Guidelines should remain based on intact family spending or whether single parent household spending should be factored.

- Whether the age adjustments (under 12/over 12) for child support amounts are still viable.

- How to calculate the reduction for healthcare when the custodial parent has no countable income.

NJCSI prepared *The Quadrennial Review: Preliminary Report of October 2010*, which weighed various approaches to these issues. In November 2010 the Subcommittee met to

determine the best path forward and to receive expert consultation. The Subcommittee identified areas for additional research. As a result of those discussions and the additional research by subject matter experts, a secondary report was prepared. This secondary report included the research and recommendations by subject matter experts on the issues identified in the preliminary report, as well as the research and expert recommendations into two new areas:

- Has the composition, level, and relationship to income of child-related expenditures changed from 2004 to 2009?
- How should Social Security disability derivative benefits be treated with regard to New Jersey Child Support Guidelines?

From January 2012 to March 2013, the Subcommittee interacted closely with Dr. William Rodgers. During those exchanges, the Subcommittee asked Dr. Rodgers to expand upon his original research and conduct further study into the impact of including various years of Consumer Expenditure Survey (CEX) data. A result of these discussions was a new approach, focusing on family outlays rather than family expenditures. The focus on family outlays meant that housing expenditures for the purpose of estimating expenditures on children was expanded to include not only expenditures on housing as defined by the CEX, but also mortgage principal payments of home owners. This approach is a departure from the prior expenditure-based guideline.

Once Dr. Rodgers had developed proposed new child support guidelines, the Subcommittee compared the current guideline awards with those under the proposed guidelines at various income levels. Where necessary, Dr. Rodgers made adjustments to smooth the schedule, reducing discrete jumps as income rises.

Because his proposed obligation schedule is based on a different methodology than that used by New Jersey in 2004, uses years prior to 2004, and is the first to include CEX data for 2010 and 2011, Dr. Rodgers recommended that his report and proposed schedule be reviewed by other professionals in the child support research network. Dr. David Macpherson, E.M. Stevens

Professor of Economics at Trinity University in San Antonio, Texas, conducted such a review in February 2013.[2] Dr. Macpherson has previously conducted the quadrennial review of Florida's child support guidelines in 2003-2004, 2007 – 2009, and 2011-2012. His analysis is located in Exhibit X to this report.

The Subcommittee asked Dr. Macpherson to address three topics: (1) the appropriateness of using Consumer Expenditure Survey data for the period of 2000 to 2011; (2) the appropriateness of using the Lazear and Michael (1988) economic model of income distribution within the family; and (3) the appropriateness of the proposed child support schedules. Dr. Macpherson concluded that the use of multiple years of CEX data was appropriate as was Dr. Rodgers' use of the Lazear and Michael economic model. In examining the proposed child support schedules, Dr. Macpherson stated that the proposed changes from the current schedule seemed reasonable. However, he also observed that the CEX data sample which was used to generate the proposed schedules included survey respondents for whom the CEX imputed income; if a survey respondent does not know or refuses to answer questions about his or her income, the CEX assigns the individual an income. Citing concerns raised by other researchers, Dr. Macpherson concluded that it would be worthwhile to examine the impact of income imputation on the estimated child support schedules.

The Subcommittee requested Dr. Rodgers to conduct such an examination. After the generation of additional tables and further analysis, Dr. Rodgers determined that the removal of all CEX survey respondents with imputed or incomplete income substantially impacted the proposed child support schedules and yielded results that were unreasonable on economic and political grounds. As a compromise, Dr. Rodgers developed obligation schedules based on the following CEX samples: for 2000 to 2003, he excluded families with incomplete income; BLS does not provide an income estimate for these households. For 2004 – 2011, when the CEX does provide information on imputation, he included families with imputed income; he gave the latter the average of the five imputed incomes constructed by the U.S. Bureau of Labor Statistics.[3]

[2] See Exhibit IV to this report for more detailed information about Dr. Macpherson.
[3] See Exhibit I for Dr. Rodgers' complete report, entitled New Jersey Economic Basis for Updated Child Support Schedule (March 19, 2013).

The Subcommittee reviewed Dr. Rodgers' additional work and revised proposed schedule. After considering the impact of removing all survey respondents with imputed income from the CEX data sample on which the guidelines are based, and the fact that no other state is known to have adopted such a methodology in developing guideline schedules, the Subcommittee agreed with Dr. Rodgers' proposed methodology and his revised updated schedule.

In addition to research conducted by subject matter experts, the Subcommittee considered a number of other issues. It considered whether the current percentages that families spend on variable, fixed, and controlled expenditures need to be updated. These categories of expenditures are used to make adjustments in shared parenting cases. The conclusion was that the percentages remained appropriate.

The Subcommittee considered whether a mathematical formula should be developed to accommodate situations involving multiple children with varying parenting time schedules. The Subcommittee decided that these types of situations are fact sensitive and best left to the sound discretion of the court. Therefore, there is a proposed amendment to Appendix IX-A to include multiple children with varying time schedules as a reason for deviation. Similarly, the Subcommittee concluded that calculation of support in true 50-50 joint custody situations is fact sensitive and best left to the discretion of the court.

The Subcommittee also examined the question of whether tuition expenses for schools (public or private) should be included in the basic child support award. Because it is not possible to identify such costs within the CEX data, the Subcommittee decided that such expenses should continue to be treated as a supplemental expense that may be added to the basic support award, at the discretion of the court.

The Subcommittee examined to what extent transportation expenses should be included within the basic support award. In its 2009 – 2011 rules cycle, the full Committee accepted the Subcommittee's recommendation that transportation expenses should include any automobile

and related insurance costs of a parent, but exclude the purchase or lease and insurance costs of a vehicle whose primary driver is the child. This report includes a proposed amendment to Appendix IX-A to clarify that the Appendix IX-F schedule does not include expenses related to a vehicle primarily intended for use by a child.

This final report summarizes the expert analysis of selected topics and identifies their recommendations. The report develops and recommends an updated Schedule of child support awards for New Jersey Court Rule 5:6A, Appendix IX-F that is based on the Income Shares model and uses the Consumer Expenditure Survey (CEX) micro data from 2000 to 2011. The analysis switches from using total family expenditures as the base for estimating child-rearing expenditures to total family outlays. The recommended schedule incorporates new estimates of average child-rearing costs in the United States, clarifies what is and what is not included in the measurements of child-rearing costs, places the schedule in 2011 price levels, and adjusts for income differences between New Jersey and the U.S. average. It changes how the New Jersey Basic Child Support Award Schedule addresses government benefits for a child. Finally, the report contains proposed amendments to Appendices IX-A through IX-D of the New Jersey Court Rule 5:6A.

The Subcommittee had initially expressed some concern that amounts under the proposed child support award schedule do not uniformly or significantly increase from those under the current schedule, particularly since the Consumer Price Index suggests that the cost of living has risen by more than 20% since the last Child Support Award Schedule was adopted. However, with a more complete understanding of the economic principles involved in the development of child support guidelines, the Subcommittee realizes that its concerns were misplaced.

Intuitively, members felt that most families spend more on their children today than they did five or ten years ago. The rise in total dollar spending that many families experience is most often accompanied by a corresponding rise in income over time. Although many families' incomes rise over time, that fact is divorced from the question at the heart of the development of child support guidelines, which is, "what share of the parents' combined income is attributed to spending on the child or children?"

Each child support award is tied to a specific increment of combined family income. The rising cost of living means that a specific increment of combined income, such as $50,000, has less purchasing power and a corresponding reduction in quality of life over time. $50,000 cannot buy today what it could 10 years ago. However, the reduction in purchasing power over time does not necessarily correspond with spending a greater share of the family income on children. In fact, if the share of family spending attributed to children were to be increased with every quadrennial adjustment to the child support awards, eventually, the spending on children would be greater than 100%.

The child support award basically represents the share of the parents' combined income ($50,000 in our example) that the parents spend on the child. Due to inflation, there may be higher costs of living. Over time the share of family income at a specific income level (e.g., $50,000) that is attributed to spending on children may fluctuate slightly up or down depending upon a number of factors, including general economic trends (economic recession, economic expansion, etc.) that effect consumer spending habits. However, there is no economic data that supports an assumption that the share of parents' combined income that is spent on the child or children will rise at the same level as inflation. Rather, economic data suggests that the share of family income that is spent on children at specific income levels remains fairly constant.

For the above reasons, the Subcommittee recognizes that it is consistent with current economic data that the child support awards in the proposed schedule do not significantly increase from the current schedule. Depending upon advancements in data collection or economic theory, future reviews may lead to adjustments to the economic formula used to calculate the share of family income attributable to spending to children, which may cause upward or downward fluctuations in the award amounts.

This report is organized as follows:

- Chapter 2 provides an overview of economic bases for child support guidelines.
- Chapter 3 discusses the economic basis for the existing Child Support Award Schedule.
- Chapter 4 develops an updated Child Support Award Schedule based on relevant economic data, as well as the specific assumptions made in the course of that

development. Further detail is provided in the Exhibit to this report.

- Chapter 5 summarizes the key economic decisions and assumptions that are implicit in the development of the proposed Schedule.
- Chapter 6 compares the existing Schedule to the proposed Schedule.
- Chapter 7 discusses additional areas that the Subcommittee identified for review.
- Chapter 8 presents a brief summary of decisions made and proposed changes to the current New Jersey Basic Child Support Award Schedule.

Chapter 2: Overview of Economic Bases for Child Support Guidelines

Guidelines are based on indirect approaches whereby we infer how much money families spend on their children based on other data.

Estimating Expenditures on Children

Early research on consumer expenditures examined how consumption varies with income. There are two popular techniques for measuring a household's well-being: the Engel estimator and the Rothbarth estimator.

Engel was a German statistician. In 1857 he used budget surveys to conclude that as a family's size increased (assuming constant family income), the percentage of the family's expenditures devoted to food increased. He also documented that as a family's income increased (holding family size constant), the percentage of the family's expenditures devoted to food decreased, even though total expenditures on food increased. Engel concluded that the percentage of a family's total expenditures that was devoted to food was a good criterion for evaluating well being. In order to use the Engel estimation procedure to determine expenditures on children, one must examine expenditure patterns of families without children to determine how spending on food (as a percentage of total expenditures) varies with a family's socio-demographic characteristics. Food expenditure patterns in families with one child are then examined to determine how they compare with similar families without children. Expenditures on a single child are then computed as the difference between total consumption expenditures for the one-child family and total consumption expenditures for a childless couple with the same level of well being (as measured by the proportion of its total budget spend on food). Similarly by examining how expenditure patterns vary between families with different numbers of children, it is possible to estimate the expenditures on additional children.[4] Implicit in the Engel estimator is the assumption that the percentage of a family's expenditures on non-food items that is

[4] Barnow, Burt, "Economic Studies of Expenditures on Children and Their Relationship to Child Support Guidelines," in Margaret C. Haynes, ed. Child Support Guidelines: The Next Generation (U.S. Department of Health and Human Services, 1994).

attributable to children is the same as the percentage of the family's food expenditures attributable to the family's children.

An alternative estimator is that proposed by Rothbarth (1943). Rothbarth believed that the best way to measure expenditures on children was to assess children's impact on their parents' consumption. He assumed that the well being of parents could be determined by the level of "excess income" available to them once necessary expenditures on all family members had been made. Rothbarth defined excess income to include luxuries such as alcohol, tobacco, and entertainment, and savings.[5] The Rothbarth approach assumes that families that spend the same amount on "adult goods," generally interpreted as adult clothing, alcohol, and tobacco, are equally well off.[6]

The assumptions underlying both of these commonly used techniques have led economists to the conclusion that the Engel estimator likely overestimates the true expenditures on children, while the Rothbarth estimator is likely to underestimate expenditures on children. More detailed information about all these estimates of child-rearing expenditures is provided in the Lewin/ICF report.[7]

Another estimator is that produced by the U.S. Department of Agriculture. The U.S. Department of Agriculture's Center for Nutrition Policy and Promotion (CNPP) develops economic estimates for the major categories of child-rearing expenditures (i.e., housing, food, transportation, clothing, health care, child care and education, and miscellaneous child-rearing expenditures). After identifying the major categories of expenses that most families incur, it then allocates the expenses. Unlike the Rothbarth and Engel estimates, the CNPP does not use a marginal cost method that measures child-rearing expenditures as the difference in expense between equivalent couples with and without children. Rather it examines direct parental expenses on children through age 17. It allocates child-specific expenses (such as clothing, education, and child care) directly to children. Food and health care expenses are allocated to children based on findings

[5] Barnow, *supra* note 4.
[6] Strictly speaking, the Rothbarth estimates produced by Betson estimate the income required to compensate parents for the presence of the children, but these figures are generally interpreted as the "cost" of children.
[7] Lewin/ICF."Estimates of Expenditures on Children and Child Support Guidelines," (June 1990).

from federal surveys on child's' budget shares.[8] Family-related transportation expenses and miscellaneous expenses are allocated using a per capita method. Housing expenses on a child are based on the average cost of an additional bedroom.

Household Expenditure Data

Once a technique is chosen for estimating child rearing costs, the household expenditure data to which it is applied must be selected. Typically economists use data from the Consumer Expenditure Survey (CEX).[9] The CEX is a detailed source of national data on household expenditures and how they vary by family composition, size, geographic location, and socio-economic characteristics. The information is collected through personal interviews of a national sample of households as well as through expenditure diary methods. The U.S. Census Bureau collects the survey data for the Bureau of Labor Statistics. CEX results are published annually; however, the results are usually three years old by the time they are available for public use.

Application to Child Support Guidelines

Engel

In 1984, Thomas Espenshade wrote Investing in Children.[10] His data on child-rearing costs**,** based on the Engel approach, was used by the federal Child Support Guidelines Project to develop the Income Shares model.

Rothbarth

- Betson

As States have reviewed and updated their guidelines, many have used the more recent research of Dr. David Betson of the University of Notre Dame. In September 1990, Dr. Betson published child-rearing estimates based on his analysis of pooled CEX data from 1980 through the first quarter of 1987, using a variety of estimation techniques, and alternative definitions of the

[8] See the National Food Consumption Survey conducted by the U.S. Department of Agriculture and the National Medical Care Utilization and Expenditure Survey conducted by the U.S. Department of Health and Human Services.
[9] For a discussion of the properties of the CEX, *see* Chapter 3 of Bassi, Laurie, Burt S. Barnow, Laudan Y. Aron and Abhay Pande, Estimates of Expenditures on Children and Child Support Guidelines (Lewin/ICF, October 1990) and Betson, David. *Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey*, Report to U.S. Department of Health and Human Services (Office of the Assistant Secretary for Planning and Evaluation), University of Wisconsin Institute for Research on Poverty (September 1990).
[10] Espenshade, Thomas M., Investing in Children: New Estimates of Parental Expenditures (Urban Institute Press, 1984).

standard of well-being.[11] He concluded that the Rothbarth method produced the best set of estimates on the marginal costs of children. Dr. Betson then provided estimates of the percentage of total expenditures spent on children for one- and two-parent families with one, two, and three children. His estimates for two-parent families can be used for developing child support guidelines by converting from expenditures to income and incorporating any other refinements desired by states. In 2001 Dr. Betson updated his 1990 study using CEX data from 1996 – 99.

- Lazear and Michael

In 1988 Professors Edward P. Lazear and Robert T. Michael[12] developed a new economic model of income distribution within the family, examining which family characteristics affect spending patterns. They based their work on an analysis of 1972-73 CEX data. Employing the Rothbarth approach of examining expenditures on adult goods in order to indirectly determine the costs of children, they found that the average household spent $38 per child for every $100 spent per adult, and that the level of relative and absolute expenditure on the child rises with the level of education of the head of the household. Their estimates of child-rearing expenditures were considerably lower than the Espenshade estimates, which had used the same CEX data, implying more economies of scale in consumption.[13]

Center for Nutrition Policy and Promotion (CNPP)

The CNPP child-rearing estimates are also based on CEX data. The most recently CNPP published figures are based on data from the 2005-06 CEX, updated to 2011 dollars using the Consumer Price Index (CPI).[14] Estimates are provided for major components of the budget by age of child, family income, and region of residence. Multivariate analyses are used to control for income level, family size, and age of the younger child so that estimates can be made for

[11] Betson, *supra* note 9.
[12] Lazear, Edward and Robert T. Michael. "Chapter 5: The Division of Income Between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey,"Allocation of Income Within the Household (University of Chicago Press: Chicago, Illinois 1988).
[13] See Betson, David, Parental Expenditures on Children: Rothbarth Estimates (A Report Prepared for the State of California 2010.
[14] Lino, Mark. *Expenditures on Children by Families, 2011*, U.S. Department of Agriculture, Center for Nutrition Policy and Promotion, Miscellaneous Publication 1528-2011 (June 2012). http://www.cnpp.usda.gov/Publications/CRC/crc2011.pdf

families with these varying characteristics. The estimation model is conducted separately for husband-wife and single parent households.

Although many states examine the CNPP estimates as part of their quadrennial guidelines review, it appears that no state uses the CNPP estimates as the basis of its child support schedule.[15]

In its 2012 report, the CNPP includes a table[16] that presents its estimates as a proportion of total household expenditures and compares them to amounts determined under Betson-Engel and Betson-Rothbarth estimates.

Table 9. Average percent of household expenditures attributable to children in husband-wife families, by estimator and number of children

Number of Children	One	Two	Three
	Percent		
Estimator			
Engel (2001)(1)	30	44	52
Rothbarth (2001)(1)	26	36	42
Rothbarth (2006)(2)	25	37	44
Engel (2008)(3)	21	31	38
Rothbarth (2008)(3)	32	47	57
Rothbarth (2011)(4)	24	37	45
Average of Above	26	37	45
USDA (2012)	27	41	47

1From Judicial Council of California (2001).
2From Policy Studies Inc. (2006).
3From McCaleb, Macpherson, and Norrbin (2008).
4From Judicial Council of California (2011).

As noted in the table, the various methodologies result in a great deal of variance in the average percent of family expenditures devoted to child-rearing costs for one, two, and three children. For a discussion of other issues pertaining to estimates of child-rearing expenditures – use of national data and the use of data from intact families – see the 2004 Policy Studies Report.

[15] See Venohr, Jane, Ph.D, and Tracy Griffith, Policy Studies, Inc. New Jersey Economic Basis for Updated Child Support Schedule Report (Submitted to the New Jersey Administrative Office of the Courts 2004). http://www.judiciary.state.nj.us/notices/reports/CS_Economic_Basis_Report.pdf), Chapter II-4.
[16] Lino, *supra* note 14, p.19.

Chapter 3: Economic Basis for Existing Guidelines in New Jersey

Guidelines Model

The current New Jersey Child Support Award Schedule is based on the Income Shares model, which was developed in the 1980's under the Child Support Guidelines Project funded by the U.S. Office of Child Support Enforcement (OCSE) and administered by the National Center for State Courts. The Income Shares model has been described as follows:

> The Income Shares model is based on the concept that the child should receive the same proportion of parental income that he or she would have received if the parents lived together. In an intact household, the income of both parents is generally pooled and spent for the benefit of all household members, including any children. A child's portion of such expenditures includes spending for goods used only by the child, such as clothing, and also a share of goods used in common by the family, such as housing, food, household furnishings, and recreation.[17]

Under this model, the decision-maker computes the combined income of both parents. Then, using a table based on economic estimates of child-rearing expenditures in an intact household – minus average amounts for health insurance, child care, and extraordinary medical expenses for a child – the decision-maker determines the basic child support obligation.[18] That obligation is divided between the parents in proportion to their incomes. Health insurance premiums and child care expenses are treated as add-ons. The person with custody of the child(ren) is presumed to be contributing his or her proportionate share of the total support obligation directly to the child. The noncustodial parent is ordered to pay his or her proportionate share of the support obligation.

Measurements of Child-Rearing Costs Used in Existing Schedule

When New Jersey first adopted its Child Support Award Schedule in 1985, it was based on economic estimates of child-rearing expenditures as a proportion of household consumption

[17] Williams, Robert, *Development of Guidelines for Child Support Orders, Part II, Final Report*, Report to U.S. Office of Child Support Enforcement, Policy Studies, Inc. (March 1987) p. II-69.
[18] Williams, Robert, "An Overview of Child Support Guidelines in the United States," in Margaret C. Haynes, ed., Child Support Guidelines: The Next Generation (U.S. Dept. of Health and Human Services, 1994).

that had been developed by Dr. Thomas Espenshade. The Espenshade estimates[19] were derived from national data on household expenditures from the 1972-73 Consumer Expenditure Survey conducted by the U.S. Bureau of Labor Statistics. They were the most current and most reliable economic estimates at the time.

Since 1985, New Jersey has periodically reviewed and updated its schedule as required by federal law. In 1997 New Jersey made substantial changes, including adjustments for the self support reserve and shared parenting time. It also updated its schedule to use more current measurements of child-rearing costs. Dr. David Betson, a Professor of Economics at the University of Notre Dame, developed these measurements for the U.S. Department of Health and Human Service in 1990.[20] Dr. Betson used data from the national 1980-86 Consumer Expenditure Survey for his research. The Consumer Expenditures Survey is an in-depth survey of about 5,000 households per year conducted by the federal Bureau of Labor Statistics.

> Expressing his measurements as the percent of total family expenditures allocated to children, Dr. Betson measured average child-rearing costs for a range of incomes and a varying number of children and ages. Further, Dr. Betson employed five different methodologies in his research. An economic methodology is necessary to separate the child's and parent's shares of co-mingled household expenditures such as housing, food, and transportation. For most household expenditures, it is not obvious what proportion will be consumed by the child and what proportion will be consumed by the parents. For example, it is difficult to distinguish the child's and parent's shares of electricity, gas and other utilities and a loaf of bread. The comingling of most household expenditures also makes it difficult to set child support awards on a case-by-case basis. For many reasons, measurements of child-rearing expenditures are integral to establishing child support awards.
>
> Of the five methodologies employed by Dr. Betson, he concluded that the "Rotbarth methodology," which is discussed more in the next section, was the most empirically valid and plausible.[21]

Most states updating their child support guidelines in the 1990s relied on the Betson-Rothbarth measurements, as did New Jersey. New Jersey updated the measurements to December 1996 price levels and realigned them to account for New Jersey's relatively higher income. The

[19] See Espenshade, *supra* note 10.
[20] Betson, *supra* note 9.
[21] Venohr and Griffith, *supra* note 15, at I-2.

realignment was made by comparing family income distributions for New Jersey and the nation. The income data used for the realignment were from the 1990 Census.

In 2004 New Jersey contracted with Policy Studies, Inc. as part of its quadrennial guideline review. In its report[22], PSI developed an updated New Jersey Basic Child Support Award schedule. The updated schedule considered three factors:

- 2001 Betson-Rothbarth measurements of child-rearing costs developed from CEX 1996 – 99 data;
- 2004 price levels; and
- 2002 Census data indicating differences in family income between New Jersey and the national average. According to that data New Jersey ranked higher than any other state in median family income ($70,488 per year in New Jersey compared to $51,742 for the United States).

The updated New Jersey Child Support Award schedule was based on a number of key economic decisions and assumptions.

(1) **The Schedule assumes a higher proportion of income is allocated to children in New Jersey than in the United States as a whole.** "Since New Jersey has an income structure that is higher than that of the U.S. as a whole, it is reasonable to assume that prices are higher in New Jersey (due to the higher income structure), so it costs more to obtain the goods and services that are perceived as necessities. Since many child-rearing expenditures are for necessities, a higher proportion of income is allocated to children in New Jersey than in the U.S. as a whole…. The realigned estimates of child-rearing expenditures . . . show that the proportion of net income spent on children in New Jersey declines as income increases. Although similar to the national data . . ., the New Jersey estimates are somewhat more than the national estimates."[23]

[22] Venohr and Griffith, *supra* note 15.
[23] Venohr and Griffith, *supra* note 15, at III-1.

(2) **The Schedule does not include expenditures on child care, extraordinary medical, and children's share of health insurance costs.** The Schedule is based on economic data that represent estimates of total expenditures on child-rearing costs up to age 18. The major categories of expenditures include food, housing, home furnishings, utilities, transportation, clothing, education, and recreation. Excluded from these figures are average expenditures for child care, children's extraordinary medical care, and the children's share of health insurance. These costs are deducted from the base amounts used to establish the Schedule because they are added to child support obligations as actually incurred in individual cases. Deducting these expenditures from the base amounts avoids double-counting them in the child support calculation.[24]

(3) **The Schedule includes expenditures on ordinary medical care**. Although expenditures for the children's extraordinary medical care and the children's share of health insurance are to be added to the child support obligation as actually incurred in individual cases, it is assumed that parents will make some expenditures on behalf of the children's ordinary (i.e., out-of-pocket expenses not covered by insurance) medical care. The Schedule amounts in this report are based on the assumption that expenditures on ordinary medical care are $250 per year per child.[25]

(4) **The Schedule is based on average expenditures on children 0 - 17 years**. Child-rearing expenditures are averaged for children across the entire age range of 0 - 17 years. Because of the age limitation, college tuition and expenses are not factored into the schedule. Dr. Betson did not find statistical differences in childrearing costs by child's age when applying the Rothbarth methodology. Nonetheless, the USDA measurements suggest that expenditures may be higher for teen-aged children, and lower for pre-teen children.

The major difference between the 1997 schedule and that proposed by Policy Studies, Inc. in 2004 was that there were small increases at lower incomes and then, as income increased, the base award amount decreased and the gap between the existing and proposed Schedule amounts

[24]Venohr and Griffith, *supra* note 15, at IV-1.
[25] Venohr and Griffith, *supra* note 15, at IV-1.

became larger. Policy Studies stated that most of the gap resulted from the new measurements of child-rearing costs, which indicated a more precipitous decline in child-rearing costs as income increases.[26]

The 2004 Policy Studies Report also identified an anomaly in application of the self support reserve. The self support reserve was then, and still is, 105 percent of the poverty guidelines for one person. If can only be applied if the custodial parent's income is above the self support reserve. If that test is met, and the noncustodial parent's income less the child support award is below the self support reserve, the support order is to be set at the difference between the noncustodial parent's net income and the self support reserve. The anomaly identified by Policy Studies was that the Schedule worksheet required application of the self support reserve to the custodial parent net income *prior* to consideration of the custodial parent's share of the base award amount, but required application of the self-support reserve to the noncustodial parent net income *after* consideration of the noncustodial parent's share of the base award amount. The anomaly became more egregious if there were add-ons such as child care costs or extraordinary medical expenses. The custodial parent absorbed all of the add-on if the noncustodial parent was eligible for the self support reserve adjustment. Policy Studies concluded that application of the self support reserve would be more equitable if it applied to both parents in the same step. New Jersey subsequently amended its guideline to treat custodial and noncustodial parents equitably with regard to the self-support reserve.

[26] Venohr and Griffith, *supra* note 15.

Chapter 4: Developing an Updated Support Schedule

Introduction

In 2011 New Jersey contracted with Dr. William M. Rodgers, III, a professor at the Edward J. Bloustein School of Planning and Public Policy, Rutgers State University of New Jersey, as part of its quadrennial guideline review. In his final report[27], Dr. Rodgers proposed an updated New Jersey Basic Child Support Award schedule. The proposed updated Basic New Jersey Child Support Award Schedule is based on the Income Shares model and estimated using the Consumer Expenditure Survey (CEX) micro data from 2000 to 2011. Dr. Rodgers determined that the pooling of that 12 year period "averaged" out the extreme variation in macroeconomic activity that occurred from 2000 to 2011. In preparing his estimates, Dr. Rodgers excluded from the 2000 to 2003 CEX data families with incomplete family income records; for those years the Bureau of Labor Statistics (BLS) provides no imputation value. Dr. Rodgers did not exclude all families for 2000 to 2003; due to the sever macroeconomic fluctuations from 2004 to 2011, he felt the cost of excluding these more "normal" years outweighed the cost of only excluding families with incomplete income. For CEX data from 2004 to 2011, he included families with imputed income but used the average of five predicted incomes that the U.S. Bureau of Labor Statistics constructs.

The recommended schedule incorporates new estimates of child-rearing costs, places the schedule in 2011 price levels, and adjusts the schedule for income differences between New Jersey and the U.S. average.[28] The analysis switches from using total family expenditures as the base to total family outlays. According to Dr. Rodgers, the benefit to using total family outlays is that principal payments on all debt (e.g., mortgage principal payments) are captured in the data. The switch to outlays is also consistent with the data used in the construction of recent

[27] Rodgers, William. New Jersey Economic Basis for Updated Child Support Schedule (March 19, 2013).
[28] The current New Jersey Child Support Guidelines are based on the Income Shares model. The Income Shares model is based on the concept that the child should receive the same proportion of parental income that he or she would have received if the household were intact. In intact households, the income of both parents is generally pooled and spent for the benefit of all household members, including any children. A child's portion of such expenditures includes spending for goods used only by the child, such as clothing, and also a share of goods used in common by the family, such as housing, food, household furnishings, and recreation.

estimates of child-related expenditures (e.g., Betson, 2010).[29] This switch has the potential of generating different Rothbarth estimates if the relationship between adult clothing and total outlays differs from the relationship between adult clothing and total expenditures.

Estimation Method

The first step to creating an updated schedule is to estimate Rothbarth parameters based on the most recent CEX micro data; the Rothbarth estimates that underpin New Jersey's existing schedule were constructed with CEX micro data from 1996 to 1999. These parameters, which are estimated for 13 income intervals and family sizes, measure the proportion of a family's total expenditures that are devoted to children. To estimate the Rothbarth parameters, Dr. Rodgers used the "indirect" method in Lazear and Michael (1988) rather than the estimation method of Betson and Policy Studies. Adult clothing expenditures remain the dependent variable in the regression analysis; however, Dr. Rodgers prefers the Lazear and Michael "indirect" method to Betson's method because the former provides a clearer exposition of the approach used. Lazear and Michael build their model from the family's budget constraint. This switch to Lazear and Michael also serves as a model specification robustness check. Similar to Lazear and Michael's estimates, the estimates presented in this report are smaller than what Betson and others have typically found. Yet, they generate a schedule of obligations that is similar to New Jersey's existing schedule. The goal of the estimation procedure is to divide the family's total expenditures into the average per capita expenditures on an adult and a child.

The data for the analysis came from the interview component of the CEX Survey beginning in the first quarter of 2000 through the first quarter of 2012. Unlike the Policy Studies approach, the Lazear and Michael approach does not limit the sample to dual-parent households; it includes single parent households and households with more than two adults. To be included in Dr. Rodgers' preferred 2000 to 2011 CEX sample, the family's adults must be less than 60 years of age. The family can have no more than six children. The family must have participated in three or four interviews during the year. Annual averages are developed for variables that vary across

[29] See Betson, *supra* note 13, for a discussion of the difference between total expenditures and outlays, and a comparison of the variables.

the quarterly interviews (e.g., family income, adult clothing expenditures, outlays). Families must have positive values for their total and adult clothing expenditures and total outlays to be in the sample. Other than the one change noted, these are the same restrictions that applied to the CEX data used by Policy Studies to develop the updated 2004 schedule for New Jersey.

To address concerns expressed by some economists that inclusion of families with imputed income can bias the parameter estimates, Dr. Rodgers constructed the proposed schedule using CEX data that treats missing family income information differently. The sample CEX data from 2000 to 2003 excludes families with incomplete family income records; for those years the Bureau of Labor Statistics (BLS) provides no imputation value. The sample data from 2004 to 2011 includes families with imputed income but uses the average of five predicted incomes that BLS constructs.

Table 1 in Exhibit II to this report presents summary statistics for 2000 to 2011; it contains means for inflation-adjusted (2011 dollars) adult clothing expenditures, inflation-adjusted total family outlays and after-tax family income, and the means for a variety of family demographic characteristics: number of adults, educational attainment of each spouse, race and ethnicity, labor force attachment of the spouses, region of residence, and the number of children.

In addition to Dr. Rodger's preferred 2000 to 2011 CEX sample, Table 1 reports summary statistics based on samples for the following years: 2004 to 2009, 2004 to 2010, 2004 to 2011, 2000 to 2009, and 2000 to 2010. The purpose of reporting these additional estimates is to assess the sensitivity of the preferred sample to the addition of 2010 and 2011 CEX data, which – to his knowledge – have not been incorporated by other studies into Rothbarth estimates of child-related expenditures. Another purpose of these comparisons was to assess the sensitivity of the samples and results to the mild recession and jobless recovery from 2000 to 2003, the dramatic increase in personal consumption and household debt that occurred from 2004 to 2007, the "Great Recession" that lasted from 2007 to 2009, and the 2010 to 2011 weak recovery.

Dr. Rodgers concluded that the Rothbarth estimates should be constructed from the cross sections of data from 2000 to 2011, and not from a subset of cross sections that start in 2004.

Combining these four distinct periods of macroeconomic activity serve to "average" each other out, and thus reflect the "typical" or long-run relationship between family income and child-related expenditures.

Dr. Rodgers transformed the Rothbarth parameters into a schedule of child support obligations by taking the following steps:

Expenditures on Children as Proportion of Net Income

The first step was to convert child-related spending as a proportion of consumption to a proportion of net income.

When a family's total outlays rise, child-related spending increases roughly in the same proportion. As evidenced in Table 16 within Exhibit II to this report, as one moves from the lowest to highest of the 22 income intervals, the average increase in total outlays is 7%, 6%, and 8% for one child, two children, and three children. The comparable average increases in the expenditures on children are 7%, 7% and 9%. As a family's income increases, child-related expenditures increase because parents use a portion of their disposable income to improve their children's quality of life. As detailed in Table 4 within Exhibit II, child-related expenditures as a percentage of family consumption is relatively constant across most of the income scale.

As income increases, total family consumption spending declines as a proportion of net income since income items such as savings, personal insurance, and gifts increase with family incomes. Families at lower levels of the income ladder have consumption spending that may exceed 100% of net income. In contrast, high-income families may spend 60% to 75% of net income on consumption items.

As a family's income increases, child-related expenditures as a proportion of family income decline, even though these expenditures as a percentage of total family consumption spending remain fairly constant. The difference between spending as a proportion of family income and a

proportion of consumption is due to the effect of income taxes, savings, and charitable contributions. Income allocated to these items is not available for consumption spending.

Due to economies of scale, the sharing of family goods, and the redistribution of adult spending, as the number of children increases, the additional cost of each child has a less than proportionate increase in child-related expenditures.

Realignment of National Data to Reflect New Jersey

The next step was to adjust the schedule to reflect Jew Jersey's higher cost of living as measured by the Consumer Price Index – All Urban Consumers (CPI-U).

The Rothbarth estimates are for the United States. New Jersey's income distribution differs from the U.S. income distribution. For example, one-quarter of U.S. families have income that is less than $35,000 compared to 17 percent of New Jersey families. Almost three-quarters of U.S. families have incomes below $100,000, while only 59% of New Jersey families have incomes below this threshold. This means that by applying the Rothbarth parameters constructed from U.S. CEX samples to New Jersey families, too small a percentage of a family's outlays may be attributed to its child-related expenditures. In its 2004 New Jersey report, Policy Studies used Census data to equate the income of New Jersey and U.S. families. The key assumption is that a family at, for example, the 30th percentile of the income distribution spends the same proportion on child-related expenses regardless of where the family lives. Although noting that this assumption still has little empirical evidence to support it, Dr. Rodgers used the Policy Studies approach to maintain continuity. He used data from the American Community Survey's published five-year average of the 2010 U.S. and New Jersey income distributions to equate the income of New Jersey and U.S. families.[30] It is these adjusted Rothbarth parameters that Dr. Rodgers then used to build the updated child support schedule. See Tables 16 and 8 in Exhibit II to this report.

[30] The American Community Survey is an ongoing statistical survey conducted by the Census Bureau that samples a small percentage of the population every year.

Deduction of Child Care and Health Care Costs

After estimating the new Rothbarth parameters, the next step is to deduct the costs of child care and unreimbursed health care expenses in excess of $250 per child per year. First, Dr. Rodgers estimated medical support expenditures by subtracting extraordinary medical expenses (defined as an amount exceeding $250 per year per family member) from the CEX household's reported costs of unreimbursed medical expenses. Second, to generate child-related health expenditures, Dr. Rodgers weighted that total amount of medical expenditures by the proportions for dual parent households reported in "Trends in Personal Health Care Expenditures, Health Insurance, and Payment Sources, Community-Based Population, 1996-2005," Agency for Health Care Policy and Research, U.S. Department of Health and Human Services.

Child care expenses and medical expenses that are not covered by insurance or that exceed reimbursement levels vary a great deal across households. These costs are deducted from the Rothbarth parameters because the Income Shares model used in New Jersey is meant to compute a basic support obligation to which is added the costs of work-related child care and recurring extraordinary medical expenses in excess of $250 per child per year. Therefore the table of support specifically excludes the child's share of expenditures related to these items.

Extrapolation of Estimates for Larger Households

The next step is to extrapolate the estimates for families with one, two, and three children to families with four, five, and six children.

To construct the schedules for families with more than three children, Dr. Rodgers used the same approach as described in the 2004 Policy Studies report. He constructed Rothbarth multipliers that are used as constants at all income intervals. To construct the Rothbarth support proportions for four children, he multiplied the Marginal proportions for three children (see Table 17 within Exhibit II to this report) at a given income midpoint by 1.115. For five children, he used the multiplier of 1.100. For a six child family, he used the multiplier of 1.088. See Table 20 within Exhibit II to this report.

Computation of Marginal Proportions Between Income Intervals

The above steps result in a table that relates levels of net income to the proportion of income spent on children in households of one to six children. However, before the table can be used to prepare a Child Support Schedule, there are additional steps that must occur.

- Compute marginal proportions between income intervals so that the support schedule can be constructed in ten dollars increments.
- Use the Rothbarth and marginal proportions to create the relationship between support obligations and combined net weekly income.

It is important to remove discrete jumps in the support obligation as net income rises. Otherwise, a discrete jump could motivate an individual to earn less or report less income in order to have a lower obligation. Dr. Rodgers used the approach explained by Policy Studies in its 2004 New Jersey report.

Step 1: Pick an income level and identify the income interval in which it lies and identify the interval's midpoint. Multiply the midpoint level of income by the Rothbarth estimated proportion for that income level.

Step 2: Take the chosen income level and subtract the interval's midpoint. Multiply the difference by the marginal proportion. This step helps to remove notches or kinks in the schedule as income rises.

Step 3: Add the two values from each step.

Dr. Rodgers performed this process for one, two, and three children for weekly incomes that range from $180 to $3,600.

Median Regression to Smooth the Relationship

Even using the marginal approach noted in Step 2 above, the initial schedule of obligations still contained discrete jumps so Dr. Rodgers took additional steps to further smooth the schedule.

Self-Support Reserve

The self-support reserve is a factor in calculating a child support award only when one or both of the parents have income at or near the poverty level. Currently, New Jersey's self-support reserve is 105% of the U.S. poverty guideline for one person. The reserve's purpose is to ensure that the obligor has sufficient income to maintain a basic subsistence level and the incentive to work so that child support can be paid. A child support award is adjusted to reflect the self-support reserve only if payment of the award would reduce the obligor's net income below the reserve *and* the custodial parent's (or the Parent of the Primary Residence's) net income minus the custodial parent's share of the support obligation is greater than 105% of the poverty guideline. The latter condition is necessary to ensure that custodial parents can meet their basic needs so that they can care for the children. As of January 26, 2012, the self-support reserve reflected in the New Jersey Basic Child Support Award Schedule is $226.00 (this amount is 105% of the poverty guideline for one person).

A variety of studies have shown that including a self-support reserve for low-income obligors can help reduce arrears caused by child support awards that surpass the ability of low-income obligors to pay.[31] The current level of New Jersey's self-support reserve prevents many low-income noncustodial parents from meeting their basic needs. Dr. Rodgers' report recommends that the self-support reserve be increased to 200% of the poverty guideline for one person, which 2012 equals approximately $430.00.

The Subcommittee also considered recent research on the inadequacy of the federal poverty threshold. In response to that research, some jurisdictions and organizations have developed

[31] See Formoso, Carl, *Determining the Composition and Collectability of Child Support Arrearages*, Washington Department of Social and Health Services, Division of Child Support, 2003; Holzer, Harry, Paul Offner, and Elaine Sorenson, "Declining Employment Among Young Black Men: The Role of Incarceration and Child Support Polices," (Urban Institute 2003); Sorensen, Elaine, Liliana Sousa, and Simon Schaner, *Assessing Child Support Arrears in Nine Large States and the Nation* (Urban Institute, 2007); Sorenson, Elaine and Chava Zibman, "Getting to Know Poor Fathers Who Do Not Pay Child Support," S*ocial Service Review* 75 (3) (2001): 420-434; Sorensen, Elaine and Lerman, Robert, "Welfare Reform and Low-Income Noncustodial Fathers," *Challenge*, Vol. 41, 1998; Turetsky, Vicki, *Staying in Jobs and Out of the Underground: Child Support Policies that Encourage Legitimate Work* (Center for Law and Social Policy, 2007), available at http://www.clasp.org/admin/site/publications/files/0349.pdf .2011U.S. Department of Health and Human Services; Office of Inspector General, The Establishment of Child Support Orders for Low Income Non-custodial Parents, U.S. Department of Health and Human Services, OEI-05-99-00390, 2000.

self-sufficiency standards as an alternative to the federal poverty threshold. Self-sufficient standards are geographic-specific estimates of what a particular type of family needs to cover their housing, food, transportation, health care, taxes, and miscellaneous expenditures. County-specific 2008 New Jersey standards have been developed by the researcher Donna Pearce and the Legal Services of New Jersey Poverty Research Institute (The Self-Sufficiency Standard for New Jersey, Legal Services of New Jersey, 2008).[32] The standards are based on estimates of the following seven household expenditure components: housing, child care, food, transportation, health insurance, taxes and tax credits, and miscellaneous expenses. The current New Jersey child support self-support reserve is well below each of the 21 county's self-sufficiency standards. For example, the self-support reserve of 105 percent of the poverty line for an adult corresponds to $220 a week, while the self-sufficiency standard required for a single adult ranges from a low of $378 in Camden County to a high of $630 in Bergen County (2008 Estimates).

The Subcommittee determined that additional data and research as to the practical effects of implementing a higher self-support reserve is required. The Subcommittee recommends that there be further study of the adequacy of New Jersey's self-support reserve based on national research regarding poverty standards and the ability of low-income obligors to comply with support orders.

Summary

After this last adjustment, the table of support proportions, shown below, can be prepared. The table of support proportions is analogous to a tax rate schedule. See also Table 17 in Exhibit II to this report.

[32] This report is the most recent evidence that is available.

Table 17: Estimated Revised Table of New Jersey Support Proportions, 2000 to 2011

	1 Child		2 Children		3 Children		4 Children		5 Children		6 Children	
Weekly Income	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**
230	29%	33%	33%	30%	39%	30%	44%	30%	49%	30%	55%	30%
388	28%	18%	32%	16%	38%	13%	43%	13%	48%	13%	53%	13%
484	28%	5%	32%	9%	38%	9%	43%	9%	48%	9%	53%	9%
520	28%	9%	32%	5%	38%	4%	43%	4%	48%	4%	53%	4%
580	27%	6%	31%	11%	37%	19%	42%	19%	46%	19%	52%	19%
626	27%	7%	31%	7%	37%	2%	42%	2%	46%	2%	52%	2%
683	26%	6%	30%	3%	36%	2%	40%	2%	45%	2%	50%	2%
739	26%	9%	29%	12%	35%	13%	39%	13%	44%	13%	49%	13%
817	25%	13%	28%	9%	34%	10%	38%	10%	42%	10%	47%	10%
930	23%	13%	26%	11%	32%	11%	36%	11%	40%	11%	45%	11%
1054	23%	7%	25%	8%	31%	9%	35%	9%	39%	9%	43%	9%
1142	23%	0%	25%	1%	31%	8%	35%	8%	39%	8%	43%	8%
1181	22%	4%	24%	3%	30%	1%	33%	1%	37%	1%	42%	1%
1260	22%	6%	24%	7%	30%	5%	33%	5%	37%	5%	42%	5%
1375	21%	6%	23%	4%	29%	3%	32%	3%	36%	3%	40%	3%
1495	20%	3%	22%	3%	28%	5%	31%	5%	35%	5%	39%	5%
1593	19%	8%	21%	8%	26%	8%	29%	8%	32%	8%	36%	8%
1779	18%	13%	20%	11%	25%	11%	28%	11%	31%	11%	34%	11%
2075	16%	15%	18%	15%	23%	18%	25%	18%	28%	18%	32%	18%
2469	15%	18%	16%	19%	21%	16%	23%	16%	26%	16%	29%	16%
2988	14%	27%	15%	23%	20%	24%	22%	24%	24%	24%	27%	24%
3797	14%		15%		20%		22%		24%		27%	

Notes: See Table 9 for details.

The support obligation computed using the Rothbarth parameters is meant to be a basic obligation. To that obligation should be added the costs of other child-related expenditures, such as work-related child care costs and extraordinary medical expenses in excess of $250 per year per child. As mentioned earlier, these additional costs of child rearing are not factored into the table of support proportions.

The final step involves using the proportions shown below in Table 20 to build a Schedule. The recommended updated schedule is also shown in Table 20 within Exhibit II to this report.

Table 20: Revised Child Support Award Schedules for One to Six Children

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
180	50	59	68	75	83	91
190	53	62	72	80	88	97
200	56	66	76	84	93	102
210	59	69	80	88	98	108
220	62	72	84	93	103	113
230	65	75	88	97	107	119
240	68	78	92	102	112	124
250	71	82	96	106	117	130
260	74	85	100	110	122	135
270	77	88	103	114	127	140
280	80	91	107	119	131	145
290	82	94	111	123	136	151
300	85	97	115	127	140	156
310	88	100	118	131	145	161
320	91	103	122	135	150	166
330	94	106	126	139	154	171
340	96	109	129	143	159	176
350	99	112	133	147	163	181
360	102	114	136	151	167	186
370	104	117	140	155	172	191
380	107	120	143	159	176	196
390	110	123	147	163	181	200
400	112	126	150	167	185	205
410	115	128	154	170	189	210
420	117	131	157	174	193	215
430	120	134	160	178	197	219
440	122	137	164	182	202	224
450	125	139	167	185	206	229
460	127	142	170	189	210	233
470	130	145	174	193	214	238
480	132	147	177	196	218	242
490	135	150	180	200	222	247
500	137	152	183	203	226	251
510	139	155	186	207	230	255
520	142	157	190	210	234	260
530	144	160	193	214	238	264
540	146	162	196	217	242	268
550	149	165	199	221	245	273
560	151	167	202	224	249	277

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
570	153	170	205	228	253	281
580	155	172	208	231	257	285
590	158	174	211	234	260	289
600	160	177	214	238	264	293
610	162	179	217	241	268	298
620	164	181	220	244	271	302
630	166	184	223	247	275	306
640	168	186	225	250	278	310
650	170	188	228	254	282	314
660	172	191	231	257	285	317
670	174	193	234	260	289	321
680	177	195	237	263	292	325
690	179	197	239	266	296	329
700	181	199	242	269	299	333
710	182	201	245	272	303	337
720	184	204	247	275	306	340
730	186	206	250	278	309	344
740	188	208	253	281	313	348
750	190	210	255	284	316	351
760	192	212	258	287	319	355
770	194	214	261	290	322	358
780	196	216	263	293	325	362
790	198	218	266	295	329	366
800	199	220	268	298	332	369
810	201	222	271	301	335	373
820	203	224	273	304	338	376
830	205	226	276	307	341	379
840	207	228	278	309	344	383
850	208	230	281	312	347	386
860	210	232	283	315	350	389
870	212	234	285	317	353	393
880	213	235	288	320	356	396
890	215	237	290	323	359	399
900	217	239	292	325	362	403
910	218	241	295	328	365	406
920	220	243	297	330	367	409
930	222	244	299	333	370	412
940	223	246	301	335	373	415
950	225	248	304	338	376	418
960	226	250	306	340	379	421

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
970	228	251	308	343	381	424
980	230	253	310	345	384	427
990	231	255	312	348	387	430
1000	233	257	315	350	389	433
1010	234	258	317	352	392	436
1020	236	260	319	355	395	439
1030	237	261	321	357	397	442
1040	239	263	323	359	400	445
1050	240	265	325	362	402	448
1060	241	266	327	364	405	451
1070	243	268	329	366	408	454
1080	244	269	331	368	410	456
1090	246	271	333	371	412	459
1100	247	273	335	373	415	462
1110	248	274	337	375	417	465
1120	250	276	339	377	420	467
1130	251	277	341	379	422	470
1140	252	279	343	382	425	473
1150	254	280	345	384	427	475
1160	255	282	347	386	429	478
1170	256	283	349	388	432	480
1180	258	284	350	390	434	483
1190	259	286	352	392	436	486
1200	260	287	354	394	439	488
1210	262	289	356	396	441	491
1220	263	290	358	398	443	493
1230	264	291	360	400	445	496
1240	265	293	361	402	447	498
1250	266	294	363	404	450	501
1260	268	296	365	406	452	503
1270	269	297	367	408	454	505
1280	270	298	368	410	456	508
1290	271	300	370	412	458	510
1300	272	301	372	414	460	512
1310	274	302	373	415	462	515
1320	275	303	375	417	464	517
1330	276	305	377	419	467	519
1340	277	306	378	421	469	522
1350	278	307	380	423	471	524
1360	279	308	382	425	473	526

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1370	280	310	383	426	475	528
1380	281	311	385	428	477	531
1390	282	312	386	430	479	533
1400	284	313	388	432	481	535
1410	285	315	390	433	482	537
1420	286	316	391	435	484	539
1430	287	317	393	437	486	541
1440	288	318	394	439	488	543
1450	289	319	396	440	490	545
1460	290	320	397	442	492	548
1470	291	322	399	444	494	550
1480	292	323	400	445	496	552
1490	293	324	402	447	497	554
1500	294	325	403	449	499	556
1510	295	326	405	450	501	558
1520	296	327	406	452	503	560
1530	297	328	408	453	505	562
1540	298	329	409	455	506	564
1550	299	330	410	457	508	566
1560	300	331	412	458	510	568
1570	301	333	413	460	512	569
1580	302	334	415	461	513	571
1590	303	335	416	463	515	573
1600	304	336	417	464	517	575
1610	304	337	419	466	518	577
1620	305	338	420	467	520	579
1630	306	339	422	469	522	581
1640	307	340	423	470	523	583
1650	308	341	424	472	525	584
1660	309	342	426	473	527	586
1670	310	343	427	475	528	588
1680	311	344	428	476	530	590
1690	312	345	430	478	532	592
1700	313	346	431	479	533	593
1710	314	347	432	481	535	595
1720	314	348	434	482	536	597
1730	315	349	435	484	538	599
1740	316	350	436	485	540	600
1750	317	351	437	486	541	602
1760	318	352	439	488	543	604

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1770	319	353	440	489	544	606
1780	320	354	441	491	546	607
1790	321	355	442	492	547	609
1800	321	356	444	493	549	611
1810	322	356	445	495	550	612
1820	323	357	446	496	552	614
1830	324	358	447	498	553	616
1840	325	359	449	499	555	617
1850	326	360	450	500	556	619
1860	327	361	451	502	558	621
1870	327	362	452	503	559	622
1880	328	363	454	504	561	624
1890	329	364	455	506	562	625
1900	330	365	456	507	564	627
1910	331	366	457	508	565	629
1920	332	367	458	510	567	630
1930	332	367	460	511	568	632
1940	333	368	461	512	569	633
1950	334	369	462	513	571	635
1960	335	370	463	515	572	637
1970	336	371	464	516	574	638
1980	337	372	466	517	575	640
1990	338	373	467	519	577	641
2000	338	374	468	520	578	643
2010	339	375	469	521	579	644
2020	340	376	470	523	581	646
2030	341	376	471	524	582	647
2040	342	377	473	525	584	649
2050	343	378	474	526	585	650
2060	343	379	475	528	586	652
2070	344	380	476	529	588	654
2080	345	381	477	530	589	655
2090	346	382	478	531	591	657
2100	347	383	480	533	592	658
2110	348	384	481	534	593	660
2120	348	384	482	535	595	661
2130	349	385	483	537	596	663
2140	350	386	484	538	598	664
2150	351	387	485	539	599	666
2160	352	388	487	540	600	667

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2170	353	389	488	542	602	669
2180	354	390	489	543	603	670
2190	354	391	490	544	604	672
2200	355	391	491	545	606	673
2210	356	392	492	547	607	675
2220	357	393	494	548	609	676
2230	358	394	495	549	610	678
2240	359	395	496	551	611	679
2250	360	396	497	552	613	681
2260	361	397	498	553	614	682
2270	362	398	499	554	616	684
2280	362	399	501	556	617	685
2290	363	400	502	557	618	687
2300	364	400	503	558	620	688
2310	365	401	504	559	621	690
2320	366	402	505	561	623	691
2330	367	403	507	562	624	693
2340	368	404	508	563	625	694
2350	369	405	509	565	627	696
2360	370	406	510	566	628	697
2370	371	407	511	567	630	699
2380	372	408	513	569	631	701
2390	373	409	514	570	632	702
2400	374	410	515	571	634	704
2410	375	411	516	572	635	705
2420	375	412	517	574	637	707
2430	376	413	519	575	638	708
2440	377	414	520	576	640	710
2450	378	414	521	578	641	711
2460	379	415	522	579	642	713
2470	380	416	524	580	644	715
2480	381	417	525	582	645	716
2490	382	418	526	583	647	718
2500	383	419	527	584	648	719
2510	385	420	529	586	650	721
2520	386	421	530	587	651	723
2530	387	422	531	589	653	724
2540	388	423	532	590	654	726
2550	389	424	534	591	656	727
2560	390	425	535	593	657	729

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2570	391	426	536	594	659	731
2580	392	427	538	596	660	732
2590	393	428	539	597	662	734
2600	394	430	540	598	663	736
2610	395	431	542	600	665	737
2620	396	432	543	601	666	739
2630	397	433	544	603	668	741
2640	399	434	546	604	669	742
2650	400	435	547	606	671	744
2660	401	436	548	607	673	746
2670	402	437	550	608	674	747
2680	403	438	551	610	676	749
2690	404	439	552	611	677	751
2700	406	440	554	613	679	753
2710	407	441	555	614	681	754
2720	408	443	557	616	682	756
2730	409	444	558	617	684	758
2740	411	445	559	619	685	760
2750	412	446	561	621	687	761
2760	413	447	562	622	689	763
2770	414	448	564	624	691	765
2780	416	450	565	625	692	767
2790	417	451	567	627	694	769
2800	418	452	568	628	696	771
2810	419	453	570	630	697	772
2820	421	454	571	632	699	774
2830	422	456	573	633	701	776
2840	423	457	574	635	703	778
2850	425	458	576	637	704	780
2860	426	459	577	638	706	782
2870	428	461	579	640	708	784
2880	429	462	580	642	710	786
2890	430	463	582	643	712	788
2900	432	464	584	645	713	790
2910	433	466	585	647	715	792
2920	435	467	587	648	717	794
2930	436	468	588	650	719	796
2940	438	470	590	652	721	798
2950	439	471	592	654	723	800
2960	441	472	593	655	725	802

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2970	442	474	595	657	727	804
2980	444	475	597	659	728	806
2990	445	477	598	661	730	808
3000	447	478	600	663	732	810
3010	448	479	602	664	734	812
3020	450	481	604	666	736	814
3030	452	482	605	668	738	817
3040	453	484	607	670	740	819
3050	455	485	609	672	742	821
3060	456	487	611	674	744	823
3070	458	488	612	676	747	825
3080	460	490	614	678	749	828
3090	461	491	616	680	751	830
3100	463	493	618	682	753	832
3110	465	494	620	684	755	835
3120	467	496	622	686	757	837
3130	468	497	623	688	759	839
3140	470	499	625	690	762	842
3150	472	501	627	692	764	844
3160	474	502	629	694	766	846
3170	476	504	631	696	768	849
3180	477	505	633	698	770	851
3190	479	507	635	700	773	854
3200	481	509	637	702	775	856
3210	483	510	639	704	777	859
3220	485	512	641	707	780	861
3230	487	514	643	709	782	864
3240	489	516	645	711	784	866
3250	491	517	647	713	787	869
3260	493	519	649	715	789	871
3270	495	521	651	718	792	874
3280	497	523	654	720	794	877
3290	499	524	656	722	796	879
3300	501	526	658	725	799	882
3310	503	528	660	727	801	885
3320	505	530	662	729	804	887
3330	507	532	664	732	807	890
3340	509	534	667	734	809	893
3350	511	536	669	736	812	896
3360	513	537	671	739	814	898

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
3370	516	539	674	741	817	901
3380	518	541	676	744	820	904
3390	520	543	678	746	822	907
3400	522	545	680	749	825	910
3410	524	547	683	751	828	913
3420	527	549	685	754	830	916
3430	529	551	688	756	833	919
3440	531	553	690	759	836	922
3450	534	555	692	762	839	925
3460	536	557	695	764	842	928
3470	538	560	697	767	844	931
3480	541	562	700	770	847	934
3490	543	564	702	772	850	937
3500	546	566	705	775	853	940
3510	548	568	707	778	856	943
3520	551	570	710	780	859	947
3530	553	573	713	783	862	950
3540	556	575	715	786	865	953
3550	558	577	718	789	868	956
3560	561	579	720	792	871	960
3570	563	582	723	795	874	963
3580	566	584	726	797	877	966
3590	569	586	729	800	880	970
3600	571	589	731	803	884	973

Notes: See the text and previous tables for detailed descriptions. Estimates based on samples that exclude families with imputed family income and incomplete family income.

Chapter 5: Summary of Key Economic Decisions and Assumptions

The updated New Jersey Basic Child Support Award Schedule continues to be based on a number of key economic decisions and assumptions that are identified in current Appendix IX-A. This chapter summarizes those decisions and assumptions, including assumptions that are documented in the text of this report and in Exhibit 1 to this report.

Intact Family Spending Patterns as the Standard for Support Orders - Support guidelines based on spending patterns of intact families provide an adequate level of support for children.

Standard of Living - Although these support guidelines attempt to approximate the same level of marginal spending on children before divorce or separation, the resulting child support awards do not guarantee that the children's *standard of living* will remain the same if one of those events occurs. Usually, the children's *standard of living* will decline since the child support award (based on marginal spending) is being added to a much smaller level of base household expenditures.

Marginal-Cost Estimation - For determining child support obligations, marginal-cost estimation techniques, which provide the additional cost of children based on intact-family spending patterns, are more appropriate than average-cost methods that divide spending between all family members equally (per capita).

The Rothbarth Marginal Cost Estimator - The *Rothbarth* marginal cost estimation techniques (e.g., Betson and Lazear and Michael) provide the most accurate estimates of parental expenditures on children in dual parent families. Dr. William Rodgers' analysis of the 2000 to 2011 micro data of the Consumer Expenditure Survey provides the most current and reliable estimates of child-related expenditures on children in dual-parent families.

National versus New Jersey Spending on Children – Child-related expenditures by dual-parent families a *proportion* of consumption or income based on national Consumer Expenditure

Surveys is consistent with the way in which New Jersey dual-parent families spend income on their children.

NCP/PAR Time- The awards in the support schedules represent spending on children by intact families. In an intact family, the children reside in one household and no NCP/PAR Time is needed. This is similar to child support actions in which one parent has sole physical custody of a child and there is no NCP/PAR Time. The awards in the support schedules represent situations in which the child is with the custodial parent 100% of the time. Although the awards are not reduced for NCP/PAR Time, they may be adjusted, if these factors are present in a specific case.

Effect of a Child's Age - Dr. Rodger's study does not provide estimates on child-rearing expenditures by children's age groups. The proposed awards represent the average cost of raising a child from age zero through 17 years (i.e., the total marginal cost averaged more than 18 years). Studies have shown that expenditures are higher than the average for teen-aged children and lower than the average for preteen children. See the more detailed discussion in Chapter 7.

Self-Support Reserve - The self-support reserve is a factor in calculating a child support award only when one or both of the parents have income at or near the poverty level. It attempts to ensure that the obligor has sufficient income to maintain a basic subsistence level and the incentive to work so that child support can be paid. The current self-support reserve, which is used in the adjusted Child Support Award Schedules, is 105% of the U.S. poverty guideline for one person. A child support award is adjusted to reflect the self-support reserve only if payment of the child support award would reduce the obligor's net income below the reserve *and* the custodial parent's (or the Parent of the Primary Residence's) net income minus the custodial parent’s share of the support award is greater than 105% of the poverty guideline.

Income Tax Withholding - For wage earners, income tax withholding rates provide an accurate estimate of after-tax income available to pay weekly support obligations. Income tax withholding may differ from end-of-year tax obligations due to the parent's filing status and the number exemptions, deductions and credits reported or claimed by each parent.

Spending of Child Support Order - These guidelines assume that the obligee is spending the support award for the benefit of the child or children.

Sharing of Child-Rearing Expenses - These guidelines assume that the parents are sharing in the child-rearing expenses in proportion to their relative incomes. To the extent that this is not true (i.e., if one parent is paying all costs associated with housing for the child from his or her own income) and can be proven to the court, a guidelines-based support award may require adjustment.

Chapter 6: Comparison of Existing and Updated Schedules

The Proposed Schedule: One, Two, and Three Children

The support obligation tables are reported in Table 19 within Exhibit II to this report. Panel A corresponds to one child. Panel B corresponds to two children. Panel C corresponds to three children. Each panel compares the proposed to the current New Jersey schedule.[33] The columns labeled "Revised-Current" compares the current schedule to the proposed updated schedule. One comparison presents the dollar difference, while the other reports the difference in percent. The end of each panel contains summary statistics (e.g., mean, median, minimum and maximum) on the differences between the schedules.[34]

Several general conclusions can be made. At the mean and median, the obligations in the proposed schedule for one child are slightly higher than the current New Jersey schedule. The median obligations in the proposed schedules for two and three children are lower than the median obligations in the current schedule. For example, the difference in the median obligation between the proposed schedules for one child and the current New Jersey schedule is $13.00 or 6.0%. For two and three children, the median obligations in the proposed schedules are $52.00 (13%) and $10.00 (2%) less than the current schedule. The minimum and maximum obligations indicate a significant amount of variation across the income scale. The typical pattern, as seen in Figures 1 to 3, indicates a small decline or no change in obligations at lower and moderate portions of the income scale, an increase at extremely low incomes, and an increase at the upper part of the income scale.

[33] Dr. Rodgers used the Consumer Price Index for Urban (CPI-U) consumers to place the current schedule which is in 2004 dollars into 2011 dollars. Over this seven-year period, the Bureau of Labor Statistics' CPI-U increased by 19 percent, or 2.7 percent per year.

[34] When the smoothing approach that Policy Studies described in its 2004 New Jersey Report was applied to Dr. Rodgers' initial schedule, there were still kinks, or discrete jumps. Dr. Rodgers further smoothed the proposed schedule by generating the predicted values from a regression of the obligations based on the Policy Studies' approach on the interval's weekly income midpoint, the square of weekly income, and the cubic of weekly income.

Figure 1: Updated and Current Schedule 1 Child

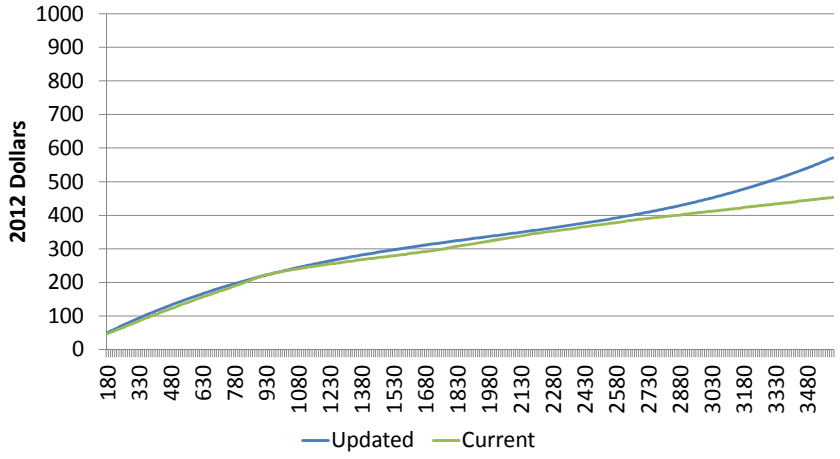
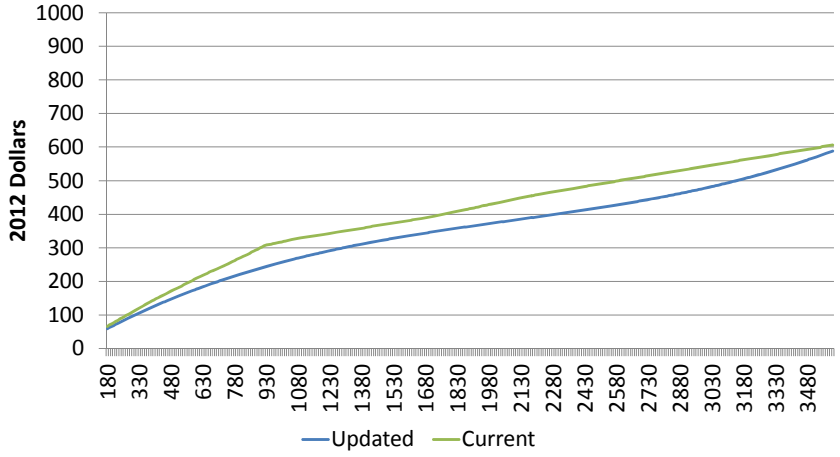
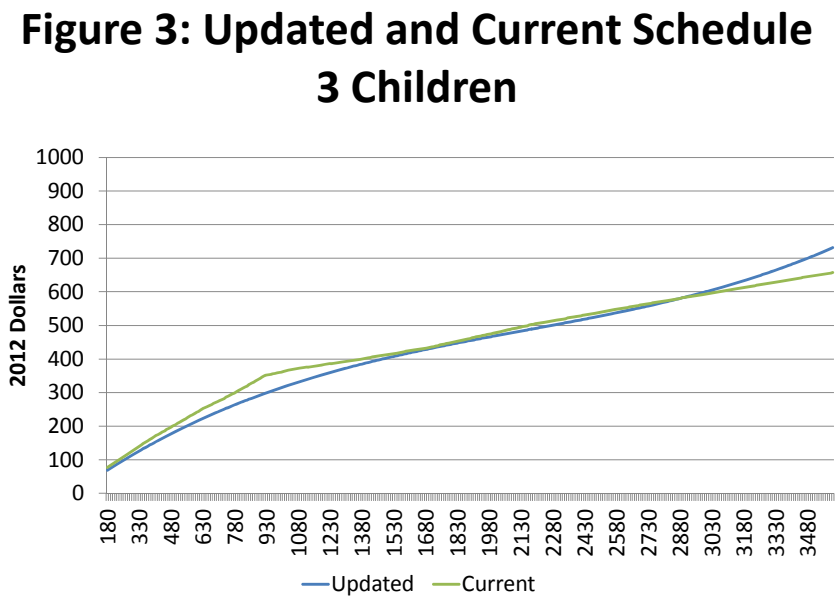


Figure 2: Updated and Current Schedule 2 Children





The main take away from these comparisons is that the proposed schedules for one child tend to yield obligations that are slightly higher than the current schedule. If the obligations for one child exceed the current schedule, they tend to do so at higher net incomes. For two and three children, when the obligations exceed the current schedule, they too tend to be at upper income levels.[35]

[35] Based on the fluctuations in the macro economy since 2000, Dr. Rodgers initially developed three schedules: pre-recession (pooling of the 2000 to 2007 CEX data), recession (2000 to 2009), and recovery (2000 to 2011). The purpose of this initial comparison was to assess the impact that the "Great Recession" and weak recovery had on child-related expenditures. Based on the comparisons to the 2000 to 2007 and 2007 to 2009 schedules, Dr. Rodgers recommends using the schedule based on the 2000 to 2011 CEX data.

It appeared from the comparisons that although the "Great Recession" had a major impact on expenditures, it has not permanently shifted the relationship between child-related expenditures and net income downward.

Dr. Rodgers found additional support for using the 2000 to 2011 schedule because one can view the period from 2000 to 2007, especially the period from 2004 to 2007, as an anomaly. During this period, family debt rose to historic levels. Income stagnated for the typical American family and the employment-population ratio exhibited virtually no increase during the three years of the expansion. Because of these macroeconomic patterns, many argue that surge in personal consumption during this period was unsustainable. Thus, the inclusion of the 2008 to 2011 CEX data helps to average out these extreme years.

The Proposed Schedule: Four, Five, and Six Children

The proposed support obligations for four to six children are reported in Table 11. Figures 4 to 6 compare the obligations to the current schedule. The typical obligations (based on the median) in the proposed schedules for four to six children are $11.00 to $16.00, or 2 to 3 percent less than the typical obligations in the current schedule. Increased obligations in the proposed schedule are only at the upper part of the income scale.

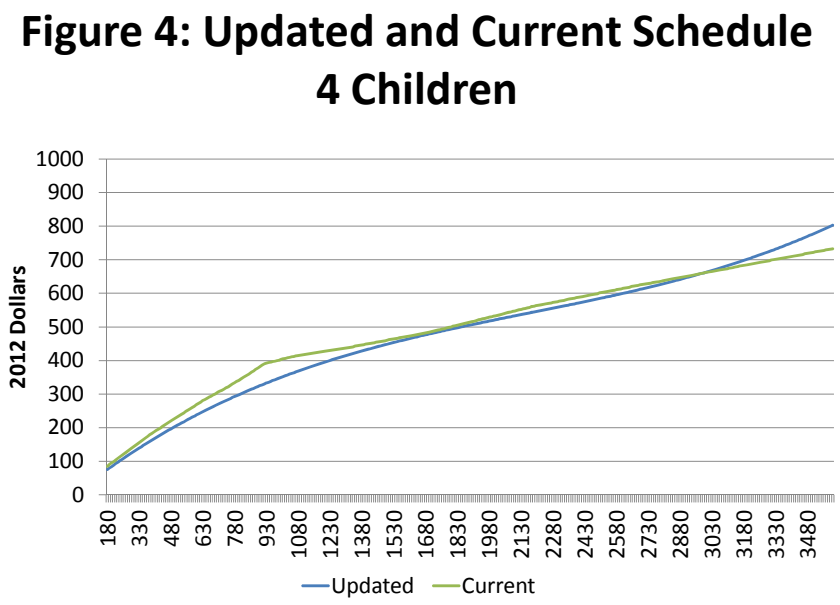


Figure 5: Updated and Current Schedule 5 Children

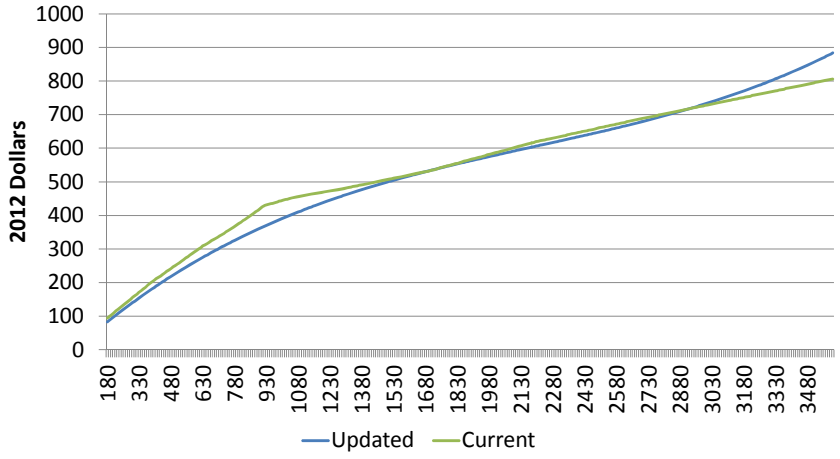
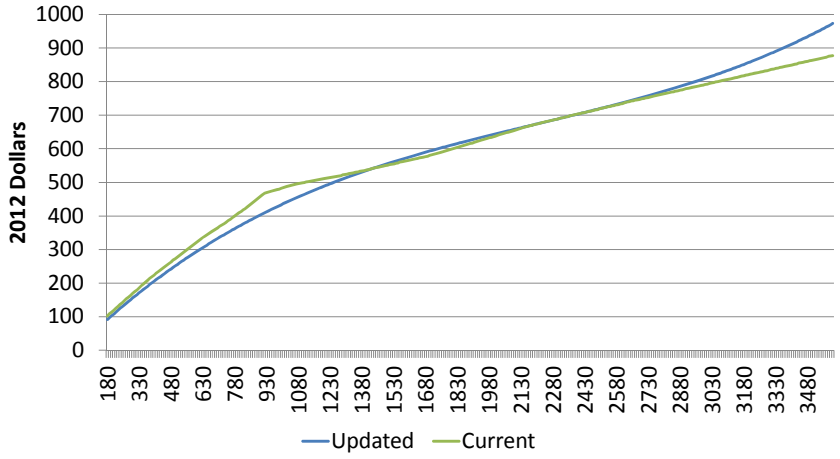


Figure 6: Updated and Current Schedule 6 Children



Chapter 7: Additional Areas of Review

Shared-Parenting Arrangements

The Subcommittee asked whether the current percentages that families spend on variable, fixed, and controlled expenditures need to be updated. These categories of expenditures are used to make adjustments in shared parenting cases. This report concludes they do not need to be updated.

The current Appendix IX-A defines variable expenditures/costs as those incurred only when the child is with the parent (i.e., they follow the child). This category includes transportation and food. Specifically, transportation variable expenditures are defined as the sum of gas/oil, maintenance/repairs, rental/leases/licenses/other, and public transportation. A second type of transportation expenditures consists of expenditures on cars/trucks, new and used net outlays, vehicle insurance and vehicle finance charges. Food expenditures are the sum of food at home and food away from home. These expenditures have been found to comprise 37% of total expenditures.

Appendix IX-A defines fixed expenditures as those incurred even when the child is not residing with the parent. Housing-related expenses are fixed costs. They are the sum of expenditures on shelter, utilities, equipment and operations. In the CEX data, baby daycare expenditures are removed from household operations expenditures. As a percentage of total expenditures, housing expenditures comprise 38%.

Controlled expenditures are the third category. Clothing, personal care, entertainment, and miscellaneous expenses comprise these costs. In the CEX data, child clothing expenditures are the sum of expenditures on clothing for boys and girls (aged 2 to 15) and clothing expenditures for children under 2 years of age. Miscellaneous expenses are expenditures on personal care, entertainment, and a separate miscellaneous expense category.

Using the 2000 to 2011 micro data of the CEX, Dr. Rodgers concluded that at this time there is no need to change the percentages for variable expenditures of 37%, fixed expenditures of 38%, and controlled expenditures of 25%. Depending on the family's number of children, survey years pooled, and whether expenditures or outlays are used, the fixed expenditures range from 36.8 to 37.4%, the variable expenditures range from 36.1 to 36.5%, and the controlled expenditures range from 26.5 to 27.0%. None are significantly different from the current shares that are used.

Determination of Parenting Time Adjustment when there are Multiple Children with Different Parenting Time Schedules

This issue arises where there are multiple children with varying parenting time schedules. The child support guidelines are structured to calculate the estimated basic support for multiple children of the relationship. The basic support amount is then adjusted, giving credit for the shifts in costs from one parent to another during parenting time. The Subcommittee considered whether a mathematical formula should be developed to accommodate situations involving multiple children with varying parenting time schedules (e.g. , a noncustodial parent awarded 104 annual overnight stays with one child and 52 annual overnight stays with the other child). The Subcommittee decided that these types of situations are fact sensitive and best left to the sound discretion of the court. Therefore, there is a proposed amendment to Appendix IX-A ¶ 21 *Other Factors that May Require an Adjustment to a Guidelines-Based Award*. The amendment includes multiple children with varying time schedules as a reason for deviation.

Calculation of Support in True 50-50 Joint Custody Situations

The Subcommittee considered the manner in which child support should be determined when both parents equally share residential custody. Specifically, it considered whether the lower-earning parent should be designated as the Parent of Primary Residence (PPR) and given an adjustment for controlled expenses.

In shared-parenting situations, the child support guidelines accommodate shifts in the parental expenditures of variable (37%) and fixed (38%) expenses. However, it is presumed that the controlled expenses (25%) are incurred by the parent of primary residence (PPR). In situations in which parents share equal parenting time, there may not be designations of PPR and parent of alternate residence (PAR). The Subcommittee concluded that *Benisch v. Benisch, 347 N.J.Super.393 (App.Div. 2002)* is dispositive in such situations. *Benisch* held that "those definitions of PPR and PAR, quite clearly cannot be applied" in such cases. Although *Wunsch-Deffler v. Deffler, 406 N.J. Super. 505 (Ch.Div.2009)* suggests a mathematical formula that can be used in such situations, the Subcommittee agreed that such situations are fact sensitive and best left to the sound discretion of the court.

As a result, this report includes a proposed amendment to Appendix IX-A ¶ 21 *Other Factors that May Require an Adjustment to a Guidelines-Based Award*, that includes 50-50 equal parenting time as a reason for deviation.

Adjustment for Child's Age

The current New Jersey child support schedules are based on child-rearing expenditures averaged across the entire age range of zero through 17 years (total expenditures divided by 18 years). This averaging means that awards for younger children are slightly overstated due to the higher level of expenditures for older children. If an award is entered while the child is very young and continues through age 18, the net effect is negligible. However, initial awards for children in their teens are underestimated by the averaging and should be adjusted upward to compensate for this effect. Due to limitations of the CEX and the Rothbarth estimator, a separate marginal cost for teen-aged children cannot be estimated. According to Dr. Rodgers, the common practice is to use Espenshade's 1980 CEX estimate that the cost of children aged 12 through 17 is 14.6% above average expenditures. Therefore, Appendix IX-A to the New Jersey Child Support Award Schedules states that if the initial child support order is entered when the child is 12 years of age or older, that order and all subsequent orders shall be adjusted upward by 14.6%. Dr. Rodgers recommends an updating of Espenshade's estimate.

School Tuition

The Subcommittee asked whether tuition for school (public or private) should be included in the basic child support award, or continue to be treated as a supplemental expense. For reasons noted below, the Subcommittee decided that tuition expenses should continue to be treated as supplemental expenses that may be added to the basic award, at the discretion of the court.

When collecting data on consumer expenditures, the files that the Bureau of Labor Statistics typically uses to estimate child-related education expenditures contain the sum of five categories:

- School books, supplies, and equipment for elementary, high school, and college
- School books, supplies, and equipment for day care centers, nursery schools, vocational or technical schools, and other schools
- Tuition for day care centers, nursery schools, vocational or technical schools, and other schools
- Rentals of books and equipment, and other school-related expenses
- Test preparation and tutoring services

Excluded are expenditures on encyclopedia and other sets of reference books, and other expenses for day care centers and nursery schools, including tuition.

The CEX micro data contains a set of files called MTBI expenditure files. These files report expenditures on each of the above five categories. A question asks respondents to identify the kind of school or facility for which the expenditures were incurred. The coded answers are 1) college or university, 2) Elementary through high school, 3) Child day care center, 4) Nursery school or preschool, and 5) Vocational or technical school, and 6) Other school. There is no explicit question of whether the school or facility is public or private.

Transportation Expenses

The Subcommittee examined to what extent transportation expenses should be included within the basic support award. In its 2009 – 2011 rules cycle, the full Committee accepted the Subcommittee's recommendation that transportation expenses should include any automobile and related insurance costs of a parent, but exclude the purchase or lease and insurance costs of a vehicle whose primary driver is the child. Pursuant to the exercise of judicial discretion, purchase or lease and insurance costs of a vehicle whose primary driver is the child may be added as an adjustment to the basic child support award as a court-approved predictable and recurring expense. This report includes a proposed amendment to Appendix IX-A to clarify that the Appendix IX-F schedule does not include expenses related to a vehicle primarily intended for use by a child.

Mortgage Principal Payments

The Subcommittee asked for research on whether the current model employed to extract data from the Consumer Expenditure Survey (CEX) should be modified to include expenditures by households for mortgage principal, which the previous model excluded as "savings." The CEX does not include principal payments because principal payments are not expenditures in the accounting sense of the term; instead they represent loan repayments, which is a form of saving. After a thorough examination of the issue, the Subcommittee and Dr. Rodgers concurred that the estimates of child-rearing expenditures should be based on the family's total outlays, which include mortgage principal payments, rather than on the family's expenditures, which do not reflect the family's principal payments on their debt.

In a research paper prepared for the Subcommittee, Dr. Burt Barnow[36] of George Washington University also examined the related question of whether it would be advisable to use estimated or imputed rent to develop New Jersey's adjusted Child Support Award Schedule. He concluded "no."

[36] Dr. Burt Barnow is the Amsterdam Professor of Public Service and of Economics, at the Trachtenberg School of Public Policy and Public Administration, George Washington University.

> [A] move to using implicit rent on owner-occupied dwellings instead of expenses (either including principal payments or excluding principal payments) adds a great deal of complexity and use of hypothetical data to the development of child support guidelines. First, the data collected from consumers is hypothetical rather than actual expenditures. Second, the data would require adjustments to account for vacancies and expenses typically paid by landlords. Third, because the implicit rent also generates implicit income, adjustments to measured income would also be required. Thus, even though a case can be made for using implicit rent on owner-occupied dwellings, in practice using such a measure would complicate the process of developing guidelines and would likely introduce significant error.

The Subcommittee agreed with his recommendation. For a more detailed discussion, see Exhibit V to this report.

Social Security Derivative Disability Benefits

The Subcommittee requested research on whether the calculation of the Basic Child Support Award should be modified with regard to Social Security Disability derivative child benefits. The answer is "yes."

Definition

According to the Social Security Administration, "Social security is based on a simple concept. When you work, you pay taxes into the system, and when you retire or you become disabled, your spouse and your dependent children receive monthly benefits that are based on your earning. And, your survivors collect benefits when you die." Federal law provides that a child of an individual entitled to such disability, old-age, or death benefits is entitled to a child's insurance benefit provided the child has filed an application for benefits, has not reached age 18, is not married, and is dependent on the parent receiving the Social Security benefits. See 42 U.S.C. § 402. Disability benefits are sometimes referred to as Social Security Disability Insurance (SSDI). Generally the amount of the dependent benefit is 50% of the disabled parent's disability rate, which in turn is based on the disabled parent's past income.

When a child receives Social Security disability benefits due to a parent's disability, these are called derivative benefits. A child's receipt of Social Security derivative benefits factors into many child support guidelines.

Current Treatment of Derivative Child Benefits Under New Jersey Support Guidelines

The current New Jersey Support Guidelines account for Social Security Disability derivative child benefits by (1) excluding such benefits from either parent's income; and (2) deducting such benefits from the total basic child support amount, before calculating each parent's share of the basic child support amount. It is therefore meaningless as to which parent is disabled.

According to the 2007 – 2009 report of the Family Practice Committee:

> The derivative benefit, granted to the child and paid directly to the custodial parent, is designed to replace lost earnings of the disabled parent and is paid in addition to the parent's monthly benefit. The amount of benefit to the child is deducted from the basic child support amount "because the receipt of such benefits reduces the parents' contributions toward the child's living expenses (i.e., the marginal cost of the child)."
>
> The deduction of the benefit from the basic support amount results in a significant reduction in the obligor's obligation and, if the derivative benefit equals or exceeds the basic support amount, eliminates the need for a child support order. Such an adjustment is equitable when the child's benefit derives from the non-custodial parent's disability. The custodial parent maintains his or her household income since the reduction in the non-custodial parent's support obligation is offset by the government benefit to the child. When the disabled parent is the custodial parent, however, the child's household loses significant income from the parent's lost employment income in addition to a reduction or elimination of the non-custodial parent's obligation to support the child. The effect of the deduction from the basic support amount creates a windfall to the obligor by reducing or eliminating his or her obligation to provide support for the child.

In recognition of the possibility of inequity, the New Jersey Guideline authorizes a deviation if necessary to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.

Recommendation

The support guidelines should provide uniform treatment with regard to Social Security Disability derivative child benefits, regardless of which parent is disabled.

The recommended approach is for New Jersey to follow the policy adopted by the majority of States that have expressly addressed the issue, i.e., include the amount of the Social Security disability derivative child benefits in the income of the disabled parent; and, in turn, credit the amount of the benefits dollar-for-dollar toward the disabled parent's child support obligation, up to the amount of that obligation. Such an approach is consistent with the view that the benefits should be treated as substitute income of the disabled parent.

For a more detailed discussion on Social Security derivative disability benefits, see Exhibit VI to this report.

Government Benefits for Children Generally

As a follow up to the research related to Social Security derivative disability benefits, the Subcommittee expanded its examination to government benefits in general. Government benefits for children fall into three categories: means-tested benefits, derivative benefits based on contributions of one of the parties, and benefits that are not based on the means or contributions of either party. The Subcommittee concluded that the treatment of each type of benefit should be based on its purpose and eligibility standards.

Means-tested benefits have eligibility standards based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are meant to provide for minimal subsistence and are excluded as income (not counted for either parent).

Derivative benefits have eligibility standards that are based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties, without regard to family income. In addition to Social Security Disability – discussed earlier -- this includes but is not limited to Social Security Retirement, Black Lung, and Veteran's Administration benefits. Such payments are either deducted from a parent's government benefit or paid in addition to the parent's benefit. These child benefits are earned benefits that are meant to replace the lost earnings of the parent in the event of disability or retirement. The Subcommittee proposes that the derivative child benefits shall be counted in the weekly net income of the parent whose contribution is the source of the benefits and applied as a credit to that parent's child support obligation. If the amount of the support obligation after deducting the benefits is zero, then the child support obligation is satisfied and no support award should be ordered while the child is receiving the benefits.

Other government benefits are obtained without regard to means tests or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This type of government benefits is not meant to replace lost earnings of a party, but to supplement the child's household income. Such benefits are counted as income for the parent who actually receives the benefits (usually the custodial parent).

The recommendations of the Subcommittee are reflected in proposed amendments to New Jersey Appendices IX-A, IX-B, IX-C, and IX-D.

Chapter 8: Summary

New Jersey's current Child Support Schedule of obligations is based on the Income Shares model. In 2004, Policy Studies updated the schedule using 2001 Betson-Rothbarth estimates of child-related expenditures from the national 1996-99 Consumer Expenditure Survey data files. The updates placed the schedule in 2004 price levels. Policy Studies used 2002 Census data to adjust the schedule to reflect that New Jersey has a higher income distribution than the U.S. distribution.

This report presents an updated schedule of obligations for consideration. It has the following key features:

- The schedule is based on micro data from the 2000 to 2011 Consumer Expenditure Surveys. The combination of the four distinct macro periods: the peak of the 1990s boom in 2000, the mild recession in 2001 and "jobless" recovery from 2002 to 2003, the 2004 to 2007 debt-driven economic expansion, the 2007 to 2009 "Great Recession," and the modest recovery in 2010 and 2011 serve to "average out" the extreme variation in economic conditions over this period, and provide a "typical" or more long-run experience of families expenditures on their children.
- Dr. Rodgers excluded from the 2000 to 2003 CEX data families with incomplete income records; for those years the U.S. Bureau of Labor Statistics provides no imputation value. For CEX data from 2004 to 2011, he included families with imputed income but used the average of the five imputed incomes constructed by the U.S. Bureau of Labor Statistics.
- The Rothbarth parameters and proposed schedule are adjusted for New Jersey's higher income distribution. To do this, Dr. Rodgers used the American Community Survey's published five-year average of the 2010 U.S. and New Jersey income distributions
- Taking a more comprehensive approach by using all of the years from 2000 to 2011, the obligations tend to be similar to current obligations. If the proposed obligations exceed the current obligations, this occurs at the higher levels of family income.
- The report recommends that there be continued examination of the adequacy of the self-support reserve, which is currently 105 percent of the poverty rate for a single individual.

- The report concludes that there is no need to update the current percentages for variable, fixed, and controlled expenditures that are used by the guidelines to make adjustments in shared parenting cases.
- Appendix IX-A to the New Jersey Child Support Award Schedule states that if the initial child support order is entered when the child is 12 years of age or older, that order and all subsequent orders shall be adjusted upward by 14.6%. Because that percentage is based on 1980 CEX estimates used by Espenshade to calculate the cost of children aged 12 through 17, this report recommends an updating of Espenshade's estimate.
- The report concludes that it is more appropriate to use family outlays, rather than family expenditures, for the purpose of estimating the costs related to rearing children. As a result, the definition of housing expenditures should be broadened beyond data from the Consumer Expenditure Survey (CEX) to include expenditures by households for mortgage principal, which the previous model excluded as "savings."
- This report concludes that it is not advisable to use estimated or imputed rent to develop New Jersey's adjusted Child Support Award Schedule. Such a move would add a great deal of complexity and use of hypothetical data to the development of child support guidelines.
- This report examines government benefits for children. Such benefits fall into three categories: means-tested benefits, derivative benefits based on contributions of one of the parties, and benefits that are not based on the means or contributions of either party. The Subcommittee concluded that the treatment of each type of benefit should be based on its purpose and eligibility standards.
- Means-tested benefits have eligibility standards based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the

child are meant to provide for minimal subsistence and are excluded as income (not counted for either parent).

- Derivative benefits have eligibility standards that are based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. Such payments are either deducted from a parent's government benefit or paid in addition to the parent's benefit. These child benefits are earned benefits that are meant to replace the lost earnings of the parent in the event of disability or retirement. The Subcommittee proposes that the derivative child benefits shall be counted in the weekly net income of the parent whose contribution is the source of the benefits and applied as a credit to that parent's child support obligation. If the amount of the support obligation after deducting the benefits is zero, then the child support obligation is satisfied and no support award should be ordered while the child is receiving the benefits.
- Other government benefits are obtained without regard to means tests or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This type of government benefits is not meant to replace lost earnings of a party, but to supplement the child's household income. Such benefits are counted as income for the parent who actually receives the benefits (usually the custodial parent).
- This report concludes that the determination of a Parenting Time Adjustment when there are multiple children with different Parenting Time schedules is case specific, and best left as a factor for the court to consider as a reason for deviation from the guideline amount.
- This report concludes that 50-50 equal parenting time is a factor for the court to consider as a basis for deviation from the guideline amount.
- This report concludes that tuition expenses should continue to be treated as supplemental expenses that may be added to the basic award, at the discretion of the decision-maker.
- This report recommends that transportation expenses should include any automobile and

related insurance costs of a parent, but exclude the purchase or lease and insurance costs of a vehicle whose primary driver is the child. Pursuant to the exercise of judicial discretion, purchase or lease and insurance costs of a vehicle whose primary driver is the child may be added as an adjustment to the basic child support award as a court-approved predictable and recurring expense.

Dr. Rodgers recommends that the next step be to use actual case file review data to estimate the micro and macro impacts of the proposed schedule of obligations. In particular, what are the benefits versus the costs? What would be the impact on different types of families (e.g., by number of children and income)?

EXHIBITS

Table of Contents

Exhibit I: New Jersey Economic Basis for Updated Child Support Schedule,
Dr. William Rodgers 62
Exhibit II: Tables and Figures to Accompany Research of Dr. William Rodgers 104
Exhibit III: New Jersey Guidelines Comparison 199
Exhibit IV: Qualifications of Subject Matter Experts 202
Exhibit V: Measure of Housing for New Jersey Child Support Guidelines,
Dr. Burt Barnow 280
Exhibit VI: Treatment of Social Security Derivative Benefits,
Margaret Campbell Haynes, J.D. 288
Exhibit VII: Proposed Amendments to Appendix IX-A of NJ Court Rule 5:6 A 307
Exhibit VIII: Proposed Amendments to:
Appendix IX-B 335
Appendix IX-C Sole Parenting Worksheet 439
Appendix IX-D Shared Parenting Worksheet 441
Exhibit IX: Proposed Amendments to Appendix IX-F of NJ Court Rule 5:6 A 443
Exhibit X: Peer Review by Dr. David A. Macpherson 452

Exhibit I: New Jersey Economic Basis for Updated Child Support Schedule

William M. Rodgers III, Ph.D.

Rutgers, The State University of New Jersey

March 19, 2013

TABLE OF CONTENTS

I. List of Tables and Figures……62
II. Introduction……....64
III. Estimation Method……...66
IV. The Data……74
V. Estimation of λ and φ……77
VI. The Proposed Schedule: Preliminaries…….....80
VII. The Proposed Schedule: 1, 2 and 3 Children……84
VIII. The Proposed Schedules: Four, Five and Six Children Families……...85
IX. Appendix IX-A: Considerations in the Use of Child Support Guidelines…….86
X. Robustness Check: Impact of Including Families with Imputed and Incomplete Income……...…….95
XI. Summary…….....99

LIST OF TABLES AND FIGURES

TABLES

Table 1: Summary Statistics for Selected Years

Table 2: Estimates Used to Create λ, Selected Years

Table 3: Estimation of ϕ, Selected Years

Table 4: 2000 to 2011 Parental Expenditures on Children

Table 5: Summary of Estimates of Child-Related Expenditures

Table 6: 2000 to 2011 Rothbarth Estimates (% of Total Outlays)
by Number of Children and Selected Years of the Consumer Expenditure Survey

Table 7: Rothbarth Estimates (% of Total Outlays)
by Number of Children and Selected Years

Table 8: 2010 U.S. and New Jersey Cumulative Family Income Distributions

Table 9: Estimated Table of New Jersey Support Proportions, 2000 to 2011

Table 10: 2000 to 2011 Updated Basic Child Support Award Schedule

Table 11: Proposed Child Support Award Schedules for One to Six Children

Table 12: Summary Statistics for 2000 to 2011 Original and Revised Schedules

Table 13: Original and Revised Estimates Used to Create λ, 2000 to 2011

Table 14: Estimation of Original and Revised ϕ, 2000 to 2011

Table 15: Estimates of Child-Related Expenditures as a Percent of Total Family Outlays

Table 16: Original and Revised 2000 to 2011 NJ Rothbarth Estimates (% of Total Outlays)

Table 17: Estimated Revised Table of New Jersey Support Proportions, 2000 to 2011

Table 18: Summary Statistics that Compare the Original and Revised Proposed Schedule

Table 19: Revised 2000 to 2011 Updated Basic Child Support Award Schedule

Table 20: Revised Child Support Award Schedules for One to Six Children

FIGURES

Figure 1: Original, Revised and Current Child Support Award Schedule: One Child

Figure 2: Original, Revised and Current Child Support Award Schedule: Two Children

Figure 3: Original, Revised and Current Child Support Award Schedule: Three Children

Figure 4: Original, Revised and Current Child Support Award Schedule: Four Children

Figure 5: Original, Revised and Current Child Support Award Schedule: Five Children

Figure 6: Original, Revised and Current Child Support Award Schedule: Six Children

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

I. Introduction

This report develops and recommends an updated New Jersey Schedule of Child Support Obligations. The proposed schedule is based on the income shares methodology and estimated using Consumer Expenditure Survey (CEX) micro data from 2000 to 2011. To my knowledge, this is the first study that uses 2010 and 2011 data from the CEX to construct Rothbarth estimates of child-related expenditures.

The decision to use all of the years from 2000 to 2011 is based on a detailed comparison of the 11-year period to a variety of sub-periods (e.g., 2004 to 2009) on which several states base their current child support obligations. The pooling of the 11 years "averages" out the extreme variation in macroeconomic activity that occurred from 2000 to 2011: the peak of the 1990s boom, a mild recession and jobless recovery from 2000 to 2003, the dramatic increase in personal consumption and household debt that occurred from 2004 to 2007, the "Great Recession" that lasted from 2007 to 2009, and the 2010 to 2011 weak recovery.

The recommended schedule incorporates new estimates of child-rearing costs, places the schedule in 2011 price levels, adjusts the schedule for income differences between New Jersey and the U.S. average, and recommends that the self-support reserve's threshold be increased from 105 percent of the federal poverty line for one individual to 200 percent.[1] The analysis switches from using total family expenditures as the base to total family outlays. The benefit to using total family outlays is that principal payments on all debt (e.g., mortgage principal payments) are captured in the data. The switch to outlays is also consistent with the data used in the construction of recent estimates of child-related expenditures (e.g., Betson, 2010).[2] This

switch has the potential of generating different Rothbarth estimates if the relationship between adult clothing and total outlays differs from the relationship between adult clothing and total expenditures.

The proposed schedule is constructed from two sub-samples. The first, from 2004 to 2011 includes families with imputed income. The second, from 2000 to 2003 excludes families with incomplete family income records. The report's external reviewer, economist David Macpherson and others have shown that the inclusion of families with imputed income can bias the parameter estimates and thus the obligation levels. Macpherson recommends that these families be excluded. However, I found that when all of these families were excluded, the proposed obligations fell to unreasonable levels. As a compromise, the revised schedule includes the 2004 to 2011 families with imputed income, but gives each of these family's their average of 5 predicted incomes that BLS constructs. For families with incomplete records in the 2000 to 2003 samples, BLS does not provide an imputed value. As a result, these families are excluded from the analysis. Some might argue that to maintain consistency, all of the families for 2000 to 2003 should be excluded. Due to the severe macroeconomic fluctuations from 2004 to 2011, I feel the cost of excluding these more "normal" years outweigh the cost of only excluding families with incomplete income.

The next two sections discuss the estimation method and data. First, I describe the Lazear and Michael (1988) method that is used to estimate the Rothbarth parameters. This indirect (e.g., uses expenditures on adult clothing) method yields similar estimates to the indirect method that Betson uses. In fact, the proposed schedule is quite similar to the existing schedule. Second, I describe the construction of the CEX micro data samples used in the econometric analysis, and

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

then present the recommended schedule of support obligations. The final section provides additional recommendations on issues in Appendix IX-A of the current guidelines.

II. Estimation Method

The first step to creating an updated schedule of obligations is to estimate Rothbarth parameters based on the most recent CEX micro data. The Rothbarth estimates that underpin New Jersey's existing schedule are constructed with CEX micro data from 1996 to 1999. These parameters, which are estimated for 13 income intervals and family sizes measure the proportion of a family's total expenditures that are devoted to children.

This report also uses an "indirect" method to estimate the Rothbarth parameters, but chooses to use the method in Lazear and Michael (1988). Adult clothing expenditures remain the dependent variable in the regression analysis; however, the Lazear and Michael "indirect" method is preferred to Betson's method because the former provides a clearer exposition of their approach. They build their model from the family's budget constraint. This switch to Lazear and Michael also serves as a model specification robustness check. Similar to Lazear and Michael's estimates, the estimates presented in this report are smaller than what Betson and others have typically found. Yet, they generate a schedule of obligations that is similar to New Jersey's existing schedule.

Before providing a detailed description of the estimation of child-related expenditures using the Lazear and Michaels approach, the following provides a less technical description. Lazear and Michaels (1988) define the family's budget constraint as the sum of expenditures on adults and children, where adult (children) expenditures equal the number of adults (children) multiplied by the average expenditures on an adult (children).

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

The estimation problem is that average expenditures on children and adults are not easily measured. For example, how do families apportion the mortgage or grocery bill between adults and children? To get over this hurdle, LM makes two assumptions. First, they assume that the ratio of average child expenditures and average adult expenditures depend on a set of demographic and economic (e.g., family size, number and ages of the children) family characteristics. If this ratio equals one, then the average family treats expenditures on children and adults equally. If the ratio exceeds 1, then the family favors children relative to the adults, and if the ratio is less than 1, the family favors the adults. Second, they create two ratios: total expenditures on adults (children) relative to the observed expenditures on adults (children). These two ratios express the relationship between total and observed expenditures found in the CEX data. For example, we directly observe adult clothing expenditures. We also directly observe mortgage, food, and other shared family expenditures; however, the consensus among researchers to date is that the assumptions needed to allocate shared expenditures between children and adults, yield estimates of child-related expenditures that are either too big or too small.

To summarize, the three ratios needed to estimate child-related expenditures are the:

1) Ratio of average child and adult expenditures, where the ratio can be predicted by a set of demographic characteristics,

2) Ratio of expenditures on adults and the observed expenditures on adults, and

3) Ratio of expenditures on children and the observed expenditures on children.

These three ratios are used to write adult expenditures such that they only depend on ratio #2, the number of adults, and actual expenditures on adult clothing. These three ratios enable us to write

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

child-related expenditures as a function of the three ratios, expenditures on adult clothing, the number of children, and the number of adults.

The estimation of child-related expenditures proceeds in two steps. First, we predict the ratio of expenditures on adults and observed expenditures on adults with demographic characteristics of the family. To do this, we limit our sample to families **without** children and estimate the regression of total family expenditures on a family's expenditures on adult clothing, plus a variety of demographic features of the family. Using the coefficients from this regression, we construct an estimate of the family's ratio of expenditures on adults to the observed expenditures on adults. This is done for families with and without children.

By constructing the estimates for families **with** children, the child expenditures portion of the budget constraint now only requires obtaining an estimate of the ratio of expenditures on children and adults. This is done by estimating the regression of total expenditures on adult clothing expenditures, demographic and economic variables. The coefficients from this regression are used to estimate the ratio of average child and adult expenditures. LM define this ratio as φ. It is combined with a family's number of adults, number of kids, and total expenditures to construct an estimate of child-related expenditures:

$$C_K = \frac{\phi T}{A + \phi K}.$$

where C_K denotes child-related expenditures, T denotes total expenditures, A denotes the number of adults, and K denotes the number of children. Dividing the estimate of C_K by total family expenditures generates the Rothbarth estimate of child-related or child-rearing expenditures.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

Formally, the goal of the estimation procedure is to divide the family's total expenditures into the average expenditures on an adult and a child. The family's budget constraint can be written as:

$$T = AC_A + KC_K,$$

where T denotes a family's total expenditures, A denotes the number of adults, K denotes the number of children, C_A and C_K denote the average expenditures on an adult and child, respectively. The terms T, A, and K are observed in the CEX data, but the per capita expenditures are not. We define $A\tilde{C}_A$ as the observed adult expenditure on clothing and λ_A and λ_K the ratios of total expenditures on adults (children) to observed expenditures on adults (children).[3] The budget constraint can be rewritten as:

$$(T) = \lambda_A(A\tilde{C}_A) + \phi(X)\lambda_A A\tilde{C}_A\left(\frac{K}{A}\right),$$

where the variables in parenthesis are observable for each family. Once we have estimates of $\lambda_A\left(\frac{C_A}{\tilde{C}_A}\right)$ and $\phi\left(\frac{C_K}{C_A}\right)$, we can calculate the expenditures on a child, C_K. Expenditures on a child are obtained by substituting for C_A in the initial budget constraint, yielding:

$$T = AC_A + KC_K = A\left(\frac{C_K}{\varphi}\right) + KC_K,$$

Solving for C_K yields:

$$C_K = \frac{\phi T}{A + \phi K}.$$

Dividing the estimate of C_K by total family expenditures generates the Rothbarth estimate of child-related or child-rearing expenditures.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

It is important to note that as a family's number of children increases, there are two (through K and φ) effects on the level of child-related expenditures. Because of this, the value of C_K must be adjusted by the following derivative:

$$\frac{\partial C_K}{\partial K} = \frac{TA}{(A+\varphi K)^2}\frac{\partial \varphi}{\partial K} - \frac{\varphi^2 T}{(A+\varphi K)^2}.$$

The sign on the derivative is negative because the partial derivative ($\frac{\partial \varphi}{\partial K}$) in the first term is typically negative, while the second term is positive. Thus, a negative minus a positive term will yield an overall negative impact of an increase in the number of children on child-related expenditures. The intuition for this result is that there are economies of scale.

The estimation of the unknowns (λ and φ) is performed in two steps. First, CEX data from families **without** children are used to estimate:

$$T = \lambda_0(AC_A) + \lambda_1(AC_A Z_1) + \lambda_2(AC_A Z_2) + \cdots + \lambda_k(AC_A Z_k),$$

where AC_A denotes the observed adult expenditure on clothing and the Z's capture demographic information on the household.[4] By limiting the sample to families without children, λ is identified. We are solely looking at the budget constraints of families without children. Thus, expenditures on children in the second portion of the budget constraint are zero. The estimates of the k, λ's are used to predict an overall λ for the *jth* family **with** children:

$$\hat{\lambda}_{Aj} = \hat{\lambda}_0 + \hat{\lambda}_1 Z_{1j} + \cdots + \hat{\lambda}_k Z_{kj}.$$

The second step is to obtain an estimate of $\varphi(X)$. This can now be done because the budget constraint for families with children has one unknown and thus is identified. To construct a prediction for φ, we estimate the following equations for the j families **with** children.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

$$(T_j) = (D_{0j}) + \phi_0(D_{1j}) + \phi_1(D_{1j}X_{1j}) + \cdots + \phi_k(D_{1j}X_{kj}),$$

where, $D_{0j} = \hat{\lambda}_{Aj}AC_{Aj}$, and $D_{1j} = D_{0j}\left(\frac{K_j}{A_j}\right)$. This model provides estimates of the components of φ, which enables us to construct an estimate of the ratio of child-to-adult expenditures for each family.

$$\frac{C_{kj}}{C_{Aj}} = \phi(X_j) = \phi_0 + \phi_1(X_{1j}) + \cdots + \phi_k(X_{kj}).$$

In the first-stage regression, *Z* consists of educational attainment and work status for each adult, family income, the race and ethnicity of the parents, the family's region of residence, month and year of interview, and the number of interviews during the year. In the second-stage regression, *X* consists of the list of *Z*, plus information on the number of children in the family. Now that we have an estimate of φ_j for each family, sample estimates of C_K can be developed in two ways:

$$C_K = \frac{\bar{\varphi}T}{A + \bar{\varphi}K},$$

$$C_K = \frac{1}{J}\sum_{j=1}^{J}(\varphi_j T_j)/(A + \varphi_j K).$$

The first sample average uses the sample mean of total family expenditures, *T* for families with children. The second mean constructs a C_K for each family (*j*) by using their own value for *T*. After C_K is constructed for each family with children, the sample average is calculated.

To construct C_K at each of the 22 income intervals (e.g., $25,000 to $30,000), we evaluate the second expression only for families in a given income interval.[5] To construct an

estimate of the percentage of total outlays that go to child-related expenditures at a given income interval (local averaging), we divide our conditional estimate of child-related outlays by the average total outlays at that income interval. This is the Rothbarth estimate evaluated for a given family income.

Next, I perform the common practice of subtracting out the share of total expenditures on child and medical care. I use the same approach as Betson and others. There are several reasons for treating child care and a portion of medical expenditures as an "add on". Child care expenses are zero for many families. For those with children, they vary greater across households and can be quite significant, especially for households with pre-school children.

Medical care expenditures or extraordinary medical expenses are classified as the amount of expenditures that exceed $250 per family member. There are two rationales for adjusting the Rothbarth parameters for medical care expenditures. First, state child support programs are required to create and enforce medical support orders. Further, federal regulations encourage states to request that noncustodial parents hold health insurance policies that cover their children. Second, medical expenses that are not covered by or that exceed reimbursement levels vary a great deal across households. They too, can comprise a large percentage of child-related expenditures.

The advantage to the "local" averaging approach is that it allows for a nonlinear relationship between expenditures (outlays) on children and income. The potential drawback is that the precision of estimates at lower and higher family incomes may be weak. Small samples at the lower and upper income levels, a common concern with the CEX micro data will allow outliers to potentially weaken the quality of the estimates of C_K. Because of that possibility, we

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

utilize median regression and regress the twenty-two conditional or "local average" estimates on a trend, the square of the trend, and the cubic of the trend.[6] The coefficients are used to predict the Rothbarth proportions at a given income interval. These Rothbarth predictions are then used to construct the table of supports.

To construct the schedule of obligations, we use PSI's approach in their 2004 New Jersey report.

- **Step 1**: Pick an income level and identify the income interval in which it lies and identify the interval's midpoint. Multiply the midpoint level of income by the Rothbarth estimated proportion for that income interval.
- **Step 2**: Take the chosen income level and subtract the interval's midpoint. Multiply the difference by the marginal proportion. This step helps to remove notches or kinks in the schedule as income rises.
- **Step 3**: Add the two values from each step.

We perform this process for 1, 2, and 3 children for weekly income that ranges from $180 to $3,600. It is important to note that even by using the marginal approach in Step 2, the initial schedule of obligations still contained discrete jumps. To further smooth the schedule, the obligations of support were regressed on weekly income, the square of weekly income, and the cubic of weekly income. The proposed schedules of obligations are the predicted values from each model (e.g., 1 child).[7]

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

III. The Data

The data for the analysis come from the interview component of the CEX Survey beginning in the first quarter of 2000 through the first quarter of 2012. Families (Consumer Units) are interviewed for five quarters, however; only data from the second through fifth quarterly interviews are reported in the public use files. The Bureau of Labor Statistics treats the quarterly responses as independent observations. The samples constructed in this analysis come from the quarterly files and are annualized. A family can have a maximum of four quarterly interviews; however, some will not be located or they will refuse to be interviewed, reducing the number.

To be included in our preferred 2000 to 2011 CEX sample, the family's adults must be less than 60 years of age. Unlike the PSI approach, the Lazear and Michael approach does not limit the sample to dual-household parents. The family can have no more than 6 children. The family must have participated in 3 or 4 interviews during the year. Annual averages are developed for variables that vary across the quarterly interviews (e.g., family income, adult clothing expenditures, and outlays). Families must have positive values for their total and adult clothing expenditures and total outlays to be in the sample. These sample restrictions are identical to the 2004 PSI NJ study.

Table 1 contains means for inflation-adjusted (2011 dollars) adult clothing expenditures, inflation-adjusted total family outlays and after-tax family income, and the means for a variety of family demographic characteristics: number of adults, educational attainment of each spouse, race and ethnicity, labor force attachment of the spouses, region of residence, and the number of children. All of the demographic variables except family income and the number of adults are entered as dummy variables. The excluded groups for the dummy variables are respondents with

high school diplomas, non-African Americans, and northern census residents, and respondents that work less than 30 hours per work.[8]

The variables that comprise the Z vector used to estimate the λ's are the number of adults, educational attainment, family income, labor force attachment, race, and region of residence. These variables plus the number of children and adults in the family comprise the vector of information in X used to estimate φ.

The means in Table 1 compare families with and without children. Families without children tend to have higher levels of educational attainment and stronger labor force attachments. They have higher real income and higher expenditures on adult clothing, but their outlays are lower than families with children.

In addition to our preferred 2000 to 2011 sample, Table 1 reports summary statistics based on samples for the following years: 2004 to 2009, 2004 to 2010, 2004 to 2011, 2000 to 2009, and 2000 to 2010. The purpose of reporting these additional estimates is to assess our preferred sample's sensitivity to the addition of 2010 and 2011 CEX data. To my knowledge this is the first study to incorporate 2010 and 2011 CEX data into Rothbarth estimates of child-related expenditures. Another purpose of these comparisons is to assess the sensitivity of the samples and results to the mild recession and jobless recovery (2000 to 2003), the dramatic increase in personal consumption (2004 to 2007), the Great Recession (2007 to 2009), and the weak recovery (2010 to 2011).

The main conclusion from this comparison and the subsequent analysis is that the Rothbarth estimates should be constructed from the 11 cross sections of data from 2000 to 2011, and not from a subset of cross sections that start in 2004. Combining these four distinct periods

of macroeconomic activity serve to "average" each other out, and thus reflect the "typical" or long-run relationship between family income and child-related expenditures.

Table 1 indicates that the demographic characteristics possess a remarkable stability across samples. The average number of adults and their educational attainment remains constant. African Americans comprise 7 to 8 percent of the samples. The table does reveal a slightly lower level of family income and outlays when the sample starts in 2000 as opposed to 2004. This is because the 2000 to 2003 survey years contain a mild recession and weak recovery. For example, after the National Bureau of Economic Research declared that the eight-month recession that ran from March 2001 to November 2001 was over, it took well over 30 months before payroll employment growth became positive. Inflation-adjusted expenditures on adult clothing are slightly higher ($50) in samples when 2000 to 2003 are included, which implies that child-related expenditures will be slightly lower in these samples.

Not shown in the tables, but I also estimated summary statistics for 2000 to 2007. The purpose was to assess the "Great Recession's" impact on expenditures by comparing the period prior to the recession (2000 to 2007) to the period that includes the recession (2000 to 2009). In particular, did the recession lead to a drop in income and outlays? Inflation-adjusted after tax family income and inflation-adjusted total family outlays held steady across the two years. The addition of the two years does not seem to "weight" down family income and outlays that grew during the economic expansion years from 2004 to 2007.[9] Although modest, there is some evidence of a decline in inflation-adjusted adult clothing expenditures. The demographics (e.g., race and educational attainment) of the families also show stability across the two years. The changes in the macroeconomy do not seem to alter the samples' composition.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

IV. Estimation of λ and φ

The regression estimates as well as estimates of λ for the 2000 to 2011 sample are reported in Table 2. The sample of families without children is used to estimate the model. Dummy variables for year of interview, month of interview, region of residence, and the number of interviews are included. The estimated coefficients for these variables are available upon request. The constant term is the coefficient on real adult clothing expenditures ($A\tilde{C}_A$). All other coefficients are the variable's coefficient multiplied by $A\tilde{C}_A$. The model is estimated without a formal constant.

The estimated λ's can be interpreted as follows. Each coefficient is the derivative of the ratio ($C_A/\tilde{C}_A$) with respect to a variable contained in Z. For example, the coefficients on "spouse having less than a high school degree" imply that families with a less-educated spouse have a higher ratio of total expenditures to expenditures on adult clothing than a family with a highly educated spouse.

The estimated λ's enable us to estimate the expenditure on adults in families with children. Table 2 reports estimates of λ for families with and without children. Using the mean values for families with and without children in the 2000 to 2011 sample, the estimated λ's equal 78.4 and 80.1. The inverse of these λ's indicate that 1.2 to 1.3 percent of the family's adult expenditures go to clothing.

Table 2 also reports estimates of λ and its inverse for the following samples: 2000 to 2009, 2004 to 2009, 2000 to 2010, 2004 to 2010, 2000 to 2011 and 2004 to 2011. Similar to the summary statistics, the estimates for λ indicate a remarkable stability across the samples, ranging

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

from 0.9% to 1.4%. The samples that start in 2000, provide the best estimates of λ. They are virtually identical to the sample average of family adult expenditures on clothing.

Given that we have an estimate of λ_j for each family, we can now identify $\boldsymbol{\varphi}$. By construction, the equation's first term should equal 1. However, I estimate the models without imposing this constraint. Dummy variables for year, month, region of residence, and the number of interviews are included. The constant term is the coefficient on λ multiplied by real adult clothing expenditures, $\lambda A\hat{C}_A$. All other coefficients are the coefficients of the variable multiplied by$\lambda A\hat{C}_A$. The model is estimated without a formal constant. The φ's were estimated for each family using their values for X and Z.

The estimated coefficients and estimates of φ for the 2000 to 2011 sample are presented in Table 3 indicate that the average family spent 50.5% to 62.5% as much on a child as on an adult, or $51 to $63 per child for every $100 per adult. The percentage falls as the number of children increases.

I also generated estimates of φ for 2000 to 2010, 2000 to 2009, 2004 to 2009, 2004 to 2010, and 2004 to 2011. The primary goal of these models is to identify whether the model estimates are sensitive to the variety of macroeconomic conditions that occurred from 2000 to 2011.Focusing our attention on the recovery from the "Great Recession", Table 3 reveals that estimates of φ, the percentage spent on a child are mixed when going from 2009 to 2010. There is no consistent pattern of increase or decrease. However, going from 2010 to 2011, the percentage spent on children actually fell. These two findings are independent of whether 2000 or 2004 is used as the initial year of the sample.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

What is the impact on estimates of φ if the samples start in 2004? Dropping the years of the mild recession and "jobless" recovery (2000 to 2003) generates φ's that exceed the φ's when these years are included. This finding makes sense because the 2000 to 2003 survey cover a period of slower economic growth and thus lower expenditures and outlays.

The estimated coefficients in Table 3 can also be used to calculate an "indirect" estimate of the average per capita expenditures on a child, C_K. Earlier from the budget constraint and the definition of $\boldsymbol{\varphi}$, we were able to write the average per capita expenditure on a child as:

$$C_K = \frac{\phi(X)T}{A + \phi(X)K}.$$

Note that the amount spent on children depends on K and φ. Thus, to calculate child-related expenditures, we need to estimate how C_K changes with respect to an increase in the number of children. This is the derivative that was shown earlier:

$$\frac{\partial C_K}{\partial K} = \frac{TA}{(A + \varphi K)^2}\frac{\partial \varphi}{\partial K} - \frac{\varphi^2 T}{(A + \varphi K)^2}.$$

The approach that I use is to compute family specific estimates of both terms and then construct their sample averages. These expressions are as follows:

$$C_K = \frac{1}{J}\sum_{j=1}^{J}(\varphi_j T_j)/(A + \varphi_j K).$$

$$\overline{\frac{\partial C_K}{\partial K}} = \frac{1}{J}\sum_{j=1}^{J}\frac{T_j A_j}{(A_j + \varphi_j K_j)^2}\left(\frac{\partial \varphi}{\partial K}\right)_j - \frac{\varphi_j^2 T_j}{(A_j + \varphi_j K_j)^2}.$$

For our purposes, A_j equals two in every family. The values of T are computed for each family. The term φ is constructed from the coefficients in Table 3 and each family's information in X.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

The derivative is just the estimated coefficient for the number of children, which in the 2000 to 2011 sample equals -0.093. An additional child lowers φ by 0.093. This means that families with one additional child have a ratio of per-child expenditure to per-adult expenditure that is lower by 0.093. The additional child is associated with a $9.30 decrease in child expenditures per existing $100 of adult expenditure. The decline per child is less than the increased expenditure on the additional child.

Table 3 reports the estimated coefficients for the number of children for the five different samples. Samples that start in 2000 yield coefficients that are measured with a high degree of precision. Excluding the recovery years (2010 and 2011), reveals that as the number of children increases, larger decreases in child expenditures per existing $100 of adult expenditure are observed. The estimated coefficients are -0.102 and -0.108, compared to the -0.093 that was estimated in the 2000 to 2011 sample. This evidence indicates that the recovery helped to reduce the drop in child-related spending associated with having more children.

Using samples that start in 2004, yields estimated coefficients that are smaller and have very little if any precision. This is another reason why I recommend using samples that include the 2000 to 2003 survey data.

IV. The Proposed Schedule: Preliminaries

With estimates of child-related expenditures, we are now ready to build the Rothbarth estimators, child-related expenditures as a proportion of net family income. We define the following terms:

EC/C = Expenditures on children as a proportion of consumption expenditures
CC/C = Child care expenditures as a proportion of consumption expenditures
M/C = Medical expenditures as a proportion of consumption expenditures

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

C/NI = Consumption expenditures as a function of net income
EC*/NI = Adjusted expenditures on children as a proportion of net income
EC*/NI = (EC/C – CC/C – M/C) x C/NI

The task is to build estimates of these six measures. The estimates of child care (CC) and medical expenditures (M) deserve some attention. Both are treated as an "add on" to the obligation. There are three reasons for treating child care as an "add on". Child care expenses constitute expenditures with significant variation and are zero for a subset of households. In households with child care costs, they typically represent a significant share of total child expenditures, especially for pre-school children. Excluding child care costs maximizes the custodial parent's marginal benefits of employment.

To estimate medical care support percentages, extraordinary medical expenses are classified as the amount of expenditures that exceed $250 per family member. To construct the estimate, I subtract this amount, which is in 2011 dollars from the CEX household's reported costs of unreimbursed medical expenses. There are two rationales for adjusting the Rothbarth parameters for medical care expenditures. First, state child support programs must establish and enforce medical support orders. Federal regulations encourage the states to request that the noncustodial parents posses health insurance that covers their children. Second, medical expenses that are not covered by or that exceed insurance reimbursement can vary a great deal across households. They too, can comprise a large percentage of child-related expenditures.

Table 4 reports the estimates for 2000 to 2011, number of children, and income interval. We use the "local" averaging approach described earlier to compute these six terms. The last term, EC*/NI corresponds to the Rothbarth estimate. Table 5 compares this paper's estimates to those found in the literature and previous reports. To my knowledge, this report is the first to

incorporate the 2010 and 2011 CEX data. The estimates are smaller than Betson's estimates, but as we will observe, the schedules that are built from them seem reasonable. They also exhibit all of the desired economic properties that Betson and other have identified. These will be discussed in the last section of the report.

The Rothbarth estimates suggest that the "Great Recession" had an impact on child-related expenditures as a function of total outlays. The Rothbarth estimates fall when the 2008 and 2009 data are included, rise slightly when the 2010 data are included, but fall when the 2011 data are included. The shifts are distributed across the 22 income intervals. Expenditures uniformly shift downward when the recession years are added to the model, shift upward when the first recovery year is added, and shift downward when 2011 is added. Table 6 reports the estimates across the 22 income intervals.

Table 7 presents the estimates for the six samples: variation in starting and ending points. There are few discernible patterns. For example, the results for one child are not impacted by whether the sample starts in 2004 or 2000. In families with two to three children, the Rothbarth estimates are slightly higher in the samples that start in 2004. What happens to the Rothbarth estimates when the samples are extended from 2009 to 2011? For one child, the Rothbarth estimates are lower. For two and three children, the results are mixed. They depend on whether the samples start in 2000 or 2004. The bottom line conclusion seems to support using the 11 cross sections of data to estimate the Rothbarth estimates of child-related expenditures.

It is important to remind readers that at this point the Rothbarth estimates are for the U.S. and it is well known that New Jersey's income distribution is very different from the U.S. income distribution. Table 8 shows that New Jersey's income ladder extends higher than the

U.S.'s income ladder. For example, one-quarter of U.S. families have income that is less than $35,000, compared to 17 percent of New Jersey families. Almost three-quarters of U.S. families have incomes below $100,000, while only 59 percent of New Jersey families have incomes below this threshold.

What does this mean for applying the Rothbarth parameters constructed from U.S. CEX samples to New Jersey families? It means that we may be attributing too small a percentage of a family's outlays to their child-related expenditures. To adjust for this potential downward bias or under estimate of child-related expenditures, I use the Census data in Table 8 to equate the income of New Jersey and U.S. families. The key assumption here is that U.S. and New Jersey families have equivalent rankings in the income distribution. In other words, a family at the 30th percentile of the income distribution spends the same proportion on child-related expenses regardless of where they live. It is important to note that this is an assumption that still has little empirical evidence to support it. However, since PSI performs it in their 2004 New Jersey study, we use it here to maintain continuity. The 2nd, 4th, and 6th columns of Table 6 report the adjusted-Rothbarth parameters. These are the parameters that I use to build the new child support schedule of obligations.

The next step in developing the schedule is to construct proportions that smooth the schedule, or remove remaining discrete jumps in the obligation as net income rises. Doing so is important because a kink, step, or discrete jump in the schedule could motivate an individual to earn less or report less income, leading to a lower obligation. This smoothing process is Step 2 for creating the schedule. Table 9 reports for a given weekly income midpoint two estimated parameters. The proportions labeled "Rothbarth" are applied to the income midpoint (the income

that lies halfway between one of the 22 income intervals). The proportions labeled "Marginal" are applied to income between that midpoint and the next highest midpoint. The exposition in the 2004 New Jersey PSI report provides a clear example of how the smoothing process is done.

V. The Proposed Schedule: 1, 2 and 3 Children

The support obligation tables are reported in Table 10. Panel A corresponds to one child. Panel B corresponds to two children. Panel C corresponds to three children. Each panel compares the proposed to the current New Jersey schedule.[10] The columns labeled "difference" compares the current schedule to the proposed schedule. One comparison presents the dollar difference, while the other reports the difference in percent. The end of each panel contains summary statistics (e.g., mean, median, minimum and maximum) on the differences between the schedules.[11]

Several general conclusions can be made. At the mean and median, the obligations in the proposed schedule for one child are slightly higher than the current New Jersey schedule. The median obligations in the proposed schedules for two and three children are lower than the median obligations in the current schedule. For example, the difference in the median obligation between the proposed schedules for one child and the current New Jersey schedule is $9.00 or 3.0%. For two and three children, the median obligations in the proposed schedules are $45.00 (11%) and $8.00 (2%) less than the current schedule. The minimum and maximum obligations indicate a significant amount of variation across the income scale. The typical pattern, as seen in Figures 1 to 3 indicates a small decline or no change in obligations at lower and moderate portions of the income scale, an increase at extremely low incomes, and an increase at the upper part of the income scale.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

The main take away from these comparisons is that the proposed schedules for one child tend to yield obligations that are slightly higher than the current schedule. If the obligations for one child exceed the current schedule, they tend to do so at higher net incomes. For two and three children, when the obligations exceed the current schedule, they too tend to be at upper income levels.[12]

VI. The Proposed Schedules: Four, Five and Six Children Families

To construct the schedules for families with more than 3 children, I use the approach described in the previous New Jersey PSI Study (Venohr and Griffith, 2004). PSI constructs Rothbarth multipliers that are used as constants at all income intervals. To construct the Rothbarth support proportions for four children, they multiply the three children proportion at a given income midpoint by 1.115. For five children, the multiplier is 1.100. For a six child family, the multiplier is 1.088. Table 9 reports the Rothbarth support proportions. It is important to note that the Marginal Proportions for three children are applied to four, five and six children families. These proportions are also reported in Table 9. Table 11 reports the schedules for families with 4 to 6 children. Figures 4 to 6 compare the obligations to the current schedule. The typical obligations (based on the median) in the proposed schedules for 4 to 6 children are $11.00 to $16.00, or 2 to 3 percent less than the typical obligations in the current schedule.[13] Increased obligations in the proposed schedule are only at the upper part of the income scale.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

VII. Appendix IX-A: Considerations in the Use of Child Support Guidelines

The Child Support Subcommittee of the Family Practice Committee made five additional research requests with regard to Appendix IX-A. The Subcommittee requested that the evidence and language be updated in Sections 5, 6, 7, 14 and 17. This section presents each item and when appropriate offers updated analysis and language for the Appendix. The section concludes with a discussion of how to identify private school tuition expenditures.

5. Economic Basis for the Child Support Guidelines

Modify the language in the sub-section titled, "Development of Child Support Award Schedules":

Dr. Rodgers' study estimates parental expenditures on one, two, and three children as a percentage of total household outlays. To do this, Rodgers uses the estimation method developed in Lazear and Micheals (1988) and transforms the Rothbarth parameters into a schedule of child support obligations by using the following steps:

a. Convert child-related spending as a proportion of consumption to a proportion of net income.

b. Adjust the schedule to reflect New Jersey's higher cost of living as measured by the CPI-U.

c. Deduct the cost of child care and unreimbursed health care expenses up to $250 per child per year (these expenses are added to the basic obligation).

d. Extrapolate the estimates to families with four, five, and six children.

e. Compute marginal proportions between income intervals so that the support schedule can be constructed in ten dollars increments.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

f. Use the Rothbarth and marginal proportions to create the relationship between support obligations and combined net weekly income.

g. Use median regression to "smooth" (remove remaining kinks/discrete jumps) the relationship.

6. Economic Principles Included in the Child Support Guidelines

Identical to the current schedule, the proposed schedule of obligations possesses the following economic properties. In most cases the existing language does not need to change. Where appropriate, I reference the Table in the report that provides the empirical evidence that supports the principle.

a. No change in language needed.

b. Larger families have lower per-person costs due to economies of scale and the sharing of family goods (i.e., unit prices decrease as quantities and sharing increases). The evidence for the proposed schedule is located in Table 3 of this report.

c. Total spending on children increases with family size, but at a decreasing rate. Support awards increase with the number of children in the family. The evidence for this study is located in obligation Tables 10 and 11.

d. When a family's total outlays rise, child-related spending increases roughly in the same proportion. In this study's analysis, as we move from the lowest to highest of the 22 income categories, the average increase in total outlays is 7%, 6%, and

7% for one child, 2 children, and 3 children. The comparable average increases in the expenditures on children are 7%, 7% and 9%.[14]

e. As a family's income increases, child-related expenditures increase because parents use a portion of their disposable income to improve their children's quality of life. From the Lazear and Michael's model, the change (derivative) in child-related expenditures with respect to family income has two components. The second portion of the derivative is the positive impact that income has on total expenditures.[15]

f. Child-related expenditures as a percentage of family consumption are relatively constant across most of the income scale (Table 7).

g. As income increases, total family consumption spending declines as a proportion of net income since income items such as savings, personal insurance, and gifts increases with family income. Families at lower levels of the income ladder have consumption spending that may exceed 100% of net income. In contrast, high-income families may spend 60% to 75% of net income on consumption items (Table 7).

h. As a family's income increases, child-related expenditures as a proportion of family income decline, even though these expenditures as a percentage of a

family's consumption spending remain fairly constant (Table 7). The difference between spending as a proportion of family income and a proportion of consumption is due to the effect of income taxes, savings and charitable contributions. Income allocated to these items is not available for consumption spending.

i. Due to economies of scale, the sharing of family goods and the redistribution of adult spending, as the number of children increases, the additional cost of each child has a less than proportionate increase. This study estimates that child-related expenditures for two children are less than twice as much as child-related expenditures for one child. For two children, the average cost across the 22 income categories is 1.7 more than one child. Also, the child-related expenditures for three children are less than three times as much as one child. This study's average is 2.2 more than one child. These estimates lie in the range of those reported in the PSI NJ 2004 study.

7. Assumptions Included in the Child Support Guidelines

Use the following language in sub-sections d and g. The discussion in sub-section h describes the self-support reserve and develops rationale from increasing it from 105% of the poverty line for one individual to 200% of the poverty line for one individual.

d. The Rothbarth marginal cost estimation techniques (e.g., Betson and Lazear and Michaels) provide the most accurate estimates of parental expenditures on children in dual parent families. This study's analysis of the 2000 to 2011 micro

data of the Consumer Expenditure Survey provides the most current and reliable estimates of child-related expenditures in dual-parent families.

g. Effect of a Child's Age: This study does not provide estimates on child-rearing expenditures by children's age groups. The proposed awards represent the average cost of raising a child from age zero through 17 years (i.e., the total marginal cost averaged more than 18 years). Studies have shown that expenditures are higher than the average for teen-aged children and lower than the average for preteen children.

h. Self-Support Reserve:

The self-support reserve is a factor in calculating a child support award only when one or both of the parents have income at or near the poverty level. Currently, the State's self-support reserve is 105% of the U.S. poverty guideline for one person. The reserve's purpose is to ensure that the obligor has sufficient income to maintain a basic subsistence level and the incentive to work so that child support can be paid. A child support award is adjusted to reflect the self-support reserve only if its payment would reduce the obligor's net income below the reserve *and* the custodial parent's (or the Parent of the Primary Residence's) net income is greater than 105% of the poverty guideline. The latter condition is necessary to ensure that custodial parents can meet their basic needs so that they can care for the children. As of January 26, 2012, New Jersey's self-support reserve is $226.00 (this amount is 105% of the poverty guideline for one person).

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

This report recommends that the self-support reserve be increased to 200% of the poverty guideline for one person which in 2012 equals approximately $430.00. The rationale for this recommendation is as follows. Since the setting of the self-support reserve at 105% of the federal

poverty threshold for one person, research on the inadequacy of the federal poverty threshold has grown. One basis for this statement has been the construction of self-sufficiency standards. Self-sufficient standards are geographic-specific estimates of how a particular type of family needs to cover their housing, food, transportation, health care, taxes, and miscellaneous expenditures. County-specific 2008 New Jersey standards have been developed by the researcher Donna Pearce and the Legal Services of New Jersey Poverty Research Institute (The Self-Sufficiency Standard for New Jersey, Legal Services of New Jersey, 2008).[16] The standards are based on estimates of the following 7 household expenditure components: housing, child care, food, transportation, health insurance, taxes and tax credits, and miscellaneous expenses.

In New Jersey, the child support self-support reserve is well below each of the 21 county's self-sufficiency standards. For example, the self-support reserve of 105 percent of the poverty line for an adult corresponds to $220 a week, while the self-sufficiency standard required for a single adult ranges from a low of $378 in Camden County to a high of $630 in Bergen County (2008 Estimates).

A variety of studies have shown that including a self-support reserve for low-income obligors can help reduce arrears caused by child support awards that surpass the ability of low-income obligors to pay.[17] Calculations based on the noncustodial parent's income that were

performed by the NJ OCSS, indirectly suggest this could happen if NJ were to raise its self-support threshold. The calculations show that in the $201 to $300 income range, 56% of case counts have collection rates that are 34% or less. The next highest income range is $301 to $400, with almost one-third of case counts having a collection rate of 34% or less. As income increases beyond $400, income intervals with collection of rates of 34% or less falls rapidly from 20% ($401 to $500) to 14% ($701 to $800), and then to 8% ($900 per week).

The current level of New Jersey's self-support reserve prevents many low-income noncustodial parents (NCPs) from meeting their basic needs. Further, having a self-support reserve that is 35 to 58 percent below the self-sufficiency standard for an individual, may lead to increased arrears. Why may this occur? Some NCPs may try to evade making payments, while NCPs that want to stay connected and involved with their child and make good faith efforts at meeting their commitments; they now experience greater instability in making payments.

14. Shared-Parenting Arrangements

The sub-committee asked whether the current percentages that families spend on variable, fixed, and controlled expenditures need to be updated. The current Appendix IX-A defines variable expenditures/costs as those incurred only when the child is with the parent (i.e., they follow the child). This category includes transportation and food. Specifically, transportation variable expenditures are defined as the sum of gas/oil, maintenance/repairs, rental/leases/licenses/other, and public transportation. A second type of transportation expenditures consists of expenditures on cars/trucks, new and used net outlays, vehicle insurance

and vehicle finance charges. Food expenditures are the sum of food at home and food away from home. These expenditures have been found to comprise 37% of total expenditures.

Appendix IX-A defines fixed expenditures as those incurred even when the child is not residing with the parent. Housing-related expenses are fixed costs. They are the sum of expenditures on shelter, utilities, equipment and operations. In the CEX data, baby daycare expenditures are removed from household operations expenditures. As a percentage of total expenditures, housing expenditures comprise 38%.

Controlled Expenditures are the third category. Clothing, personal care, entertainment, and miscellaneous expenses comprise these costs. In the CEX data, child clothing expenditures are the sum of expenditures on clothing for boys and girls (aged 2 to 15) and clothing expenditures for children under 2 years of age. Also in the CEX, miscellaneous costs equal expenditures on personal care, entertainment, and a miscellaneous expense category.

Using the 2000 to 2011 micro data of the CEX, I conclude that at this time there is no need to change the percentages for variable expenditures of 37%, fixed expenditures of 38%, and controlled expenditures of 25%. The estimates that this study develops are available upon request. Depending on the family's number of children, survey years pooled, and whether expenditures or outlays are used, the fixed expenditures range from 36.8 to 37.4%, the variable expenditures range from 36.1 to 36.5%, and the controlled expenditures range from 26.5 to 27.0%. None are significantly different from the current shares that are used.

17. Adjustments for the Age of the Children

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

The child support schedules are based on child-rearing expenditures averaged across the entire age range of zero through 17 years (total expenditures divided by 18 years). This averaging means that awards for younger children are slightly overstated due to the higher level of expenditures for older children. If an award is entered while the child is very young and continues through age 18, the net effect is negligible. However, initial awards for children in their teens are underestimated by the averaging and should be adjusted upward to compensate for this effect. Due to limitations of the CEX and the Rothbarth estimator, a separate marginal cost for teen-aged children could not be estimated. The common practice is to use Espenshade's 1980 CEX estimate that the cost of children aged 12 through 17 is 14.6% above average expenditures. Therefore, if the initial child support order is entered when the child is 12 years of age or older, that order and all subsequent orders shall be adjusted upward by 14.6%. I recommend an updating of Espenshade's estimate.

Can Private School Tuition be Directly Identified?

The simple answer is "no". The Bureau of Labor Statistics does not ask whether the tuition was for public or private tuition. Further, the files typically used to estimate child-related education expenditures contain the sum of five categories:

- School books, supplies, and equipment for elementary, high school, and college
- School books, supplies, and equipment for day care centers, nursery schools, vocational or technical schools, and other schools
- Tuition for day care centers, nursery schools, vocational or technical schools, and other schools
- Rentals of books and equipment, and other school-related expenses

- Test preparation and tutoring services

Excluded are expenditures on encyclopedia and other sets of reference books, and other expenses for day care centers and nursery schools, including tuition.

The CEX micro data contains a set of files called MTBI expenditure files. These files report expenditures on each of the above five categories, where expenditures on tuition are identifiable by type of school. A second question asks respondents for what kind of school or facility were the expenditures? The coded answers are 1) college or university, 2) Elementary through high school, 3) Child day care center, 4) Nursery school or preschool, and 5) Vocational or technical school, and 6) Other school. But, there is no explicit question of whether the school was public or private.

VIII. Robustness Check: Impact of Including Families with Imputed and Incomplete Income

In David Macpherson's review of the proposed schedule presented in Table 11, his main concern was the inclusion of families whose income was imputed (2004 to 2011) or incomplete (2000 to 2003). His recommendation was to exclude these families on the grounds that there is substantial non-response in the earnings variable, a component of family income. In many cases respondents wanted to maintain confidentiality in their earnings, and in a number of cases, the respondent did not have earnings information.

Macpherson provides recent evidence (Bollinger and Hirsch, 2006) to show that including observations with imputed income can lead to incorrect regression coefficients and

thus incorrect estimates of the cost of children. To deal with this potential bias, Macpherson suggests that these observations be eliminated from the analysis. To explore whether the proposed schedule in Table 11 suffers from this non-reporting bias, I re-estimate the Lazear and Michaels model, but exclude families with imputed income. Since information on imputation is only available from 2004 to 2011, for 2000 to 2003, I use the information on whether a family's income is complete as a way to exclude these families. Taking this approach yielded Rothbarth parameters and obligations that when compared to the current schedule, were unreasonable on economic and political grounds.[18]

As a compromise, I develop obligation schedules based on the following CEX samples. For 2000 to 2003, I exclude families with incomplete income. BLS does not provide an income estimate for these households. For 2004 to 2011, a family that reports imputed income is given their average of five BLS predictions of their income. Based on these samples, I recommend that the FPC utilize the revised schedule in Table 20.

Figures 1 to 6 illustrates that compared to the "Original" proposed adjusted schedule ("Original") for one child, the "Revised" obligations are quite similar at low and moderate incomes. Similar to the original schedule, the obligations are higher than the current schedule for the highest income levels (Figure 1). For two children, the "Revised" obligations are virtually identical to the "Original" obligations, suggesting a uniform lowering of values across the income scale. For three to six children, the "Revised" and "Original" obligations are both quite

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

similar to the current obligations; however, they are both higher than the current obligations at the upper tail of the income scale (Figures 3 to 6).

The remainder of this section provides detailed comparisons of the "Revised" and "Original" schedules to NJ's current schedule of obligations.

How does the "Revised" Schedule compare to the "Original"?

Table 12 presents summary statistics for the "Original" and "Revised" samples. For the most part, the demographic characteristics are not sensitive to the sample restriction. The table does suggest that real after tax income and real outlays are slightly lower in the revised sample. This suggests that imputation tends to occur among families with lower incomes and lower

outlays. It is important to note that the sample restriction does not alter average real adult clothing expenditures.

Tables 13 and 14 report the regression coefficients used to estimate the Rothbarth estimates underlying parameters (λ and φ). The estimated coefficients are not sensitive to the sample restriction on imputed income. The estimated coefficients and estimates of φ in Table 14 indicate that the average family spent 50.8% to 64.9% as much on a child as on an adult, or $51 to $65 per child for every $100 per adult. The percentage falls as the number of children increases. This does represent a slightly higher range when compared to the original sample.

Table 15 compares the "Revised" and "Original" mean Rothbarth estimates to one another. As expected, they are slightly lower: 21% for 1 child, 25% for 2 children, and 31% for 3

children. Table 16 reports the Rothbarth estimates across the 22 income intervals. The lower mean "Revised" Rothbarth parameters are driven by the estimates at the lower segment of the income scale, especially for families with three children. Based on these findings, I expect the obligations to be quite similar to the originally proposed obligations in Table 11.

Table 17 presents the "Revised" Rothbarth and Marginal parameters. They are based on the following samples. For 2000 to 2003, families with incomplete income are excluded. BLS does not provide an income estimate for these households. For 2004 to 2011, families with imputed income are given the average of 5 BLS predictions that are constructed for these families. I feel that it is too costly to drop these families. Further, their exclusion led to dramatically lower obligations.

Table 18 reports summary statistics that compare the "Revised" obligation schedule to the "Original" schedule. For one child, the revised obligations are on average $3 or 0.7% higher than the original proposed. For two children, the revised obligations are on average $8 or 3% less. For three children, the revised obligations are on average $4 or 2.6% less. The median yields similar differences. Figures 1 to 6 show that if there are any increases in the obligations, they tend to be at the highest incomes.

How does the "Revised-Proposed" Schedule compare to the "Current Schedule"?

Table 19 (Figures 1 to 6) compares the schedules. The "Revised" is based on 2000 to 2011 CEX data that excludes families with incomplete income (2000-2003) and includes families with imputed income information (2004-11). The latter are given the average of five-imputed incomes constructed by BLS. The current schedule is based on the 2004 PSI NJ Study.

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

PSI used the 2001 Betson-Rothbarth estimates of child-related expenditures from the national 1996-99 Consumer Expenditure Survey data files to construct the current schedule.

The summary statistics at the end of Table 19 compare the "Revised" obligation schedule to the state's current schedule. For one child, the revised obligations are on average $23 or 7% more than the current schedule. However, the median difference is $13 dollars. The largest differences occur at the upper tail of the income scale. For two children, the revised obligations are on average $50 or 13% less. For three children, the revised obligations are on average $7 or 3% less. The median yields similar differences. Table 20 presents the updated schedules for 1 to 6 children.

IX. Summary

New Jersey's current Child Support Schedule of obligations is based on a version of the Income Shares model. In 2004, PSI updated the schedule using 2001 Betson-Rothbarth estimates of child-related expenditures from the national 1996-99 Consumer Expenditure Survey data files. They placed the schedule in 2004 price levels. They used 2002 Census data to adjust the schedule for the fact that New Jersey has a higher income distribution than the U.S. distribution. This report presents an updated schedule of obligations for consideration. It has the following key features:

- The schedule is based on micro data from the 2000 to 2011 Consumer Expenditure Surveys. The combination of the four distinct macro periods: the peak of the 1990s boom in 2000, the mild recession in 2001 and "jobless"

Exhibit I: New Jersey Economic Basic for Updated Child Support Schedule

- recovery from 2002 to 2003, the 2004 to 2007 debt-driven economic expansion, the 2007 to 2009 "Great Recession", and the modest recovery in 2010 and 2011 serve to "average out" the extreme variation in economic conditions over this period, and provide a "typical" or more long-run experience of families expenditures on their children.
- The Rothbarth parameters and proposed schedule are adjusted for New Jersey's higher income distribution. To do this, I use the American Community Survey's published five-year average of the 2010 U.S. and New Jersey income distributions.
- Taking a more comprehensive approach by using all of the years from 2000 to 2011, the obligations tend to be similar to current obligations. If the proposed obligations exceed the current obligations, this occurs at the higher levels of family income.
- The report recommends an increase in the self-support reserve from 105 percent of the poverty rate for a single individual to 200 percent of the poverty rate for a single individual.
- To respond to reviewer, David Macpherson's concern about my initial inclusion of families with imputed income, I develop a schedule that excludes these families from 2000 to 2003, but keeps them from 2004 to 2011. As a compromise, instead of dropping families with imputed income, I give them the BLS

constructed average imputed income. The "Revised" estimates are quite similar to the "Original" estimates.

The next step is to use actual case file review data to estimate the micro and macro impacts of the proposed schedule of obligations. In particular, what are the benefits versus the costs? What would be the impact on different types of families (e.g., by number of children and income)?

ENDNOTES

[1] The current New Jersey Child Support Guidelines are based on the Income Shares model. The Income Shares model is based on the concept that the child should receive the same proportion of parental income that he or she would have received if the household were intact. In intact households, the income of both parents is generally pooled and spent for the benefit of all household members, including any children. A child's portion of such expenditures includes spending for goods used only by the child, such as clothing, and also a share of goods used in common by the family, such as housing, food, household furnishings, and recreation.

[2] See Betson (2010) for a discussion of the difference between total expenditures and outlays, and a comparison of the variables.

[3] Other expenditures that are exclusive to adults and sometimes included are alcohol and tobacco.

[4] The regression is estimated without a true intercept/constant. Robust standard errors are estimated.

[5] Most studies use 13 income intervals. Earlier versions of this report also used 13 intervals. However, I found that expanding the number of intervals at the lower and middle incomes provided a more accurate relationship between expenditures on children and net income.

[6] The loss function in median regression is to minimize the least absolute deviation as opposed to minimizing the least squares of the difference. Because of this, the former, an order statistic will not be influenced by outliers.

[7] We estimated models with only linear and linear and quadratic terms. The models with the cubic do the best job of reducing the kinks.

[8] Betson's California "core" sample which uses CEX data from January 2004 to March 2009 contains 2,937 husband and wife households without children and 4,909 husband-wife households with children. The alternative sample is 2,566 and 4,217, respectively.

[9] The 2000 to 2004 samples are from a period in which a mild recession occurred, but was followed by what economists call a "jobless recovery". Real GDP grew, but it was not at large enough pace to generate job growth.

[10] An earlier version of the report compared the proposed schedule to the current schedule in 2004 and 2011 dollars. To do this, I use the Consumer Price Index for Urban (CPI-U) consumers to place the current schedule which is in 2004 dollars into 2011 dollars. Over this 7 year period, the Bureau of Labor Statistic's CPI-U increased by 19 percent, or 2.7 percent per year.

[11] When the PSI smoothing approach in its 2004 New Jersey report was applied to my initial schedule, it still contains kinks, or discrete jumps. The proposed schedule has been futher smoothed by generating the predicted values from a regression of the obligations based on the PSI approach on the interval's weekly income midpoint, the square of weekly income, and the cubic of weekly income.

[12] Based on the fluctuations in the macro economy since 2000, three schedules were initially developed: pre-recession (pooling of the 2000 to 2007 CEX data), recession (2000 to 2009), and recovery (2000 to 2011). The purpose of this initial comparison was to assess the impact that the "Great Recession" and weak recovery had on child-related expenditures. Based on the comparisons to the 2000 to 2007 and 2007 to 2009 schedules, I recommend using the schedule based on the 2000 to 2011 CEX data.

It appeared from the comparisons that although the "Great Recession" had a major impact on expenditures, it has not permanently shifted the relationship between child-related expenditures and net income downward. My comparison

found that child-related expenditures fell in 2011, they began to recover in 2010, which suggest that the reductions in child-related expenditures due to the "Great Recession" are potentially temporary.

Additional support for using the 2000 to 2011 schedule is that from 2000 to 2007, especially the period from 2004 to 2007 could be viewed as the anomaly. During this period, family debt rose to historic levels. Income stagnated for the typical American family and the employment-population ratio exhibited virtually no increase during this three years of the expansion. We must remember that 2001 to 2003 was a "jobless" recovery. Although real Gross Domestic Product was expanding, job growth was still contracting. Because of these macroeconomic patterns, many argue that surge in personal consumption during this period was unsustainable. Thus, the inclusion of the 2008 to 2011 CEX data helps to average out these extreme years.

[13] The detailed comparisons are available upon request.

[14] The detailed results are available upon request.

[15] See Lazear and Michaels (1988) for a detailed discussion of this relationship. The derivative is written as

$$\frac{\partial C_K}{\partial Income} = \frac{TA}{(A+\varphi K)^2}\frac{\partial \varphi}{\partial Income} + \frac{\varphi}{A+\varphi K}\frac{\partial T}{\partial Income},$$

[16] This report is the most recent evidence that is available.

[17] See, Sorensen, Elaine and Lerman, Robert, "Welfare Reform and Low-Income Noncustodial Fathers," *Challenge*, Vol. 41, 1998; Holzer, Harry, Paul Offner, and Elaine Sorenson. 2003. "Declining Employment Among Young Black Men: The Role of Incarceration and Child Support Polices," Mimeo, Urban Institute. Sorenson, Elaine and Chava Zibman. 2001. "Getting to Know Poor Fathers Who Do Not Pay Child Support," S*ocial Service Review* 75 (3): 420-434. Williams, Robert. 1987. Development of Guidelines for Child Support Orders: Advisory Panel Recommendations and Final Report. U.S. Department of Health and Human Services.

[18] These preliminary estimates are available from the author upon request.

Exhibit II: Tables and Figures to Accompany Research of Dr. William Rodgers

Table 1: Summary Statistics for Selected Years

(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel A: No Kids	**Consumer Expenditure Survey Samples**					
Variable	**2004 to 2009**	**2004-2010**	**2004 to 2011**	**2000 to 2009**	**2000 to 2010**	**2000 to 2011**
Number of Adults	2.343	2.343	2.348	2.332	2.332	2.337
Household Head Less than HS Degree = 1	0.087	0.088	0.089	0.092	0.093	0.093
Household Head College Degree = 1	0.689	0.697	0.698	0.678	0.684	0.687
Spouse Less than HS Degree = 1	0.091	0.093	0.095	0.090	0.092	0.093
Spouse College Degree = 1	0.657	0.660	0.652	0.654	0.656	0.651
Real After Tax Family Income (2011$)	99,350	99,261	98,310	94,936	95,175	94,943
African American = 1	0.075	0.075	0.074	0.072	0.072	0.072
Both Spouses Work = 1	0.734	0.731	0.718	0.739	0.736	0.727
Fraction of Year Work	0.765	0.763	0.761	0.762	0.762	0.760
Spouse Full-Time Work = 1	0.888	0.891	0.894	0.880	0.882	0.885
Midwest = 1	0.203	0.205	0.214	0.198	0.199	0.206
South = 1	0.370	0.369	0.365	0.346	0.347	0.346
West = 1	0.267	0.266	0.256	0.298	0.295	0.285
3 interviews = 1, 4 interviews = 0	0.418	0.420	0.438	0.416	0.417	0.430
Real Total Family Outlays (2011$)	73,797	73,853	73,386	71,423	71,620	71,530
Real Adult Clothing Expenditures (2011$)	427	423	405	481	475	457
Number of Children	-	-	-	-	-	-
Sample Size	2,772	3,084	3,637	4,310	4,622	5,175

Notes: The data come from selected years of the 2000 to 2011 Consumer Expenditure Survey micro data. To be included in a given sample, the family's parents must be less than 60 years of age. There can be no more than 6 children. The family must have participated in 3 or 4 interviews during the year. Annual averages are developed for variables that vary across the quarterly interviews (e.g., income, adult clothing

expenditures, and outlays). The excluded groups for the dummy variables are respondents with high school diplomas, non-African Americans, and northern census residents, work less than 30 hours per work.

Table 1: Summary Statistics for Selected Years
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel B: Any Kids	**Consumer Expenditure Survey Samples**					
Variable	**2004 to 2009**	**2004-2010**	**2004 to 2011**	**2000 to 2009**	**2000 to 2010**	**2000 to 2011**
Number of Adults	2.558	2.568	2.581	2.530	2.539	2.551
Household Head Less than HS Degree = 1	0.129	0.127	0.125	0.134	0.133	0.131
Household Head College Degree = 1	0.646	0.647	0.649	0.624	0.626	0.630
Spouse Less than HS Degree = 1	0.133	0.130	0.131	0.136	0.134	0.134
Spouse College Degree = 1	0.598	0.602	0.605	0.587	0.591	0.594
Real After Tax Family Income (2011$)	95.474	94.653	93.910	91.259	91.007	90.855
African American = 1	0.079	0.081	0.080	0.081	0.082	0.081
Both Spouses Work = 1	0.681	0.675	0.674	0.693	0.688	0.687
Fraction of Year Work	0.760	0.758	0.758	0.746	0.746	0.747
Spouse Full-Time Work = 1	0.892	0.892	0.893	0.886	0.886	0.887
Midwest = 1	0.193	0.193	0.195	0.193	0.194	0.195
South = 1	0.347	0.350	0.349	0.336	0.339	0.339
West = 1	0.302	0.296	0.291	0.315	0.310	0.305
3 interviews = 1, 4 interviews = 0	0.400	0.398	0.411	0.400	0.399	0.408
Real Total Family Outlays (2011$)	77,471	76,864	76,436	75,553	75,282	75,142
Real Adult Clothing Expenditures (2011$)	397	386	367	440	430	412
Number of Children	1.946	1.945	1.950	1.943	1.943	1.946
Sample Size	4,216	4,712	5,509	6,543	7,039	7,836

Notes: The data come from selected years of the 2000 to 2011 Consumer Expenditure Survey micro data. To be included in the given sample, the family's parents must be less than 60 years of age. There can be no more than 6 children. The family must have participated in 3 or 4 interviews during the year. Annual averages are developed for variables that vary across the quarterly interviews (e.g., income, adult clothing expenditures, and outlays). The excluded groups for the dummy variables are respondents with high school diplomas, non-African Americans, and northern census residents, work less than 30 hours per work.

This page intentionally left blank due to changes in page orientation.

Table 2: Estimates Used to Create λ, Selected Years
(No Restrictions on Imputed Family Income and Incomplete Family Income)

	2000 to 2009		2000 to 2010		2000 to 2011		2004 to 2009		2004 to 2010		2004 to 2011	
Dep. Variable: Total Outlays	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**
Number of Adults	1.853	2.831	2.320	2.877	3.254	2.943	13.263[a]	4.364	14.166[a]	4.438	16.022[a]	4.302
Household Head <HS Degree = 1	12.898[c]	7.107	12.743[c]	7.060	14.033[b]	7.226	10.917	12.865	10.621	12.114	12.018	11.545
Household Head College Degree = 1	1.538	5.238	4.157	5.284	6.427	5.700	7.848	7.524	8.585	7.575	12.647	8.419
Spouse Less than HS Degree = 1	0.901	7.182	1.845	7.358	-5.701	8.245	-16.877	10.728	-17.007	11.020	-25.963[b]	11.562
Spouse College Degree = 1	4.250	4.978	4.341	5.017	2.984	5.238	-1.474	7.919	-4.237	7.765	-7.190	7.616
Real After Tax Family Inc. (1,000s)	0.026	0.022	0.002	0.022	-0.010	0.021	0.010	0.033	-0.018	0.030	-0.037	0.027
African American = 1	-29.725[a]	5.065	-25.848[a]	5.344	-24.060[a]	5.262	-16.778[b]	7.871	-16.374[a]	7.885	-12.650[c]	7.807
Both Spouses Work = 1	-4.901	5.915	-9.078	6.136	-7.963	5.969	-7.683	8.360	-15.100[c]	8.087	-12.163[c]	7.660
Weeks Work	1.038	6.680	1.378	6.770	3.169	6.521	0.091	8.626	2.725	8.336	5.445	8.002
Full-Time Work = 1	10.108	8.191	7.016	8.061	6.394	7.941	21.021[c]	11.156	14.844	10.823	10.988	10.609
Real Adult Clothing Expenditures	98.194[a]	17.467	107.555[a]	17.588	106.953[a]	17.476	64.150[a]	23.635	83.668[a]	24.353	98.552[a]	23.701
Estimated $\lambda_{\text{No Children}}$	75.810		70.025		78.362		111.588		104.877		103.417	
$(1/\lambda)_{\text{No Children}}$	1.319		1.428		1.280		0.896		0.954		0.967	
Estimated $\lambda_{\text{Children}}$	77.429		71.773		80.125		113.562		107.977		106.856	
$(1/\lambda)_{\text{Children}}$	1.291		1.393		1.248		0.881		0.926		0.936	
R^2	0.569		0.5614		0.565		0.583		0.575		0.579	
Sample Size	4,303		4,612		5,162		2,765		3,074		3,624	

Notes: Dummy variables for year, month, region of residence, and the number of interviews are included. The constant term is the coefficient on Real Adult Clothing Expenditures (AC_A^d). All other coefficients are the coefficients of the variable multiplied by AC_A^d. The model is estimated without a formal constant. To be included in the sample, the family must have two adults and no children. The parents must be less than 60 years

of age. There can be up to 6 children in the family. Families must have positive values for their total and adult clothing expenditures and total outlays. The λ's were estimated using the means values for families with and without children. The inverse of the estimated λ's indicate that 1.2% to 14% of the family's adult expenditures go to clothing in the samples that start in 2000, and 0.89% to 0.97% when the samples start in 2004. An "a" denotes significance at the 1% level. A "b" denotes significance at the 5% level, and a "c" denotes significance at the 10% level.

Table 3: Estimation of ϕ, Selected Years

(No Restrictions on Imputed Family Income and Incomplete Family Income)

	2004 to 2009		2004 to 2010		2004 to 2011		2000 to 2009		2000 to 2010		2000 to 2011	
Dep. Var.: Total Outlays	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**	**Coef.**	**SE**
$\lambda A\tilde{C}_A$	0.507[a]	0.129	0.522[a]	0.122	0.580[a]	0.119	0.584[a]	0.112	0.578[a]	0.105	0.622[a]	0.105
$\lambda A\tilde{C}_A(\frac{K}{A})$ Head < HS Degree = 1	-0.510[a]	0.129	-0.511[a]	0.117	-0.514[a]	0.109	-0.355[a]	0.084	-0.370[a]	0.085	-0.386[a]	0.083
$\lambda A\tilde{C}_A(\frac{K}{A})$ Head College Degree = 1	-0.081	0.102	-0.056	0.095	-0.069	0.088	0.157[c]	0.083	0.121	0.080	0.115	0.076
$\lambda A\tilde{C}_A(\frac{K}{A})$ Spouse <HS Degree = 1	0.311[b]	0.126	0.326[a]	0.115	0.350[a]	0.109	0.022	0.094	0.033	0.092	0.087	0.090
$\lambda A\tilde{C}_A(\frac{K}{A})$ Spouse College Degree = 1	0.090	0.090	0.091	0.085	0.093	0.080	-0.154[b]	0.072	-0.142[a]	0.071	-0.134[b]	0.068
$\lambda A\tilde{C}_A(\frac{K}{A})$ After Tax Fam. Inc. (1,000s)	0.0005	0.0004	0.0006	0.0004	0.0007[c]	0.0004	0.0002	0.0003	0.0003	0.0004	0.0004	0.0003
$\lambda A\tilde{C}_A(\frac{K}{A})$ African American = 1	-0.175	0.152	-0.136	0.143	-0.198	0.130	0.003	0.136	-0.008	0.120	-0.055	0.110
$\lambda A\tilde{C}_A(\frac{K}{A})$ Both Spouses Work = 1	-0.090	0.091	0.000	0.092	-0.001	0.091	-0.040	0.081	0.002	0.084	0.004	0.083
$\lambda A\tilde{C}_A(\frac{K}{A})$ Weeks Worked	0.130	0.095	0.076	0.090	0.047	0.089	0.087	0.081	0.070	0.081	0.054	0.079
$\lambda A\tilde{C}_A(\frac{K}{A})$ Full-time Work = 1	-0.392[b]	0.148	-0.319[b]	0.134	-0.224[c]	0.118	-0.042	0.095	-0.011	0.094	0.009	0.091
$\lambda A\tilde{C}_A(\frac{K}{A})$ Number of Children	-0.085	0.060	-0.060	0.056	-0.052	0.055	-0.108[b]	0.048	-0.102[b]	0.046	-0.093[b]	0.046
$\lambda A\tilde{C}_A(\frac{K}{A})$ Number of Adults	-0.082	0.057	-0.088	0.056	-0.138[a]	0.053	-0.017	0.052	-0.007	0.053	-0.050	0.052
$\lambda A\tilde{C}_A(\frac{K}{A})$	.		1.345[a]	0.426	1.178[a]	0.338	1.237[a]	0.279	1.174[a]	0.439	1.158[a]	0.445
Estimated $\phi_{1\ Child}$	0.650		0.630		0.605		0.651		0.654		0.625	
Estimated $\phi_{2\ Children}$	0.614		0.601		0.592		0.585		0.593		0.578	

Estimated $\phi_{3\ \text{Children}}$	0.561		0.571		0.544		0.506		0.519		0.505	
R^2	0.589		0.581		0.584		0.563		0.557		0.561	
Sample Size	4,209		4,705		5,498		6,536		7,032		7,825	

Notes: Dummy variables for year, month, region of residence, and the number of interviews are included. The constant term is the coefficient on λ multiplied by Real Adult Clothing Expenditures, λAC_A^R. All other coefficients are the coefficients of the variable multiplied by λAC_A^R. The model is estimated without a formal constant. To be included in the sample, the family's parents must be less than 60 years of age. There can be up to 6 children in the family. Families must have positive values for their total and adult clothing expenditures and total outlays.

This page intentionally left blank due to changes in page orientation.

Table 4: 2000 to 2011 Parental Expenditures on Children
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel A: 1 Child				
Income Interval	**Consumption as a % of Income**	**Child Care $ as a % of Consumption**	**Medical $ as a % of Consumption**	**Exp. on Children as a % of Total Consumption Expenditures**
Less than 15000	256.591	0.006	0.007	0.205
15,000 to 19,999	1.777	0.004	0.007	0.212
20,000 to 22,499	1.711	0.005	0.004	0.152
22,500 to 24,999	1.406	0.008	0.006	0.187
25,000 to 27,499	1.529	0.019	0.004	0.183
27,500 to 29,999	1.344	0.006	0.008	0.203
30,000 to 32,499	1.280	0.007	0.007	0.191
32,500 to 34,999	1.442	0.007	0.006	0.205
35,000 to 39,999	1.219	0.007	0.008	0.176
40,000 to 44,999	1.074	0.013	0.011	0.206
45,000 to 49,999	1.101	0.008	0.009	0.202
50,000 to 52,499	0.994	0.006	0.011	0.196
52,500 to 54,999	0.984	0.011	0.009	0.200
55,000 to 59,999	0.939	0.013	0.007	0.210
60,000 to 64,999	0.960	0.014	0.009	0.211
65,000 to 69,999	0.883	0.019	0.010	0.199
70,000 to 74,999	0.872	0.020	0.009	0.208
75,000 to 87,499	0.865	0.014	0.009	0.198
87,500 to 99,999	0.818	0.017	0.009	0.203
100,000 to 124,999	0.748	0.019	0.008	0.210
125,000 to 149,999	0.730	0.013	0.007	0.202
Greater than 150,000	0.641	0.014	0.006	0.208
Notes: See text for detailed discussion on steps to generate these estimates.				

Table 4 cont.: 2000 to 2011 Parental Expenditures on Children
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel B: 2 Children				
Income Interval	**Consumption as a % of Income**	**Child Care $ as a % of Consumption**	**Medical $ as a % of Consumption**	**Exp. on Children as a % of Total Consumption Expenditures**
Less than 15000	320.832	0.006	0.010	0.213
15,000 to 19,999	2.146	0.009	0.008	0.207
20,000 to 22,499	1.900	0.000	0.008	0.183
22,500 to 24,999	1.993	0.012	0.008	0.197
25,000 to 27,499	1.452	0.001	0.013	0.222
27,500 to 29,999	1.350	0.005	0.012	0.208
30,000 to 32,499	1.270	0.011	0.014	0.213
32,500 to 34,999	1.163	0.008	0.013	0.224
35,000 to 39,999	1.201	0.015	0.012	0.212
40,000 to 44,999	1.159	0.018	0.015	0.217
45,000 to 49,999	1.292	0.012	0.015	0.214
50,000 to 52,499	1.023	0.011	0.013	0.249
52,500 to 54,999	1.062	0.012	0.015	0.199
55,000 to 59,999	0.955	0.008	0.014	0.231
60,000 to 64,999	0.996	0.018	0.017	0.234
65,000 to 69,999	0.891	0.012	0.016	0.227
70,000 to 74,999	0.929	0.018	0.017	0.235
75,000 to 87,499	0.870	0.022	0.015	0.223
87,500 to 99,999	0.866	0.021	0.014	0.221
100,000 to 124,999	0.769	0.021	0.014	0.235
125,000 to 149,999	0.711	0.022	0.013	0.233
Greater than 150,000	0.639	0.030	0.011	0.245
Notes: See text for detailed discussion on steps to generate these estimates.				

Table 4 cont.: 2000 to 2011 Parental Expenditures on Children
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel C: 3 Children				
Income Interval	**Consumption as a % of Income**	**Child Care $ as a % of Consumption**	**Medical $ as a % of Consumption**	**Exp. on Children as a % of Total Consumption Expenditures**
Less than 15000	75.288	0.006	0.010	0.253
15,000 to 19,999	1.933	0.015	0.007	0.246
20,000 to 22,499	1.872	0.000	0.011	0.209
22,500 to 24,999	1.557	0.000	0.016	0.222
25,000 to 27,499	1.536	0.008	0.010	0.276
27,500 to 29,999	1.086	0.002	0.016	0.214
30,000 to 32,499	1.391	0.008	0.012	0.219
32,500 to 34,999	1.289	0.005	0.014	0.276
35,000 to 39,999	1.274	0.007	0.014	0.261
40,000 to 44,999	1.198	0.008	0.015	0.273
45,000 to 49,999	1.259	0.010	0.017	0.266
50,000 to 52,499	1.012	0.007	0.018	0.266
52,500 to 54,999	0.942	0.009	0.022	0.273
55,000 to 59,999	1.034	0.005	0.017	0.293
60,000 to 64,999	1.015	0.016	0.017	0.314
65,000 to 69,999	1.083	0.007	0.018	0.279
70,000 to 74,999	1.006	0.013	0.020	0.280
75,000 to 87,499	0.893	0.013	0.018	0.282
87,500 to 99,999	0.850	0.015	0.017	0.271
100,000 to 124,999	0.791	0.018	0.017	0.293
125,000 to 149,999	0.786	0.022	0.014	0.261
Greater than 150,000	0.673	0.021	0.016	0.293
Notes: See text for detailed discussion on steps to generate these estimates.				

Table 5: Summary of Estimates of Child-Related Expenditures

Panel A: % of Total Expenditures	**One Child**	**Two Children**	**Three Children**
Lazear and Michael (1972-73)	19%	31%	39%
Betson-Rothbarth (1980-86)	25%	37%	44%
Betson-Rothbarth (1996-98)	26%	36%	42%
Betson-Rothbarth (1996-99)	25%	35%	41%
Betson-Rothbarth (1998-2003)	26%	37%	44%
Panel B: % of Total Outlays			
Betson-Rothbarth (2004-09)	24%	37%	45%
Rodgers-Rothbarth (2004-09)	20%	25%	32%
Rodgers-Rothbarth (2004-10)	20%	25%	34%
Rodgers-Rothbarth (2004-11)	19%	24%	34%
Rodgers-Rothbarth (2000-09)	20%	23%	28%
Rodgers-Rothbarth (2000-10)	20%	24%	30%
Rodgers- Rothbarth (2000-11)	22%	26%	33%

Notes: Entries are average child-rearing expenditures as a percent of total family expenditures and outlays. The Rodgers estimates are developed by pooling assorted years of the 2000 to 2011 Consumer Expenditure Survey micro data and the two-step approach developed in Chapter 5 of Lazear and Michael, The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Allocation of Income within the Household (1988). The Rodgers entries represent the median of the child-rearing expenditures across the 22 income intervals (e.g., less than $15,000 to over $150,000). See the text for a detailed description of the method and the local averaging approach used to estimate the Rothbarth estimates at a given income interval. The Rodgers-Rothbarth estimates include families with imputed and incomplete income.

Table 6: 2000 to 2011 Rothbarth Estimates (% of Total Outlays)

by Number of Children and Selected Years of the Consumer Expenditure Survey
(No Restrictions on Imputed Family Income and Incomplete Family Income)

	1 Child		2 Children		3 Children	
Income Interval	**US**	**NJ**	**US**	**NJ**	**US**	**NJ**
Less than 15000	30%	30%	35%	35%	46%	46%
15,000 to 19,999	29%	29%	34%	34%	44%	44%
20,000 to 22,499	28%	29%	32%	34%	42%	44%
22,500 to 24,999	27%	29%	31%	34%	40%	44%
25,000 to 27,499	26%	28%	30%	32%	39%	42%
27,500 to 29,999	25%	27%	29%	32%	37%	40%
30,000 to 32,499	24%	27%	28%	31%	35%	40%
32,500 to 34,999	23%	26%	27%	30%	34%	39%
35,000 to 39,999	22%	25%	26%	29%	32%	37%
40,000 to 44,999	21%	23%	24%	27%	31%	34%
45,000 to 49,999	20%	22%	23%	26%	30%	32%
50,000 to 52,499	20%	22%	22%	26%	28%	32%
52,500 to 54,999	19%	21%	21%	24%	27%	31%
55,000 to 59,999	18%	21%	20%	24%	26%	31%
60,000 to 64,999	17%	20%	20%	23%	25%	30%
65,000 to 69,999	17%	19%	19%	22%	23%	28%
70,000 to 74,999	16%	18%	18%	21%	22%	26%
75,000 to 87,499	15%	17%	17%	20%	21%	25%
87,500 to 99,999	15%	16%	16%	20%	20%	22%
100,000 to 124,999	14%	15%	15%	16%	20%	20%
125,000 to 149,999	13%	14%	14%	15%	19%	20%
Greater than 150,000	13%	14%	14%	15%	18%	20%
Mean	20%	22%	23%	26%	30%	33%
Median	20%	22%	23%	26%	29%	32%

Notes: Entries are the average child-rearing expenditures as a percent of total family outlays for a given income interval. The estimates are developed using the 2000 to 2011 Consumer Expenditure Survey micro data and the two-step approach developed by Lazear and Michael in Chapter 5, The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Allocation of Income within the Household (1988). See the text for a detailed description of the method and the local averaging approach that I use to estimate the Rothbarth estimates for a given income interval. The mean and median are for each column.

Table 7: Rothbarth Estimates (% of Total Outlays) by Number of Children and Selected Years
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel A: 1 Child	Selected Consumer Expenditure Survey Samples					
Income Interval	**2004 to 2009**	**2004 to 2010**	**2004 to 2011**	**2000 to 2009**	**2000 to 2010**	**2000 to 2011**
Less than 15000	33%	31%	30%	35%	31%	30%
15,000 to 19,999	31%	30%	29%	33%	30%	29%
20,000 to 22,499	30%	29%	28%	31%	28%	28%
22,500 to 24,999	29%	27%	27%	30%	27%	27%
25,000 to 27,499	27%	26%	26%	28%	26%	26%
27,500 to 29,999	26%	25%	24%	27%	25%	25%
30,000 to 32,499	25%	24%	23%	25%	24%	24%
32,500 to 34,999	24%	23%	22%	24%	23%	23%
35,000 to 39,999	23%	22%	21%	23%	22%	22%
40,000 to 44,999	22%	21%	20%	22%	21%	21%
45,000 to 49,999	21%	20%	20%	21%	20%	20%
50,000 to 52,499	20%	19%	19%	20%	19%	20%
52,500 to 54,999	19%	18%	18%	19%	19%	19%
55,000 to 59,999	18%	18%	17%	18%	18%	18%
60,000 to 64,999	17%	17%	16%	17%	17%	17%
65,000 to 69,999	17%	16%	16%	16%	17%	17%
70,000 to 74,999	16%	15%	15%	16%	16%	16%
75,000 to 87,499	15%	15%	14%	15%	15%	15%
87,500 to 99,999	14%	14%	14%	15%	15%	15%
100,000 to 124,999	14%	14%	13%	14%	14%	14%
125,000 to 149,999	13%	13%	13%	14%	14%	13%
Greater than 150,000	13%	12%	12%	14%	13%	13%
Mean	21%	20%	20%	22%	21%	20%
Median	20%	20%	19%	20%	20%	20%
Notes: See end of Table.						

Table 7 cont.: Rothbarth Estimates (% of Total Outlays) by Number of Children and Selected Years
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel B: 2 Children	2004 to 2009	2004 to 2010	2004 to 2011	2000 to 2009	2000 to 2010	2000 to 2011
Less than 15000	44%	41%	42%	34%	35%	35%
15,000 to 19,999	42%	39%	40%	33%	34%	34%
20,000 to 22,499	40%	38%	38%	32%	33%	32%
22,500 to 24,999	38%	36%	36%	31%	32%	31%
25,000 to 27,499	36%	34%	34%	30%	31%	30%
27,500 to 29,999	34%	33%	32%	29%	30%	29%
30,000 to 32,499	32%	31%	31%	28%	28%	28%
32,500 to 34,999	30%	30%	29%	27%	27%	27%
35,000 to 39,999	28%	29%	28%	26%	26%	26%
40,000 to 44,999	27%	27%	26%	25%	25%	24%
45,000 to 49,999	25%	26%	25%	24%	24%	23%
50,000 to 52,499	24%	25%	24%	23%	23%	22%
52,500 to 54,999	23%	24%	23%	22%	22%	21%
55,000 to 59,999	21%	22%	21%	21%	21%	20%
60,000 to 64,999	20%	21%	20%	20%	20%	20%
65,000 to 69,999	19%	20%	19%	19%	19%	19%
70,000 to 74,999	19%	19%	19%	18%	19%	18%
75,000 to 87,499	18%	18%	18%	17%	18%	17%
87,500 to 99,999	17%	17%	17%	17%	17%	16%
100,000 to 124,999	17%	17%	17%	16%	16%	15%
125,000 to 149,999	16%	16%	16%	15%	15%	14%
Greater than 150,000	16%	15%	16%	14%	14%	14%
Mean	27%	26%	26%	24%	24%	23%
Median	25%	25%	24%	23%	24%	23%
Notes: See end of table.						

Table 7 cont.: Rothbarth Estimates (% of Total Outlays) by Number of Children and Selected Years
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel C: 3 Children	2004 to 2009	2004 to 2010	2004 to 2011	2000 to 2009	2000 to 2010	2000 to 2011
Less than 15000	50%	59%	56%	44%	45%	46%
15,000 to 19,999	48%	56%	53%	43%	43%	44%
20,000 to 22,499	46%	53%	51%	41%	42%	42%
22,500 to 24,999	44%	51%	49%	39%	40%	40%
25,000 to 27,499	42%	48%	46%	38%	39%	39%
27,500 to 29,999	41%	45%	44%	36%	37%	37%
30,000 to 32,499	39%	43%	42%	35%	36%	35%
32,500 to 34,999	37%	41%	40%	33%	34%	34%
35,000 to 39,999	36%	39%	39%	32%	33%	32%
40,000 to 44,999	34%	37%	37%	30%	32%	31%
45,000 to 49,999	33%	35%	35%	29%	31%	30%
50,000 to 52,499	31%	33%	33%	28%	29%	28%
52,500 to 54,999	30%	31%	32%	27%	28%	27%
55,000 to 59,999	29%	30%	30%	26%	27%	26%
60,000 to 64,999	28%	28%	29%	24%	26%	25%
65,000 to 69,999	27%	27%	28%	23%	25%	23%
70,000 to 74,999	25%	26%	26%	22%	24%	22%
75,000 to 87,499	24%	25%	25%	22%	23%	21%
87,500 to 99,999	23%	24%	24%	21%	22%	20%
100,000 to 124,999	22%	23%	23%	20%	21%	20%
125,000 to 149,999	22%	22%	22%	19%	20%	19%
Greater than 150,000	21%	21%	21%	18%	19%	18%
Mean	33%	36%	36%	30%	31%	30%
Median	32%	34%	34%	28%	30%	29%

Notes: Entries are the average child-rearing expenditures as a percent of total family outlays for a given income interval. The estimates are developed using selected years of the 2000 to 2011 Consumer Expenditure Survey micro data and the two-step approach developed by Lazear and Michael in Chapter 5, The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Allocation of Income within the Household (1988). See the text for a detailed description of the method and the local averaging approach that I use to estimate the Rothbarth estimates for a given income interval. The mean and median are for each column.

Table 8: 2010 U.S. and New Jersey Cumulative Family Income Distributions

Income Interval	US	NJ
Less than $10,000	4.5%	3.1%
$10,000 to $14,999	7.7%	5.2%
$15,000 to $24,999	16.0%	10.7%
$25,000 to $34,999	25.4%	17.1%
$35,000 to $49,999	39.0%	27.1%
$50,000 to $74,999	59.0%	43.6%
$75,000 to $99,999	73.6%	58.5%
$100,000 to $149,999	89.0%	79.3%
More than $150,000	100.0%	100.0%
Notes: The family income distributions represent a five-year average. They come from the U.S. Census Bureau's American Community Survey.		

This page intentionally left blank due to changes in page orientation.

of New Jersey Support Proportions, 2000 to 2011(No Restrictions on Imputed Family Income and Incomplete Family Income)

d	2 Children		3 Children		4 Children		5 Children		6 Children	
Marginal	Rothbarth	Marginal	Rothbarth	Marginal	Rothbarth	Marginal	Rothbarth	Marginal	Rothbarth	Marginal
37%	35%	41%	46%	44%	51%	44%	56%	44%	61%	44%
19%	34%	19%	44%	19%	49%	19%	54%	19%	58%	19%
4%	34%	12%	44%	13%	49%	13%	54%	13%	58%	13%
10%	34%	5%	44%	4%	49%	4%	54%	4%	58%	4%
6%	32%	11%	42%	20%	47%	20%	51%	20%	56%	20%
6%	32%	8%	40%	2%	45%	2%	49%	2%	54%	2%
6%	31%	4%	40%	6%	45%	6%	49%	6%	54%	6%
8%	30%	11%	39%	11%	43%	11%	47%	11%	51%	11%
14%	29%	9%	37%	10%	41%	10%	45%	10%	49%	10%
11%	27%	11%	34%	11%	38%	11%	41%	11%	45%	11%
6%	26%	5%	32%	8%	36%	8%	40%	8%	43%	8%
2%	26%	1%	32%	6%	36%	6%	40%	6%	43%	6%
1%	24%	3%	31%	0%	34%	0%	38%	0%	41%	0%
7%	24%	7%	31%	7%	34%	7%	38%	7%	41%	7%
4%	23%	2%	30%	0%	33%	0%	36%	0%	39%	0%
4%	22%	3%	28%	4%	31%	4%	35%	4%	38%	4%
8%	21%	8%	26%	8%	29%	8%	32%	8%	34%	8%
11%	20%	11%	25%	12%	27%	12%	30%	12%	33%	12%
16%	20%	14%	22%	15%	25%	15%	27%	15%	30%	15%
19%	16%	18%	20%	17%	23%	17%	25%	17%	27%	17%
27%	15%	23%	20%	23%	22%	23%	24%	23%	26%	23%
	15%		20%		22%		24%		26%	

l (2011 dollars) weekly income corresponds to an income midpoint and is connected to two proportions: Rothbarth and Marginal. The Rothbarth entries are the average percent of total family outlays for a given income interval. The estimates are developed using the 2000 to 2011 Consumer Expenditure Survey micro data and the two-azear and Michael in Chapter 5, The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Allocation of Income See the text for a detailed description of the method and the local averaging approach that I use to estimate the Rothbarth estimates for a given income interval. The n" are applied to the income midpoint. The proportions labeled Marginal are applied to income between that midpoint and the next highest midpoint. The latter is used to the kinks (discrete jumps) as income rises. To construct the schedules for families with more than 3 children, I use the approach described in the previous NJ Study hey construct Rothbarth multipliers that are used as constants at all income intervals. To construct the Rothbarth support proportions for four children, they multiply the

three children proportion at a given income midpoint by 1.115. For five children, the multiplier is 1.100. For a six child family, the multiplier is 1.088.

Table 10: 2000 to 2011 Updated Basic Child Support Award Schedule
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
180	60	47	13	27%
190	63	49	14	28%
200	65	52	13	26%
210	68	54	14	26%
220	71	57	14	24%
230	74	60	14	23%
240	76	62	14	23%
250	79	65	14	22%
260	82	67	15	22%
270	84	70	14	21%
280	87	72	15	21%
290	90	75	15	19%
300	92	77	15	20%
310	95	80	15	18%
320	97	83	14	17%
330	100	85	15	17%
340	102	88	14	16%
350	105	90	15	16%
360	107	93	14	15%
370	110	95	15	15%
380	112	98	14	14%
390	114	100	14	14%
400	117	103	14	13%
410	119	105	14	14%
420	122	107	15	14%
430	124	110	14	13%
440	126	112	14	13%
450	128	115	13	12%
460	131	117	14	12%
470	133	119	14	12%
480	135	122	13	11%
490	137	124	13	11%
500	140	126	14	11%
510	142	129	13	10%
520	144	131	13	10%
530	146	134	12	9%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
540	148	136	12	9%
550	150	138	12	9%
560	152	140	12	9%
570	154	143	11	8%
580	156	145	11	8%
590	158	147	11	8%
600	160	150	10	7%
610	162	152	10	7%
620	164	154	10	7%
630	166	157	9	6%
640	168	159	9	6%
650	170	161	9	6%
660	172	163	9	6%
670	174	165	9	5%
680	176	167	9	5%
690	178	169	9	5%
700	180	171	9	5%
710	181	174	7	4%
720	183	176	7	4%
730	185	178	7	4%
740	187	180	7	4%
750	188	182	6	4%
760	190	185	5	3%
770	192	187	5	3%
780	194	189	5	2%
790	195	191	4	2%
800	197	194	3	2%
810	199	196	3	1%
820	200	198	2	1%
830	202	200	2	1%
840	204	203	1	0%
850	205	205	0	0%
860	207	207	0	0%
870	208	210	-2	-1%
880	210	212	-2	-1%
890	212	215	-3	-2%
900	213	217	-4	-2%
910	215	219	-4	-2%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
920	216	222	-6	-3%
930	218	223	-5	-2%
940	219	224	-5	-2%
950	221	225	-4	-2%
960	222	227	-5	-2%
970	223	228	-5	-2%
980	225	229	-4	-2%
990	226	230	-4	-2%
1000	228	232	-4	-2%
1010	229	233	-4	-2%
1020	231	234	-3	-1%
1030	232	235	-3	-1%
1040	233	236	-3	-1%
1050	235	238	-3	-1%
1060	236	239	-3	-1%
1070	237	240	-3	-1%
1080	239	241	-2	-1%
1090	240	242	-2	-1%
1100	241	243	-2	-1%
1110	243	244	-1	-1%
1120	244	245	-1	0%
1130	245	246	-1	0%
1140	246	246	0	0%
1150	248	247	1	0%
1160	249	248	1	0%
1170	250	249	1	0%
1180	251	250	1	1%
1190	252	251	1	1%
1200	254	252	2	1%
1210	255	253	2	1%
1220	256	254	2	1%
1230	257	255	2	1%
1240	258	256	2	1%
1250	260	256	4	1%
1260	261	257	4	1%
1270	262	258	4	1%
1280	263	259	4	2%
1290	264	260	4	2%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1300	265	261	4	2%
1310	266	262	4	2%
1320	267	263	4	2%
1330	268	263	5	2%
1340	270	264	6	2%
1350	271	265	6	2%
1360	272	266	6	2%
1370	273	267	6	2%
1380	274	267	7	3%
1390	275	268	7	3%
1400	276	269	7	3%
1410	277	270	7	3%
1420	278	271	7	3%
1430	279	271	8	3%
1440	280	272	8	3%
1450	281	273	8	3%
1460	282	274	8	3%
1470	283	275	8	3%
1480	284	275	9	3%
1490	285	276	9	3%
1500	286	277	9	3%
1510	287	278	9	3%
1520	288	279	9	3%
1530	289	279	10	3%
1540	290	280	10	3%
1550	291	281	10	3%
1560	292	282	10	3%
1570	293	283	10	3%
1580	293	283	10	4%
1590	294	284	10	4%
1600	295	285	10	4%
1610	296	286	10	4%
1620	297	287	10	4%
1630	298	287	11	4%
1640	299	288	11	4%
1650	300	289	11	4%
1660	301	290	11	4%
1670	302	291	11	4%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1680	303	291	12	4%
1690	303	292	11	4%
1700	304	293	11	4%
1710	305	294	11	4%
1720	306	295	11	4%
1730	307	296	11	4%
1740	308	297	11	4%
1750	309	298	11	4%
1760	310	299	11	4%
1770	311	300	11	4%
1780	311	302	9	3%
1790	312	303	9	3%
1800	313	304	9	3%
1810	314	305	9	3%
1820	315	306	9	3%
1830	316	307	9	3%
1840	317	308	9	3%
1850	317	309	8	3%
1860	318	310	8	3%
1870	319	311	8	3%
1880	320	312	8	3%
1890	321	313	8	3%
1900	322	314	8	2%
1910	323	315	8	2%
1920	323	316	7	2%
1930	324	317	7	2%
1940	325	318	7	2%
1950	326	319	7	2%
1960	327	321	6	2%
1970	328	322	6	2%
1980	329	323	6	2%
1990	329	324	5	2%
2000	330	325	5	2%
2010	331	326	5	2%
2020	332	327	5	2%
2030	333	328	5	2%
2040	334	329	5	1%
2050	335	330	5	1%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2060	336	331	5	1%
2070	336	332	4	1%
2080	337	333	4	1%
2090	338	334	4	1%
2100	339	335	4	1%
2110	340	336	4	1%
2120	341	337	4	1%
2130	342	338	4	1%
2140	343	339	4	1%
2150	343	341	2	1%
2160	344	342	2	1%
2170	345	343	2	1%
2180	346	344	2	1%
2190	347	345	2	1%
2200	348	345	3	1%
2210	349	346	3	1%
2220	350	347	3	1%
2230	351	348	3	1%
2240	352	349	3	1%
2250	353	350	3	1%
2260	354	351	3	1%
2270	355	352	3	1%
2280	355	352	3	1%
2290	356	353	3	1%
2300	357	354	3	1%
2310	358	355	3	1%
2320	359	356	3	1%
2330	360	357	3	1%
2340	361	358	3	1%
2350	362	358	4	1%
2360	363	359	4	1%
2370	364	360	4	1%
2380	365	361	4	1%
2390	366	362	4	1%
2400	367	363	4	1%
2410	368	364	4	1%
2420	369	365	4	1%
2430	370	365	5	1%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2440	371	366	5	1%
2450	372	367	5	1%
2460	373	368	5	1%
2470	374	369	5	1%
2480	376	370	6	1%
2490	377	371	6	2%
2500	378	371	7	2%
2510	379	372	7	2%
2520	380	373	7	2%
2530	381	374	7	2%
2540	382	375	7	2%
2550	383	376	7	2%
2560	384	377	7	2%
2570	386	377	9	2%
2580	387	378	9	2%
2590	388	379	9	2%
2600	389	380	9	2%
2610	390	381	9	2%
2620	391	382	9	2%
2630	393	383	10	2%
2640	394	384	10	3%
2650	395	384	11	3%
2660	396	385	11	3%
2670	397	386	11	3%
2680	399	387	12	3%
2690	400	388	12	3%
2700	401	388	13	3%
2710	402	389	13	3%
2720	404	390	14	4%
2730	405	390	15	4%
2740	406	391	15	4%
2750	408	392	16	4%
2760	409	393	16	4%
2770	410	393	17	4%
2780	412	394	18	4%
2790	413	395	18	5%
2800	414	395	19	5%
2810	416	396	20	5%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2820	417	397	20	5%
2830	419	398	21	5%
2840	420	398	22	6%
2850	421	399	22	6%
2860	423	400	23	6%
2870	424	400	24	6%
2880	426	401	25	6%
2890	427	402	25	6%
2900	429	403	26	6%
2910	430	403	27	7%
2920	432	404	28	7%
2930	433	405	28	7%
2940	435	406	29	7%
2950	436	406	30	7%
2960	438	407	31	8%
2970	440	408	32	8%
2980	441	408	33	8%
2990	443	409	34	8%
3000	444	410	34	8%
3010	446	411	35	9%
3020	448	411	37	9%
3030	449	412	37	9%
3040	451	413	38	9%
3050	453	413	40	10%
3060	455	414	41	10%
3070	456	415	41	10%
3080	458	416	42	10%
3090	460	416	44	11%
3100	462	417	45	11%
3110	463	418	45	11%
3120	465	419	46	11%
3130	467	419	48	11%
3140	469	420	49	12%
3150	471	421	50	12%
3160	473	421	52	12%
3170	474	422	52	12%
3180	476	423	53	13%
3190	478	424	54	13%

Panel A: 1 Child			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
3200	480	424	56	13%
3210	482	425	57	13%
3220	484	426	58	14%
3230	486	426	60	14%
3240	488	427	61	14%
3250	490	428	62	15%
3260	492	429	63	15%
3270	494	429	65	15%
3280	496	430	66	15%
3290	499	431	68	16%
3300	501	431	70	16%
3310	503	432	71	16%
3320	505	433	72	17%
3330	507	434	73	17%
3340	509	434	75	17%
3350	512	435	77	18%
3360	514	436	78	18%
3370	516	437	79	18%
3380	518	437	81	19%
3390	521	438	83	19%
3400	523	439	84	19%
3410	525	439	86	20%
3420	528	440	88	20%
3430	530	441	89	20%
3440	532	442	90	20%
3450	535	442	93	21%
3460	537	443	94	21%
3470	540	444	96	22%
3480	542	444	98	22%
3490	545	445	100	22%
3500	547	446	101	23%
3510	550	447	103	23%
3520	552	447	105	24%
3530	555	448	107	24%
3540	557	449	108	24%
3550	560	450	110	24%
3560	563	450	113	25%
3570	565	451	114	25%

Panel A: 1 Child			**Difference (Proposed minus Current)**	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
3580	568	452	116	26%
3590	571	452	119	26%
3600	573	453	120	27%
		Avg. Diff.	20	6%
		Median Diff.	9	3%
		Min.	-6	-3%
		Max.	120	28%

Notes: The proposed schedule is constructed by regressing the "unsmoothed" values on a trend, the square of the trend, and the cubic of the trend. The entries are the regression's predicted values. The column labeled "Current" reports the current NJ schedule. The "unsmoothed" values are available upon request. Estimates are based on no restrictions in income imputation and incomplete income records.

Table 10 cont.: 2000 to 2011 Updated Basic Child Support Award Schedule
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
180	71	66	5	7%
190	74	70	4	6%
200	77	73	4	6%
210	80	77	3	4%
220	83	81	2	3%
230	86	84	2	3%
240	89	88	1	2%
250	92	91	1	1%
260	95	95	0	0%
270	98	99	-1	-1%
280	101	102	-1	-1%
290	104	106	-2	-2%
300	107	109	-2	-2%
310	110	113	-3	-3%
320	113	117	-4	-4%
330	116	120	-4	-4%
340	118	124	-6	-4%
350	121	127	-6	-5%
360	124	131	-7	-5%
370	127	135	-8	-6%
380	129	138	-9	-6%
390	132	142	-10	-7%
400	135	145	-10	-7%
410	138	148	-10	-7%
420	140	151	-11	-7%
430	143	155	-12	-8%
440	145	158	-13	-8%
450	148	161	-13	-8%
460	151	164	-13	-8%
470	153	167	-14	-8%
480	156	171	-15	-9%
490	158	174	-16	-9%
500	161	177	-16	-9%
510	163	180	-17	-9%
520	166	183	-17	-9%
530	168	186	-18	-10%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
540	171	190	-19	-10%
550	173	193	-20	-10%
560	175	196	-21	-10%
570	178	199	-21	-11%
580	180	202	-22	-11%
590	183	206	-23	-11%
600	185	209	-24	-12%
610	187	212	-25	-12%
620	189	215	-26	-12%
630	192	218	-26	-12%
640	194	221	-27	-12%
650	196	224	-28	-12%
660	198	227	-29	-13%
670	201	230	-29	-13%
680	203	232	-29	-13%
690	205	235	-30	-13%
700	207	238	-31	-13%
710	209	241	-32	-13%
720	211	244	-33	-13%
730	213	246	-33	-13%
740	216	249	-33	-13%
750	218	252	-34	-14%
760	220	256	-36	-14%
770	222	259	-37	-14%
780	224	262	-38	-15%
790	226	265	-39	-15%
800	228	268	-40	-15%
810	230	271	-41	-15%
820	232	274	-42	-15%
830	234	277	-43	-16%
840	236	280	-44	-16%
850	237	283	-46	-16%
860	239	287	-48	-17%
870	241	290	-49	-17%
880	243	293	-50	-17%
890	245	296	-51	-17%
900	247	300	-53	-18%
910	249	303	-54	-18%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
920	250	306	-56	-18%
930	252	308	-56	-18%
940	254	309	-55	-18%
950	256	310	-54	-17%
960	258	312	-54	-17%
970	259	313	-54	-17%
980	261	315	-54	-17%
990	263	316	-53	-17%
1000	264	317	-53	-17%
1010	266	319	-53	-17%
1020	268	320	-52	-16%
1030	269	322	-53	-16%
1040	271	323	-52	-16%
1050	273	324	-51	-16%
1060	274	326	-52	-16%
1070	276	327	-51	-16%
1080	278	328	-50	-15%
1090	279	329	-50	-15%
1100	281	330	-49	-15%
1110	282	331	-49	-15%
1120	284	332	-48	-14%
1130	285	333	-48	-14%
1140	287	334	-47	-14%
1150	288	335	-47	-14%
1160	290	336	-46	-14%
1170	291	337	-46	-14%
1180	293	338	-45	-13%
1190	294	339	-45	-13%
1200	296	340	-44	-13%
1210	297	341	-44	-13%
1220	299	342	-43	-13%
1230	300	343	-43	-12%
1240	302	344	-42	-12%
1250	303	345	-42	-12%
1260	304	346	-42	-12%
1270	306	347	-41	-12%
1280	307	348	-41	-12%
1290	309	349	-40	-12%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1300	310	350	-40	-11%
1310	311	351	-40	-11%
1320	313	352	-39	-11%
1330	314	353	-39	-11%
1340	315	354	-39	-11%
1350	317	355	-38	-11%
1360	318	356	-38	-11%
1370	319	357	-38	-11%
1380	320	358	-38	-11%
1390	322	359	-37	-10%
1400	323	361	-38	-11%
1410	324	362	-38	-10%
1420	325	363	-38	-10%
1430	327	364	-37	-10%
1440	328	365	-37	-10%
1450	329	366	-37	-10%
1460	330	367	-37	-10%
1470	332	368	-36	-10%
1480	333	369	-36	-10%
1490	334	370	-36	-10%
1500	335	371	-36	-10%
1510	336	372	-36	-10%
1520	337	373	-36	-10%
1530	339	374	-35	-9%
1540	340	375	-35	-9%
1550	341	376	-35	-9%
1560	342	377	-35	-9%
1570	343	378	-35	-9%
1580	344	379	-35	-9%
1590	345	380	-35	-9%
1600	346	381	-35	-9%
1610	347	382	-35	-9%
1620	349	383	-34	-9%
1630	350	384	-34	-9%
1640	351	385	-34	-9%
1650	352	386	-34	-9%
1660	353	387	-34	-9%
1670	354	388	-34	-9%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1680	355	389	-34	-9%
1690	356	390	-34	-9%
1700	357	391	-34	-9%
1710	358	393	-35	-9%
1720	359	394	-35	-9%
1730	360	395	-35	-9%
1740	361	397	-36	-9%
1750	362	398	-36	-9%
1760	363	399	-36	-9%
1770	364	401	-37	-9%
1780	365	402	-37	-9%
1790	366	403	-37	-9%
1800	367	405	-38	-9%
1810	368	406	-38	-9%
1820	369	407	-38	-9%
1830	370	409	-39	-10%
1840	371	410	-39	-9%
1850	372	411	-39	-9%
1860	373	413	-40	-10%
1870	374	414	-40	-10%
1880	375	415	-40	-10%
1890	376	417	-41	-10%
1900	377	418	-41	-10%
1910	378	419	-41	-10%
1920	379	421	-42	-10%
1930	380	422	-42	-10%
1940	381	423	-42	-10%
1950	382	425	-43	-10%
1960	382	426	-44	-10%
1970	383	427	-44	-10%
1980	384	429	-45	-10%
1990	385	430	-45	-10%
2000	386	431	-45	-10%
2010	387	433	-46	-11%
2020	388	434	-46	-11%
2030	389	435	-46	-11%
2040	390	437	-47	-11%
2050	391	438	-47	-11%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2060	392	439	-47	-11%
2070	393	441	-48	-11%
2080	393	442	-49	-11%
2090	394	443	-49	-11%
2100	395	445	-50	-11%
2110	396	446	-50	-11%
2120	397	447	-50	-11%
2130	398	449	-51	-11%
2140	399	450	-51	-11%
2150	400	451	-51	-11%
2160	401	453	-52	-12%
2170	402	454	-52	-12%
2180	402	455	-53	-12%
2190	403	456	-53	-12%
2200	404	458	-54	-12%
2210	405	459	-54	-12%
2220	406	460	-54	-12%
2230	407	461	-54	-12%
2240	408	462	-54	-12%
2250	409	463	-54	-12%
2260	410	464	-54	-12%
2270	410	465	-55	-12%
2280	411	466	-55	-12%
2290	412	467	-55	-12%
2300	413	468	-55	-12%
2310	414	469	-55	-12%
2320	415	471	-56	-12%
2330	416	472	-56	-12%
2340	417	473	-56	-12%
2350	418	474	-56	-12%
2360	419	475	-56	-12%
2370	419	476	-57	-12%
2380	420	477	-57	-12%
2390	421	478	-57	-12%
2400	422	479	-57	-12%
2410	423	480	-57	-12%
2420	424	481	-57	-12%
2430	425	482	-57	-12%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2440	426	483	-57	-12%
2450	427	485	-58	-12%
2460	428	486	-58	-12%
2470	429	487	-58	-12%
2480	429	488	-59	-12%
2490	430	489	-59	-12%
2500	431	490	-59	-12%
2510	432	491	-59	-12%
2520	433	492	-59	-12%
2530	434	493	-59	-12%
2540	435	494	-59	-12%
2550	436	495	-59	-12%
2560	437	496	-59	-12%
2570	438	497	-59	-12%
2580	439	499	-60	-12%
2590	440	500	-60	-12%
2600	441	501	-60	-12%
2610	442	502	-60	-12%
2620	443	503	-60	-12%
2630	444	504	-60	-12%
2640	445	505	-60	-12%
2650	446	506	-60	-12%
2660	447	507	-60	-12%
2670	448	508	-60	-12%
2680	449	509	-60	-12%
2690	450	510	-60	-12%
2700	451	511	-60	-12%
2710	452	512	-60	-12%
2720	453	514	-61	-12%
2730	454	515	-61	-12%
2740	455	516	-61	-12%
2750	456	517	-61	-12%
2760	457	518	-61	-12%
2770	458	519	-61	-12%
2780	459	520	-61	-12%
2790	460	521	-61	-12%
2800	461	522	-61	-12%
2810	462	523	-61	-12%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2820	463	524	-61	-12%
2830	465	525	-60	-12%
2840	466	526	-60	-11%
2850	467	527	-60	-11%
2860	468	528	-60	-11%
2870	469	529	-60	-11%
2880	470	530	-60	-11%
2890	471	531	-60	-11%
2900	472	532	-60	-11%
2910	474	533	-59	-11%
2920	475	534	-59	-11%
2930	476	536	-60	-11%
2940	477	537	-60	-11%
2950	478	538	-60	-11%
2960	479	539	-60	-11%
2970	481	540	-59	-11%
2980	482	541	-59	-11%
2990	483	542	-59	-11%
3000	484	543	-59	-11%
3010	485	544	-59	-11%
3020	487	545	-58	-11%
3030	488	546	-58	-11%
3040	489	547	-58	-11%
3050	490	548	-58	-10%
3060	492	549	-57	-10%
3070	493	550	-57	-10%
3080	494	551	-57	-10%
3090	496	552	-56	-10%
3100	497	553	-56	-10%
3110	498	554	-56	-10%
3120	500	555	-55	-10%
3130	501	556	-55	-10%
3140	502	558	-56	-10%
3150	504	559	-55	-10%
3160	505	560	-55	-10%
3170	506	561	-55	-10%
3180	508	562	-54	-10%
3190	509	563	-54	-10%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
3200	511	564	-53	-9%
3210	512	565	-53	-9%
3220	513	566	-53	-9%
3230	515	567	-52	-9%
3240	516	568	-52	-9%
3250	518	569	-51	-9%
3260	519	570	-51	-9%
3270	521	571	-50	-9%
3280	522	572	-50	-9%
3290	524	573	-49	-9%
3300	525	574	-49	-8%
3310	527	575	-48	-8%
3320	528	576	-48	-8%
3330	530	577	-47	-8%
3340	532	579	-47	-8%
3350	533	580	-47	-8%
3360	535	581	-46	-8%
3370	536	582	-46	-8%
3380	538	583	-45	-8%
3390	540	584	-44	-8%
3400	541	585	-44	-7%
3410	543	586	-43	-7%
3420	545	587	-42	-7%
3430	546	588	-42	-7%
3440	548	589	-41	-7%
3450	550	590	-40	-7%
3460	551	591	-40	-7%
3470	553	592	-39	-7%
3480	555	593	-38	-6%
3490	557	594	-37	-6%
3500	558	595	-37	-6%
3510	560	596	-36	-6%
3520	562	597	-35	-6%
3530	564	598	-34	-6%
3540	566	599	-33	-6%
3550	567	601	-34	-6%
3560	569	602	-33	-5%
3570	571	603	-32	-5%

Panel B: 2 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
3580	573	604	-31	-5%
3590	575	605	-30	-5%
3600	577	606	-29	-5%
		Avg. Diff.	-42	-10%
		Median Diff.	-45	-11%
		Min.	-61	-18%
		Max.	5	7%

Notes: The proposed schedule is constructed by regressing the "unsmoothed" values on a trend, the square of the trend, and the cubic of the trend. The entries are the regression's predicted values. The column labeled "Current" reports the current NJ schedule. The "unsmoothed" values are available upon request.

Table 10 cont.: 2000 to 2011 Updated Basic Child Support Award Schedule
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
180	93	77	16	21%
190	97	81	16	20%
200	101	85	16	19%
210	105	89	16	18%
220	109	93	16	17%
230	113	98	15	15%
240	117	102	15	14%
250	121	106	15	14%
260	124	110	14	13%
270	128	114	14	12%
280	132	118	14	12%
290	136	123	13	10%
300	139	127	12	10%
310	143	131	12	9%
320	146	135	11	8%
330	150	139	11	8%
340	154	144	10	7%
350	157	148	9	6%
360	161	152	9	6%
370	164	156	8	5%
380	167	160	7	5%
390	171	164	7	4%
400	174	168	6	4%
410	178	172	6	3%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
420	181	175	6	3%
430	184	179	5	3%
440	187	183	4	2%
450	191	186	5	2%
460	194	190	4	2%
470	197	193	4	2%
480	200	197	3	2%
490	203	201	2	1%
500	206	204	2	1%
510	209	208	1	1%
520	212	211	1	1%
530	215	215	0	0%
540	218	219	-1	0%
550	221	222	-1	0%
560	224	226	-2	-1%
570	227	230	-3	-1%
580	230	233	-3	-1%
590	233	237	-4	-2%
600	236	241	-5	-2%
610	239	244	-5	-2%
620	241	248	-7	-3%
630	244	252	-8	-3%
640	247	255	-8	-3%
650	250	258	-8	-3%
660	252	261	-9	-3%
670	255	264	-9	-3%
680	258	267	-9	-3%
690	260	270	-10	-4%
700	263	273	-10	-4%
710	265	276	-11	-4%
720	268	279	-11	-4%
730	271	282	-11	-4%
740	273	286	-13	-5%
750	275	289	-14	-5%
760	278	293	-15	-5%
770	280	296	-16	-5%
780	283	299	-16	-5%
790	285	303	-18	-6%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
800	288	306	-18	-6%
810	290	310	-20	-6%
820	292	313	-21	-7%
830	295	317	-22	-7%
840	297	320	-23	-7%
850	299	324	-25	-8%
860	301	328	-27	-8%
870	304	331	-27	-8%
880	306	335	-29	-9%
890	308	339	-31	-9%
900	310	342	-32	-9%
910	312	346	-34	-10%
920	314	350	-36	-10%
930	316	352	-36	-10%
940	319	353	-34	-10%
950	321	354	-33	-9%
960	323	356	-33	-9%
970	325	357	-32	-9%
980	327	359	-32	-9%
990	329	360	-31	-9%
1000	331	361	-30	-8%
1010	333	363	-30	-8%
1020	335	364	-29	-8%
1030	336	366	-30	-8%
1040	338	367	-29	-8%
1050	340	368	-28	-8%
1060	342	370	-28	-8%
1070	344	371	-27	-7%
1080	346	372	-26	-7%
1090	348	373	-25	-7%
1100	349	374	-25	-7%
1110	351	375	-24	-6%
1120	353	376	-23	-6%
1130	355	376	-21	-6%
1140	356	377	-21	-5%
1150	358	378	-20	-5%
1160	360	379	-19	-5%
1170	362	380	-18	-5%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1180	363	381	-18	-5%
1190	365	382	-17	-4%
1200	366	383	-17	-4%
1210	368	384	-16	-4%
1220	370	385	-15	-4%
1230	371	386	-15	-4%
1240	373	386	-13	-3%
1250	374	387	-13	-3%
1260	376	388	-12	-3%
1270	378	389	-11	-3%
1280	379	390	-11	-3%
1290	381	391	-10	-3%
1300	382	392	-10	-3%
1310	384	393	-9	-2%
1320	385	394	-9	-2%
1330	387	395	-8	-2%
1340	388	396	-8	-2%
1350	389	397	-8	-2%
1360	391	398	-7	-2%
1370	392	399	-7	-2%
1380	394	400	-6	-2%
1390	395	401	-6	-1%
1400	396	402	-6	-1%
1410	398	403	-5	-1%
1420	399	404	-5	-1%
1430	401	406	-5	-1%
1440	402	407	-5	-1%
1450	403	408	-5	-1%
1460	405	409	-4	-1%
1470	406	410	-4	-1%
1480	407	411	-4	-1%
1490	408	412	-4	-1%
1500	410	413	-3	-1%
1510	411	414	-3	-1%
1520	412	415	-3	-1%
1530	414	416	-2	-1%
1540	415	417	-2	-1%
1550	416	418	-2	0%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1560	417	419	-2	0%
1570	418	420	-2	0%
1580	420	422	-2	-1%
1590	421	423	-2	-1%
1600	422	424	-2	0%
1610	423	425	-2	0%
1620	424	426	-2	0%
1630	426	427	-1	0%
1640	427	428	-1	0%
1650	428	429	-1	0%
1660	429	430	-1	0%
1670	430	431	-1	0%
1680	431	432	-1	0%
1690	432	433	-1	0%
1700	434	434	0	0%
1710	435	436	-1	0%
1720	436	437	-1	0%
1730	437	439	-2	0%
1740	438	440	-2	0%
1750	439	442	-3	-1%
1760	440	443	-3	-1%
1770	441	444	-3	-1%
1780	442	446	-4	-1%
1790	443	447	-4	-1%
1800	444	449	-5	-1%
1810	445	450	-5	-1%
1820	447	451	-4	-1%
1830	448	453	-5	-1%
1840	449	454	-5	-1%
1850	450	456	-6	-1%
1860	451	457	-6	-1%
1870	452	458	-6	-1%
1880	453	460	-7	-2%
1890	454	461	-7	-2%
1900	455	463	-8	-2%
1910	456	464	-8	-2%
1920	457	466	-9	-2%
1930	458	467	-9	-2%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
1940	459	468	-9	-2%
1950	460	470	-10	-2%
1960	461	471	-10	-2%
1970	462	473	-11	-2%
1980	463	474	-11	-2%
1990	464	475	-11	-2%
2000	465	477	-12	-2%
2010	466	478	-12	-2%
2020	467	480	-13	-3%
2030	468	481	-13	-3%
2040	469	482	-13	-3%
2050	470	484	-14	-3%
2060	471	485	-14	-3%
2070	472	487	-15	-3%
2080	473	488	-15	-3%
2090	474	490	-16	-3%
2100	475	491	-16	-3%
2110	476	492	-16	-3%
2120	477	494	-17	-3%
2130	478	495	-17	-3%
2140	479	497	-18	-4%
2150	480	498	-18	-4%
2160	481	499	-18	-4%
2170	482	501	-19	-4%
2180	483	502	-19	-4%
2190	484	503	-19	-4%
2200	485	505	-20	-4%
2210	486	506	-20	-4%
2220	488	507	-19	-4%
2230	489	508	-19	-4%
2240	490	509	-19	-4%
2250	491	510	-19	-4%
2260	492	511	-19	-4%
2270	493	513	-20	-4%
2280	494	514	-20	-4%
2290	495	515	-20	-4%
2300	496	516	-20	-4%
2310	497	517	-20	-4%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2320	498	518	-20	-4%
2330	499	519	-20	-4%
2340	500	520	-20	-4%
2350	501	522	-21	-4%
2360	502	523	-21	-4%
2370	503	524	-21	-4%
2380	505	525	-20	-4%
2390	506	526	-20	-4%
2400	507	527	-20	-4%
2410	508	528	-20	-4%
2420	509	530	-21	-4%
2430	510	531	-21	-4%
2440	511	532	-21	-4%
2450	512	533	-21	-4%
2460	514	534	-20	-4%
2470	515	535	-20	-4%
2480	516	536	-20	-4%
2490	517	538	-21	-4%
2500	518	539	-21	-4%
2510	519	540	-21	-4%
2520	521	541	-20	-4%
2530	522	542	-20	-4%
2540	523	543	-20	-4%
2550	524	544	-20	-4%
2560	526	545	-19	-4%
2570	527	547	-20	-4%
2580	528	548	-20	-4%
2590	529	549	-20	-4%
2600	531	550	-19	-4%
2610	532	551	-19	-3%
2620	533	552	-19	-3%
2630	534	553	-19	-3%
2640	536	555	-19	-3%
2650	537	556	-19	-3%
2660	538	557	-19	-3%
2670	540	558	-18	-3%
2680	541	559	-18	-3%
2690	542	560	-18	-3%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
2700	544	561	-17	-3%
2710	545	562	-17	-3%
2720	547	563	-16	-3%
2730	548	564	-16	-3%
2740	549	565	-16	-3%
2750	551	567	-16	-3%
2760	552	568	-16	-3%
2770	554	569	-15	-3%
2780	555	570	-15	-3%
2790	557	571	-14	-3%
2800	558	572	-14	-2%
2810	560	573	-13	-2%
2820	561	574	-13	-2%
2830	563	575	-12	-2%
2840	564	576	-12	-2%
2850	566	577	-11	-2%
2860	567	578	-11	-2%
2870	569	579	-10	-2%
2880	570	580	-10	-2%
2890	572	582	-10	-2%
2900	574	583	-9	-2%
2910	575	584	-9	-1%
2920	577	585	-8	-1%
2930	579	586	-7	-1%
2940	580	587	-7	-1%
2950	582	588	-6	-1%
2960	584	589	-5	-1%
2970	585	590	-5	-1%
2980	587	591	-4	-1%
2990	589	592	-3	-1%
3000	591	593	-2	0%
3010	593	594	-1	0%
3020	594	595	-1	0%
3030	596	596	0	0%
3040	598	598	0	0%
3050	600	599	1	0%
3060	602	600	2	0%
3070	604	601	3	0%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
3080	606	602	4	1%
3090	607	603	4	1%
3100	609	604	5	1%
3110	611	605	6	1%
3120	613	606	7	1%
3130	615	607	8	1%
3140	617	608	9	2%
3150	619	609	10	2%
3160	622	610	12	2%
3170	624	611	13	2%
3180	626	613	13	2%
3190	628	614	14	2%
3200	630	615	15	2%
3210	632	616	16	3%
3220	634	617	17	3%
3230	636	618	18	3%
3240	639	619	20	3%
3250	641	620	21	3%
3260	643	621	22	4%
3270	645	622	23	4%
3280	648	623	25	4%
3290	650	624	26	4%
3300	652	625	27	4%
3310	655	626	29	5%
3320	657	628	29	5%
3330	660	629	31	5%
3340	662	630	32	5%
3350	664	631	33	5%
3360	667	632	35	6%
3370	669	633	36	6%
3380	672	634	38	6%
3390	674	635	39	6%
3400	677	636	41	6%
3410	680	637	43	7%
3420	682	638	44	7%
3430	685	639	46	7%
3440	688	640	48	7%
3450	690	641	49	8%

Panel C: 3 Children			Difference (Proposed minus Current)	
Weekly Income	**Proposed**	**Current**	**Dollar**	**Percent**
3460	693	643	50	8%
3470	696	644	52	8%
3480	698	645	53	8%
3490	701	646	55	9%
3500	704	647	57	9%
3510	707	648	59	9%
3520	710	649	61	9%
3530	713	650	63	10%
3540	715	651	64	10%
3550	718	652	66	10%
3560	721	653	68	10%
3570	724	654	70	11%
3580	727	655	72	11%
3590	730	656	74	11%
3600	733	658	75	11%
		Avg. Diff.	-4	-1%
		Median Diff.	-8	-2%
		Min.	-36	-10%
		Max.	75	21%

Notes: The proposed schedule is constructed by regressing the "unsmoothed" values on a trend, the square of the trend, and the cubic of the trend. The entries are the regression's predicted values. The column labeled "Current" reports the current NJ schedule. The "unsmoothed" values are available upon request.

Table 11: Proposed Child Support Award Schedules for One to Six Children
(No Restrictions on Imputed Family Income and Incomplete Family Income)

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
180	60	71	93	102	110	118
190	63	74	97	106	115	124
200	65	77	101	111	120	129
210	68	80	105	115	125	135
220	71	83	109	120	130	140
230	74	86	113	124	135	145
240	76	89	117	128	139	150
250	79	92	121	133	144	155
260	82	95	124	137	149	161
270	84	98	128	141	154	166
280	87	101	132	145	158	171
290	90	104	136	149	163	176
300	92	107	139	153	167	181

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
310	95	110	143	158	172	186
320	97	113	146	162	176	190
330	100	116	150	166	181	195
340	102	118	154	170	185	200
350	105	121	157	173	189	205
360	107	124	161	177	194	210
370	110	127	164	181	198	214
380	112	129	167	185	202	219
390	114	132	171	189	206	223
400	117	135	174	193	211	228
410	119	138	178	196	215	233
420	122	140	181	200	219	237
430	124	143	184	204	223	241
440	126	145	187	207	227	246
450	128	148	191	211	231	250
460	131	151	194	215	235	255
470	133	153	197	218	239	259
480	135	156	200	222	243	263
490	137	158	203	225	247	267
500	140	161	206	229	250	271
510	142	163	209	232	254	276
520	144	166	212	236	258	280
530	146	168	215	239	262	284
540	148	171	218	242	265	288
550	150	173	221	246	269	292
560	152	175	224	249	273	296
570	154	178	227	252	276	300
580	156	180	230	255	280	304
590	158	183	233	259	283	308
600	160	185	236	262	287	311
610	162	187	239	265	290	315
620	164	189	241	268	294	319
630	166	192	244	271	297	323
640	168	194	247	274	301	326
650	170	196	250	277	304	330
660	172	198	252	280	307	334
670	174	201	255	283	311	337
680	176	203	258	286	314	341
690	178	205	260	289	317	344

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
700	180	207	263	292	320	348
710	181	209	265	295	324	351
720	183	211	268	298	327	355
730	185	213	271	301	330	358
740	187	216	273	303	333	362
750	188	218	275	306	336	365
760	190	220	278	309	339	368
770	192	222	280	312	342	371
780	194	224	283	314	345	375
790	195	226	285	317	348	378
800	197	228	288	320	351	381
810	199	230	290	322	354	384
820	200	232	292	325	357	387
830	202	234	295	328	360	391
840	204	236	297	330	362	394
850	205	237	299	333	365	397
860	207	239	301	335	368	400
870	208	241	304	338	371	403
880	210	243	306	340	373	406
890	212	245	308	343	376	409
900	213	247	310	345	379	412
910	215	249	312	347	381	414
920	216	250	314	350	384	417
930	218	252	316	352	387	420
940	219	254	319	354	389	423
950	221	256	321	357	392	426
960	222	258	323	359	394	428
970	223	259	325	361	397	431
980	225	261	327	364	399	434
990	226	263	329	366	402	437
1000	228	264	331	368	404	439
1010	229	266	333	370	407	442
1020	231	268	335	372	409	444
1030	232	269	336	374	411	447
1040	233	271	338	377	414	450
1050	235	273	340	379	416	452
1060	236	274	342	381	418	455
1070	237	276	344	383	421	457
1080	239	278	346	385	423	460

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1090	240	279	348	387	425	462
1100	241	281	349	389	427	464
1110	243	282	351	391	429	467
1120	244	284	353	393	432	469
1130	245	285	355	395	434	471
1140	246	287	356	397	436	474
1150	248	288	358	399	438	476
1160	249	290	360	401	440	478
1170	250	291	362	402	442	481
1180	251	293	363	404	444	483
1190	252	294	365	406	446	485
1200	254	296	366	408	448	487
1210	255	297	368	410	450	489
1220	256	299	370	412	452	492
1230	257	300	371	413	454	494
1240	258	302	373	415	456	496
1250	260	303	374	417	458	498
1260	261	304	376	419	460	500
1270	262	306	378	420	462	502
1280	263	307	379	422	464	504
1290	264	309	381	424	466	506
1300	265	310	382	425	467	508
1310	266	311	384	427	469	510
1320	267	313	385	429	471	512
1330	268	314	387	430	473	514
1340	270	315	388	432	475	516
1350	271	317	389	434	476	518
1360	272	318	391	435	478	520
1370	273	319	392	437	480	522
1380	274	320	394	438	482	524
1390	275	322	395	440	483	525
1400	276	323	396	441	485	527
1410	277	324	398	443	487	529
1420	278	325	399	444	488	531
1430	279	327	401	446	490	533
1440	280	328	402	447	492	534
1450	281	329	403	449	493	536
1460	282	330	405	450	495	538
1470	283	332	406	452	496	540

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1480	284	333	407	453	498	541
1490	285	334	408	455	500	543
1500	286	335	410	456	501	545
1510	287	336	411	458	503	546
1520	288	337	412	459	504	548
1530	289	339	414	460	506	550
1540	290	340	415	462	507	551
1550	291	341	416	463	509	553
1560	292	342	417	464	510	554
1570	293	343	418	466	512	556
1580	293	344	420	467	513	558
1590	294	345	421	468	515	559
1600	295	346	422	470	516	561
1610	296	347	423	471	517	562
1620	297	349	424	472	519	564
1630	298	350	426	474	520	565
1640	299	351	427	475	522	567
1650	300	352	428	476	523	568
1660	301	353	429	477	524	570
1670	302	354	430	479	526	571
1680	303	355	431	480	527	573
1690	303	356	432	481	529	574
1700	304	357	434	482	530	576
1710	305	358	435	484	531	577
1720	306	359	436	485	533	579
1730	307	360	437	486	534	580
1740	308	361	438	487	535	582
1750	309	362	439	489	536	583
1760	310	363	440	490	538	584
1770	311	364	441	491	539	586
1780	311	365	442	492	540	587
1790	312	366	443	493	542	588
1800	313	367	444	494	543	590
1810	314	368	445	496	544	591
1820	315	369	447	497	545	593
1830	316	370	448	498	547	594
1840	317	371	449	499	548	595
1850	317	372	450	500	549	597
1860	318	373	451	501	550	598

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1870	319	374	452	503	552	599
1880	320	375	453	504	553	601
1890	321	376	454	505	554	602
1900	322	377	455	506	555	603
1910	323	378	456	507	557	605
1920	323	379	457	508	558	606
1930	324	380	458	509	559	607
1940	325	381	459	510	560	608
1950	326	382	460	512	561	610
1960	327	382	461	513	563	611
1970	328	383	462	514	564	612
1980	329	384	463	515	565	614
1990	329	385	464	516	566	615
2000	330	386	465	517	567	616
2010	331	387	466	518	569	617
2020	332	388	467	519	570	619
2030	333	389	468	520	571	620
2040	334	390	469	521	572	621
2050	335	391	470	523	573	623
2060	336	392	471	524	575	624
2070	336	393	472	525	576	625
2080	337	393	473	526	577	626
2090	338	394	474	527	578	628
2100	339	395	475	528	579	629
2110	340	396	476	529	581	630
2120	341	397	477	530	582	631
2130	342	398	478	531	583	633
2140	343	399	479	533	584	634
2150	343	400	480	534	585	635
2160	344	401	481	535	586	637
2170	345	402	482	536	588	638
2180	346	402	483	537	589	639
2190	347	403	484	538	590	640
2200	348	404	485	539	591	642
2210	349	405	486	540	592	643
2220	350	406	488	541	594	644
2230	351	407	489	543	595	645
2240	352	408	490	544	596	647
2250	353	409	491	545	597	648

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2260	354	410	492	546	598	649
2270	355	410	493	547	600	651
2280	355	411	494	548	601	652
2290	356	412	495	549	602	653
2300	357	413	496	550	603	655
2310	358	414	497	552	605	656
2320	359	415	498	553	606	657
2330	360	416	499	554	607	659
2340	361	417	500	555	608	660
2350	362	418	501	556	610	661
2360	363	419	502	557	611	663
2370	364	419	503	559	612	664
2380	365	420	505	560	613	665
2390	366	421	506	561	615	667
2400	367	422	507	562	616	668
2410	368	423	508	563	617	669
2420	369	424	509	565	619	671
2430	370	425	510	566	620	672
2440	371	426	511	567	621	673
2450	372	427	512	568	622	675
2460	373	428	514	570	624	676
2470	374	429	515	571	625	678
2480	376	429	516	572	626	679
2490	377	430	517	573	628	681
2500	378	431	518	575	629	682
2510	379	432	519	576	631	683
2520	380	433	521	577	632	685
2530	381	434	522	578	633	686
2540	382	435	523	580	635	688
2550	383	436	524	581	636	689
2560	384	437	526	582	638	691
2570	386	438	527	584	639	692
2580	387	439	528	585	640	694
2590	388	440	529	586	642	695
2600	389	441	531	588	643	697
2610	390	442	532	589	645	698
2620	391	443	533	591	646	700
2630	393	444	534	592	648	702
2640	394	445	536	593	649	703

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2650	395	446	537	595	651	705
2660	396	447	538	596	652	706
2670	397	448	540	598	654	708
2680	399	449	541	599	655	710
2690	400	450	542	601	657	711
2700	401	451	544	602	658	713
2710	402	452	545	603	660	715
2720	404	453	547	605	662	716
2730	405	454	548	606	663	718
2740	406	455	549	608	665	720
2750	408	456	551	610	666	722
2760	409	457	552	611	668	723
2770	410	458	554	613	670	725
2780	412	459	555	614	671	727
2790	413	460	557	616	673	729
2800	414	461	558	617	675	730
2810	416	462	560	619	677	732
2820	417	463	561	621	678	734
2830	419	465	563	622	680	736
2840	420	466	564	624	682	738
2850	421	467	566	626	684	740
2860	423	468	567	627	685	742
2870	424	469	569	629	687	744
2880	426	470	570	631	689	746
2890	427	471	572	632	691	747
2900	429	472	574	634	693	749
2910	430	474	575	636	695	751
2920	432	475	577	638	697	753
2930	433	476	579	639	698	755
2940	435	477	580	641	700	758
2950	436	478	582	643	702	760
2960	438	479	584	645	704	762
2970	440	481	585	647	706	764
2980	441	482	587	649	708	766
2990	443	483	589	651	710	768
3000	444	484	591	652	712	770
3010	446	485	593	654	714	772
3020	448	487	594	656	717	775
3030	449	488	596	658	719	777

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
3040	451	489	598	660	721	779
3050	453	490	600	662	723	781
3060	455	492	602	664	725	784
3070	456	493	604	666	727	786
3080	458	494	606	668	729	788
3090	460	496	607	671	732	791
3100	462	497	609	673	734	793
3110	463	498	611	675	736	795
3120	465	500	613	677	738	798
3130	467	501	615	679	741	800
3140	469	502	617	681	743	803
3150	471	504	619	683	745	805
3160	473	505	622	686	748	808
3170	474	506	624	688	750	810
3180	476	508	626	690	753	813
3190	478	509	628	692	755	816
3200	480	511	630	695	758	818
3210	482	512	632	697	760	821
3220	484	513	634	699	763	823
3230	486	515	636	702	765	826
3240	488	516	639	704	768	829
3250	490	518	641	707	770	832
3260	492	519	643	709	773	834
3270	494	521	645	711	775	837
3280	496	522	648	714	778	840
3290	499	524	650	716	781	843
3300	501	525	652	719	783	846
3310	503	527	655	721	786	849
3320	505	528	657	724	789	852
3330	507	530	660	727	792	855
3340	509	532	662	729	795	858
3350	512	533	664	732	797	861
3360	514	535	667	735	800	864
3370	516	536	669	737	803	867
3380	518	538	672	740	806	870
3390	521	540	674	743	809	873
3400	523	541	677	745	812	876
3410	525	543	680	748	815	879
3420	528	545	682	751	818	882

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
3430	530	546	685	754	821	886
3440	532	548	688	757	824	889
3450	535	550	690	760	827	892
3460	537	551	693	763	830	896
3470	540	553	696	766	833	899
3480	542	555	698	769	837	902
3490	545	557	701	772	840	906
3500	547	558	704	775	843	909
3510	550	560	707	778	846	913
3520	552	562	710	781	850	916
3530	555	564	713	784	853	920
3540	557	566	715	787	856	923
3550	560	567	718	790	860	927
3560	563	569	721	793	863	931
3570	565	571	724	797	867	934
3580	568	573	727	800	870	938
3590	571	575	730	803	874	942
3600	573	577	733	806	877	946
Notes: See the text and previous tables for detailed descriptions. Estimates based on samples with no restrictions on imputed family income and incomplete family income.						

This page intentionally left blank due to changes in page orientation.

Table 12: Summary Statistics for 2000 to 2011 Original and Revised Schedules

	No Kids		Any Children	
Variable	**Original**	**Revised**	**Original**	**Revised**
Number of Adults	2.337	2.344	2.551	2.551
Household Head Less than HS Degree = 1	0.093	0.094	0.131	0.128
Household Head College Degree = 1	0.687	0.684	0.63	0.632
Spouse Less than HS Degree = 1	0.093	0.092	0.134	0.133
Spouse College Degree = 1	0.651	0.649	0.594	0.597
Real After Tax Family Income (2011$)	94,943	98,854	90,855	95,531
African American = 1	0.072	0.074	0.081	0.083
Both Spouses Work = 1	0.727	0.724	0.687	0.684
Fraction of Year Work	0.76	0.761	0.747	0.749
Spouse Full-Time Work = 1	0.885	0.886	0.887	0.889
Midwest = 1	0.206	0.206	0.195	0.197
South = 1	0.346	0.348	0.339	0.338
West = 1	0.285	0.282	0.305	0.302
3 interviews = 1, 4 interviews = 0	0.43	0.431	0.408	0.410
Real Total Family Outlays (2011$)	71,530	70,956	75,142	74,851
Real Adult Clothing Expenditures (2011$)	457	453	412	410
Number of Children	-	-	1.946	1.943
Sample Size	5,175	5,488	7,836	8,239

Notes: The data come from selected years of the 2000 to 2011 Consumer Expenditure Survey micro data. To be included in a given sample, the family's parents must be less than 60 years of age. There can be no more than 6 children. The family must have participated in 3 or 4 interviews during the year. Annual averages are developed for variables that vary across the quarterly interviews (e.g., income, adult clothing expenditures, and outlays). The excluded groups for the dummy variables are respondents with high school diplomas, non-African Americans, and northern census residents, work less than 30 hours per work.

This page intentionally left blank due to changes in page orientation.

Table 13: Original and Revised Estimates Used to Create λ, 2000 to 2011

	Original		Revised	
Dep. Variable: Total Outlays	**Coef.**	**SE**	**Coef.**	**SE**
Number of Adults	3.254	2.943	3.428	2.896
Household Head <HS Degree = 1	14.033[b]	7.226	15.378[b]	7.015
Household Head College Degree = 1	6.427	5.700	9.267	5.224
Spouse Less than HS Degree = 1	-5.701	8.245	-8.659	8.312
Spouse College Degree = 1	2.984	5.238	1.463	5.028
Real After Tax Family Inc. (1,000s)	-0.01	0.021	-0.005	0.022
African American = 1	-24.060[a]	5.262	-23.325[a]	5.111
Both Spouses Work = 1	-7.963	5.969	-9.758	5.828
Weeks Work	3.169	6.521	3.197	6.374
Full-Time Work = 1	6.394	7.941	5.299	7.997
Real Adult Clothing Expenditures	106.953[a]	17.476	-	
R^2	0.565		0.569	
Sample Size	5,162		5,488	

Notes: Dummy variables for year, month, region of residence, and the number of interviews are included. The constant term is the coefficient on Real Adult Clothing Expenditures (AC_A). All other coefficients are the coefficients of the variable multiplied by AC_A. The model is estimated without a formal constant. To be included in the sample, the family must have two adults and no children. The parents must be less than 60 years of age. There can be up to 6 children in the family. Families must have positive values for their total and adult clothing expenditures and total outlays. An "a" denotes significance at the 1% level. A "b" denotes significance at the 5% level, and a "c" denotes significance at the 10% level.

Table 14: Estimation of Original and Revised ϕ, 2000 to 2011

	Original		Revised	
Dep. Var.: Total Outlays	**Coef.**	**SE**	**Coef.**	**SE**
λAC_A	0.622[a]	0.105	0.619[a]	0.108
$\lambda AC_A(\frac{H}{A})$ Head < HS Degree = 1	-0.386[a]	0.083	-0.369[a]	0.083
$\lambda AC_A(\frac{H}{A})$ Head College Degree = 1	0.115	0.076	0.095	0.076
$\lambda AC_A(\frac{H}{A})$ Spouse <HS Degree = 1	0.087	0.090	0.084	0.092
$\lambda AC_A(\frac{H}{A})$ Spouse College Degree = 1	-0.134[b]	0.068	-0.140[b]	0.067
$\lambda AC_A(\frac{H}{A})$ After Tax Fam. Inc. (1,000s)	0.0004	0.0003	0.0002	0.0004
$\lambda AC_A(\frac{H}{A})$ African American = 1	-0.055	0.110	-0.106	0.100
$\lambda AC_A(\frac{H}{A})$ Both Spouses Work = 1	0.004	0.083	-0.030	0.081
$\lambda AC_A(\frac{H}{A})$ Weeks Worked	0.054	0.079	0.116	0.081
$\lambda AC_A(\frac{H}{A})$ Full-time Work = 1	0.009	0.091	-0.003	0.089
$\lambda AC_A(\frac{H}{A})$ Number of Children	-0.093[b]	0.046	-0.105[b]	0.046
$\lambda AC_A(\frac{H}{A})$ Number of Adults	-0.050	0.052	-0.052	0.052
$\lambda AC_A(\frac{K}{A})$	1.158[a]	0.445	1.251[a]	0.397
Estimated $\phi_{1\ Child}$	0.625		0.649	
Estimated $\phi_{2\ Children}$	0.578		0.589	
Estimated $\phi_{3\ Children}$	0.505		0.508	
R^2	0.561		0.560	
Sample Size	7,825		8,239	

Notes: Dummy variables for year, month, region of residence, and the number of interviews are included. The constant term is the coefficient on λ multiplied by Real Adult Clothing Expenditures (λAC_A). All other coefficients are the coefficients of the variable multiplied by λAC_A. The model is estimated without a formal constant. To be included in the sample, the family's parents must be less than 60 years of age. There can be up to 6 children in the family. Families must have positive values for their total and adult clothing expenditures and total outlays.

This page intentionally left blank due to changes in page orientation.

Table 15: Estimates of Child-Related Expenditures as a Percent of Total Family Outlays

% of Total Outlays	One Child	Two Children	Three Children
Betson-Rothbarth (2004-09)	24%	37%	45%
Rodgers- Rothbarth (2000-11)-Original	22%	26%	33%
Rodgers- Rothbarth (2000-11)-Revised	21%	25%	31%

Notes: Entries are average child-rearing expenditures as a percent of total family outlays. The Rodgers estimates are developed by pooling assorted years of the 2000 to 2011 Consumer Expenditure Survey micro data and the two-step approach developed in Chapter 5 of Lazear and Michael, The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Allocation of Income within the Household (1988). The Rodgers entries represent the median of the child-rearing expenditures across the 22 income intervals (e.g., less than $15,000 to over $150,000). See the text for a detailed description of the method and the local averaging approach used to estimate the Rothbarth estimates at a given income interval.

Table 16: Original and Revised 2000 to 2011 NJ Rothbarth Estimates (% of Total Outlays)

	1 Child		2 Children		3 Children	
Income Interval	**Original**	**Revised**	**Original**	**Revised**	**Original**	**Revised**
Less than 15000	30%	29%	35%	33%	46%	39%
15,000 to 19,999	29%	28%	34%	32%	44%	38%
20,000 to 22,499	29%	28%	34%	32%	44%	38%
22,500 to 24,999	29%	28%	34%	32%	44%	38%
25,000 to 27,499	28%	27%	32%	31%	42%	37%
27,500 to 29,999	27%	27%	32%	31%	40%	37%
30,000 to 32,499	27%	26%	31%	30%	40%	36%
32,500 to 34,999	26%	26%	30%	29%	39%	35%
35,000 to 39,999	25%	25%	29%	28%	37%	34%
40,000 to 44,999	23%	23%	27%	26%	34%	32%
45,000 to 49,999	22%	23%	26%	25%	32%	31%
50,000 to 52,499	22%	23%	26%	25%	32%	31%
52,500 to 54,999	21%	22%	24%	24%	31%	30%
55,000 to 59,999	21%	22%	24%	24%	31%	30%
60,000 to 64,999	20%	21%	23%	23%	30%	29%
65,000 to 69,999	19%	20%	22%	22%	28%	28%
70,000 to 74,999	18%	19%	21%	21%	26%	26%
75,000 to 87,499	17%	18%	20%	20%	25%	25%
87,500 to 99,999	16%	16%	20%	18%	22%	23%
100,000 to 124,999	15%	15%	16%	16%	20%	21%
125,000 to 149,999	14%	14%	15%	15%	20%	20%
Greater than 150,000	14%	14%	15%	15%	20%	20%
Mean	22%	22%	26%	25%	33%	31%
Median	22%	23%	26%	25%	32%	31%

Notes: Entries are the average child-rearing expenditures as a percent of total family outlays for a given income interval. The estimates are developed using selected years of the 2000 to 2011 Consumer Expenditure Survey micro data and the two-step approach developed by Lazear and Michael in Chapter 5, The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Allocation of Income within the Household (1988). See the text for a detailed description of the method and the local averaging approach that I use to estimate the Rothbarth estimates for a given income interval. The mean and median are for each column.

This page intentionally left blank due to changes in page orientation.

Table 17: Estimated Revised Table of New Jersey Support Proportions, 2000 to 2011

	1 Child		2 Children		3 Children		4 Children		5 Children		6 Children	
Weekly Income	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**	**Rothbarth**	**Marginal**
230	29%	33%	33%	30%	39%	30%	44%	30%	49%	30%	55%	30%
388	28%	18%	32%	16%	38%	13%	43%	13%	48%	13%	53%	13%
484	28%	5%	32%	9%	38%	9%	43%	9%	48%	9%	53%	9%
520	28%	9%	32%	5%	38%	4%	43%	4%	48%	4%	53%	4%
580	27%	6%	31%	11%	37%	19%	42%	19%	46%	19%	52%	19%
626	27%	7%	31%	7%	37%	2%	42%	2%	46%	2%	52%	2%
683	26%	6%	30%	3%	36%	2%	40%	2%	45%	2%	50%	2%
739	26%	9%	29%	12%	35%	13%	39%	13%	44%	13%	49%	13%
817	25%	13%	28%	9%	34%	10%	38%	10%	42%	10%	47%	10%
930	23%	13%	26%	11%	32%	11%	36%	11%	40%	11%	45%	11%
1054	23%	7%	25%	8%	31%	9%	35%	9%	39%	9%	43%	9%
1142	23%	0%	25%	1%	31%	8%	35%	8%	39%	8%	43%	8%
1181	22%	4%	24%	3%	30%	1%	33%	1%	37%	1%	42%	1%
1260	22%	6%	24%	7%	30%	5%	33%	5%	37%	5%	42%	5%
1375	21%	6%	23%	4%	29%	3%	32%	3%	36%	3%	40%	3%
1495	20%	3%	22%	3%	28%	5%	31%	5%	35%	5%	39%	5%
1593	19%	8%	21%	8%	26%	8%	29%	8%	32%	8%	36%	8%
1779	18%	13%	20%	11%	25%	11%	28%	11%	31%	11%	34%	11%
2075	16%	15%	18%	15%	23%	18%	25%	18%	28%	18%	32%	18%
2469	15%	18%	16%	19%	21%	16%	23%	16%	26%	16%	29%	16%
2988	14%	27%	15%	23%	20%	24%	22%	24%	24%	24%	27%	24%
3797	14%		15%		20%		22%		24%		27%	

Notes: See Table 9 for details.

Table 18: Summary Statistics that Compare the Original and Revised Proposed Schedule

	Revised minus Original	
1 Child	**Dollar**	**Percent**
Avg. Diff.	3	0.7%
Median Diff.	5	1.4%
Min.	-10	-16.9%
Max.	9	3.0%
2 Children		
Avg. Diff.	-8	-3.0%
Median Diff.	-9	-3.0%
Min.	-13	-16.6%
Max.	12	2.0%
3 Children		
Avg. Diff.	-4	-2.6%
Median Diff.	0	-0.1%
Min.	-25	-26.6%
Max.	10	1.9%

Notes: Original corresponds to the "Proposed" schedule in Table 9. Revised corresponds to the "Proposed" in Table 19.

This page intentionally left blank due to changes in page orientation.

Table 19: Revised 2000 to 2011 Updated Basic Child Support Award Schedule

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
180	50	47	3	6%	59	66	-7	-10%	68	77	-9	-11%
190	53	49	4	8%	62	70	-8	-11%	72	81	-9	-11%
200	56	52	4	8%	66	73	-7	-10%	76	85	-9	-10%
210	59	54	5	9%	69	77	-8	-10%	80	89	-9	-10%
220	62	57	5	9%	72	81	-9	-11%	84	93	-9	-9%
230	65	60	5	8%	75	84	-9	-10%	88	98	-10	-10%
240	68	62	6	10%	78	88	-10	-11%	92	102	-10	-10%
250	71	65	6	9%	82	91	-9	-10%	96	106	-10	-10%
260	74	67	7	10%	85	95	-10	-11%	100	110	-10	-9%
270	77	70	7	10%	88	99	-11	-11%	103	114	-11	-9%
280	80	72	8	11%	91	102	-11	-11%	107	118	-11	-9%
290	82	75	7	10%	94	106	-12	-11%	111	123	-12	-10%
300	85	77	8	11%	97	109	-12	-11%	115	127	-12	-10%
310	88	80	8	10%	100	113	-13	-12%	118	131	-13	-10%
320	91	83	8	10%	103	117	-14	-12%	122	135	-13	-10%
330	94	85	9	10%	106	120	-14	-12%	126	139	-13	-10%
340	96	88	8	10%	109	124	-15	-12%	129	144	-15	-10%
350	99	90	9	10%	112	127	-15	-12%	133	148	-15	-10%
360	102	93	9	9%	114	131	-17	-13%	136	152	-16	-10%
370	104	95	9	10%	117	135	-18	-13%	140	156	-16	-10%
380	107	98	9	9%	120	138	-18	-13%	143	160	-17	-10%
390	110	100	10	10%	123	142	-19	-13%	147	164	-17	-10%
400	112	103	9	9%	126	145	-19	-13%	150	168	-18	-11%
410	115	105	10	9%	128	148	-20	-13%	154	172	-18	-11%
420	117	107	10	10%	131	151	-20	-13%	157	175	-18	-10%
430	120	110	10	9%	134	155	-21	-14%	160	179	-19	-10%
440	122	112	10	9%	137	158	-21	-14%	164	183	-19	-11%
450	125	115	10	9%	139	161	-22	-14%	167	186	-19	-10%
460	127	117	10	9%	142	164	-22	-13%	170	190	-20	-10%
470	130	119	11	9%	145	167	-22	-13%	174	193	-19	-10%
480	132	122	10	8%	147	171	-24	-14%	177	197	-20	-10%
490	135	124	11	9%	150	174	-24	-14%	180	201	-21	-10%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
500	137	126	11	9%	152	177	-25	-14%	183	204	-21	-10%
510	139	129	10	8%	155	180	-25	-14%	186	208	-22	-10%
520	142	131	11	8%	157	183	-26	-14%	190	211	-21	-10%
530	144	134	10	8%	160	186	-26	-14%	193	215	-22	-10%
540	146	136	10	8%	162	190	-28	-15%	196	219	-23	-11%
550	149	138	11	8%	165	193	-28	-15%	199	222	-23	-10%
560	151	140	11	8%	167	196	-29	-15%	202	226	-24	-11%
570	153	143	10	7%	170	199	-29	-15%	205	230	-25	-11%
580	155	145	10	7%	172	202	-30	-15%	208	233	-25	-11%
590	158	147	11	7%	174	206	-32	-15%	211	237	-26	-11%
600	160	150	10	6%	177	209	-32	-15%	214	241	-27	-11%
610	162	152	10	7%	179	212	-33	-16%	217	244	-27	-11%
620	164	154	10	7%	181	215	-34	-16%	220	248	-28	-11%
630	166	157	9	6%	184	218	-34	-16%	223	252	-29	-12%
640	168	159	9	6%	186	221	-35	-16%	225	255	-30	-12%
650	170	161	9	6%	188	224	-36	-16%	228	258	-30	-12%
660	172	163	9	6%	191	227	-36	-16%	231	261	-30	-11%
670	174	165	9	6%	193	230	-37	-16%	234	264	-30	-11%
680	177	167	10	6%	195	232	-37	-16%	237	267	-30	-11%
690	179	169	10	6%	197	235	-38	-16%	239	270	-31	-11%
700	181	171	10	6%	199	238	-39	-16%	242	273	-31	-11%
710	182	174	8	5%	201	241	-40	-16%	245	276	-31	-11%
720	184	176	8	5%	204	244	-40	-17%	247	279	-32	-11%
730	186	178	8	5%	206	246	-40	-16%	250	282	-32	-11%
740	188	180	8	5%	208	249	-41	-17%	253	286	-33	-12%
750	190	182	8	5%	210	252	-42	-17%	255	289	-34	-12%
760	192	185	7	4%	212	256	-44	-17%	258	293	-35	-12%
770	194	187	7	4%	214	259	-45	-17%	261	296	-35	-12%
780	196	189	7	4%	216	262	-46	-18%	263	299	-36	-12%
790	198	191	7	3%	218	265	-47	-18%	266	303	-37	-12%
800	199	194	5	3%	220	268	-48	-18%	268	306	-38	-12%
810	201	196	5	3%	222	271	-49	-18%	271	310	-39	-13%
820	203	198	5	3%	224	274	-50	-18%	273	313	-40	-13%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
830	205	200	5	2%	226	277	-51	-18%	276	317	-41	-13%
840	207	203	4	2%	228	280	-52	-19%	278	320	-42	-13%
850	208	205	3	2%	230	283	-53	-19%	281	324	-43	-13%
860	210	207	3	1%	232	287	-55	-19%	283	328	-45	-14%
870	212	210	2	1%	234	290	-56	-19%	285	331	-46	-14%
880	213	212	1	1%	235	293	-58	-20%	288	335	-47	-14%
890	215	215	0	0%	237	296	-59	-20%	290	339	-49	-14%
900	217	217	0	0%	239	300	-61	-20%	292	342	-50	-15%
910	218	219	-1	0%	241	303	-62	-21%	295	346	-51	-15%
920	220	222	-2	-1%	243	306	-63	-21%	297	350	-53	-15%
930	222	223	-1	-1%	244	308	-64	-21%	299	352	-53	-15%
940	223	224	-1	0%	246	309	-63	-20%	301	353	-52	-15%
950	225	225	0	0%	248	310	-62	-20%	304	354	-50	-14%
960	226	227	-1	0%	250	312	-62	-20%	306	356	-50	-14%
970	228	228	0	0%	251	313	-62	-20%	308	357	-49	-14%
980	230	229	1	0%	253	315	-62	-20%	310	359	-49	-14%
990	231	230	1	0%	255	316	-61	-19%	312	360	-48	-13%
1000	233	232	1	0%	257	317	-60	-19%	315	361	-46	-13%
1010	234	233	1	0%	258	319	-61	-19%	317	363	-46	-13%
1020	236	234	2	1%	260	320	-60	-19%	319	364	-45	-12%
1030	237	235	2	1%	261	322	-61	-19%	321	366	-45	-12%
1040	239	236	3	1%	263	323	-60	-19%	323	367	-44	-12%
1050	240	238	2	1%	265	324	-59	-18%	325	368	-43	-12%
1060	241	239	2	1%	266	326	-60	-18%	327	370	-43	-12%
1070	243	240	3	1%	268	327	-59	-18%	329	371	-42	-11%
1080	244	241	3	1%	269	328	-59	-18%	331	372	-41	-11%
1090	246	242	4	2%	271	329	-58	-18%	333	373	-40	-11%
1100	247	243	4	2%	273	330	-57	-17%	335	374	-39	-10%
1110	248	244	4	2%	274	331	-57	-17%	337	375	-38	-10%
1120	250	245	5	2%	276	332	-56	-17%	339	376	-37	-10%
1130	251	246	5	2%	277	333	-56	-17%	341	376	-35	-9%
1140	252	246	6	3%	279	334	-55	-17%	343	377	-34	-9%
1150	254	247	7	3%	280	335	-55	-16%	345	378	-33	-9%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
1160	255	248	7	3%	282	336	-54	-16%	347	379	-32	-9%
1170	256	249	7	3%	283	337	-54	-16%	349	380	-31	-8%
1180	258	250	8	3%	284	338	-54	-16%	350	381	-31	-8%
1190	259	251	8	3%	286	339	-53	-16%	352	382	-30	-8%
1200	260	252	8	3%	287	340	-53	-16%	354	383	-29	-8%
1210	262	253	9	3%	289	341	-52	-15%	356	384	-28	-7%
1220	263	254	9	3%	290	342	-52	-15%	358	385	-27	-7%
1230	264	255	9	4%	291	343	-52	-15%	360	386	-26	-7%
1240	265	256	9	4%	293	344	-51	-15%	361	386	-25	-6%
1250	266	256	10	4%	294	345	-51	-15%	363	387	-24	-6%
1260	268	257	11	4%	296	346	-50	-15%	365	388	-23	-6%
1270	269	258	11	4%	297	347	-50	-14%	367	389	-22	-6%
1280	270	259	11	4%	298	348	-50	-14%	368	390	-22	-6%
1290	271	260	11	4%	300	349	-49	-14%	370	391	-21	-5%
1300	272	261	11	4%	301	350	-49	-14%	372	392	-20	-5%
1310	274	262	12	4%	302	351	-49	-14%	373	393	-20	-5%
1320	275	263	12	4%	303	352	-49	-14%	375	394	-19	-5%
1330	276	263	13	5%	305	353	-48	-14%	377	395	-18	-5%
1340	277	264	13	5%	306	354	-48	-14%	378	396	-18	-4%
1350	278	265	13	5%	307	355	-48	-13%	380	397	-17	-4%
1360	279	266	13	5%	308	356	-48	-13%	382	398	-16	-4%
1370	280	267	13	5%	310	357	-47	-13%	383	399	-16	-4%
1380	281	267	14	5%	311	358	-47	-13%	385	400	-15	-4%
1390	282	268	14	5%	312	359	-47	-13%	386	401	-15	-4%
1400	284	269	15	5%	313	361	-48	-13%	388	402	-14	-3%
1410	285	270	15	5%	315	362	-47	-13%	390	403	-13	-3%
1420	286	271	15	5%	316	363	-47	-13%	391	404	-13	-3%
1430	287	271	16	6%	317	364	-47	-13%	393	406	-13	-3%
1440	288	272	16	6%	318	365	-47	-13%	394	407	-13	-3%
1450	289	273	16	6%	319	366	-47	-13%	396	408	-12	-3%
1460	290	274	16	6%	320	367	-47	-13%	397	409	-12	-3%
1470	291	275	16	6%	322	368	-46	-13%	399	410	-11	-3%
1480	292	275	17	6%	323	369	-46	-13%	400	411	-11	-3%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
1490	293	276	17	6%	324	370	-46	-12%	402	412	-10	-2%
1500	294	277	17	6%	325	371	-46	-12%	403	413	-10	-2%
1510	295	278	17	6%	326	372	-46	-12%	405	414	-9	-2%
1520	296	279	17	6%	327	373	-46	-12%	406	415	-9	-2%
1530	297	279	18	6%	328	374	-46	-12%	408	416	-8	-2%
1540	298	280	18	6%	329	375	-46	-12%	409	417	-8	-2%
1550	299	281	18	6%	330	376	-46	-12%	410	418	-8	-2%
1560	300	282	18	6%	331	377	-46	-12%	412	419	-7	-2%
1570	301	283	18	6%	333	378	-45	-12%	413	420	-7	-2%
1580	302	283	19	7%	334	379	-45	-12%	415	422	-7	-2%
1590	303	284	19	7%	335	380	-45	-12%	416	423	-7	-2%
1600	304	285	19	7%	336	381	-45	-12%	417	424	-7	-2%
1610	304	286	18	6%	337	382	-45	-12%	419	425	-6	-1%
1620	305	287	18	6%	338	383	-45	-12%	420	426	-6	-1%
1630	306	287	19	7%	339	384	-45	-12%	422	427	-5	-1%
1640	307	288	19	7%	340	385	-45	-12%	423	428	-5	-1%
1650	308	289	19	7%	341	386	-45	-12%	424	429	-5	-1%
1660	309	290	19	7%	342	387	-45	-12%	426	430	-4	-1%
1670	310	291	19	7%	343	388	-45	-12%	427	431	-4	-1%
1680	311	291	20	7%	344	389	-45	-12%	428	432	-4	-1%
1690	312	292	20	7%	345	390	-45	-12%	430	433	-3	-1%
1700	313	293	20	7%	346	391	-45	-12%	431	434	-3	-1%
1710	314	294	20	7%	347	393	-46	-12%	432	436	-4	-1%
1720	314	295	19	7%	348	394	-46	-12%	434	437	-3	-1%
1730	315	296	19	7%	349	395	-46	-12%	435	439	-4	-1%
1740	316	297	19	6%	350	397	-47	-12%	436	440	-4	-1%
1750	317	298	19	6%	351	398	-47	-12%	437	442	-5	-1%
1760	318	299	19	6%	352	399	-47	-12%	439	443	-4	-1%
1770	319	300	19	6%	353	401	-48	-12%	440	444	-4	-1%
1780	320	302	18	6%	354	402	-48	-12%	441	446	-5	-1%
1790	321	303	18	6%	355	403	-48	-12%	442	447	-5	-1%
1800	321	304	17	6%	356	405	-49	-12%	444	449	-5	-1%
1810	322	305	17	6%	356	406	-50	-12%	445	450	-5	-1%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
1820	323	306	17	6%	357	407	-50	-12%	446	451	-5	-1%
1830	324	307	17	6%	358	409	-51	-12%	447	453	-6	-1%
1840	325	308	17	5%	359	410	-51	-12%	449	454	-5	-1%
1850	326	309	17	5%	360	411	-51	-12%	450	456	-6	-1%
1860	327	310	17	5%	361	413	-52	-13%	451	457	-6	-1%
1870	327	311	16	5%	362	414	-52	-13%	452	458	-6	-1%
1880	328	312	16	5%	363	415	-52	-13%	454	460	-6	-1%
1890	329	313	16	5%	364	417	-53	-13%	455	461	-6	-1%
1900	330	314	16	5%	365	418	-53	-13%	456	463	-7	-2%
1910	331	315	16	5%	366	419	-53	-13%	457	464	-7	-1%
1920	332	316	16	5%	367	421	-54	-13%	458	466	-8	-2%
1930	332	317	15	5%	367	422	-55	-13%	460	467	-7	-2%
1940	333	318	15	5%	368	423	-55	-13%	461	468	-7	-2%
1950	334	319	15	5%	369	425	-56	-13%	462	470	-8	-2%
1960	335	321	14	4%	370	426	-56	-13%	463	471	-8	-2%
1970	336	322	14	4%	371	427	-56	-13%	464	473	-9	-2%
1980	337	323	14	4%	372	429	-57	-13%	466	474	-8	-2%
1990	338	324	14	4%	373	430	-57	-13%	467	475	-8	-2%
2000	338	325	13	4%	374	431	-57	-13%	468	477	-9	-2%
2010	339	326	13	4%	375	433	-58	-13%	469	478	-9	-2%
2020	340	327	13	4%	376	434	-58	-13%	470	480	-10	-2%
2030	341	328	13	4%	376	435	-59	-13%	471	481	-10	-2%
2040	342	329	13	4%	377	437	-60	-14%	473	482	-9	-2%
2050	343	330	13	4%	378	438	-60	-14%	474	484	-10	-2%
2060	343	331	12	4%	379	439	-60	-14%	475	485	-10	-2%
2070	344	332	12	4%	380	441	-61	-14%	476	487	-11	-2%
2080	345	333	12	4%	381	442	-61	-14%	477	488	-11	-2%
2090	346	334	12	4%	382	443	-61	-14%	478	490	-12	-2%
2100	347	335	12	4%	383	445	-62	-14%	480	491	-11	-2%
2110	348	336	12	3%	384	446	-62	-14%	481	492	-11	-2%
2120	348	337	11	3%	384	447	-63	-14%	482	494	-12	-2%
2130	349	338	11	3%	385	449	-64	-14%	483	495	-12	-2%
2140	350	339	11	3%	386	450	-64	-14%	484	497	-13	-3%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
2150	351	341	10	3%	387	451	-64	-14%	485	498	-13	-3%
2160	352	342	10	3%	388	453	-65	-14%	487	499	-12	-2%
2170	353	343	10	3%	389	454	-65	-14%	488	501	-13	-3%
2180	354	344	10	3%	390	455	-65	-14%	489	502	-13	-3%
2190	354	345	9	3%	391	456	-65	-14%	490	503	-13	-3%
2200	355	345	10	3%	391	458	-67	-15%	491	505	-14	-3%
2210	356	346	10	3%	392	459	-67	-15%	492	506	-14	-3%
2220	357	347	10	3%	393	460	-67	-15%	494	507	-13	-3%
2230	358	348	10	3%	394	461	-67	-15%	495	508	-13	-3%
2240	359	349	10	3%	395	462	-67	-14%	496	509	-13	-3%
2250	360	350	10	3%	396	463	-67	-14%	497	510	-13	-3%
2260	361	351	10	3%	397	464	-67	-14%	498	511	-13	-2%
2270	362	352	10	3%	398	465	-67	-14%	499	513	-14	-3%
2280	362	352	10	3%	399	466	-67	-14%	501	514	-13	-3%
2290	363	353	10	3%	400	467	-67	-14%	502	515	-13	-3%
2300	364	354	10	3%	400	468	-68	-14%	503	516	-13	-3%
2310	365	355	10	3%	401	469	-68	-14%	504	517	-13	-2%
2320	366	356	10	3%	402	471	-69	-15%	505	518	-13	-2%
2330	367	357	10	3%	403	472	-69	-15%	507	519	-12	-2%
2340	368	358	10	3%	404	473	-69	-15%	508	520	-12	-2%
2350	369	358	11	3%	405	474	-69	-15%	509	522	-13	-3%
2360	370	359	11	3%	406	475	-69	-15%	510	523	-13	-2%
2370	371	360	11	3%	407	476	-69	-15%	511	524	-13	-2%
2380	372	361	11	3%	408	477	-69	-15%	513	525	-12	-2%
2390	373	362	11	3%	409	478	-69	-14%	514	526	-12	-2%
2400	374	363	11	3%	410	479	-69	-14%	515	527	-12	-2%
2410	375	364	11	3%	411	480	-69	-14%	516	528	-12	-2%
2420	375	365	10	3%	412	481	-69	-14%	517	530	-13	-2%
2430	376	365	11	3%	413	482	-69	-14%	519	531	-12	-2%
2440	377	366	11	3%	414	483	-69	-14%	520	532	-12	-2%
2450	378	367	11	3%	414	485	-71	-15%	521	533	-12	-2%
2460	379	368	11	3%	415	486	-71	-15%	522	534	-12	-2%
2470	380	369	11	3%	416	487	-71	-14%	524	535	-11	-2%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
2480	381	370	11	3%	417	488	-71	-14%	525	536	-11	-2%
2490	382	371	11	3%	418	489	-71	-14%	526	538	-12	-2%
2500	383	371	12	3%	419	490	-71	-14%	527	539	-12	-2%
2510	385	372	13	3%	420	491	-71	-14%	529	540	-11	-2%
2520	386	373	13	3%	421	492	-71	-14%	530	541	-11	-2%
2530	387	374	13	3%	422	493	-71	-14%	531	542	-11	-2%
2540	388	375	13	3%	423	494	-71	-14%	532	543	-11	-2%
2550	389	376	13	3%	424	495	-71	-14%	534	544	-10	-2%
2560	390	377	13	3%	425	496	-71	-14%	535	545	-10	-2%
2570	391	377	14	4%	426	497	-71	-14%	536	547	-11	-2%
2580	392	378	14	4%	427	499	-72	-14%	538	548	-10	-2%
2590	393	379	14	4%	428	500	-72	-14%	539	549	-10	-2%
2600	394	380	14	4%	430	501	-71	-14%	540	550	-10	-2%
2610	395	381	14	4%	431	502	-71	-14%	542	551	-9	-2%
2620	396	382	14	4%	432	503	-71	-14%	543	552	-9	-2%
2630	397	383	14	4%	433	504	-71	-14%	544	553	-9	-2%
2640	399	384	15	4%	434	505	-71	-14%	546	555	-9	-2%
2650	400	384	16	4%	435	506	-71	-14%	547	556	-9	-2%
2660	401	385	16	4%	436	507	-71	-14%	548	557	-9	-2%
2670	402	386	16	4%	437	508	-71	-14%	550	558	-8	-2%
2680	403	387	16	4%	438	509	-71	-14%	551	559	-8	-1%
2690	404	388	16	4%	439	510	-71	-14%	552	560	-8	-1%
2700	406	388	18	5%	440	511	-71	-14%	554	561	-7	-1%
2710	407	389	18	5%	441	512	-71	-14%	555	562	-7	-1%
2720	408	390	18	5%	443	514	-71	-14%	557	563	-6	-1%
2730	409	390	19	5%	444	515	-71	-14%	558	564	-6	-1%
2740	411	391	20	5%	445	516	-71	-14%	559	565	-6	-1%
2750	412	392	20	5%	446	517	-71	-14%	561	567	-6	-1%
2760	413	393	20	5%	447	518	-71	-14%	562	568	-6	-1%
2770	414	393	21	5%	448	519	-71	-14%	564	569	-5	-1%
2780	416	394	22	5%	450	520	-70	-14%	565	570	-5	-1%
2790	417	395	22	6%	451	521	-70	-13%	567	571	-4	-1%
2800	418	395	23	6%	452	522	-70	-13%	568	572	-4	-1%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
2810	419	396	23	6%	453	523	-70	-13%	570	573	-3	-1%
2820	421	397	24	6%	454	524	-70	-13%	571	574	-3	0%
2830	422	398	24	6%	456	525	-69	-13%	573	575	-2	0%
2840	423	398	25	6%	457	526	-69	-13%	574	576	-2	0%
2850	425	399	26	6%	458	527	-69	-13%	576	577	-1	0%
2860	426	400	26	7%	459	528	-69	-13%	577	578	-1	0%
2870	428	400	28	7%	461	529	-68	-13%	579	579	0	0%
2880	429	401	28	7%	462	530	-68	-13%	580	580	0	0%
2890	430	402	28	7%	463	531	-68	-13%	582	582	0	0%
2900	432	403	29	7%	464	532	-68	-13%	584	583	1	0%
2910	433	403	30	8%	466	533	-67	-13%	585	584	1	0%
2920	435	404	31	8%	467	534	-67	-13%	587	585	2	0%
2930	436	405	31	8%	468	536	-68	-13%	588	586	2	0%
2940	438	406	32	8%	470	537	-67	-13%	590	587	3	1%
2950	439	406	33	8%	471	538	-67	-12%	592	588	4	1%
2960	441	407	34	8%	472	539	-67	-12%	593	589	4	1%
2970	442	408	34	8%	474	540	-66	-12%	595	590	5	1%
2980	444	408	36	9%	475	541	-66	-12%	597	591	6	1%
2990	445	409	36	9%	477	542	-65	-12%	598	592	6	1%
3000	447	410	37	9%	478	543	-65	-12%	600	593	7	1%
3010	448	411	37	9%	479	544	-65	-12%	602	594	8	1%
3020	450	411	39	9%	481	545	-64	-12%	604	595	9	1%
3030	452	412	40	10%	482	546	-64	-12%	605	596	9	2%
3040	453	413	40	10%	484	547	-63	-12%	607	598	9	2%
3050	455	413	42	10%	485	548	-63	-11%	609	599	10	2%
3060	456	414	42	10%	487	549	-62	-11%	611	600	11	2%
3070	458	415	43	10%	488	550	-62	-11%	612	601	11	2%
3080	460	416	44	11%	490	551	-61	-11%	614	602	12	2%
3090	461	416	45	11%	491	552	-61	-11%	616	603	13	2%
3100	463	417	46	11%	493	553	-60	-11%	618	604	14	2%
3110	465	418	47	11%	494	554	-60	-11%	620	605	15	2%
3120	467	419	48	11%	496	555	-59	-11%	622	606	16	3%
3130	468	419	49	12%	497	556	-59	-11%	623	607	16	3%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent	Revised	Current	Dollar	Percent
3140	470	420	50	12%	499	558	-59	-11%	625	608	17	3%
3150	472	421	51	12%	501	559	-58	-10%	627	609	18	3%
3160	474	421	53	13%	502	560	-58	-10%	629	610	19	3%
3170	476	422	54	13%	504	561	-57	-10%	631	611	20	3%
3180	477	423	54	13%	505	562	-57	-10%	633	613	20	3%
3190	479	424	55	13%	507	563	-56	-10%	635	614	21	3%
3200	481	424	57	13%	509	564	-55	-10%	637	615	22	4%
3210	483	425	58	14%	510	565	-55	-10%	639	616	23	4%
3220	485	426	59	14%	512	566	-54	-10%	641	617	24	4%
3230	487	426	61	14%	514	567	-53	-9%	643	618	25	4%
3240	489	427	62	14%	516	568	-52	-9%	645	619	26	4%
3250	491	428	63	15%	517	569	-52	-9%	647	620	27	4%
3260	493	429	64	15%	519	570	-51	-9%	649	621	28	5%
3270	495	429	66	15%	521	571	-50	-9%	651	622	29	5%
3280	497	430	67	15%	523	572	-49	-9%	654	623	31	5%
3290	499	431	68	16%	524	573	-49	-8%	656	624	32	5%
3300	501	431	70	16%	526	574	-48	-8%	658	625	33	5%
3310	503	432	71	16%	528	575	-47	-8%	660	626	34	5%
3320	505	433	72	17%	530	576	-46	-8%	662	628	34	5%
3330	507	434	73	17%	532	577	-45	-8%	664	629	35	6%
3340	509	434	75	17%	534	579	-45	-8%	667	630	37	6%
3350	511	435	76	18%	536	580	-44	-8%	669	631	38	6%
3360	513	436	77	18%	537	581	-44	-7%	671	632	39	6%
3370	516	437	79	18%	539	582	-43	-7%	674	633	41	6%
3380	518	437	81	18%	541	583	-42	-7%	676	634	42	7%
3390	520	438	82	19%	543	584	-41	-7%	678	635	43	7%
3400	522	439	83	19%	545	585	-40	-7%	680	636	44	7%
3410	524	439	85	19%	547	586	-39	-7%	683	637	46	7%
3420	527	440	87	20%	549	587	-38	-6%	685	638	47	7%
3430	529	441	88	20%	551	588	-37	-6%	688	639	49	8%
3440	531	442	89	20%	553	589	-36	-6%	690	640	50	8%
3450	534	442	92	21%	555	590	-35	-6%	692	641	51	8%
3460	536	443	93	21%	557	591	-34	-6%	695	643	52	8%

	1 Child				2 Children				3 Children			
			Revised - Current				Revised - Current				Revised - Current	
Wkly Inc.	**Revised**	**Current**	**Dollar**	**Percent**	**Revised**	**Current**	**Dollar**	**Percent**	**Revised**	**Current**	**Dollar**	**Percent**
3470	538	444	94	21%	560	592	-32	-5%	697	644	53	8%
3480	541	444	97	22%	562	593	-31	-5%	700	645	55	9%
3490	543	445	98	22%	564	594	-30	-5%	702	646	56	9%
3500	546	446	100	22%	566	595	-29	-5%	705	647	58	9%
3510	548	447	101	23%	568	596	-28	-5%	707	648	59	9%
3520	551	447	104	23%	570	597	-27	-4%	710	649	61	9%
3530	553	448	105	23%	573	598	-25	-4%	713	650	63	10%
3540	556	449	107	24%	575	599	-24	-4%	715	651	64	10%
3550	558	450	108	24%	577	601	-24	-4%	718	652	66	10%
3560	561	450	111	25%	579	602	-23	-4%	720	653	67	10%
3570	563	451	112	25%	582	603	-21	-4%	723	654	69	11%
3580	566	452	114	25%	584	604	-20	-3%	726	655	71	11%
3590	569	452	117	26%	586	605	-19	-3%	729	656	73	11%
3600	571	453	118	26%	589	606	-17	-3%	731	658	73	11%
		Avg. Diff.	23	7%		Avg. Diff.	-50	-13%		Avg. Diff.	-7	-3%
		Median Diff.	13	6%		Median Diff.	-52	-13%		Median Diff.	-10	-2%
		Min.	-2	-1%		Min.	-72	-21%		Min.	-53	-15%
		Max.	118	26%		Max.	-7	-3%		Max.	73	11%

Notes: The proposed schedule is the revised schedule based on samples that exclude families with imputed income. It is constructed by regressing the "unsmoothed" values on a trend, the square of the trend, and the cubic of the trend. The entries are the regression's predicted values. The column labeled "Current" reports the current NJ schedule. The "unsmoothed" values are available upon request. Estimates are based on no restrictions in income imputation and incomplete income records.

Table 20: Revised Child Support Award Schedules for One to Six Children

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
180	50	59	68	75	83	91
190	53	62	72	80	88	97
200	56	66	76	84	93	102
210	59	69	80	88	98	108
220	62	72	84	93	103	113
230	65	75	88	97	107	119
240	68	78	92	102	112	124
250	71	82	96	106	117	130
260	74	85	100	110	122	135
270	77	88	103	114	127	140
280	80	91	107	119	131	145
290	82	94	111	123	136	151
300	85	97	115	127	140	156
310	88	100	118	131	145	161
320	91	103	122	135	150	166
330	94	106	126	139	154	171
340	96	109	129	143	159	176
350	99	112	133	147	163	181
360	102	114	136	151	167	186
370	104	117	140	155	172	191
380	107	120	143	159	176	196
390	110	123	147	163	181	200
400	112	126	150	167	185	205
410	115	128	154	170	189	210
420	117	131	157	174	193	215
430	120	134	160	178	197	219
440	122	137	164	182	202	224
450	125	139	167	185	206	229
460	127	142	170	189	210	233
470	130	145	174	193	214	238
480	132	147	177	196	218	242
490	135	150	180	200	222	247
500	137	152	183	203	226	251
510	139	155	186	207	230	255
520	142	157	190	210	234	260
530	144	160	193	214	238	264
540	146	162	196	217	242	268
550	149	165	199	221	245	273
560	151	167	202	224	249	277

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
570	153	170	205	228	253	281
580	155	172	208	231	257	285
590	158	174	211	234	260	289
600	160	177	214	238	264	293
610	162	179	217	241	268	298
620	164	181	220	244	271	302
630	166	184	223	247	275	306
640	168	186	225	250	278	310
650	170	188	228	254	282	314
660	172	191	231	257	285	317
670	174	193	234	260	289	321
680	177	195	237	263	292	325
690	179	197	239	266	296	329
700	181	199	242	269	299	333
710	182	201	245	272	303	337
720	184	204	247	275	306	340
730	186	206	250	278	309	344
740	188	208	253	281	313	348
750	190	210	255	284	316	351
760	192	212	258	287	319	355
770	194	214	261	290	322	358
780	196	216	263	293	325	362
790	198	218	266	295	329	366
800	199	220	268	298	332	369
810	201	222	271	301	335	373
820	203	224	273	304	338	376
830	205	226	276	307	341	379
840	207	228	278	309	344	383
850	208	230	281	312	347	386
860	210	232	283	315	350	389
870	212	234	285	317	353	393
880	213	235	288	320	356	396
890	215	237	290	323	359	399
900	217	239	292	325	362	403
910	218	241	295	328	365	406
920	220	243	297	330	367	409
930	222	244	299	333	370	412
940	223	246	301	335	373	415
950	225	248	304	338	376	418
960	226	250	306	340	379	421
970	228	251	308	343	381	424

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
980	230	253	310	345	384	427
990	231	255	312	348	387	430
1000	233	257	315	350	389	433
1010	234	258	317	352	392	436
1020	236	260	319	355	395	439
1030	237	261	321	357	397	442
1040	239	263	323	359	400	445
1050	240	265	325	362	402	448
1060	241	266	327	364	405	451
1070	243	268	329	366	408	454
1080	244	269	331	368	410	456
1090	246	271	333	371	412	459
1100	247	273	335	373	415	462
1110	248	274	337	375	417	465
1120	250	276	339	377	420	467
1130	251	277	341	379	422	470
1140	252	279	343	382	425	473
1150	254	280	345	384	427	475
1160	255	282	347	386	429	478
1170	256	283	349	388	432	480
1180	258	284	350	390	434	483
1190	259	286	352	392	436	486
1200	260	287	354	394	439	488
1210	262	289	356	396	441	491
1220	263	290	358	398	443	493
1230	264	291	360	400	445	496
1240	265	293	361	402	447	498
1250	266	294	363	404	450	501
1260	268	296	365	406	452	503
1270	269	297	367	408	454	505
1280	270	298	368	410	456	508
1290	271	300	370	412	458	510
1300	272	301	372	414	460	512
1310	274	302	373	415	462	515
1320	275	303	375	417	464	517
1330	276	305	377	419	467	519
1340	277	306	378	421	469	522
1350	278	307	380	423	471	524
1360	279	308	382	425	473	526
1370	280	310	383	426	475	528
1380	281	311	385	428	477	531

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1390	282	312	386	430	479	533
1400	284	313	388	432	481	535
1410	285	315	390	433	482	537
1420	286	316	391	435	484	539
1430	287	317	393	437	486	541
1440	288	318	394	439	488	543
1450	289	319	396	440	490	545
1460	290	320	397	442	492	548
1470	291	322	399	444	494	550
1480	292	323	400	445	496	552
1490	293	324	402	447	497	554
1500	294	325	403	449	499	556
1510	295	326	405	450	501	558
1520	296	327	406	452	503	560
1530	297	328	408	453	505	562
1540	298	329	409	455	506	564
1550	299	330	410	457	508	566
1560	300	331	412	458	510	568
1570	301	333	413	460	512	569
1580	302	334	415	461	513	571
1590	303	335	416	463	515	573
1600	304	336	417	464	517	575
1610	304	337	419	466	518	577
1620	305	338	420	467	520	579
1630	306	339	422	469	522	581
1640	307	340	423	470	523	583
1650	308	341	424	472	525	584
1660	309	342	426	473	527	586
1670	310	343	427	475	528	588
1680	311	344	428	476	530	590
1690	312	345	430	478	532	592
1700	313	346	431	479	533	593
1710	314	347	432	481	535	595
1720	314	348	434	482	536	597
1730	315	349	435	484	538	599
1740	316	350	436	485	540	600
1750	317	351	437	486	541	602
1760	318	352	439	488	543	604
1770	319	353	440	489	544	606
1780	320	354	441	491	546	607
1790	321	355	442	492	547	609

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1800	321	356	444	493	549	611
1810	322	356	445	495	550	612
1820	323	357	446	496	552	614
1830	324	358	447	498	553	616
1840	325	359	449	499	555	617
1850	326	360	450	500	556	619
1860	327	361	451	502	558	621
1870	327	362	452	503	559	622
1880	328	363	454	504	561	624
1890	329	364	455	506	562	625
1900	330	365	456	507	564	627
1910	331	366	457	508	565	629
1920	332	367	458	510	567	630
1930	332	367	460	511	568	632
1940	333	368	461	512	569	633
1950	334	369	462	513	571	635
1960	335	370	463	515	572	637
1970	336	371	464	516	574	638
1980	337	372	466	517	575	640
1990	338	373	467	519	577	641
2000	338	374	468	520	578	643
2010	339	375	469	521	579	644
2020	340	376	470	523	581	646
2030	341	376	471	524	582	647
2040	342	377	473	525	584	649
2050	343	378	474	526	585	650
2060	343	379	475	528	586	652
2070	344	380	476	529	588	654
2080	345	381	477	530	589	655
2090	346	382	478	531	591	657
2100	347	383	480	533	592	658
2110	348	384	481	534	593	660
2120	348	384	482	535	595	661
2130	349	385	483	537	596	663
2140	350	386	484	538	598	664
2150	351	387	485	539	599	666
2160	352	388	487	540	600	667
2170	353	389	488	542	602	669
2180	354	390	489	543	603	670
2190	354	391	490	544	604	672
2200	355	391	491	545	606	673

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2210	356	392	492	547	607	675
2220	357	393	494	548	609	676
2230	358	394	495	549	610	678
2240	359	395	496	551	611	679
2250	360	396	497	552	613	681
2260	361	397	498	553	614	682
2270	362	398	499	554	616	684
2280	362	399	501	556	617	685
2290	363	400	502	557	618	687
2300	364	400	503	558	620	688
2310	365	401	504	559	621	690
2320	366	402	505	561	623	691
2330	367	403	507	562	624	693
2340	368	404	508	563	625	694
2350	369	405	509	565	627	696
2360	370	406	510	566	628	697
2370	371	407	511	567	630	699
2380	372	408	513	569	631	701
2390	373	409	514	570	632	702
2400	374	410	515	571	634	704
2410	375	411	516	572	635	705
2420	375	412	517	574	637	707
2430	376	413	519	575	638	708
2440	377	414	520	576	640	710
2450	378	414	521	578	641	711
2460	379	415	522	579	642	713
2470	380	416	524	580	644	715
2480	381	417	525	582	645	716
2490	382	418	526	583	647	718
2500	383	419	527	584	648	719
2510	385	420	529	586	650	721
2520	386	421	530	587	651	723
2530	387	422	531	589	653	724
2540	388	423	532	590	654	726
2550	389	424	534	591	656	727
2560	390	425	535	593	657	729
2570	391	426	536	594	659	731
2580	392	427	538	596	660	732
2590	393	428	539	597	662	734
2600	394	430	540	598	663	736
2610	395	431	542	600	665	737

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2620	396	432	543	601	666	739
2630	397	433	544	603	668	741
2640	399	434	546	604	669	742
2650	400	435	547	606	671	744
2660	401	436	548	607	673	746
2670	402	437	550	608	674	747
2680	403	438	551	610	676	749
2690	404	439	552	611	677	751
2700	406	440	554	613	679	753
2710	407	441	555	614	681	754
2720	408	443	557	616	682	756
2730	409	444	558	617	684	758
2740	411	445	559	619	685	760
2750	412	446	561	621	687	761
2760	413	447	562	622	689	763
2770	414	448	564	624	691	765
2780	416	450	565	625	692	767
2790	417	451	567	627	694	769
2800	418	452	568	628	696	771
2810	419	453	570	630	697	772
2820	421	454	571	632	699	774
2830	422	456	573	633	701	776
2840	423	457	574	635	703	778
2850	425	458	576	637	704	780
2860	426	459	577	638	706	782
2870	428	461	579	640	708	784
2880	429	462	580	642	710	786
2890	430	463	582	643	712	788
2900	432	464	584	645	713	790
2910	433	466	585	647	715	792
2920	435	467	587	648	717	794
2930	436	468	588	650	719	796
2940	438	470	590	652	721	798
2950	439	471	592	654	723	800
2960	441	472	593	655	725	802
2970	442	474	595	657	727	804
2980	444	475	597	659	728	806
2990	445	477	598	661	730	808
3000	447	478	600	663	732	810
3010	448	479	602	664	734	812
3020	450	481	604	666	736	814

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
3030	452	482	605	668	738	817
3040	453	484	607	670	740	819
3050	455	485	609	672	742	821
3060	456	487	611	674	744	823
3070	458	488	612	676	747	825
3080	460	490	614	678	749	828
3090	461	491	616	680	751	830
3100	463	493	618	682	753	832
3110	465	494	620	684	755	835
3120	467	496	622	686	757	837
3130	468	497	623	688	759	839
3140	470	499	625	690	762	842
3150	472	501	627	692	764	844
3160	474	502	629	694	766	846
3170	476	504	631	696	768	849
3180	477	505	633	698	770	851
3190	479	507	635	700	773	854
3200	481	509	637	702	775	856
3210	483	510	639	704	777	859
3220	485	512	641	707	780	861
3230	487	514	643	709	782	864
3240	489	516	645	711	784	866
3250	491	517	647	713	787	869
3260	493	519	649	715	789	871
3270	495	521	651	718	792	874
3280	497	523	654	720	794	877
3290	499	524	656	722	796	879
3300	501	526	658	725	799	882
3310	503	528	660	727	801	885
3320	505	530	662	729	804	887
3330	507	532	664	732	807	890
3340	509	534	667	734	809	893
3350	511	536	669	736	812	896
3360	513	537	671	739	814	898
3370	516	539	674	741	817	901
3380	518	541	676	744	820	904
3390	520	543	678	746	822	907
3400	522	545	680	749	825	910
3410	524	547	683	751	828	913
3420	527	549	685	754	830	916
3430	529	551	688	756	833	919

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
3440	531	553	690	759	836	922
3450	534	555	692	762	839	925
3460	536	557	695	764	842	928
3470	538	560	697	767	844	931
3480	541	562	700	770	847	934
3490	543	564	702	772	850	937
3500	546	566	705	775	853	940
3510	548	568	707	778	856	943
3520	551	570	710	780	859	947
3530	553	573	713	783	862	950
3540	556	575	715	786	865	953
3550	558	577	718	789	868	956
3560	561	579	720	792	871	960
3570	563	582	723	795	874	963
3580	566	584	726	797	877	966
3590	569	586	729	800	880	970
3600	571	589	731	803	884	973
Notes: See the text and previous tables for detailed descriptions. Estimates based on samples that exclude families with imputed family income and incomplete family income.						

Figure 1: Original, Revised and Current Schedule, 1 Child

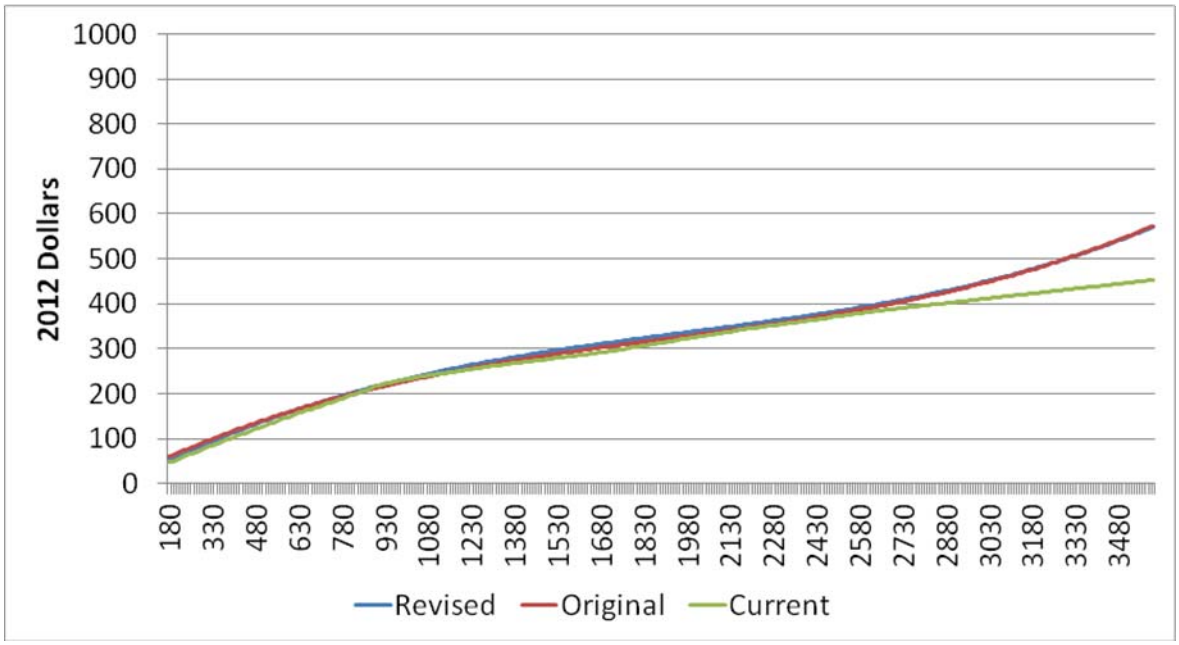


Figure 2: Original, Revised and Current Schedule, 2 Children

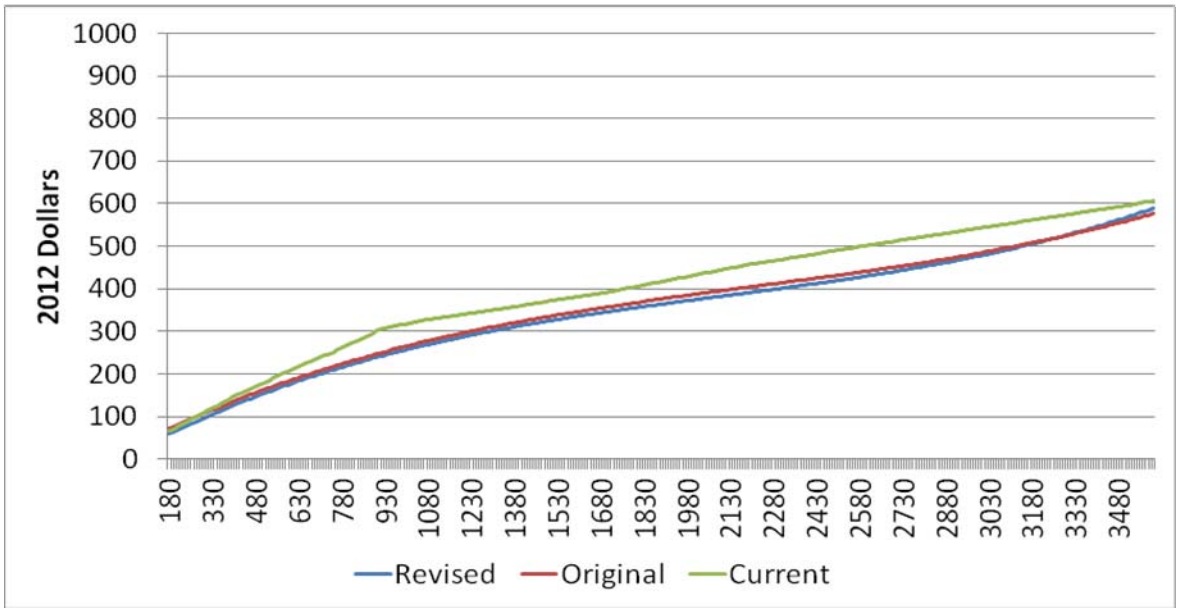


Figure 3: Original, Revised and Current Schedule, 3 Children

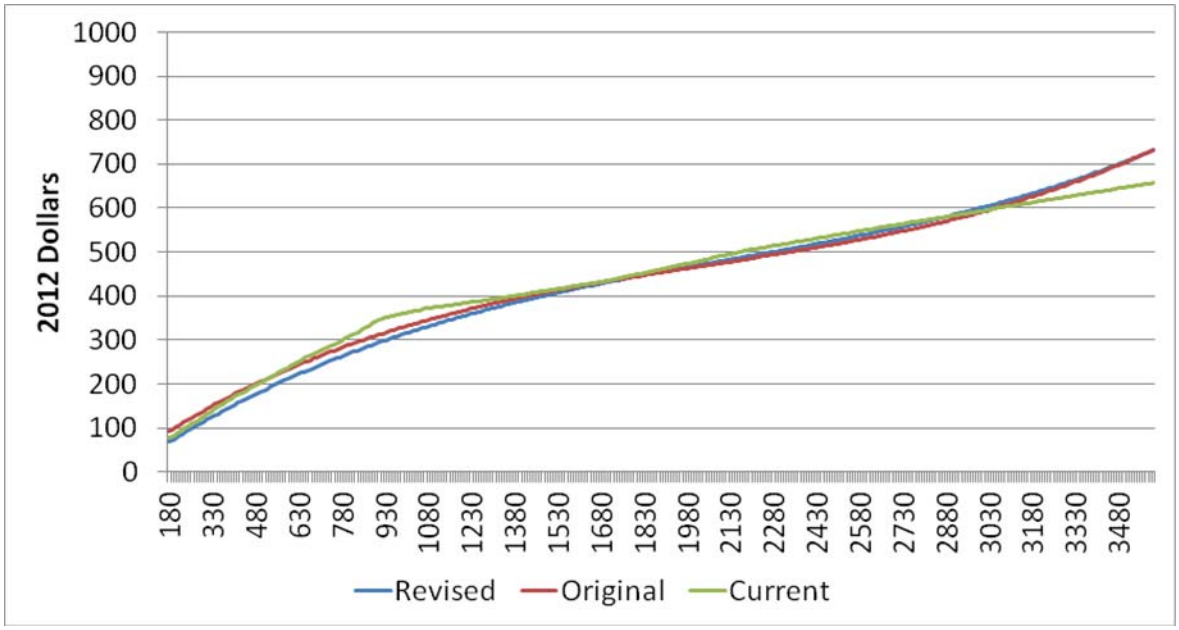


Figure 4: Original, Revised and Current Schedule, 4 Children

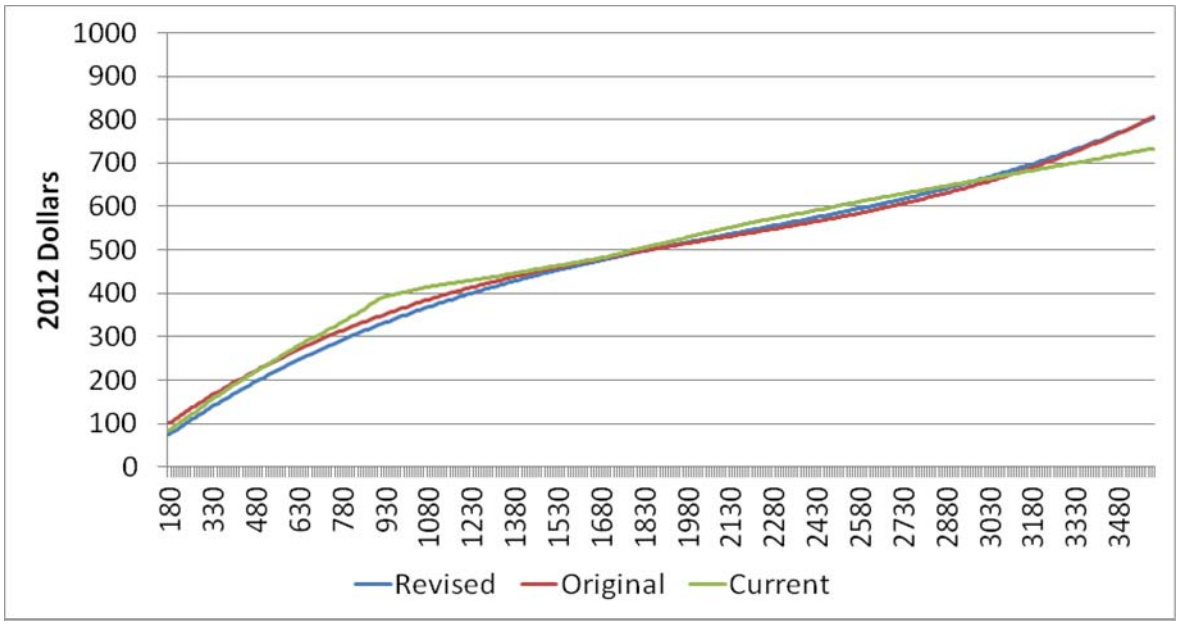


Figure 5: Original, Revised and Current Schedule, 5 Children

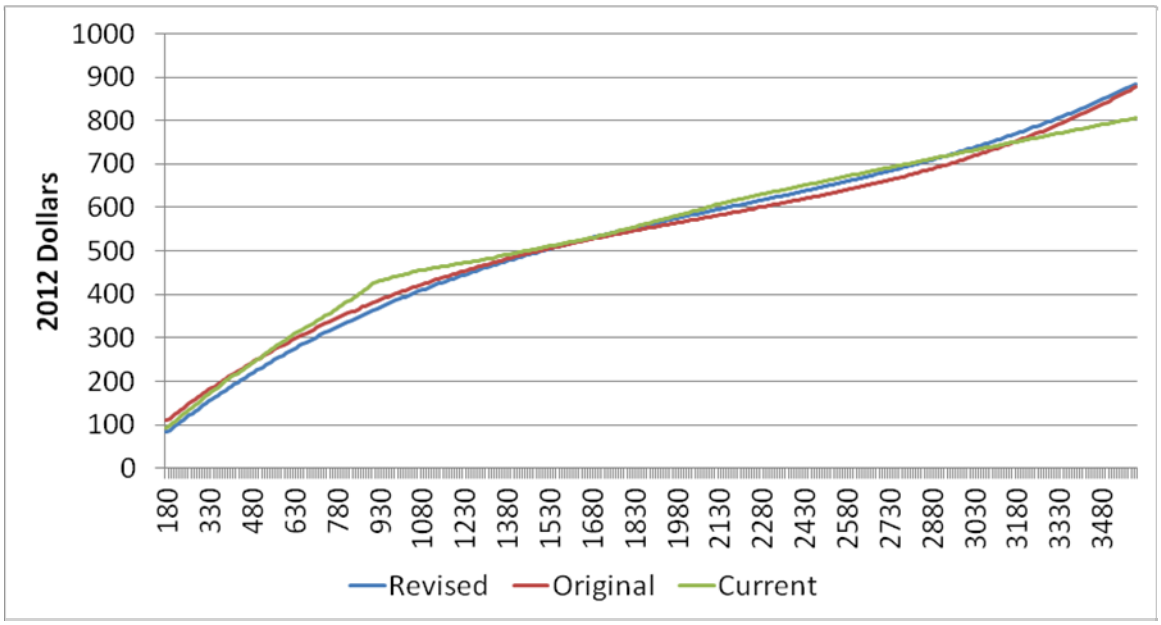
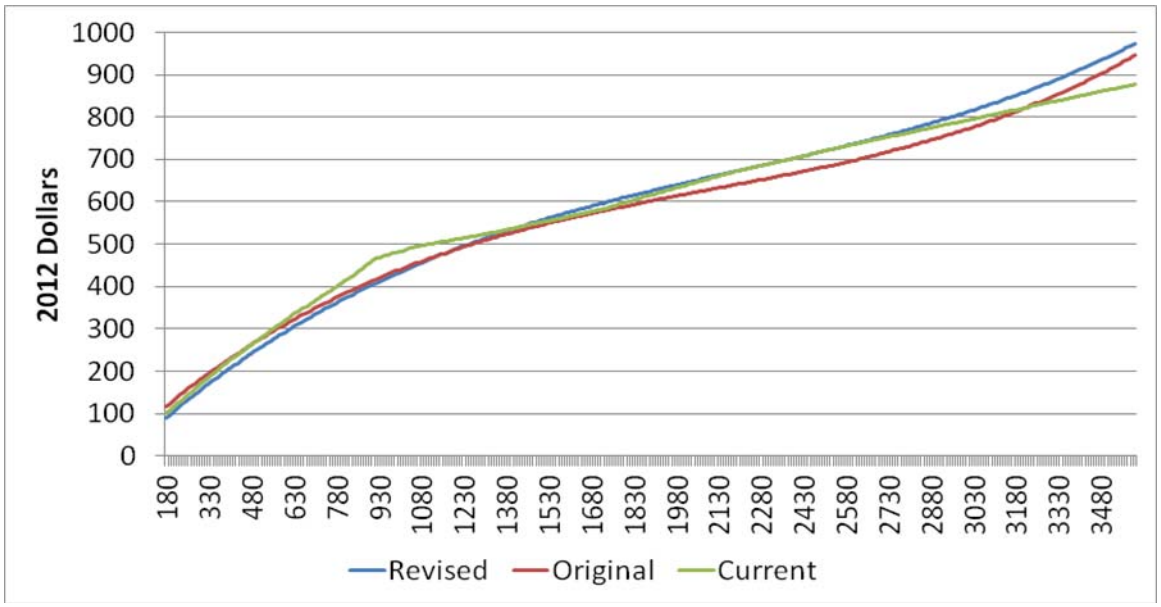


Figure 6: Original, Revised and Current Schedule, 6 Children



REFERENCES

Betson, David M. (2010), "Parental Expenditures on Children: Rothbarth Estimates," University of Notre Dame, South Bend, Indiana, April 2010.

Lazear, Edward and Robert T. Michael. (1988). "The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Chapter 5," Allocation of Income within the Household, University of Chicago Press: Chicago, Illinois.

Venohr, Jane C. and Tracy E. Griffith, (2004), "New Jersey: Economic Basis for Updated Child Support Schedule," Policy Studies Inc., 1899 Wynkoop Street, Suite 300, Denver, Colorado 80202, March 30, 2004.

Lewin/ICF. (1990),"Estimates of Expenditures on Children and Child Support Guidelines," A Division of Health and Sciences International Company, 1090 Vermont Avenue, NW, Suite 700, Washington, DC, June 1990.

Pearce, Diana M. , "The Real Cost of Living in 2008: The Self-Sufficiency Standard for New Jersey," Center for Women's Welfare University of Washington School of Social Work, Prepared for the Legal Services of New Jersey Poverty Research Institute.

Exhibit III: New Jersey Guidelines Comparison

Child support award amounts based on six identified weekly income levels ($230, $630, $1050, $1550, $2150, and $2,750) are presented in the accompanying table for comparison and evaluation. These amounts represent the designated income levels at very low weekly income at $230, low at $630, medium at $1,050, upper medium at $1,550, high at $2,150, and upper high at $2,750 weekly income. These income limits were determined based on the previous research of Venohr and Griffith (2004) in the paper entitled New Jersey Economic Basis for Updated Child Support Schedule. Additionally, the income share between the non-custodial and custodial parent is broken down based on three levels. These estimates are based on 2010 U.S. Department of Labor, Labor Bureau Statistics.

These current New Jersey Child Support Guidelines awards amounts are compared to the estimated award amounts developed by Dr. Rodgers. Please note that the award amounts do not reflect application of the full child support schedule, and – as such – do not reflect application of the self-support reserve.

Percent change is presented on the far right of the table, with red denoting a lowering or decrease in percent. Please refer to the following tables for specific increases and decreases in amount according to the income level.

NJ Guidelines Comparison															
***Income limits determined using information provided in New Jersey Economic Basis for Updated Child Support Schedule, March 30, 2004, Venohr and Griffith**															
	Current NJ Child Support Guidelines Award Amount					**Dr. Rodgers' Estimator Award Amount**					**Percent Change in Award Amount**				
	1 Child		**2 Children**		**3 Children**	**1 Child**		**2 Children**		**3 Children**	**1 Child**		**2 Children**		**3 Children**
Adjusted Gross Income															
Very Low Income*															
$230.00 per week	$60.00		$84.00		$98.00	**$65.00**		**$75.00**		**$88.00**	**8.3%**		**-10.7%**		**-10.2%**
Income Share NCP/CP															
60/40	$36.00		$50.00		$59.00	$39.00		$45.00		$52.80	8.3%		-10.0%		-10.5%
55/45	$33.00		$46.00		$54.00	$35.75		$41.25		$48.40	8.3%		-10.3%		-10.4%
50/50	$30.00		$42.00		$49.00	$32.50		$37.50		$44.00	8.3%		-10.7%		-10.2%
Low Income*															
$630.00 per week	$157.00		$218.00		$252.00	**$166.00**		**$184.00**		**$223.00**	**5.7%**		**-15.6%**		**-11.5%**
Income Share															

NJ Guidelines Comparison

***Income limits determined using information provided in New Jersey Economic Basis for Updated Child Support Schedule, March 30, 2004, Venohr and Griffith**

	Current NJ Child Support Guidelines Award Amount			Dr. Rodgers' Estimator Award Amount			Percent Change in Award Amount		
	1 Child	**2 Children**	**3 Children**	**1 Child**	**2 Children**	**3 Children**	**1 Child**	**2 Children**	**3 Children**
NCP/CP									
60/40	$94.00	$131.00	$151.00	$99.60	$110.40	$133.80	6.0%	-15.7%	-11.4%
55/45	$86.00	$120.00	$139.00	$91.30	$101.20	$122.65	6.2%	-15.7%	-11.8%
50/50	$78.00	$109.00	$126.00	$83.00	$92.00	$111.50	6.4%	-15.6%	-11.5%
Medium Income*									
$1050.00 per week	$238.00	$324.00	$368.00	**$240.00**	**$265.00**	**$325.00**	**0.8%**	**-18.2%**	**-11.7%**
Income Share NCP/CP									
60/40	$143.00	$194.00	$221.00	$144.00	$159.00	$195.00	0.7%	-18.0%	-11.8%
55/45	$131.00	$178.00	$202.00	$132.00	$145.75	$178.75	0.8%	-18.1%	-11.5%
50/50	$119.00	$162.00	$184.00	$120.00	$132.50	$162.50	0.8%	-18.2%	-11.7%
Upper Medium Income*									
$1550.00 per week	$281.00	$376.00	$418.00	**$299.00**	**$330.00**	**$410.00**	**6.4%**	**-12.2%**	**-1.9%**
Income Share NCP/CP									
60/40	$169.00	$226.00	$251.00	$179.40	$198.00	$246.00	6.2%	-12.4%	-2.0%
55/45	$155.00	$207.00	$230.00	$164.45	$181.50	$225.50	6.1%	-12.3%	-2.0%
50/50	$140.00	$188.00	$209.00	$149.50	$165.00	$205.00	6.8%	-12.2%	-1.9%
High Income*									
$2150.00 per week	$341.00	$451.00	$498.00	**$351.00**	**$387.00**	**$485.00**	**2.9%**	**-14.2%**	**-2.6%**

NJ Guidelines Comparison

***Income limits determined using information provided in New Jersey Economic Basis for Updated Child Support Schedule, March 30, 2004, Venohr and Griffith**

	Current NJ Child Support Guidelines Award Amount			**Dr. Rodgers' Estimator Award Amount**			**Percent Change in Award Amount**		
	1 Child	**2 Children**	**3 Children**	**1 Child**	**2 Children**	**3 Children**	**1 Child**	**2 Children**	**3 Children**
Income Share NCP/CP									
60/40	$205.00	$271.00	$299.00	$210.60	$232.20	$291.00	2.7%	-14.3%	-2.7%
55/45	$188.00	$248.00	$274.00	$193.05	$212.85	$266.75	2.7%	-14.2%	-2.6%
50/50	$170.00	$225.00	$249.00	$175.50	$193.50	$242.50	3.2%	-14.0%	-2.6%
Upper High Income*									
$2750.00 per week	$392.00	$517.00	$567.00	$412.00	$446.00	$561.00	**5.1%**	**-13.7%**	**-1.1%**
Income Share NCP/CP									
60/40	$235.00	$310.00	$340.00	$247.20	$267.60	$336.60	5.2%	-13.7%	-1.0%
55/45	$216.00	$284.00	$312.00	$226.60	$245.30	$308.55	4.9%	-13.6%	-1.1%
50/50	$196.00	$258.00	$283.00	$206.00	$223.00	$280.50	5.1%	-13.6%	-0.9%

Exhibit IV: Qualifications of Subject Matter Experts

BURT S. BARNOW

CURRENT POSITION

Amsterdam Professor of Public Service and of Economics
Trachtenberg School of Public Policy and
Public Administration
George Washington University
805 21at St NW, Room 601T
Washington, DC 20052
Email: barnow@gwu.edu
Phone: (202) 994-6379
Facsimile: (775) 239-8319

EDUCATION

l973	Ph.D., Economics, University of Wisconsin at Madison
l972	M.S., Economics, University of Wisconsin at Madison
l969	B.S., Economics, Massachusetts Institute of Technology

EXPERIENCE

Dr. Barnow is an economist who works primarily in the areas of workforce development programs, performance management, labor economics, and program evaluation. Since September 1, 2010, he has been Amsterdam Professor of Public Service and Economics at George Washington University in the Trachtenberg School of Public Policy and Public Administration. His responsibilities include teaching graduate courses in public policy and conducting scholarly research. Dr. Barnow is also an Affiliated Scholar with the Urban Institute. Dr. Barnow has held the following positions:

- **Associate Director for Research and Principal Research Scientist at the Institute for Policy Studies, Johns Hopkins University (1992-2010).** Responsible for reviewing research staff's performance for quality and timeliness, reviewing research proposals, assist Director in managing all aspects of the Institute, teach courses in program evaluation and labor economics, and obtain funding for and conduct research on public policy issues. Current and recent research includes an impact evaluation of the High Growth Job Training Initiative, assessment of occupational labor shortages, evaluation of priority of service for veterans in One-Stop Career Centers, development of efficiency performance measures and standards for nine workforce programs, and assistance in developing child support guidelines for the State of Arizona.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

EXPERIENCE (continued)

- **Vice President and Project Manager of Lewin-ICF (1984-1992).**
  Responsible for directing the research program in the fields of labor economics, evaluations of employment and training and social service programs, and education; work included recruiting and supervising research staff, leading research studies, and preparing reports and scholarly publications.

- **Economic consultant for the government of Australia (1984).**
  Advised the Australian government on the quality of their evaluation program, suggested ways to evaluate selected programs, and presented seminars on research and evaluation in the employment and training field.

- **Director of the Office of Research and Evaluation, Employment and Training Administration, U.S. Department of Labor (1979-1984).**
  Responsibilities included direction of ETA's research, development, and evaluation programs; supervision of a staff of 30; administration of programs with annual budget of $l3 million; and development and implementation of the program. Major accomplishments included establishment of evaluation system for the Job Training Partnership Act program and evaluations of all major federal employment and training programs.

- **Special Assistant to the Deputy Assistant Secretary, Office of the Assistant Secretary for Policy, Evaluation, and Research, U.S. Department of Labor (1977-1979).**
  Advised the Deputy Assistant Secretary on research and evaluation issues for all Department of Labor programs; established and implemented system for coordinating agency programs with the Secretary's priorities; and conducted research on evaluation methodology and pensions.

- **Economist, Office of the Assistant Secretary for Policy, Evaluation, and Research, U.S. Department of Labor (1975-1977).**
  Worked with DOL agencies in development and implementation of their research and evaluation programs; conducted research on pensions and employment and training programs.

- **Assistant Professor of Economics, University of Pittsburgh (1973-1975).**

  Taught graduate and undergraduate courses in labor economics, public finance, economics of education, microeconomics, and macroeconomics; conducted research on labor economics, public finance, and the economics of education.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PROFESSIONAL MEMBERSHIPS AND HONORS

American Economic Association
Association for Public Policy Analysis and Management
Who's Who in the East, Who's Who in America, and Who's Who in the World
Vice Chair National Academy of Sciences Committee on the Information Technology Workforce (1998-2001)
Member National Academy of Sciences Board on Higher Education and Workforce (2002-2008)
Member National Academy of Sciences Committee on the NASA Workforce (2006-2007)
Member National Academy of Sciences Committee to Evaluate the Title VI and Fulbright-Hays International Programs (2006-2007)
Member National Academy of Sciences Committee on Approaches to Evaluating the NIST Postdoctoral Research Associateship Program (2007)
Chair Maryland Governor's Workforce Investment Board Performance Committee (1996-2001)
Member Baltimore Workforce Investment Board System Effectiveness Committee (1998-present)
Member Arizona Child Support Guidelines Economic Subcommittee (2006-2007)
Member Association for Computing Machinery Job Migration Task Force (2005-2006)
Member American Jewish Committee Task Force on National Service (2006-2007)
Policy Council, Association for Public Policy Analysis and Management (2003-2007)
Chair, National Association of Schools of Public Affairs and Administration Research Committee, (2005-2011)
Editorial Advisory Board, *Environment and Planning C: Government and Policy* (2000-2010)
Editorial Board, *Journal of Policy Analysis and Managemen*t (2007-present)
Member National Association of Schools of Public Affairs and Administration Nominating Committee, 2008
Member Association for Public Policy Analysis and Management Vernon Prize Committee, 2008; chair 2009
Member National Academy of Sciences Committee to Review the United States Institute of Peace Senior Fellows Program, 2008
Member National Academy of Sciences Committee to Review EPA's Title 42 Hiring Authority for Highly Qualified Scientists and Engineers 2009-2010
Member National Academy of Sciences Committee on the External Evaluation of the National Institute on Disability and Rehabilitation Research and Its Grantees (2009-present)
Member National Academy of Sciences Committee on the Emerging Workforce Trends in the U.S. Mining and Energy Industries (2010-present)
Member National Academy of Sciences Committee on Science, Technology, Engineering and Mathematics Workforce Needs for the U.S. Department of Defense and the U.S. Defense Industrial Base (2010-present)

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

Member National Academy of Sciences Committee on the Context of Military Environments (2013-present)

SPONSORED RESEARCH PROJECTS

Employment and Training and Education Programs

- Consultant to the World Bank to assess workforce and welfare programs in Jamaica, Grenada, and the Seychelles.
- Consultant to the Inter-American Development Bank to on design and evaluation of employment and training programs for Latin American nations. Work has involved presentations at conferences in Washington, DC and Montevideo, Uruguay, as well as site visit to Bogota, Columbia.
- Co-Director of a formative evaluation of the Transition Assistance Program Employment Workshop for the Veterans Employment and Training Service and the Chief Evaluation Officer of the U.S. Department of Labor to assess the quality of a new program to assist separating service members obtain employment.
- Director of impact evaluation of Accelerating Opportunity program funded by the Gates Foundation to test promising strategies that combine adult education with vocational training in selected states.
- Co-Director of project for the Employment and Training Administration to identify and document promising practices to increase connectivity between the unemployment insurance system and the workforce development system.
- Director of outcome evaluation of a project funded by the Employment and Training Administration to implement pilot projects in selected states that promote the use of promising practices to increase connectivity between the unemployment insurance system and the workforce development system.
- Researcher on evaluation of Young Parents Demonstration to determine the impact of a demonstration to provide mentoring and other additional services to young parents enrolled in a demonstration program.
- Researcher on a project for the Employment and Training Administration to develop strategies to develop and evaluate promising practices to improve labor market outcomes for disconnected youth.
- Principal Investigator on a project for the Employment and Training Administration to analyze faith-based and community job clubs and develop a strategy to evaluate their effectiveness.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Co-Director of a study for the Employment and Training Administration to evaluate implementation of priority of service for veterans provisions of the Jobs for Veterans Act in one-stop career centers.

- Director of a study for the Employment and Training Administration to estimate the impact on earnings of selected projects in the High Growth Job Training Initiative. Propensity score matching and regression discontinuity designs are being used to estimate the impact on earnings of five training demonstrations.

- Director of study for New York State Economic Security Cabinet on what is known on blending of human resource programs. The report synthesizes what is known about the advantages and disadvantages of blending programs; contains case studies of four states that are leaders in blending programs, and compares the performance of the four states analyzed to that of other states.

- Co-Director of a study for the Employment and Training Administration to develop outcome-based efficiency measures for 11 employment and training programs and to develop appropriate standards for states and adjustment procedures to take account of differences across states in characteristics of customers and economic conditions.

- Co-Director of evaluation for Casey Family Programs assessment of demonstration program providing assistance to youth in foster care who are ready to enter the labor market. The study included case studies of the sites and statistical analyses of the administrative data to determine the effects of youth characteristics on services received and of services and youth characteristics on employment outcomes.

- Co-Director of a study for the Employment and Training Administration to analyze differences in expenditures on training across local workforce areas and the reasons for the variation. The study included analysis of administrative data and interviews with a sample of states.

- Co-Director of a study for the Ticket to Work Advisory Panel on services to people with disabilities through the Workforce Investment Act.

- Director of a study for the Employment Policies Institute analyzing the relative advantages and disadvantages of using a living wage versus an earned income tax credit to assist low-income workers.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Co-Director of a project for the Employment and Training Administration to analyze the implementation of the Workforce Investment Act in eight states. The project involved in-depth site visits to eight states and two local areas in each state. In addition to reports on each state in the study, the interim and final reports synthesize and integrate the findings.

- Researcher on a project for the Employment and Training Administration to analyze costs of services. The current reporting system for the Workforce Investment Act (WIA) does not permit ETA to obtain accurate estimates of costs per participants for people receiving different types of services. The project identified states that were able to determine unit costs and documented the approaches used by the states to estimate unit costs.

- Co-Director of a project for the Employment and Training Administration to assess the wage replacement performance standard for dislocated workers served by the Workforce Investment Act. The project included telephone and on-site interviews as well as statistical analysis of administrative data.

- Director of a project for the Employment and Training Administration co conduct case studies on competitively selected training programs funded with funds from H-1B visa applications. The study involved selection of nine promising projects for site visits to identify promising practices, and preparation of a report describing the programs.

- Director of a study for the Employment and Training Administration to prepare a review of recent research and evaluation to support the development of a strategic plan for the agency.

- Researcher on a project for the Employment and Training Administration on the role that faith-based organizations play in the delivery of employment and training services. The project involved case studies of four cities to explore the magnitude of the contribution of faith-based organizations and the roles that such organizations play.

- Director of project for the Abell Foundation, the Annie E. Casey Foundation, and the Open Society Institute–Baltimore to develop a comprehensive catalogue and description of all workforce development programs and vendors in the Baltimore area.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Researcher on a project for the Employment and Training Administration to explore options for training programs, welfare programs, and unemployment insurance that would be useful during an economic downturn.

- Researcher on project for the Employment and Training Administration, U.S. Department of Labor to analyze the impacts of non-monetary eligibility requirements on unemployment insurance claimants and program performance.

- Co-Director of an evaluation for the U.S. Department of Labor of the JTPA Title III High-Wage Dislocated Worker Demonstration Project. This evaluation investigated the extent to which 10 projects met their goals of training dislocated workers for positions that paid at least 20% more than participants in dislocated workers typically earn. The evaluation is based on visits to participating sites and analyses of project documents and reports.

- Senior Economist on the process evaluation of the Welfare-to Work program for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services. Project involves site visits to sites across the country and preparation of reports on how the program is being implemented.

- Co-Principal Investigator of a study funded by the Employment and Training Administration of the effects of changing the mission of the U.S. employment service from serving employers to focusing on the economically disadvantaged and welfare recipients. The project included a literature review and interviews with current and former employment service employees.

- Researcher on project funded by the Employment and Training Administration to assess funding and accountability in conjunction with the use of One-Stop Career Centers in providing employment and training services.

- Co-Principal Investigator of a study for the Employment and Training Administration to evaluate the effectiveness of federal government assistance activities during the last round of military base closures and realignments. The project involved telephone screening interviews with five bases and nine on-site case studies.

- Senior Economist on a study for the Office of the Assistant Secretary for Policy in the U.S. Department of Labor to review the evidence on the amount and effectiveness of training in the private sector. This project included a critical review of the major studies in this area, reviews of data bases available for research on this issue, and suggestions of potential data collection and research efforts.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Co-Principal Investigator of a study of the use of one-stop shopping initiatives in the employment and training field for the Employment and Training Administration. The study included a survey of training and education and training agencies in all states as well as a review of the literature.

- Co-Principal Investigator of analysis in support of welfare reform options based on previous Department of Labor experience for the Employment and Training administration.

- Co-Principal Investigator of an evaluation of administrative cost savings likely to result from various forms of consolidation of employment and training programs for the Employment and Training Administration.

- Principal Investigator of an analysis for the Employment and Training Administration of financial incentives that can be used to encourage employers to provide more training.

- Director of two projects for the Employment and Training Administration on the development of voluntary, industry-based skill standards. The first project discussed civil rights issues likely to arise with the use of skill standards, and the second project analyzed the potential structure of the standards.

- Co-Principal Investigator of a project for the Employment and Training Administration to evaluate and provide technical assistance to the Job Training for the Homeless demonstration program. This project includes an evaluation of the effectiveness of the 21 demonstration sites and development of a best practices guide for distribution to other programs that may be interested in providing employment and training services to homeless individuals.

- Director of a project for the Department of Education to evaluate training and education conducted by the Xerox Corporation and assess the applicability to other firms.

- Director of a project for the I Have a Dream Foundation of New York to evaluate the impact of the program for disadvantaged youth on success in high school and college attendance.

- Principal Investigator of a project for the National Commission for Employment Policy to prepare a report and assist in organizing a conference on diversity in the labor force and the implications for employment and training programs.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Subcontract Director of a project for the Employment and Training Administration to evaluate the impact of JTPA training programs on employment, earnings, and receipt of welfare through experimental and nonexperimental methods.

- Principal Investigator of a project with the National Commission for Employment Policy to analyze ways in which the performance management system of the Job Training Partnership Act (JTPA) can be used to encourage local service delivery areas to increase services to hard-to-serve individuals.

- Principal Investigator of a project with the National Commission for Employment Policy to develop the design of an evaluation of the impact of performance standards under the Job Training Partnership Act on who is served, how they are served, and the costs of services.

- Principal Investigator of a project for the Employment and Training Administration to develop a simulation model to help the U.S. Department of Labor and individual states assess the solvency of state unemployment insurance trust funds.

- Subcontract Director of a project for the Employment and Training Administration to study coordination of JTPA programs with other human service programs.

Labor Market Studies

- Director of a study for the Sloan Foundation to study the causes, consequences, and cures of occupational labor shortages in the United States. Study is looking at occupations including special education teachers, pharmacists, physical therapists, information technology workers, homecare workers, and hotel maids.

- Co-Principal Investigator of a study for the U.S. Department of Labor of skill mismatches and labor shortages. The study included a review of the causes and symptoms of occupational labor shortages, and focused on information technology occupations. The study reviewed the evidence on whether there was a shortage of IT workers and critically reviewed the literature claiming a severe IT worker shortage.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Co-Principal Investigator of a study for the Employment and Training administration of workforce requirements in the Louisiana and Mississippi shipyard industries. This study was undertaken to assist the agency better understand the competing claims of unions and management about the labor market in the industry and whether training funds and/or foreign labor were required.

- Co-Principal Investigator of a study for the Employment and Training Administration on how people obtain information about the labor market and how they search for jobs. This project included a review of the literature and a series of focus groups with various groups in the labor force such as new entrants, dislocated workers, and economically disadvantaged unemployed individuals.

- Co-Principal Investigator of a study for the Employment and Training Administration of a study of employer-based training for economically disadvantaged workers. This study focuses on how employers make decisions about whether to hire and train economically disadvantaged individuals and their involvement with government training programs and community colleges.

- Principal Investigator of a project for the Employment and Training Administration to critically review the literature on whether there will be a skills shortage in the year 2000.

- Co-Principal Investigator of study for the Employment and Training Administration of the theory of occupational shortages and case studies of four occupations.

- Principal Investigator of a study for the Commonwealth Fund of the economic and noneconomic returns to higher education for blacks. The analysis included analysis of 18 years of longitudinal data from the National Longitudinal Study of the Class of 1972 and several other data bases.

- Principal Investigator of a project with the National Commission for Employment Policy to assess the education, training, and work experience of the adult labor force.

- Principal Investigator of a project for the National Association of Counties to analyze the likelihood of labor force shortages in the next 10 years.

- Principal Investigator of a project with the National Commission for Employment Policy to organize and convene a seminar on the role of computers in the workplace.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Senior Economist on a project for the Bureau of Labor Statistics to analyze the effects of structural change in the communications industry on the demand for labor through the year 2000.

- Senior Economist on a project for the Internal Revenue Service to analyze the projected supply and demand for accountants over the next 10 years.

Health Policies and Programs

- Director of a project for the Public Health Service to design an evaluation of the use and effectiveness of vaccine information pamphlets. The project included developing the sampling strategy, defining and designing the components of the evaluation, and developing and pretesting survey instruments.

- Senior economist on a project for the Public Health Service to design an evaluation of the Healthy Start project.

- Director of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to determine the reasons why many preschool children do not receive immunizations on schedule.

- Director of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to design an evaluation of the impact of changes in Medicare mental health benefits on the amount and patterns of utilization.

- Principal Investigator of a project for the New York State Department of Social Services to analyze the low-income labor market in New York and develop policy options for eliminating the shortage of home health care workers.

- Director of the Evaluation Design of a project for the Health Care Financing Administration to determine the impact of prior and concurrent authorization of Medicare services for home health care and skilled nursing facility care.

Child Support, Fatherhood, Welfare, and Other Social Service Policies and Programs

- Senior Economist on a project for the Administration for Children and Families to develop and test on an experimental basis promising strategies to help low-income families become self-sufficient.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Co-Director of a project for the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services to assess the performance measurement systems used for four HHS programs for the homeless and to see if it is feasible to develop a common set of performance measures for the programs.

- Senior Economist on a project for the Social Security Administration to design an evaluation of a demonstration to test work incentives for social security disability insurance recipients.

- Senior Economist on a project for the Office of Refugee Resettlement in the U.S Department of Health and Human Services to evaluate social service and training programs for refugees.

- Director of a project for the State of Colorado to develop statistical models of the state's welfare caseload.

- Director of a project for the State of Colorado to conduct interviews with employers to assess their experiences hiring and using welfare recipients as employees.

- Researcher on a project funded by the Administration on Children and Families, U.S. Department of Health and Human Services to provide technical assistance to demonstration programs funded to promote healthy marriages.

- Researcher on project for the Administration on Children and Families, U.S. Department of Health and Human Services to evaluate the Partner for Fragile Families (PFF) initiative. PFF programs provide services to young, unmarried fathers to help them improve their parenting skills, increase their child support, and improve their employment situation. The project included both a process and impact evaluation.

- Researcher on project for the Administration on Children and Families, U.S. Department of Health and Human Services to compare the use of administrative and judicial processes for setting child support orders.

- Director of project for the Human Resources Administration of New York City to analyze the effects of performance-based contracting for welfare contractors. The project involved a literature review and interviews with contractors, subcontractors, and government officials on the effects of New York City's use of performance-based contracting for employment services for welfare recipients.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Researcher on a project for the Office of Child Support Enforcement, U.S. Department of Health and Human Services to develop and analyze adjustment procedures for child support enforcement performance outcome measures to take account of interstate differences in economic and demographic factors.

- Director of a project for the Hewlett Foundation to conduct a needs assessment and to develop implement management information systems for responsible fatherhood and male involvement programs in the San Francisco area. Six customized systems were developed, and technical assistance was provided to the sites for three additional years.

- Director of a project for the U.S. Department of Labor to consider welfare and employment and training policy adjustments likely to be needed in case of a recession. The project involves identifying how caseloads vary over the business cycle and how the activities and services needed are likely to vary over the cycle.

- Director of a project for the state of New Hampshire to evaluate the impact of welfare reform in New Hampshire on the welfare caseload in the state. The evaluation was conducted through development of statistical models of the caseload in New Hampshire to predict how large the caseload would have been in the absence of welfare reform.

- Co-Director of process evaluation of four economic development projects conducted by the University of Maryland Urban Studies Program in Baltimore and suburban Washington. The study involves interviews with faculty and students involved in the project as well as community activists in areas affected by the projects.

- Field researcher on project for the Rockefeller Institute of Government to analyze how the Medicaid program is implemented in Baltimore and the State of Maryland.

- Field researcher on project for the Rockefeller Institute of Government to analyze how the Temporary Assistance for Needy Families (TANF) program is implemented in Baltimore and the State of Maryland.

- Co-Director of Evaluation of an arts stabilization program in Baltimore. This project was conducted for National Arts Stabilization the purpose was to determine how effective an effort in Baltimore was in improving the financial status of four mid-sized arts organizations.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Director of a project for the U.S. Department of Health and Human Services to determine the extent to which child support enforcement programs reduce costs of other federal transfer programs. The project included a synthesis of the literature and an annotated bibliography.

- Director of a project for the U.S. Department of Health and Human Services to develop a management information system for responsible fatherhood programs, install the program at eight demonstration sites, and provide technical assistance to interested parties.

- Co-Director of project for the U.S. Department of Health and Human Services to assist states in developing programs and experimental designs to test job retention and advancement strategies for former welfare recipients.

- Subcontract Director of a project for the Maryland Department of Human Resources to conduct a cost-benefit analysis of the state's Primary Prevention Initiative (PPI) to reduce welfare dependency among children of AFDC recipients by improving school attendance, childhood immunization, and well care. The cost-benefit analysis focused on determining the present values of the costs and benefits associated with the PPI requirements that welfare recipients maintain adequate school attendance for their children, have their children immunized at appropriate ages, and assure that annual physical examinations are given to all family members; participants who fail to meet these requirements have their welfare grants reduced until they comply.

- Director of evaluability assessment for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to document and develop an evaluation design for programs that help noncustodial fathers become more involved in their children's upbringing. The project included site visits to a highly promising program in Cleveland and four replication sites.

- Director of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to review the literature and analyze existing data on the importance of involvement of parents in raising children. The project includes a comprehensive review of the literature, development of an annotated bibliography, and analysis of the Survey of Income and Program Participation (SIPP) data base.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Principal Investigator of a process evaluation of Family Support Centers in Maryland to assess how the programs have been implemented, the clients that have been served, and to determine ways in which the programs can be improved. The study includes four rounds of site visits to four selected centers throughout the state and analysis of the management information system data for the sites.

- Principal Investigator of two projects for the New York State Department of Social Services to assess the adequacy of the New York State child support guidelines in covering the costs of raising children.

- Director of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to design the baseline survey for an experiment to provide alternative rehabilitation strategies to disabled individuals in the Supplemental Security Income program and the Social Security Disability program.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to analyze the need for paternity establishment.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to prepare a congressionally mandated report on expenditures on children and the relationship to child support guidelines.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to analyze state child support enforcement data to assess the feasibility of developing forecasting models.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to prepare a Congressionally mandated report on the feasibility of requiring periodic review and updating of all child support awards.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to review the literature and prepare an annotated bibliography on child support awards.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

RESEARCH PROJECTS (continued)

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services to develop a model for forecasting the caseload of the Aid to Families with Dependent Children (AFDC) program in New Jersey.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation of the U.S. Department of Health and Human Services to organize and conduct a conference on research on welfare dependency.

- Principal Investigator of a project for the Office of the Assistant Secretary for Planning and Evaluation in the Department of Health and Human Services to analyze participation in the Supplemental Security Income (SSI) program.

PUBLICATIONS AND PAPERS

"Conducting and Evaluating Social Experiments: Lessons from Previous Experiments" with David Greenberg. Submitted to the *Journal of Policy Analysis and Management*.

"Effective Services for Improving Education and Employment Outcomes for Children and Alumni of Foster Care Service: Correlates and Education and Employment Outcomes" with Amy Buck, Kirk O'Brien, Peter Pecora, Mei Ling Ellis, and Eric Steiner. *Child and Family Social Work*, forthcoming.

"Setting Up Social Experiments: The Good, the Bad, and the Ugly." *Journal for Labour Market Research*, 2011.

"The Role of Performance Management in Workforce Investment Programs" in *The Workforce Investment Act: Implementation Experiences and Evaluation Findings*. Douglas Besharov and Phoebe Cottingham, editors. Kalamazoo, MI: Upjohn Institute for Employment Research, 2011.

"The use of Market Mechanisms in U.S. Workforce Programs: Lessons for WIA Reauthorization and the European Social Fund" with Christopher T. King in *The Workforce Investment Act: Implementation Experiences and Evaluation Findings*. Douglas Besharov and Phoebe Cottingham, editors. Kalamazoo, MI: Upjohn Institute for Employment Research, 2011.

"Implementing Efficiency Measures for Employment and Training Programs Final Report." With John Trutko. Washington, DC: U.S. Department of Labor, Employment and Training Administration, Occasional Paper 2010-05, 2010.

"One Standard Fits All? The Pros and Cons of Performance Standard Adjustments." With Carolyn Heinrich. *Public Administration Review*, January/February 2010.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"Vouchers in U.S. Vocational Training Programs: An Overview of What We have Learned." *Journal for Labour Market Research*, March 2009.

"What We Know About the Impacts of Workforce Investment Programs" with Jeffrey Smith in *Strategies for Improving Economic Mobility of Workers*, Maude Toussaint-Comeau, editor. Kalamazoo, MI: Upjohn Institute for Employment Research, 2009.

"The Employment Rate of People with Disabilities." *Monthly Labor Review,* November 2008.

"Close to Home: A Simultaneous Equations Model of the Relationship Between Child Care Accessibility and Female Labor Force Participation" with Christopher M. Herbst. *Journal of Family and Economic Issues*, March 2008.

"Occupations and Skills in the U.S.: Projection Methods and Results" in *Systems, Institutional Frameworks, and Processes for Early Identification of Skill Needs*, Olga Strietska-Hina and Manfred Tessaring, Editors. Luxembourg: Office for Official Publications of the European Communities, 2007.

"An Overview of U.S. Workforce Development Policy in 2005" with Demetra Smith Nightingale in *Reshaping the American Workforce in a Changing Economy*. Harry J. Holzer and Demetra Smith Nightingale, Editors. Washington, DC: The Urban Institute Press, 2007.

"Placing Welfare Applicants and Recipients in Jobs through Performance-Based Contracting" with John Trutko in *Managing Welfare Reform n New York City*, E. S. Savas, Editor. New York, New York: Rowman & Littlefield, 2005.

The Workforce Investment Act in Eight States with Christopher T. King. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2005. Occasional Paper Series 2005-001.

"Performance Management of U.S. Job Training Programs: Lessons from the Job Training Partnership Act." With Jeffrey Smith. *Public Finance and Management*, Vol. 4, No.3, 2004.

"Performance Management of U.S. Job Training Programs" with Jeffrey A. Smith in *Job Training Policy in the United States*, Christopher J. O'Leary, Robert A. Straits, and Stephen A. Wandner, Editors. Kalamazoo, Michigan: Upjohn Institute for Employment Research, 2004.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"Workforce Development in the United States: Key Legislative Initiatives and the Roles of the Private and Nonprofit Sectors" with Stefan Toepler in *Strategy Mix for Nonprofit Organisations*, Annette Zimer and Christina Steckler Editors. New York City, NY: Kluwer Academic/Plenum Publishers, 161-180, 2004.

"Florida Case Study" with Amy McDonald Buck in *The Workforce Investment Act in Eight States: State Case Studies from a Field Network Evaluation*, Volume Two. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2004. Occasional Paper Series 2004-003..

"Maryland Case Study" with Amy McDonald Buck in *The Workforce Investment Act in Eight States: State Case Studies from a Field Network Evaluation*, Volume One. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2004. Occasional Paper Series 2004-002.

"An Overview of United States Employment and Training Programs and Their Effectiveness." In U.S. Department of Labor Bureau of International Affairs. *Meeting the Needs of Business and Workers in the 21st Century: Proceedings of a Joint United States and European Union Seminar*. Washington, DC: U.S. Department of Labor, Bureau of International Affairs, February 2004, pp. 1-49.

Exemplary Practices in High-Skill-U.S. Department of Labor H-1B Training Programs with Joyce Kaiser and John Trutko. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2003. Occasional Paper Series 2003-007. .

"What Does the Evidence from Employment and Training Programs Reveal about the Likely Effects of Ticket to Work on Service Provider Behavior?" with Jeffrey Smith in Kalman Rupp and Stephen Bell editors. *Paying for Results in Vocational Rehabilitation*, Washington, DC: Urban Institute Press, 177-208, 2003.

"Employment and Training Services Provided by Faith-Based Organizations: An Exploratory Study and Issues for Consideration in the Use of Public Funds" with Fredrica D. Kramer, Demetra Smith Nightingale, John Trutko, and Shayne Spaulding in *A Compilation of Selected Papers from the Employment and Training Administration's 2003 Biennial National Research Conference*, Joshua Riley, Aquila Branch, Stephen Wandner, and Wayne Gordon editors. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2003, pp. 208-243. Occasional Paper Series 2003-006.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"The Role of One-Stop Career Centers in Serving Welfare Recipients in 2002" with Demetra Smith Nightingale, Fredrica D. Kramer, and Michael Egner in *A Compilation of Selected Papers from the Employment and Training Administration's 2003 Biennial National Research Conference,* Joshua Riley, Aquila Branch, Stephen Wandner, and Wayne Gordon editors. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2003, pp. 330-418. Occasional Paper Series 2003-006.

The Workforce Investment Act in Eight States: Overview of Findings from a Field Network Study with Christopher T. King. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2003. Occasional Paper Series 2003-003.

Unemployment Insurance Non-Monetary policies and Practices: How Do They Affect Program Participation? A Study of 8 States with Michael E. Fishman, Mary Farrell, Karen N. Gardiner, and John Trutko. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2003. Occasional Paper Series 2003-001.

"Occupations and Skills in the United States: Projection Methods and Results through 2008." In Michael Neugart and Klaus Schomann editors. *Forecasting Labour Markets in OECD Countries: Measuring and Tracking Mismatches*. Edward Elgar Publishing: Chelenham, United Kingdom, 2002.

"Review of Recent Pilot, Demonstration, Research, and Evaluation Initiatives to Assist in the Implementation of Programs under the Workforce Investment Act" with Daniel B. Gubits. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2002. Occasional Paper Series 2003-10.

"Is the New Obsession with 'Performance Management' Masking the Truth About Social Programs?" with Ann B. Blalock in *Quicker, Better Cheaper? Managing Performance in American Government*, Dall Forsythe Editor. Albany, NY: Rockefeller Institute Press, 2001.

Workforce Development in Baltimore: Catalogue of Funding Stream Programs. Baltimore, with Michael Bell, Shayne Spaulding, and Jason Shultz. Baltimore, MD: Johns Hopkins Institute for Policy Studies 2001.

"The Role of One-Stop Career Centers in Serving Welfare Recipients in 2002" with Demetra Smith Nightingale, Fredrica D. Kramer, and Michael Egner in *A Compilation of Selected Papers from the Employment and Training Administration's 2003 Biennial National Research Conference*, Joshua Riley, Aquila Branch, Stephen Wandner, and Wayne Gordon editors. Washington, DC: U.S. Department of Labor, Employment and Training Administration, 2003, pp. 330-418. Occasional Paper Series 2003-006.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"Evaluation–A Management Tool for Enhancing Performance of Arts Organizations and Arts Stabilization/Capacity Building Programs" with Marta Elisa Moret and John W. Trutko. *National Arts Stabilization Journal*, Fall 2000.

"Exploring the Relationship Between Performance Management and Program Impact: A Case Study of the Job Training Partnership Act." *Journal of Policy Analysis and Management*, Winter 2000.

"Vouchers for Federal Targeted Training Program" in Eugene Steurele, Van Doorn Ooms, George Peterson, and Robert Reischauer Editors. *Vouchers and Related Delivery Mechanisms: Consumer Choice in the Provision of Public Services*. Washington, DC: Brookings Institution Press, 2000.

"Job Creation for Low-Wage Workers: An Assessment of Public Service Jobs, Tax Credits, and Empowerment Zones" in *The Low-Wage Labor Market: Challenges and Opportunities for Self-Sufficiency*. Kelleen Kaye and Demetra Nightingale, Editors. Washington, DC: Urban Institute Press, 2000.

"Introduction" with Thomas Kaplan and Robert Moffitt in Burt S. Barnow, Thomas Kaplan, and Robert Moffitt, editors *Evaluating Comprehensive State Welfare Reform: The Wisconsin Works Program*, Albany, NY: Rockefeller Institute Press, 2000.

"Publicly Funded Training in a Changing Labor Market" with Christopher T. King, in *Improving the Odds: Publicly Funded Training in a Changing Labor Market*, Burt S. Barnow and Christopher T. King, editors. Washington, DC: Urban Institute Press, 2000.

"Customized Training for Employers: Training People for Jobs That Exist and Employers Who Want to Hire Them" with Kellie Isbell and John Trutko, in *Improving the Odds: Publicly Funded Training in a Changing Labor Market*, Burt S. Barnow and Christopher T. King, editors. Washington, DC: Urban Institute Press, 2000.

"Strategies for Improving the Odds" with Christopher T. King, in *Improving the Odds: Publicly Funded Training in a Changing Labor Market*, Burt S. Barnow and Christopher T. King, editors. Washington, DC: Urban Institute Press, 2000.

Baltimore Area Jobs and Low-Skill Job Seekers: Assessing the Gaps." With Michael Bell, David Stevens, and Richard Clinch. Baltimore, MD: Job Opportunities Task Force, March 2000.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"The Baby and the Bath Water: Lessons for the Next Employment and Training Program" with Christopher T. King, in *Of Heart and Mind: Social Essays in Honor of Sar Levitan*, Garth Mangum and Stephen Mangum Editors. Kalamazoo, Michigan: Upjohn Institute for Employment Research, 1997.

"Designs for evaluating Devolution" with Robert Moffitt. *Focus*, Spring 1997.

"The Economics of Occupational Labor Shortages." William Crown editor. *Handbook on Employment and the Elderly*. Westport, Connecticut: Greenwood Publishing Group, 1996.

"Policies for People with Disabilities in U.S. Employment and Training Programs," in *Disabilities, Cash Benefits, and Work*, Jerry L. Mashaw, Virginia Reno, Richard Burkhauser, and Monroe Berkowitz Editors. Kalamazoo, Michigan: Upjohn Institute for Employment Research, 1996.

Employment and Training for America's Homeless: Report on the Job Training for the Homeless Demonstration Program Report to Congress, with John W. Trutko, Susan Kessler Beck, and Frances R. Rothstein. Washington, D.C.: U.S. Department of Labor, Employment and Training Administration, 1994.

"Economic Studies of Expenditures on Children and Their Relationship to Child Support Guidelines." In *Child Support Guidelines: the Next Generation*, Margaret Campbell Haynes editor. Washington, D.C.: Office of Child Support Enforcement, U.S. Department of Health and Human Services, 1994.

"The Adequacy of Child Support Guidelines." Marilyn L. Ray, Chris Nemeth, Joyce Robinson, and Susan Vroman authors of other chapters. *The New York State Child Support Standards Act Evaluation Project Report 1993*. Albany, New York: University at Albany, State University of New York, 1994.

"Thirty Years of Changing Federal, State, and Local Relationships in Employment and Training Programs." *Publius: The Journal of Federalism*, Summer 1993.

"Expenditures on Children and Child Support Guidelines" with Laurie J. Bassi. *Journal of Policy Analysis and Management*, Summer 1993.

Labor Shortage Case Studies, with John Trutko, Amy B. Chasanov, and Abhay Pande. Washington, D.C.: U.S. Department of Labor, Employment and Training Administration Research and Evaluation Report Series 93-E, 1993.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"Firm-Based Education and Training of Workers: A Case Study of the Xerox Corporation" with Amy Chasanov. In *Military Cutbacks and the Expanding Role of Education*, Nevzer Stacey editor. Washington, D.C.: U.S. Department of Education, 1992.

"Demonstration Evaluations and Cost Neutrality: Using Caseload Models to Determine the Federal Cost Neutrality of New Jersey's REACH Demonstration" with Steven Garasky. *Journal of Policy Analysis and Management*, Fall 1992.

"The Effects of Performance Standards on State and Local Programs: Lessons for the Job Opportunities and Basic Skills Program." Charles Manski and Irwin Garfinkel editors. *Evaluating Welfare and Training Programs*. Cambridge, Massachusetts: Harvard University Press, 1992.

"A Changing Nation--Its Changing Labor Force" with Everett Crawford and Carol J.Romero. National Commission for Employment Policy Research Report No. 91-04, November 1991.

"Government Training as a Means of Reducing Unemployment." D. Lee Bawden and Felicity Skidmore editors. *Rethinking Employment Policy*. Washington, D.C.: The Urban Institute Press, 1989.

"Survey of Government-Provided Training Programs" with Laudan Y. Aron. in Commission on Workforce Quality and Labor Market Efficiency. *Investing in People: A Strategy to Address America's Workforce Crisis* Background Papers, Vol. I. Washington, D.C.: U.S. Department of Labor, 1989.

"Performance Management and Services to Hard-to-Serve Individuals in JTPA: The Issues Involved and Some Suggested Approaches." With Jill Constantine. National Commission for Employment Policy Research Report, 1989.

"Developing Models to Predict State AFDC Caseloads: A Guide for States." Report prepared for the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. March 1988.

"The Uses and Limits of Social Experiments." *The Proceedings of the Industrial Relations Research Association.* 1987.

"The Impact of CETA Programs on Earnings: A Review of the Literature." *The Journal of Human Resources*. Spring 1987.

"Evaluating Employment and Training Programs." *Evaluation and Program Planning*. Spring 1985.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

"The Education, Training, and Work Experience of the Adult Labor Force from 1984 to 1995." National Commission for Employment Policy Research Report Series. April 1985.

"Five Guidelines for Evaluation." In *The Dislocated Worker*, William H. Kolberg, Editor. Cabin John, Md.: Seven Locks Press, l983.

"Issues in the Analysis of Selection Bias," with Glen G. Cain and Arthur S. Goldberger. In *Evaluation Studies Review Annual*, Vol. 5, Ernst W. Stromsdorfer and George Farkas, Editors. Beverly Hills: Sage Publications, l980.

"The Costs of Defined Benefit Pension Plans and Firm Adjustments," with Ronald G. Ehrenberg. *Quarterly Journal of Economics*, November l979.

"Concepts and Measures of Structural Unemployment," with Robert Lerman and Philip Moss. Chapter 2 in *Increasing Job Opportunities in the Private Sector*. National Commission for Manpower Policy Special Report No. 29, l979.

"Evaluating Funding Formulas," with Robert Coltrane and Christopher King. Chapter 5 in *CETA: An Analysis of the Issues*. National Commission for Manpower Policy Special Report No. 23, l978.

Theoretical Issues in the Estimation of Production Functions in Manpower Programs." *Research in Labor Economics* Supplement l, l979. Farrell Bloch, Ed.

"Measuring Costs of Manpower Training Programs," In *Perspectives on the Costs and Benefits of Applied Social Research*, Clark Abt, editor. Cambridge, Massachusetts: The Council for Applied Social Research, l979.

"A Reanalysis of the Effect of Head Start on Cognitive Development: Methodology and Empirical Findings," with Glen G. Cain. *The Journal of Human Resources*, Spring l977. Reprinted in Howard E. Freeman ed. *Policy Studies Review Annual*, Vol. 2. Beverly Hills: Sage Publications, l978.

"The Use of Proxy Variables When One or Two Independent Variables Are Measured with Error." *American Statistician*, August l976.

Book Reviews and Comments

"The Ethics of Federal Social Program Evaluation: A Response to Jan Blustein." *Journal of Policy Analysis and Management*. , 2004, Vol. 25, No. 4, pp. 846-847.

Exhibit IV: Qualification of Subject Matter Experts: Dr. Burt S. Barnow

PUBLICATIONS AND PAPERS (continued)

B.M. Deakin. *The Youth Labour Market in Britain: The Role of Intervention*. Cambridge, England: Cambridge University Press. Review appears *Industrial and Labor Relations Review*. 1997.

Sar A. Levitan and Frank Gallo. *A Second Chance: Training for Jobs*. Kalamazoo, Michigan: The Upjohn Institute for Employment Research, 1988. Review appears in *Industrial and Labor Relations Review*, October 1989.

Comment on "The Economic Impact of the Downriver Community Conference Economic Readjustment Activity Program: Choosing Between Retraining and Job Search Placement Strategies," by D. Alton Smith, Jane Kulik, and Ernst W. Stromsdorfer. in Kevin Hollenbeck, Frank C. Pratzner, and Howard Rosen editors. *Displaced Workers: Implications for Educational and Training Institutions*. Columbus, Ohio: The National Center for Research in Vocational Education, 1984.

Andrew McIntosh, ed. *Employment Policy in the United Kingdom and the United States: A Comparison of Efficiency and Equity*. Cambridge, Mass.: Abt Books, 1980. Review appears in *Industrial and Labor Relations Review*, July 1983.

Comment on "Occupational and Educational Expectations and Realizations of Young Men," by Zvi Griliches. *Research in Labor Economics*, 1982.

Comment on "Teenage Unemployment: Permanent Scar or Temporary Blemish," by David Ellwood. *National Bureau of Economic Research Conference on Youth Unemployment*, Richard B. Freeman and David Wise editors. Chicago: University of Chicago Press, 1982.

Alice M. Rivlin and P. Michael Timpane, eds. *Planned Variation in Education: Should We Give Up or Try Harder?* Washington, D.C.: The Brookings Institution, 1975. Review appears in *The Journal of Human Resources*, Summer 1976.

Julian C. Stanley, ed. *Preschool Programs for the Disadvantaged*. Baltimore: The Johns Hopkins Institution, 1975. Review appears in *The Journal of Human Resources*, Fall 1973.

MARGARET CAMPBELL HAYNES, J.D.

Ms. Haynes has 30 years of experience with legal issues related to child support. Her focus is on the review, analysis, and development of policy and procedures; legal writing; and training on issues such as the Uniform Interstate Family Support Act, courts and child support, international child support, working with military families on child support issues, tribal and state court jurisdiction in child support cases, and child support guidelines.

Prior to joining CSF, Ms. Haynes served as Director of State and Local Government for Tier Technologies. From 1996 to 1999, Ms. Haynes was an owner of the consulting firm Service Design Associates. She is the former Director of the American Bar Association Child Support Project. From 1990 to 1992, she served as Chair of the U.S. Commission on Interstate Child Support, whose report to Congress was the basis for the child support title of welfare reform legislation enacted in 1996.

From 2004 to 2007, Ms. Haynes served as a member of the United States delegation to the Hague Convention on International Recovery of Child Support and Other Forms of Family Maintenance. She served as co-chair of the Hague Forms Working Group, as a member of the Country Profile subcommittee, and as a member of the Administrative Cooperation Workgroup for the Hague Convention. She served as an official observer to the UIFSA Drafting Committee of the National Conference of Commissioners on Uniform State Laws from 1990 to 2008. She has developed judicial, attorney, and caseworker curriculum on UIFSA, including a computer-based training, and has conducted UIFSA training in more than 35 states. She is the author of numerous publications on child support.

In 1999 Ms. Haynes received the Commissioner's Distinguished Service Award from the Federal Office of Child Support Enforcement for her work on behalf of children. In 2000 ERICSA presented her with its Felix Infausto Award for outstanding contributions in the area of interstate child support. She is a Past President and honorary lifetime member of ERICSA. In 2001 NCSEA made Ms. Haynes an honorary lifetime member, and in 2005 presented her with its Child Support Community Service Award.

CSF WORK EXPERIENCE

Ms. Haynes joined the Center for the Support of Families in April 2008. She has worked on the following projects:

OCSE Expanded Federal Parent Locator Service

March 2011 to Present

On this multiple-year continuing project, CSF manages a number of outreach activities for the Federal Parent Locator Service (FPLS) of the federal Office of Child Support Enforcement. In conjunction with this contract, Ms. Haynes provides support to OCSE on its initiatives to support military families and veterans. She helps prepare publications and training material regarding child

support issues facing military families and veterans. She also assists OCSE with policy analysis, outreach, and technical assistance regarding child support issues and the military.

Indiana Policy and Procedure Gap Analysis

2012 - 2013

Ms. Haynes managed a CSF team that revised Indiana's child support policy and procedure manual and identified areas where there was outdated policy or policy that needed to be amended to comply with federal requirements; the manual was last updated in 2002.

Indiana Administrative Code Analysis

2012 - 2013

Ms. Haynes is reviewing Indiana's administrative code to determine (1) whether provisions effectively meet Indiana child support statutes requiring administrative rulemaking; (2) whether there are current provisions that are outdated, no longer compliant with law, or no longer needed; and (3) whether there are state or federal child support requirements that could be implemented more effectively through amendments to current administrative code provisions or development of new rules, especially where statues provide for administrative authority to take certain action.

Indiana Statutory Gap Analysis

2009 - 2010

Ms. Haynes reviewed Indiana child support laws to determine whether amendments or new legislation would better address federal requirements or improve the processing of child support cases. Based upon prioritization of the Indiana Child Support Bureau, Ms. Haynes then assisted with the drafting of legislation.

New Jersey Guidelines Review

Subject Matter Expert, September 2010 to Present

CSF is a subcontractor to the New Jersey Child Support Institute at Rutgers University, charged with helping to prepare the New Jersey quadrennial guideline review report, and providing subject matter expertise in the review of research and analysis prepared by experts on nine quadrennial review topics that the NJ Family Practice Committee identified. She also analyzed New Jersey's and other states' guidelines treatment of Social Security derivative disability payments in order to make recommendations to the NJ Family Practice Committee.

Tennessee Statutory Gap Analysis

2012 - 2013

Ms. Haynes managed the CSF team that reviewed Tennessee's child support laws to determine compliance with federal requirements for the Title IV-D program. Where appropriate, CSF recommended statutory amendments or additional state study to more clearly address federal requirements or improve the processing of child support cases.

Maryland Erasing Borders

May 2008 to August 2012

Ms. Haynes was the project manager for the evaluation of Maryland's federal demonstration project to improve interjurisdictional processing of child support cases.

Implementation of the Hague Convention on International Recovery of Child Support

November 2008 to November 2009, June 2010 to 2011

Ms. Haynes provided subject matter expertise to the Federal Office of Child Support Enforcement regarding implementation within the United States of the Hague Convention. She also assisted with revisions to the Caseworker's Guide to Processing Child Support Cases with Canada.

New Jersey Guidelines Forum

Subject Matter Expert, May to July 2009

CSF was a subcontractor to the New Jersey Child Support Institute at Rutgers University, charged with developing a 2-day forum on child support guidelines issues. This forum was be held on July 8-9, 2009, and brought together stakeholders (administrators, public and private lawyers, judges, and advocates) as preparation for New Jersey's quadrennial guidelines review in 2010. Ms. Haynes assisted in the development of substantive material on a range of guideline policy issues, which provided the context for forum discussions.

PREVIOUS WORK EXPERIENCE

Tier Technologies, Inc., Washington, DC

Director, State and Local Government, March 1999 to March 2008

Ms. Haynes directed projects and provided consultation to human service agencies. She was responsible for project planning and contract negotiation. She directed legal training, legislative analysis, research, and policy development on issues related to child support, domestic violence, and welfare reform. She served as client executive on selected projects.

Service Design Associates, Inc., Washington, DC

Managing Partner, 1996 to February 1999

Ms. Haynes directed projects and provided consultation to human service agencies. Responsibilities included serving as director of legal training, legislative analysis, research, and policy development.

American Bar Association, Center on Children and the Law, Washington, DC

Director, Child Support Project, 1987 to 1996; Assistant Director, 1985 to 1987

Ms. Haynes developed a monograph series on child support legal issues and delivered child support presentations at conferences. She coordinated national conferences on child support and welfare reform issues. She developed judicial, legal, and caseworker curricula on the Uniform Interstate Family Support Act (UIFSA). She provided technical assistance on child support issues, including child support guidelines. Ms. Haynes was responsible for project planning and contract negotiation, and she supervised professional and support staff.

U.S. Commission on Interstate Child Support, Washington, DC

Chair, 1990 to 1992

Ms. Haynes led the Commission in its development of recommendations for comprehensive reform of the child support system. The Commission's report to Congress provided the basis for the child support provisions within the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

Office of the District Attorney, Charlotte, NC

Assistant District Attorney, 1983 to 1984

Ms. Haynes directed administration and prosecution of cases under the Uniform Reciprocal Enforcement of Support Act (URESA). She coordinated interagency policy regarding criminal nonsupport.

Office of the District Attorney, Cambridge, MA

Assistant District Attorney, 1982 to 1983

Ms. Haynes prosecuted felony and misdemeanor complaints, including criminal nonsupport and paternity actions. She was responsible for prosecutions and negotiations in juvenile court.

North Carolina Court of Appeals, The Honorable Earl W. Vaughn, Raleigh, NC

Law Clerk, 1981 to 1982

Ms. Haynes served as the law clerk for Judge Vaughn.

PROJECT HIGHLIGHTS

Policy and Procedure Review, Analysis, and Formation

For Center for the Support of Families, Inc. (CSF)

(2008 to present)

Indiana Policy and Procedure Gap Analysis

2012 - 2013

Ms. Haynes managed a CSF team that revised Indiana's child support policy and procedure manual and identified areas where there was outdated policy or policy that needed to be amended to comply with federal requirements; the manual was last updated in 2002.

For Tier Technologies, Inc.

(1999 to 2008)

Massachusetts Department of Revenue, Division of Child Support

2000 to 2002

Ms. Haynes served as Project Manager responsible for an analysis of DOR's interstate case processing, identification of needed improvements, development of caseworker and legal UIFSA training, and presentation of training throughout the state.

Delaware Policy and Procedures Manual

1999 to 2000

Ms. Haynes served as Project Executive for this project with the Delaware Division of Child Support Enforcement (DCSE). She was responsible for documentation of current procedures, identification of gaps or inconsistencies in current policies and procedures, and development of an updated Policy and Procedures Manual, on-line manual, Quick Reference Guide, and FAQ Tool for DCSE.

Iowa UIFSA Policy Development, Quality Assurances, and Coordination of System Enhancements

1999 to 2000

Ms. Haynes served as Project Manager for the Iowa Bureau of Collections Project that included the development of system enhancements to meet UIFSA's requirements, including development of the General Design, Detailed Design, testing, and system training; the development of policy, procedures, and forms to implement UIFSA; legislative drafting; and the development of a UIFSA brochure for customers. This was the follow-up to an earlier contract with the Bureau of Collections to provide consulting services related to UIFSA policy development.

Legal Analysis and Policy Development

For Center for the Support of Families, Inc. (CSF)

(2008 to Present)

OCSE Expanded Federal Parent Locator Service

March 2011 to Present

On this multiple-year continuing project, CSF manages a number of outreach activities for the Federal Parent Locator Service (FPLS) of the federal Office of Child Support Enforcement. In conjunction with this contract, Ms. Haynes provides support to OCSE on its initiatives to support military families and veterans. She helps prepare publications and training material regarding child support issues facing military families and veterans. She also assists OCSE with policy analysis, outreach, and technical assistance regarding child support issues and the military.

Indiana Administrative Code Analysis

2012 - 2013

Ms. Haynes is reviewing Indiana's administrative code to determine (1) whether provisions effectively meet Indiana child support statutes requiring administrative rulemaking; (2) whether there are current provisions that are outdated, no longer compliant with law, or no longer needed; and (3) whether there are state or federal child support requirements that could be implemented more effectively through amendments to current administrative code provisions or development of new rules, especially where statues provide for administrative authority to take certain action.

Indiana Statutory Gap Analysis

2009 - 2010

Ms. Haynes reviewed Indiana child support laws to determine whether amendments or new legislation would better address federal requirements or improve the processing of child support cases. Based upon prioritization of the Indiana Child Support Bureau, Ms. Haynes then assisted with the drafting of legislation.

New Jersey Guidelines Review

Subject Matter Expert, September 2010 to Present

CSF is a subcontractor to the New Jersey Child Support Institute at Rutgers University, charged with helping to prepare the New Jersey quadrennial guideline review report, and providing subject matter expertise in the review of research and analysis prepared by experts on nine quadrennial review topics that the NJ Family Practice Committee identified. She also analyzed New Jersey's and other states' guidelines treatment of Social Security derivative disability payments in order to make recommendations to the NJ Family Practice Committee.

Tennessee Statutory Gap Analysis

2012 - 2013

Ms. Haynes managed the CSF team that reviewed Tennessee's child support laws to determine compliance with federal requirements for the Title IV-D program. Where appropriate, CSF recommended statutory amendments or additional state study to more clearly address federal requirements or improve the processing of child support cases.

UIFSA 2008

2008 to Present

Ms. Haynes participated as an Official Observer in the drafting of UIFSA 2008. She has presented on UIFSA 2008, as well as UIFSA 2001, at numerous national and state child support conferences.

Implementation of the Hague Convention on International Recovery of Child Support

November 2008 to November 2009, June 2010 to 2011

Ms. Haynes provided subject matter expertise to the Federal Office of Child Support Enforcement regarding implementation within the United States of the Hague Convention. Her work included serving as co-chair of the Forms Working Group of the Hague, developing legal forms for use in Hague cases; participation in the Country Profile subcommittee, developing a template for countries to use in summarizing their child support laws; and assistance with development of training materials related to the Hague Convention and UIFSA 2008. She also assisted with revisions to the Caseworker's Guide to Processing Child Support Cases with Canada.

New Jersey Guidelines Forum

Subject Matter Expert, May to July 2009

CSF was a subcontractor to the New Jersey Child Support Institute at Rutgers University, charged with developing a 2-day forum on child support guidelines issues. This forum was be held on July 8-9, 2009, and brought together stakeholders (administrators, public and private lawyers, judges, and advocates) as preparation for New Jersey's quadrennial guidelines review in 2010. Ms. Haynes assisted in the development of substantive material on a range of guideline policy issues, which provided the context for forum discussions.

For Tier Technologies, Inc.

(1999 to 2008)

Task Orders Under Federal Office of Child Support Enforcement

2000 to 2005

Ms. Haynes served as Project Manager for development of publications: TEMPOS on Determination of Controlling Order under the Uniform Interstate Family Support Act (UIFSA), Income Withholding, the 2001 changes to UIFSA, Evidentiary Issues in Interstate Child Support

Hearings, Interstate Cases that Involve Domestic Violence, and Scenario-Based Interstate Training; the Third Edition of Essentials for Attorneys; the Second Edition of Effective Use of Liens in Child Support Cases; an Instructor's Guide to Working with the Military to Collect Child Support; and a publication on tribal/state court jurisdiction issues related to child support.

She also served as Project Manager for a task order involving the facilitation of two federal workgroups.

International Child Support

2004 to 2008

Ms. Haynes was a member of the State Delegation to the Hague Convention on International Recovery of Child Support and Other Forms of Family Maintenance. She served as the U.S. representative on the Forms Working Group and as a member of the Administrative Cooperation Workgroup for the Hague Convention.

Maryland Child Support Worker Certification Project

2004 to 2005

Ms. Haynes was Project Executive on a contract with Baltimore County Community College to develop Instructor and Student Guides for five courses on child support: Introduction to the Child Support Enforcement Program, Intake, Establishment/Modification, Enforcement, and Interstate.

Nebraska Child Support Guidelines

2000 to 2003

Ms. Haynes served as Project Manager and Legal Analyst for contracts with the Nebraska Legislature's Child Support Commission and the Nebraska Supreme Court to review and make recommendations regarding revisions to Nebraska's child support guidelines. Review and recommendations focused on an update of the economic tables, a transition mechanism for phasing in the guideline amount at low income levels, families with more than three children, medical support, and joint and shared custody.

For Service Design Associates

(1996 to 1999)

National Conference of State Legislatures

1997 to 1998

Ms. Haynes served as Project Manager responsible for analysis of state legislation implementing the child support provisions within PRWORA.

For the U.S. Commission on Interstate Child Support

1990 to 1992

Ms. Haynes was appointed by the Secretary of the U.S. Department of Health and Human Services. She was elected Chair by fellow Commissioners. This 15-member Commission, which included Senator Bill Bradley and Congresswomen Barbara Kennelly and Marge Roukema, recommended improvements to the interstate establishment and enforcement of child support awards. They developed a blueprint for comprehensive reform of the child support system, including registries of support orders and new hire reporting. Ms. Haynes led the Commission to a 13-1 approval of major recommendations. She also chaired public hearings throughout the country.

She testified before the House Ways and Means Committee, Subcommittee on Human Resources; House Judiciary Committee, Subcommittee on Administrative Law and Governmental Relations, Subcommittee on Crime and Criminal Justice; Senate Finance Committee, Subcommittee on Social Security and Family Policy; Senate Committee on Labor and Human Resources, Subcommittee on Children, Families, Drugs, and Alcoholism.

She provided briefings to the Senate Democratic Child Support Task Force, Congressional Caucus for Women's Issues, National Governor's Association, and the American Public Welfare Association. She also appeared on principal new shows of major networks; and she participated as a member of the National Commission on Children's Implementation Group on Economic Security for Children. Based on the Commission's recommendations, Congress enacted the child support provisions within the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).

For the American Bar Association Center on Children and the Law

(1985 to 1996)

Ms. Haynes performed project planning and contract negotiations with the federal Office of Child Support Enforcement, Administration for Children and Families, U.S. Department of Health and Human Services.

Pursuant to a contract with the Massachusetts Department of Revenue, she coordinated a national conference on reengineering support enforcement. Pursuant to a contract with the U.S. Department of Health and Human Services, Office of Child Support Enforcement, she coordinated a national conference on welfare reform. Pursuant to a subcontract with CSR, Inc., under contract with the U.S. Department of Health and Human Services, Office of Child Support Enforcement, she analyzed state guideline reviews and case data on deviations from the guidelines. She supervised a telephone survey of more than 200 judges, lawyers, and parents knowledgeable about support guidelines.

Exhibit IV: Qualification of Subject Matter Experts: Margaret Campbell Haynes, J.D

For the National Conference of Commissioners on Uniform State Laws

(1990 to present)

Ms. Haynes served as official observer, assisting the Uniform Interstate Family Support Act Drafting Committee, National Conference of Commissioners on Uniform State Laws (NCCUSL). She developed consensus between NCCUSL and the U.S. Commission on Interstate Child Support. She continues to provide UIFSA training for lawyers, decision-makers, and caseworkers; and technical assistance to states considering enactment of UIFSA (2001) and (2008).

For the Office of the District Attorney, Mecklenburg County, NC

(1983 to 1984)

Ms. Haynes coordinated interagency policy regarding criminal nonsupport.

Legal, Caseworker, and Call Center Training

For the Center for the Support of Families

(2008 to Present)

Maryland Administrative Office of the Courts Conference

August to December 2010

Ms. Haynes assisted in development of the conference agenda, and presented a plenary session and a workshop on the Uniform Interstate Family Support Act (UIFSA) 2001.

For Tier Technologies, Inc. and for Service Design Associates

(1999 to 2008)

Virginia Child Support Customer Services Call Center

2006 to 2008

In addition to serving as Client Executive, Ms. Haynes assisted in training delivery to customer service representatives.

Maryland Child Support Worker Certification Project

2004 to 2005

Ms. Haynes was Project Executive on a contract with Baltimore County Community College to develop Instructor and Student Guides for five courses on child support: Introduction to the Child Support Enforcement Program, Intake, Establishment/Modification, Enforcement, and Interstate.

Massachusetts Department of Revenue, Division of Child Support

2000 to 2001

Ms. Haynes served as Project Manager responsible for analysis of DOR's interstate case processing, identification of needed improvements, development of caseworker and legal UIFSA training, and presentation of training throughout the state.

National Council of Juvenile and Family Court Judges

1999 to 2000

Ms. Haynes was under contract to provide training to judges and court personnel on UIFSA, the impact of PRWORA on the courts, and the Family Violence Indicator.

Iowa Bureau of Collections – Technical Assistance on Implementation of UIFSA

1997 to 1998

Ms. Haynes facilitated conference calls of Iowa's UIFSA Pit Crew, provided technical assistance regarding the implementation of UIFSA, assisted in the drafting of State UIFSA forms, developed training curriculum for attorneys and caseworkers, and conducted Statewide training on UIFSA.

Maryland Department of Human Resources, Child Support Enforcement Association

1997 to 1998

Ms. Haynes conducted a training needs assessment of agency workers, attorneys, judges, and other decision makers. Based on the assessment results, she developed two UIFSA curricula: one for caseworkers, and one for a legal/judicial audience. She conducted the two-day training throughout the State.

State Justice Institute

1997 to 1998

Pursuant to a grant from the State Justice Institute, with supplemental funding from the U.S. Department of Justice and the federal Office of Child Support Enforcement, Ms. Haynes developed a computer-based training for judges on the Uniform Interstate Family Support Act (UIFSA), as well as a judicial bench book on interstate support. The CD-ROM includes graphics, audio, and animation as users work through text and case scenarios. The bench book includes narrative outline, related readings, case annotations, legal forms, and flowcharts.

For the American Bar Association Center on Children and the Law

(1985 to 1996)

Ms. Haynes served as a nationally recognized expert on legal issues related to child support, including its relationship with foster care, domestic violence, and child custody.

She developed a monograph series on child support legal issues, delivered child support presentations at national and regional conferences, implemented continuing legal education programs, and supervised a training project on interstate enforcement of child support obligations.

Through training and consultation, she was directly involved with judicial, executive, and legislative branches in approximately 30 states. Training topics included child support guidelines, foster care, and child support enforcement remedies. She also coordinated eight national child support conferences, including a satellite teleconference.

Ms. Haynes developed one- and two-day curriculum on the Uniform Interstate Family Support Act for attorneys and child support agency employees. She presented, with excellent evaluations, to more than 400 individuals in Delaware, Massachusetts, New Mexico, and Virginia. Pursuant to a grant from the State Justice Institute, she also developed a one-day curriculum on UIFSA for judicial educators. She presented this course, with excellent evaluations, to judges in Arizona, Arkansas, Colorado, Delaware, Louisiana, Oklahoma, and Virginia.

EDUCATION

UNIVERSITY OF NORTH CAROLINA, SCHOOL OF LAW, CHAPEL HILL, NC

J.D., 1981

DAVIDSON COLLEGE, DAVIDSON, NC

B.A., English, *cum laude*, 1978

Bar Admissions: District of Columbia (1984), Massachusetts (1982), North Carolina (1981)

PROFESSIONAL AFFILIATIONS/AWARDS

Commissioner's Distinguished Service Award from the Federal Office of Child Support Enforcement for her work on behalf of children, 1999.

Eastern Regional Interstate Child Support Association (ERICSA): in 2000, ERICSA awarded Ms. Haynes its Felix Infausto Award for outstanding contributions in the area of interstate child support. She is a Past President and honorary lifetime member of ERICSA.

National Child Support Enforcement Association (NCSEA): In 2001, NCSEA made Ms. Haynes an honorary lifetime member, and in 2005 presented her with its Child Support Community Service Award.

Board Positions:

Board of Directors, ERICSA, 1992 to 1998

Editorial Board, Journal of the Center on Children and the Courts, 1998 to 2003

Board of Trustees, Davidson College, 1996 to 2003

Board of Directors, NCSEA, 1994 to 2001

President, ERICSA, 1996 to 1997

SELECTED PUBLICATIONS

Dobbs, M., Haynes, M., & Smith, M. (1995 and Supp.1996). Enforcing Child and Spousal Support. Clark Boardman Callaghan.

Haynes, M. and Feliceangeli, P. (2000). *Child Support in the Year 2000*, Del. L. Rev. (2000).

Haynes, M. (1998). *Child Support and the Courts*. Juvenile and Family Justice Today 10 (Summer 1998).

Haynes, M. (1997). *A Review of Child Support Guidelines: Interpretation and Application.* 31 Family Law Quarterly 133 (Spring 1997).

Haynes, M. (1996). *The Federal Full Faith and Credit for Child Support Orders Act*. Delaware Lawyer, 14(1), (Spring).

Haynes, M. (1994). *Child Support and the Courts in the Year 2000*. American Journal of Trial Advocacy 693, 17, (Spring).

Haynes, M., ed. (1994). Child Support Guidelines: The Next Generation. (U.S. Department of Health & Human Services).

Haynes, M. (1993). *Supporting Our Children: A Blueprint for Reform.* Family Law Quarterly, (Spring).

Haynes, M. & Melvin, J. (1991). Tribal and State Court Reciprocity in the Establishment and Enforcement of Child Support. (U.S. Department of Health & Human Services).

Haynes, M. (1990). *Effective Advocacy under Child Support Guidelines* in Child Support, Alimony and Counsel Fees, Matthew-Bender.

Haynes, M. & Dodson, D. (1989). Interstate Child Support Remedies (Editors) (U.S. Department of Health & Human Services).

Haynes, M. (1989). *Interstate Income Withholding,* in M. Haynes & D. Dodson (Eds.) Interstate Child Support Remedies (U.S. Department of Health & Human Services).

Haynes, M. (1989). *Locating Absent Parents and Their Assets,* in M. Haynes & D. Dodson (Eds.) Interstate Child Support Remedies (U.S. Department of Health & Human Services).

Haynes, M. (1989). *Uniform Reciprocal Enforcement of Support Act (URESA)*, in M. Haynes & D. Dodson (Eds.) Interstate Child Support Remedies (U.S. Department of Health & Human Services).

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

DAVID A. MACPHERSON

Home Address
125 Park Drive
San Antonio, TX
(210)-863-4808

Office Address
Department of Economics
78212 Trinity University
One Trinity Place
San Antonio, TX 78212
(210)-999-8112

Citizenship: U.S.
E-mail: David.Macpherson@trinity.edu;
davemacpherson1@yahoo.com
Webpage: http://www.davemacpherson.com

Ph.D., Economics, The Pennsylvania State University.
B.S., Economics, The Pennsylvania State University.

Current Positions
E.M. Stevens Professor of Economics, Trinity University, 2009-
Research Fellow, Institute for the Study of Labor (IZA), Bonn, 2004-.

Previous Positions
Rod and Hope Brim Eminent Scholar in Economics, Florida State University, 2004-2009.
Director, Pepper Institute on Aging and Public Policy, Florida State University, 2003-2009.
Abba P. Lerner Professor of Economics, Florida State University, 2000-2009.
Professor, Department of Economics, Florida State University, 1996-2009.
Director of Research, Pepper Institute on Aging and Public Policy, FSU, 1995-2000.
Associate Professor, Department of Economics, Florida State University, 1993-1996.
Research Associate, Pepper Institute on Aging and Public Policy, FSU, 1993-2001, 2003-2009.
Visiting Associate Professor, Department of Economics, Florida State University, 1992-1993.
Research Affiliate, Pepper Institute on Aging and Public Policy, FSU, 1992-1993, 2001-2003.
Associate Professor, Department of Economics, Miami University, 1991-1993.
Assistant Professor, Department of Economics, Miami University, 1987-1991.

Research Areas
Labor Economics, Labor Market Aspects of Pensions, Labor Unions, Racial and Gender Differences in the Labor Market, Minimum Wage, Deregulation.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Teaching Areas
Principles of Microeconomics and Macroeconomics, Intermediate Microeconomics, Money and Banking, Econometrics (undergraduate and graduate), Labor Economics and Labor Relations (undergraduate and graduate).

Books
Contemporary Labor Economics, 10th edition, McGraw-Hill: New York, NY, forthcoming, 2013, with Campbell McConnell and Stanley Brue. Co-author on 5th, 6 th, 7th, 8th, and 9th editions as well.

Economics: Private and Public Choice, 14th edition, Southwestern: Cincinnati, OH, 2013, with James Gwartney, Richard Stroup, and Russell Sobel. Co-author on 10th, 11th, 12th, and 13th editions as well.

Instructor's Manual for *Economics: Private and Public Choice*, 14th edition, Southwestern: Cincinnati, OH, 2013. Author for instructor's manual for 10th, 11th, 12th, and 13th editions as well.

Union Membership and Earnings Data Book: Compilations from the Current Population Survey (2012 Edition), Bureau of National Affairs, Washington, D.C., with Barry Hirsch.

Previous Editions: *Union Membership and Earnings Data Book: Compilations from the Current Population Survey* (Washington: Bureau of National Affairs, 1994-2011).

Tables derived from the *Data Book* are included in U.S. Department of Commerce, *Statistical Abstract of the United States 2012,* 131th Edition (Washington: GPO, 2011), Tables 664, 666; *Statistical Abstract of the United States 2011,* 130th Edition (Washington: GPO, 2011), Tables 663, 665; *Statistical Abstract of the United States 2010,* 129th Edition (Washington: GPO, 2010), Tables 648, 650; *Statistical Abstract of the United States 2009,* 128th Edition (Washington: GPO, 2009), Tables 642, 644; *Statistical Abstract of the United States 2008,* 127th Edition (Washington: GPO, 2008), Tables 642, 644; *Statistical Abstract of the United States 2007*, 126th Edition (Washington: GPO, 2006), Tables 645, 647; *Statistical Abstract of the United States 2006*, 125th Edition (Washington: GPO, 2005), Tables 647, 649; *Statistical Abstract 2004-2005*, Tables 638, 640; *Statistical Abstract 2003*, Tables 656, 658; *Statistical Abstract 2002*, Tables 628, 630; *Statistical Abstract 2001*, Tables 637, 639; *Statistical Abstract 2000*, Tables 712, 714; *Statistical Abstract 1999*, Tables 718, 720; *Statistical Abstract 1998*, Tables 712, 714; *Statistical Abstract 1997*, Tables 688, 690; *Statistical Abstract 1996*, Tables 681, 683; *Statistical Abstract 1995*, Tables 695, 697; and in U.S. Department of Commerce, *State and Metropolitan Area Data Book, 1997-98*, 5th Edition (Washington: GPO, 1998), Table A-22.

Pensions and Productivity, W.E. Upjohn Institute for Employment Research: Kalamazoo, MI, 1998, with Christopher Cornwell and Stuart Dorsey.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Journal Publications (Economics)

"Computing Lost Profits in Business Interruption Litigation: A General Model," *Journal of Business Valuation and Economic Loss Analysis*, May 2012, with Stanley Stephenson and Gauri Prakash-Canjels.

"Is Bigger Still Better?: The Decline of the Wage Premium at Large Firms," *Southern Economic Journal*, April 2012, pp. 1181-1201, with William Even.

"Growth of Participant Direction in Defined Contribution Plans," April 2010, pp. 190-208, *Industrial Relations*, with William Even.

"Managing Risk Caused by Pension Investments in Company Stock," *National Tax Journal*, September 2009, pp. 439-453, with William Even.

"Pension Investments in Employer Stock," *Journal of Pension Economics and Finance*, March 2008, pp. 67-93, with William Even.

"Defined Contribution Plans and the Distribution of Pension Wealth," *Industrial Relations*, July 2007, pp. 551-581, with William Even.

"Lost Profits Damages to New Businesses: Adjusting for Survival," *Journal of Business Valuation and Economic Loss Analysis*, October 2006, pp. 1-12, with Stanley Stephenson.
"Determinants and Effects of Employer Matching Contributions in 401(k) Plans," *Industrial Relations*, July 2005, pp. 525-549, with William Even.

"When Will the Gender Gap in Retirement Income Narrow?" *Southern Economic Journal*, July 2004, pp. 182-200, with William Even.

"Company Stock in Pension Funds," *National Tax Journal*, June 2004, pp. 299-313, with William Even.

"Wages, Sorting on Skill, and the Racial Composition of Jobs," *Journal of Labor Economics*, January 2004, pp.189-210, with Barry Hirsch.

"Racial and Ethnic Differences in Pension Wealth," *Research in Labor Economics*, 2003, pp. 203-226, with William Even.

"Do Terminated Employees Catch Up? Evidence From the Displaced Worker Survey," *Journal of Forensic Economics*, Spring/Summer 2003, pp. 185-199, with Michael Piette.

"Union Membership and Coverage Database from the Current Population Survey: Note," *Industrial and Labor Relations Review*, January 2003, pp. 349-354, with Barry Hirsch

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

"The Wage and Employment Dynamics of Minimum Wage Workers," *Southern Economic Journal,* January 2003, pp. 676-690, with William Even.

"State-Level Estimates of Union Density, 1964 to Present," *Monthly Labor Review*, July 2001, pp. 51-55, with Barry Hirsch and Wayne Vroman (accompanying data online).

"The Changing Distribution of Pension Coverage," *Industrial Relations*, April 2000, pp. 199-227, with William Even.

"Occupational Age Structure and Access for Older Workers," *Industrial and Labor Relations Review*, April 2000, pp. 401-418, with Barry Hirsch and Melissa Hardy.

"Earnings, Rents, and Competition in the Airline Labor Market," *Journal of Labor Economics*, January 2000, pp. 125-155, with Barry Hirsch.

"Estimating Wage Differentials: When Does Cost-of-Living Matter?" *Economic Inquiry*, October 1999, pp. 577-598, with Mike DuMond and Barry Hirsch.

"Worker's Compensation Recipency in Union and Nonunion Workplaces," *Industrial and Labor Relations Review*, January 1997, pp. 213-236, with Barry Hirsch and Michael DuMond.

"Pensions and Training," *Industrial Relations*, January 1997, pp. 81-96, with Stuart Dorsey.
"The Consequences of Indexing Minimum Wages," *Contemporary Economic Policy,* October 1996, pp. 67-77, with William Even.

"Employer Size and Labor Turnover: The Role of Pensions," *Industrial and Labor Relations Review*, July 1996, pp. 707-728, with William Even.

"The Consequences of Non-FICA Status in State and Local Pensions," *Proceedings of National Tax Association Meetings*, 1996, with William Even.

"Wages and Gender Composition: Why Do Women's Jobs Pay Less?" *Journal of Labor Economics*, July 1995, pp. 426-471, with Barry Hirsch.

"Employer Size and Compensation: The Role of Worker Characteristics," *Applied Economics*, September 1994, pp. 897-907, with William Even.

"Gender Differences in Pensions," *Journal of Human Resources*, Spring 1994, pp. 555-587, with William Even.

"Why Did Male Pension Coverage Decline in the 1980s?", *Industrial and Labor Relations Review*, April 1994, pp. 439-453, with William Even.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

"Unionism and Gross Employment Flows," *Southern Economic Journal*, January 1994, pp. 427-438, with Timothy Dunne.

"The Decline of Private-Sector Unionism and the Gender Wage Gap," *Journal of Human Resources*, Spring 1993, pp. 279-296, with William Even.

"Union Membership and Coverage Data Available From the Current Population Surveys: Note." *Industrial and Labor Relations Review*, April 1993, pp. 574-578, with Barry Hirsch.

"Employer-Provided Retiree Health Insurance: Who is Covered?" *Economics Letters*, May 1992, pp. 95-99.

"Union Wage Differentials and the Effects of Industry and Local Union Density: Evidence from the 1980s," *Journal of Labor Research*, Fall 1991, pp. 419-427, with Michael Curme.

"The Effects of Extended Families and Marital Status on Housing Consumption by Black Female-Headed Households," *Review of Black Political Economy*, Winter/Spring 1991, pp. 65-84, with James Stewart.

"The Impact of Unionism on Fringe Benefit Coverage," *Economics Letters*, May 1991, pp. 87-91, with William Even.

"A Note on Ownership and Performance in Manufacturing Firms," *Southern Economic Journal*, April 1991, pp. 1164-1169, with Timothy Dunne.

"Union Membership and Contract Coverage in the United States, 1983-1988," *Industrial and Labor Relations Review*, October 1990, pp. 5-33, with Michael Curme and Barry Hirsch.

"The Gender Gap in Pensions and Wages," *Review of Economics and Statistics*, May 1990, pp. 259-265, with William Even.

"The Effect of International Competition on Union and Nonunion Wages," *Industrial and Labor Relations Review*, April 1990, pp. 434-446, with James Stewart.

"Plant Size and the Decline of Unionism," *Economics Letters*, April 1990, pp. 393-398, with William Even.

"Trade Unions and Labor's Share in U.S. Manufacturing Industries," *International Journal of Industrial Organization*, March 1990, pp. 143-51.

"The Labor Force Participation and Earnings Profiles of Married Female Immigrants," *Quarterly Review of Economics and Business*, Autumn 1989, pp. 57-72, with James Stewart.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

"The Labor Supply and School Attendance of Black Women in Extended and Nonextended Households," *American Economic Review Papers and Proceedings*, May 1989, pp. 71-74, with James Stewart.

"Self-Employment and Married Women," *Economics Letters*, December 1988, pp. 281-284.

"Unionism and the Dispersion of Wages Among Blue-Collar Women," *Journal of Labor Research*, Fall 1987, pp. 395-405, with James Stewart.

Journal Publications (Real Estate and Insurance)

"The Impact of No-Fault Legislation on Automobile Insurance Premiums," *North American Actuarial Journal*, Issue 3, 2012, pp. 306-322, with Cassandra Cole, Kevin Eastman, Patrick Maroney, and Kathleen McCullough.

"The Use of Post-Loss Assessments in Catastrophic Financing," *Risk Insurance and Management Review*, Fall 2011, pp. 265-298, with Patrick Maroney, Charles Nyce, Kathleen McCullough, James W. Newman Jr., and Cassandra Cole. The paper received the 2012 *Risk Insurance and Management Review* Best Perspectives Article Award from the American Risk and Insurance Association.

"A Meta Analysis of Selling Price and Time on the Market," *Journal of Housing Research,* Issue 2010, pp. 139-152, with Stacy Sirmans and Lynn MacDonald.

"A Comparison of Hurricane Loss Models," *Journal of Insurance Issues*, Spring 2010, pp. 31-53, with Kathleen McCullough and Cassandra Cole.

"A Review of the Development of Residual Market Mechanisms in Florida," *Journal of Insurance Regulation*, Summer 2009, pp. 55-80, with Patrick Maroney, Charles Nyce, Kathleen McCullough, James W. Newman Jr., and Cassandra Cole.

"The History of Property Tax Capitalization in Real Estate," *Journal of Real Estate Literature*, Issue 3 2008, pp. 327-343, with Dean Gatzlaff and Stacy Sirmans.

"Horizontal and Vertical Inequity in Real Property Taxation," *Journal of Real Estate Literature*, Issue 2 2008, pp. 167-180, with Dean Gatzlaff and Stacy Sirmans.

"The Title Insurance Industry: Examining a Decade of Growth," *Journal of Insurance Regulation*, Summer 2007, pp. 23-51, with Randy Dumm and Stacy Sirmans.

"The Value of Housing Characteristics: A Meta Analysis" *Journal of Real Estate Finance and Economics*, November 2006, pp. 215-240, with Stacy Sirmans, Lynn MacDonald, and Emily Zeitz.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

"The Composition of Hedonic Pricing Models," *Journal of Real Estate Literature*, Issue 1 2005, pp. 3-43, with Stacy Sirmans.

"The State of Affordable Housing," *Journal of Real Estate Literature*, Issue 2 2003, pp. 133-155, with Stacy Sirmans.

"Affinity Programs and Real Estate Brokerage," *Journal of Real Estate Research*, November-December 2001, pp. 337-351, with Stacy Sirmans.

"Neighborhood Diversity and House Price Appreciation," *Journal of Real Estate Finance and Economics*, January 2001, pp. 81-97, with Stacy Sirmans.

"Forecasting Seniors Housing Demand in Florida," *Journal of Real Estate Portfolio Management*, 1999, pp. 259-74, with G. Stacy Sirmans.

Publications in Books

"Improving Pension Coverage at Small Firms," with William Even, in *Overcoming Barriers to Entrepreneurship*, ed. Diana Furchtgott-Roth, Rowman & Littlefield, 2008.

"Measuring Union and Nonunion Wage Growth: Puzzles in Search of Solutions" with Barry Hirsch and Edward Schumacher, in *Changing Role of Unions: New Forms of Representation*, Phanindra Wunnava, M.E. Sharpe, 2004.

"Living Wage Laws and the Case for a Targeted Wage Subsidy," in *Living Wage Movements: Global Perspectives*, ed. Deborah M. Figart, Routledge, 2004.

"Benefits and Worker Productivity," with William Even, in *Benefits for the Workplace of Tomorrow,* eds. Olivia S. Mitchell, David S. Blitzstein, Michael S. Gordon, and Judith F. Mazo, University of Pennsylvania Press, 2003.

"Children's Effects on Women's Labor Market Attachment and Earnings," with William Even, in *Changes in Working Time in Canada and the United States*, eds. Susan Houseman and Alice Nakamura, W.E. Upjohn Institute, 2001.

"Downsizing and Life Course Consequences of Job Loss: The Effect of Age and Gender on Employment and Income Security," with Jill Quadagno, Jennifer Reid, and Lori Parham, in *Restructuring Work and the Life Course*, eds. Victor Marshall, Walter Heinz, Helga Krueger, and Anil Verma, University of Toronto Press, 2001.

"The Effect of a Job Loss on the Employment Experience, Benefits, and Retirement Savings of Bank Officers," with Jill Quadagno and Jennifer Keene, in *Ensuring Health and Income Security for an Aging Workforce*, ed. Peter P. Budetti,W.E. Upjohn Institute, 2001.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

"Earnings and Employment in Trucking: Deregulating a Naturally Competitive Industry," with Barry Hirsch, in *Regulatory Reform and Labor Markets*, ed. James Peoples, Kluwer Publishers, 1998.

"Gender-Related Differences in Pension Coverage," with William Even, in *Women and Work: A Handbook*, Garland Publishing, New York, NY, 1996.

"The Pension Coverage of Young and Mature Workers", with William Even, in *Pension Coverage Issues for the '90s*, eds. Richard Hinz, John Turner, and Phyllis Fernandez, U.S. Government Printing Office, Washington, D.C, 1994.

Working Papers (Economics)

"The Effect of Tip Credits on Earnings and Employment in the U.S. Restaurant Industry," with William Even, under review, *Southern Economic Journal*.

"Deferred Compensation vs. Efficiency Wages: An Experimental Test of Effort Provision and Self-Selection," with Tim Salmon and Kislaya Prasad, under review, *Journal of Business and Economic Organization.*

"What Do Unions Do to Pension Performance?" with William Even, under review, *Economic Inquiry.*

"Teacher Salaries, State Collective Bargaining Laws, and Union Coverage" December 2012, with Barry Hirsch and John Winters.

"The Effects of the 2007-2009 Federal Minimum Wage Increases on Teen Employment," with William Even, under revision, July 2010.

"Participant Direction in Defined Contribution Plans," April 2006, with William Even, under revision.

"Do Pensions Impede Phased Retirement?" September 2004, with William Even, under revision.

Working Papers (Real Estate and Insurance)

"Demographic Factors and the Mispricing of Insurance," revise and resubmit request from *Risk Insurance and Management Review*, with Ronald Cheung, Charles Nyce, Kathleen McCullough, and Cassandra Cole.

Funded Projects

Florida Legislature, 7/2011-6/2012, $250,000, "Child Support Guidelines," with Stefan Norrbin and Thomas McCaleb.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Employment Policies Institute, 5/2010-7/2010, $16,500 (Trinity University portion), "Employment Effects of the 2007-2009 Federal Minimum Wage Increases," with William Even.

National Science Foundation, 9/2009-8/2012, $125,866 (Trinity University portion), "Incentives in the Workplace: An Experimental Examination of How Wage Differences Across Time and Among Peers Affect Productivity and Self-Selection," with Tim Salmon, Kislaya Prasad, and Hyejin Ku.

Florida Legislature, 10/2007-6/2009, $175,000, "Child Support Guidelines," with Stefan Norrbin and Thomas McCaleb.

Florida Legislature (through University of Florida), 12/2006-9/2007, $223,000, "Analysis of Save our Homes Amendment," with Dean Gatzlaff.

U.S. Administration on Aging (through University of South Florida), 5/2005-9/2007, $175,000, "Employment in the Long-Term Care Industry: The Importance of Recruitment and Retention," with William Even.

Florida Legislature, 2/2003-8/2004, $175,000, "Child Support Guidelines," with Stefan Norrbin and Thomas McCaleb.

Florida Department of Environmental Protection, 6/2002-2/2003, $94,157, "Affordability Index," with Stefan Norrbin and William Serow.

University of South Carolina, 4/2000-11/2000, $10,000, "Minority Homeownership in South Carolina," with Stacy Sirmans.

Florida Department of Business and Professional Regulation, 3/1999-6/1999, $21,739, "Forecasting Housing Demand in Florida," with Stacy Sirmans.

University of South Carolina, 4/1999-11/1999, $10,000, "Forecasting Housing Demand in South Carolina," with Stacy Sirmans.

Florida State University, 6/1999-8/1999, $7,500, "Support for Preparing ECO 2000 as a Web-Based Course."

TIAA-CREF, 8/1998-8/1999, $23,000, "Determinants of Savings in Supplemental Pension Plans: A Case Study of Pension Choices in Higher Education," with Melissa Hardy and Larry Hazelrigg.

Florida Department of Business and Professional Regulation, 4/1998-6/1998, $16,638, "Forecasting Seniors' Demand for Housing in Florida," with Stacy Sirmans.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Florida Department of Business and Professional Regulation, 12/1997-6/1998, $18,472, “Housing Price Appreciation in Orlando and Tampa,” with Stacy Sirmans.

Florida State University, 6/1998-8/1998, $7,500, “Support for Preparing ECO 2000 as a Web-Assisted Course.”

Florida Department of Business and Professional Regulation, 3/1997-6/1997, $17,898, “Minority Homeownership in Florida," with Stacy Sirmans.

U.S. Department of Labor, Pension Welfare and Benefit Administration, 12/1996-8/1997, $20,000, "The Impact of Rising 401(k) Pension Coverage on Retirement Income," with William Even.

U.S. Department of Labor, Pension Welfare and Benefit Administration, 3/1996-6/1997, $15,000, "The Determinants of 401(k) Participation and Contribution Levels," with William Even.

Florida Department of Business and Professional Regulation, 4/1996-6/1996, $22,702, "Forecasting the Number of New Florida Real Estate Licensees," with Stacy Sirmans.

U.S. Department of Labor, Pension Welfare and Benefit Administration, 3/1995-6/1996, $15,000, "Explaining the Decline in Pension Coverage of Less Educated Workers," with William Even.

Florida State University COFRS Grant, 6/1994-8/1994, $8,000, "The Relative Compensation and Quality of Public and Private Sector Workers."

W.E. Upjohn Institute for Employment Research, 3/1994-12/1995, $35,000, "Pensions and Productivity," with Stuart Dorsey and Christopher Cornwell.

Florida Division of Workers' Compensation, 1/94-12/1995, $100,000, "Worker's Compensation Recipency in Union and Nonunion Workplaces," part of a service contract titled "Research Partnership with the Division of Workers' Compensation," co-investigator (one of several).

University of Wisconsin Institute for Research on Poverty Small Grant Program, 7/1993-6/1994, $15,000, "Racial Composition, Wages, and Quality Sorting," with Barry Hirsch.

U.S. Department of Labor, Pension Welfare and Benefit Administration, 7/1993-6/1993, $10,000, "Trends in Individual and Family Pension Coverage," with William Even.

U.S. Department of Labor, Pension Welfare and Benefit Administration, 6/1992-5/1993, $10,000, "The Pension Coverage of Young and Mature Workers," with William Even.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

U.S. Department of Labor, Pension Welfare and Benefit Administration and American Society of Pension Actuaries, 6/1991-5/1992, $10,000, "A Conference on Current Pension Policy Issues," with William Even.

Miami University Faculty Research Grant, 6/1991-8/1991, $4,000, "Projected Growth in Retiree Health Insurance Liabilities."

Ohio Board of Regents Research Challenge Grant, 1/1990-12/1990, $4,980, "Proposal to Enhance the Data Library of the Center of Pension and Retirement Research," with William Even and Samuel Williamson.

Miami University Faculty Research Grant, 6/1990-8/1990, $4,000, "The Role of Firm Size in Pension Coverage and Options."

Miami University Faculty Research Grant, 6/1989-8/1989, $4,000, "Declining Unionism and the Gender Wage Gap," with William Even.

Participation in National Meetings

Panel Discussant, American Real Estate and Urban Economics Association/ASSA meetings, January 2008.

Presented, "Employee Turnover in the Long-Term Care Industry," at Academy Health Annual Research Meetings, June 2007.

Presented, "Participant Direction in Defined Contribution Pension Plans," at International Atlantic Economic Society meetings, October 2006.

Presented, "The Risk and Return of Pension Investments in Employer Stock," at International Atlantic Economic Society meetings, October 2005.

Presented, "Replacing Earnings After Termination: Evidence from the Displaced Worker Survey," at the Allied Social Science Association/National Association of Forensic Economics, January 2002.

Presented, "Labor Market Transitions of Older Workers," at the Allied Social Science Association/Society of Government Economists meetings, January 1999.

Presented, "Why has the Loss in Pension Coverage Accelerated Among Less Educated Workers?" at the American Economic Association Meetings, 1995.

Presented, "Wages and Gender Composition: Why Do Women's Jobs Pay Less?" at the American Economic Association Meetings, 1994, with Barry Hirsch.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Presented, "Pensions, Labor Turnover, and Employer Size" at the American Economic Association Meetings, 1993, with William Even.

Presented, "Why Did Male Pension Coverage Decline in the 1980s?" at the American Economic Association meetings, 1992, with William Even.

Participation in Regional Meetings

Presented "What Do Unisons Do to Pension Performance," at Western Economics Association meetings, July 2012.

Discussed, "The Dog that Didn't Bark: Item Non-Response and Non-Cognitive Ability," at Western Economics Association meetings, July 2012.

Presented "Unions and Pension Performance: The Role of Pension Design," at Southern Economics Association meetings, November 2009.

Panel member, "Recent Federal Reserve Policy: An Evaluation" at Southern Economics Association meetings, November 2009.

Discussant, "Topics in Health Economics," at Southern Economics Association meetings, November 2009.

Discussant, "Teacher Pay, Principals, and Schooling," at Southern Economics Association meetings, November 2009.

Presented "Is Bigger Still Better?: The Decline of the Wage Premium at Large Firms," at Western Economic Association meetings, July 2009.

Presented "Is Bigger Still Better?: The Decline of the Wage Premium at Large Firms," at Eastern Economic Association meetings, February 2009.

Panel Discussant at the Southern Economic Association meetings, November 2008.
Presented "Is Bigger Still Better?: The Decline of the Wage Premium at Large Firms," at Southern Economic Association meetings, November 2008.

Presented "The Growth of Participant Direction in Defined Contribution Pensions," at Western Economic Association meetings, July 2008.

Chair "Pensions and Retirement" Session at Southern Economic Association meetings, November 2007.

Presented "The Growth of Participant Direction in Defined Contribution Pensions," at Southern Economic Association meetings, November 2007.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Presented, "Participant Direction in Defined Contribution Pension Plans," at Southern Economic Association meetings, November 2006.

Panel Discussant, Southern Economic Association meetings, November 2005.
Presented, "Do Pensions Impede Phased Retirement?" at the Southern Economic Association meetings, November 2004.

Presented, "When Will the Gender Gap in Retirement Income Narrow?" at the Southern Economic Association meetings, November 2003.

Presented, "How Will the Growth of DC and 401(k) Plans Affect Pension Income?" at the Southern Economic Association meetings, November 2002.

Presented, "Racial Composition, Wages, and Quality Sorting," at the Southern Economic Association meetings, November 1999.

Presented, "Racial and Ethnic Differences in Pension Coverage and Benefit Levels," at the Southern Economic Association meetings, November 1998.

Presented, "Factors Influencing Participation and Contribution Levels in 401(k) Plans," at the Western Economics Association meetings, July 1998.

Presented, "Aging at Work: Employment Determination, Firm Strategies, and Public Policy in the United States," at the Western Economic Association meetings, July 1994.

Presented, "Why Did Male Pension Coverage Decline in the 1980s?" at the Western Economic Association meetings, July 1992.

Presented "Plant Size and the Decline of Unionism," at the Southern Economic Association meetings, 1989, with William Even.

Panel Discussant, Southern Economic Association meetings, November 1989.

Presented "The Labor Force Participation and Earnings Profiles of Married Female Immigrants," at the Southern Economic Association meetings, November 1988.

Presented "Pensions, Screening, and the Gender Wage Gap," at the Southern Economic Association meetings, November 1988.

Session Chair and Panel Discussant at the Southern Economic Association meetings, November 1988.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Participation in Invited Seminars, Conferences, and other Presentations

Presented, "Trends in Pensions" at Trinity University Food for Thought Luncheon Lecture, May 2012.

Presented, "Teaching Macroeconomics During Troubled Times," at Creative Ideas for Your Basic Economics Course Conference at Florida State University, February 2012.

Presented, "Participant Direction in Defined Contribution Pension Plans," at Trinity University Faculty Research Dinner Seminar Series, April 2011.

Presented, "Participant Direction in Defined Contribution Pension Plans," at Pennsylvania State University, April 2010.

Presented, "The Parallels Between the Japanese Economic Crisis of the 1990s and the US Today" at Creative Ideas for Your Basic Economics Course Conference at Florida State University, February 2010.

Chair "Minimum Wage & EITC" Session at Society of Labor Economists meetings, May 2009. Presented "Participant Direction in Defined Contribution Plans," at Lehigh University, April 2009.

Presented "Is Bigger Still Better?: The Decline of the Wage Premium at Large Firms," at Association of Private Enterprise Education meetings, April 2009.

Presented "The Growth of Participant Direction in Defined Contribution Pensions," at Trinity University, October 2008.

Presented "The Growth of Participant Direction in Defined Contribution Pensions," at Georgia State University, April 2008.

Presented "The Growth of Participant Direction in Defined Contribution Pensions," at Association of Private Enterprise Education meetings, April 2008.

Presented, "Improving Pension Coverage at Small Firms," at Hudson Institute, May 2006.

Presented, "Participant Direction in Defined Contribution Plans," at Society of Labor Economics meetings, May 2006.

Presented, "Participant Direction in Defined Contribution Plans," at Association of Private Enterprise Education meetings, April 2006.

Presented, "Participant Direction in Defined Contribution Plans," at University of Wisconsin-Milwaukee, April 2006.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Invited Panel Participant for Pepper Foundation and Center Symposium on pension reform, Washington, DC, February 2006.

Presented, "The Risk and Return of Pension Investments in Employer Stock**,"** at West Virginia University, April 2005.

Presented, "The Risk and Return of Pension Investments in Employer Stock**,"** at the University of Kentucky, November 2004.

Presented, "The Causes and Consequences of Company Stock Holdings in Pension Funds," at the Federal Reserve Bank of Atlanta, April 2004.

Presented, "The Causes and Consequences of Company Stock Holdings in Pension Funds," at the University of Oklahoma, February 2004.

Presented, "Tracking Union and Nonunion Wages in the U.S.: Can the Evidence be Reconciled?" at the Middlebury Annual Conference on Economic Issues, April 2002.

Presented, "How Will the Growth of DC and 401(k) Plans Affect Pension Income?" at the Miami University Center for Pension and Retirement Research Conference, June 2001.

Presented, "Benefits and Worker Productivity," Benefits for the Workplace of Tomorrow Conference, Wharton School, University of Pennsylvania, May 2001.

Participant, Innovations in Managing the Financial Risks of Retirement Conference, Wharton School, University of Pennsylvania, May 2000.

Presented "Using Hi-Tech in Large Lectures," at Association of Private Enterprise Education meetings, April 2000.

Presented "Employee Participation in 401(k) Plans," at University of Wisconsin-Milwaukee, October 1999.

Presented "Gender, Race, and Ethnicity in the Labor Market," as part of the Smith Chair course in Labor Economics at Brigham Young University, September 1999.

Presented, "The Decline in Pension Coverage Among Less Educated Workers," at the Florida State University Economics Department Seminar Series, 1996.

Presented, "Children's Effects on Women's Labor Market Attachment and Earnings" at the Conference on the Changes in Working Time in Canada and the United States, Canadian Employment Research Forum, 1996.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Presented, "Earnings, Rents, and Competition in the Airline Labor Market" at the Ohio State University Economics Department Seminar Series, 1996.

Presented, "Earnings, Rents, and Competition in the Airline Labor Market" at the Florida State University Economics Department Seminar Series, 1995.

Presented, "Employer Size and Labor Turnover: The Role of Pensions," at Syracuse University, 1995.

Presented, "Earnings, Rents, and Competition in the Airline Labor Market" while visiting scholar at the Federal Reserve Bank of Cleveland, 1995.

Presented, "Trends in Individual and Household Pension Coverage," at the Miami University Center for Pension and Retirement Research Conference, 1994.

Presented, "Racial Composition, Quality Sorting, and the Black-White Wage Gap" at the University of Wisconsin, Institute for Research on Poverty, Small Grants Workshop, 1993, with Barry Hirsch.

Presented, "Why Did Male Pension Coverage Decline in the 1980s?" at the Florida State University Economics Department Seminar Series, 1992.

Participant at National Bureau of Economic Research (NBER) Labor Studies meetings of the Summer Institute, 1992.

Presented, "Why Did Male Pension Coverage Decline in the 1980s?" at the Miami University Conference on Current Pension Policy Issues, 1992.

Organizer and participant at conference on "Contemporary Issues in Pension Economics," hosted by the Center for Pension and Retirement Research, Miami University, 1990.

Presented "The Effect of International Competition on Union and Nonunion Wages," at the University of Cincinnati Seminar Series, 1987.

Refereeing

Bulletin of Economic Research, *Canadian Journal of Economics*, *Contemporary Economic Policy, Eastern Economics Journal, Economic Development and Cultural Change, Economic Inquiry, Industrial Relations, Industrial and Labor Relations Review*, *International Economic Review*, *Journal of Economics and Business, Journal of Human Resources*, *Journal of Labor Economics, Journal of Labor Research*, *Journal of Pension Economics and Finance, Labour Economics, Mid-American Journal of Business, Policy*

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Studies Review, Quarterly Journal of Economics, Quarterly Review of Economics and Finance, *Real Estate Economics*, Review *of Economics and Statistics*, *Social Science Quarterly, Southern Economic Journal*

Outside reviewer for Department of Economics, UNC-Greensboro, Georgia State University.

Promotion and tenure letters for candidates at Georgia State University, Kansas State University, Monmouth University, Ohio State University, University of Massachusetts, University of Southern California, and University of Wisconsin-Milwaukee.

Honors and Awards

Awarded sabbatical, Trinity, Fall 2011.

Nominated for FSU Award for Excellence in Undergraduate Teaching, Spring 2005.

Named Rod and Hope Brim Eminent Scholar in Economics, FSU, Fall 2004.

Research Fellow, Institute for the Study of Labor (IZA), Bonn, 2004-.

Who's Who in Economics, Fourth Edition, Mark Blaug and Howard Vane (eds), Edward Elgar Publishing, 2003, pp. 524 (selection criteria: one of the 1,200 most frequently cited economists in the years 1990-2000 using the Social Science Citation Index).

Awarded Abba Lerner named professorship, FSU, Spring 2000.

Awarded sabbatical, FSU, Spring 2000.

Received FSU Award for Excellence in Undergraduate Teaching, Spring 2000.

Received FSU Teaching Incentive Program Award, Fall 1995.

Nominated for FSU Award for Excellence in Undergraduate Teaching, Spring 1994.

Nominated for Outstanding Teaching Award, Associated Student Government, Miami University,1992.

Selected by the Miami University Sisters of Delta Gamma for a "Favorite Professor Award" in Fall 1990.

Honorary Member of Golden Key National Honor Society, Fall 1989.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Selected by the Sisters of Delta Gamma as "One of the twenty five most outstanding faculty members at Miami University" in Fall 1988.

Service

Vice President, Southern Economic Association, 2011-

Trinity University

Dick and Peggy Prassel Professor of Business Administration Search Committee, 2011
Faculty and Staff Compensation Committee, 2010-2011
Student Retention Committee, 2010

Florida State University

University and College Committees:

Member, GPC subcommittee for Marketing, Spring 2008.
Member, Graduate Policy Committee, Fall 2007.
Chair, GPC subcommittee for Political Science, Fall 2006.
Member, Title IV Admissions Attendance Committee, Fall 2003-Spring 2004.
Member, College of Social Sciences Executive Committee, Fall 2003-.
Member, Ad Hoc Committee on COSS Technology, Spring 2003.
Member, Computing and Information Resource Committee, Fall 1999-.
Member, Academic and Policy Affairs Committee, Fall 1996-Spring 1998.

Economics Department Committees:

Member, Ad Hoc Committee on Economics 2000 Level Courses, Spring 1999.
Member, Undergraduate Economics Committee, Fall 1998-
Member, Economics Department Executive Committee, Fall 1994-Spring 1995, Fall 1996-Spring 1999, Fall 2000-.
Economics Department Library Representative, Fall 1993-.
Micro/Macroeconomics Seminar Coordinator, Fall 1993-Spring 1995, Fall 1998-Fall 1999, Fall 2001, Fall 2006-.

Comprehensive Examination Committees:

Member, Masters Comprehensive Exam Committee, Spring 1994.
Member, Ph.D. Labor Field Exam Committee, Fall 1992, Spring 1994, Fall 1994, Fall 1995, Fall 1996, Spring 1997, Spring 1998.
Chair, Masters Comprehensive Exam Committee, Fall 1994, Spring 1998.
Chair, Ph.D. Labor Field Exam Committee, Spring 1993-Fall 1993, Spring 1995, Spring 1996, Spring 2000, Spring 2001, Fall 2001.

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Miami University

Computing Task Force, Department of Economics, 1991-92.
Recruiting Committee, Department of Economics, 1990-92.
Economics Club Advisor, 1988-1991.
Research Associate, Center for Pension and Retirement Research, 1988-92.
Delta Sigma Pi Chapter Advisor, 1988-89.
Student Finance Committee, Student Affairs Council, 1988-89.
Omicron Delta Epsilon Advisor, 1987-88.

Theses, Extended Papers, and Dissertations

Undergraduate Honors Thesis:

Chair, Leela Hebbar, 1995

Member, Nicole Cubies, 2006
Member, John Stutts, 2006
Member, Todd Crannell, 2000
Member, Mark Plotnick, 2000
Member, Bobby Pittman, 1998

MS Thesis and Extended Paper:

Chair, Maria Arce-Trigatti, 2009
Chair, George Holescko, 2000
Chair, J. Michael DuMond, 1994

Member, Shael Wolfson, 2000
Member, Lehr Eliason, 2000
Member, Steve Muri, 2000
Member, Ken Meier, 1998
Member, Tarteshia Williams, 1995
Member, Richard Page, 1994

PhD Dissertation:

Chair, James Farrell, 2009
Chair, Mark Keightley, 2008
Chair, Ali Al-Malki, 2007
Chair, Carter Doyle, 2005
Chair, Edward Wolpert, 1998
Chair, J. Michael DuMond, 1997

Exhibit IV: Qualification of Subject Matter Experts: Dr. David A. Macpherson

Member, Bogdan Daraban, 2007
Member, Russell Engel, 2007
Member, Li Feng, 2006
Member, Chuck Skipton, 2003
Member, Nicole Yurgin, 2003
Member, Jennifer Troyer, 1999
Member, Josefina Tranfa, 1999
Member, Shaliesh Bandarhi, 1998
Member, James Freeman, 1998
Member, Brian Nottage, 1998
Member, Ben Shippen, 1995
Member, Ed Schumacher, 1994

Outside Member, Stephanie Burge, Sociology, 2006
Outside Member, Reg Albritton, Special Education, 2005
Outside Member, Kim Shuey, Sociology, 2001
Outside Member, Andrea Willson, Sociology, 2001
Outside Member, Phyllis Keys, Finance, 1998

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

WILLIAM M. RODGERS III

OFFICE:

John J. Heldrich Center for Workforce Development
Edward J. Bloustein School of Planning and Public Policy
33 Livingston Avenue – 5th Floor
New Brunswick, NJ 08901
732/932-4100
732/932-3454 FAX
wrodgers@rci.rutgers.edu

HOME:

120 Southfield Drive
Belle Mead, NJ 08502
908/359-3736

EDUCATION:

Ph.D. in Economics, Harvard University, June 1993
M.A. in Economics, Harvard University, June 1990
M.A. in Economics, University of California at Santa Barbara, June 1988
B.A. in Economics, Dartmouth College, June 1986

TEACHING AND ACADEMIC APPOINTMENTS:

Rutgers, The State University of New Jersey January 2004-present

Professor of Public Policy, Bloustein School of Planning and Public Policy, January 2004-present
Chief Economist, John J. Heldrich Center of Workforce Development, January 2004-present

Graduate Faculty, School of Management and Labor Relations, April 2006-present

Director, Undergraduate Programs, Bloustein School of Planning and Public Policy, July 2008-July 2009

Teaching: Advanced Quantitative Methods (Graduate)
Senior Seminar (Undergraduate)
Labor Market Policy (Graduate)
Research Practicum (Graduate)
Introduction to Policy, Planning and Health (Undergraduate)
Urban Poverty (Undergraduate)

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

Cardiff University, Wales, United Kingdom November 2011-December 2011

Visiting Scholar at the Cardiff School of Business, November 21st – December 2nd

The College of William and Mary August 1993-December 2003

Director, Center for the Study of Equality, October 2001-December 2003
Frances L. and Edwin L. Cummings Professor of Economics, August 1998-December 2003
Chair, Committee on Employment Opportunity, Spring 2000 – December 2003
Associate Professor of Economics, August 1998-December 2003
Assistant Professor of Economics, August 1993-July 1998

Teaching: Labor Economics (Undergraduate)
Econometrics (Undergraduate and Graduate)
America Becoming (Undergraduate)
Research Methods (Undergraduate)
African-American Experience in the U.S. Labor Market (Upper Level and Freshman Seminars)
U.S. Internal and International Migration (Freshman Seminar)
Introduction to Black Studies-Guest Lecturer (Undergraduate)

University of Michigan, Gerald R. Ford School of Public Policy, July 2003 - present

Senior Research Affiliate of the National Poverty Center

University of Minnesota July 1997-present

Adjunct Associate of the Hubert H. Humphrey Institute of Public Affairs
Member of the Wilkins Forum, February 1999-present

Harvard University September 1988-June 1993

Research Fellow at the W.E.B. DuBois Institute, September 1992 - September 1993
Resident Tutor in Economics, Eliot House, June 1989 to July 1993
Teaching Assistant, Afro-American Studies Department, February 1993 to June 1993
Teaching and Research Assistant, Economics Department, September 1988 to June 1993

PROFESSIONAL EXPERIENCE:

EBRU TV, Somerset, NJ
Economics Contributor, January 2012 to present

United Way Worldwide, Alexandria, VA
Member, U.S.A. Board of Trustees, January 2011 to present
Member, Finance Committee, January 2011 to present

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

United Way of America, New York, NY
- Member, Tri-State Regional Operating Council, October 2007 to present
- Chair, Volunteer Subcommittee on Regional Design and Operations, February 2010 to present
- Co-Chair, System Design Committee, November 2008 to January 2010
- Chair, Community Impact Council, January 2009 to present

United Way of Northern New Jersey, Somerset County, Bridgewater, NJ
- Member, Board of Directors, January 2011
- Chair, Somerset Local Operating Board, January 2011
- Chair, Board of Directors, July 2008 to present
- Vice-Chair, Board of Directors, December 2006 to June 2008
- Member, Governance Committee, March 2008 to present
- Member, Committee Relations and Strategic Planning Committee, January 2006 to present
- Board of Directors, October 2004 to present

President-Elect, Transition Team, Washington, DC
- Member, US Department of Labor Transition Team, November 2008 – January 2009

National Urban League, New York, NY
- Member, Council of Economic Advisors, May 2007 – present.
- Member, Institute for Opportunity and Equality Advisory Board, 1996-1998

Office of the Governor, Trenton, NJ
- Member of the Commission on Government Efficiency and Reform, May 2006 – December 2009
- Member of Corrections/Sentencing Task Force, June 2007 – December 2009

Montgomery Township Government, Montgomery, NJ
- Planning Board
  - Vice Chair, February 2008 – January 2010
  - Regular Class IV Member, February 2008 – January 2010
  - Member, Master Plan Committee, March 2008- January 2010
  - Alternate Member, May 2006-February 2008
- Member, Montgomery Township NPDC Redevelopment Concept Team

Office of the Acting Governor, Trenton, NJ
- Member of the Benefits Review Task Force, May 2005 – December 2005

United Way of Greater Williamsburg, Williamsburg, VA
- Co-Chair Planning and Programs, January 2002 to June 2004
- Board of Directors, January 2001 to June 2004

Exhibit IV: Qualification of Subject Matter Experts: Dr. William Rodgers III

Office of the Secretary, U. S. Department of Labor, Wash., DC
Chief Economist, January 2000-January 2001
Consultant to the Chief Economist, June 1995-June 1996

James City County Government, Williamsburg, VA May 1998-December 1999
Board Member and Secretary-Treasurer of the New Town Community Development Authority

Williamsburg-James City County Public Schools, Williamsburg, VA July 1997-December 1999
Appointed and Elected School Board Representative for Berkeley District

New Horizons Regional Vocational Education Center, Hampton, VA July 1998-December 1999
Vice-Chairman and Board of Trustee Representing Williamsburg-James City County Public Schools

National Commission for Employment Policy, Wash., D.C. June 1994 - August 1994.
Summer Research Associate

HONORS:

2012 Benjamin Elijah Mays Scholar Award, NAACP Metuchen/Edison Branch, November 3rd, 2012.

2010 Presidential Pyramid Award, Highest Award of the National Association of Black Social Workers, April 9th, 2010.

2009 The National School Government Lecture, "What do Hurricane Katrina, Corporate Accounting Scandals, the Wars in Iraq and Afghanistan, and the Current U.S. Recession have in Common?" Presented at the Public Administration Committee Conference 2009, Glamorgan Business Centre, University of Glamorgan, September 2009.

2009 Co-Chair of the National Academy of Social Insurance's 2010 Conference, "Lessons from a Bad Economy for Jobs, Retirement, and Health Security." January 21-22, 2010.

2008 Donald H. Bowers Board Leadership Award, Somerset County United Way, Bridgewater, NJ

2006 Elected to the National Academy of Social Insurance

2006 *The Handbook on the Economics of Discrimination*, was selected by *Choice*, the review journal of the American Library Association, as an "Outstanding Academic Book" for 2006

2006 Rutgers University President's Award for Leadership in Diversity

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

2002 Honorary Member of Golden Key International Honour Society

1994 National Economic Association Dissertation Prize

1993 Sidney Matz Memorial Prize for Extraordinary Contributions to the Life of the House, Eliot House, Harvard University

GRANTS RECEIVED:

National Science Foundation, "The Global Logistics Chain: A 21st Century Change Agent." 2006 - 2010.

National Science Foundation, "The Economics Pipeline Project." 2006 - 2010.

National Science Foundation, "Explaining Trends in the Labor Force Participation of Older African American and White Men." February 1999 to May 2003.

Office of the Assistant Secretary for Policy, U.S. Department of Labor, "Who has not Benefited from the 1990s Boom?" July 1999 to January 2000, January 2001 to June 2001.

Russell Sage Foundation, "The Effect of Tight Labor Markets on Black Employment." January 1998 to June 2000 (with Robert Cherry).

Office of the Assistant Secretary for Policy, U.S. Department of Labor, and Center for Economic Studies, U.S. Department of Commerce, "Productivity and Workplace Diversity." January 1996 to January 1998.

National Science Foundation Research Planning Grant, "A Distributional Analysis of Black-White Earnings Gaps: 1963-1992." March 1994 to August 1996.

W.E.B. DuBois Institute for Afro-American Research, Harvard University, "Employment and Earnings of Young Black Males." September 1992 to September 1993.

National Bureau of Economic Research, "Economic Factors in U.S. Migration." September 1991 to September 1993.

Graduate School of Arts and Sciences, Harvard University, Graduate Prize Fellowship, September 1988 to June 1993.

Graduate Division, University of California at Santa Barbara, Campus Fellowship, September 1986 to June 1988.

Graduate Division, University of California at Santa Barbara, Graduate Research Mentorship Program, January 1987 to March 1987.

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

CONTRACT WORK:

New Jersey Family Practice Committee, "Parental Expenditures on Children: A Comparison of Direct and Indirect Methods." September 2010 – present.

Migration Policy Institute, "The Impact of the Recession on Immigrants." March 2010 – present.

Freelancers Union, "Client Nonpayment." March 2010 – June 2010.

NJ State Employment Training Commission and Fund for New Jersey, "The Labor Market Status of New Jersey's Minorities." August 2005 – March 2008.

National Urban League, "Why should African Americans Care about Macroeconomic Policy?" February 2007 – June 2007.

Davis Gilbert, LLP, "An Assessment of New York Advertising Agencies' Racial and Ethnic Diversity." July 2006 to August 2006.

Institute for Social Justice, "The Impact of Correctional Education and Employment on Recidivism." October 2005 – July 2006.

Center for American Progress, "The Labor Market Experiences of Hispanic Americans?" September 2005 – February 2006.

Congressional Black Caucus Foundation, "Building a Strategic Agenda to Address Poverty." November 2005 – 2006.

Transportation Research Board of the National Academies, "Racial and Gender Diversity in State Departments of Transportation and Transit Agencies: Phase 1 Benchmark Scoping." August 2005 – August 2006 (Joint with University of Minnesota, Roy Wilkins Center for Human Relations and Social Justice).

County of Essex, New Jersey, "Essex County Disparity Study Project." February 2005 – June 2005 (Joint with University of Minnesota, Roy Wilkins Center for Human Relations and Social Justice).

Department of Social Services, Division of Child Support Enforcement, "The Key Determinants to Changing Child Support Schedules: The Commonwealth of Virginia." July 2004-present.

Center for American Progress, "How African Americans have fared in the Jobless Recovery of the Early 2000s?" July 2004 to September 2004.

Department of Social Services, Division of Child Support Enforcement, "The Pitfalls of Using an Outdated Child Support Schedule: The Commonwealth of Virginia." January 2004 to June 2004.

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

Department of Social Services, Division of Child Support Enforcement, "Determining the Level of Basic Child Support: The Commonwealth of Virginia." July 2002 to September 2002.

Joint Center for Political and Economic Studies, "Education and Training for the Black Worker in the 21st Century." September 1999 to January 2000.

Joint Center for Political and Economic Studies, "Tax Policy and Job Creation." October 1996 to May 1999.

Educational Testing Service, "A Review of the Literature on Test Scores." August 1996 to August 1997.

City Manager's Office, City of Hampton, VA, "Benefit-Cost Analysis of Healthy Start." June 1996 to September 1997.

California Policy Seminar, "Employment and Business Effects of Equal Opportunity and Affirmative Action Programs." June 1996 to June 1997.

JOURNAL ARTICLES:

"Post-9/11 U.S. "Muslim" Labor Markets Outcomes," *Atlantic Economic Journal*, 39:3, 2011. IZA Discussion Paper #4411, July 2010, (with Faisal Rabby).

"The Male Marital Wage Differential: Race, Ability, and Training," *Economic Inquiry*, 48:3, July 2010, IZA Discussion Paper #1745, September 2005, (with Leslie S. Stratton).

"Practitioners' Roles, Internships, and Practicum Courses in Public Policy and Management Education," *Journal of Analysis and Management*, 27:4, Autumn/Fall 2008. (with Janice Madden and Robert Garris).

"African American and White Differences in the Impacts of Monetary Policy on the Duration of Unemployment," *American Economic Review,* 98:2, May 2008.

"Male Black-White Wage Gaps from 1979 to 1994: A Distributional Analysis," July 2005. *Southern Economic Journal*, 72:4, April 2006.

"The Pitfalls of Using a Child Support Schedule Based on Outdated Data," *Family Economics and Nutrition Review*, 16:2, 2004 (with Yana V. Rodgers) (Published in 2005).

"New Estimates of Within Occupation Black-White Wage Gaps," *The Review of Black Political Economy*, 31:4, 2004 (with John Holmes) (Published in 2005).

"The Disparate Labor Market Impacts of Monetary Policy," *Journal of Policy Analysis and Management*, 23: 4, 2004, 813-830; *Labor History*, 46: 1, 2005 (with Seth Carpenter).

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

"Do the Skills of Adults Employed in Minimum Wage Contour Jobs Explain Why They Get Paid Less?" *The Journal of Post Keynesian Economics*, 27:1, Fall 2004, 37-66 (with Bruce Klein and William Spriggs).

"The 1990s Economic Boom, another Period of Missed Opportunities," *Harvard Journal of African American Public Policy,* 10: Summer, 2004.

How Does Gender Play a Role in the Earnings Gap? An Update," *The Monthly Labor Review*, 125: 3, March 2003, 9-15 (with Stephanie Boraas).

"Accounting for the Racial Gap in AFQT Scores: Comment on Nan L. Maxwell, "The Effect on Black-White Wage Differences of Differences in the Quantity and Quality of Education," *Industrial and Labor Relations Review*, 55:3, 2002, 533-541 (With William E. Spriggs).

"Estimating the Bias Due to Measurement Error in the Economic Returns to Schooling: Evidence from the 1990 February Current Population Survey," *Economics Letters*, 64, 1999, 233-239 (with Sarah Bruhl).

"Male Sub-metropolitan Black-White Wage Gaps: New Evidence for the 1980s," *Urban Studies*, 34: 8, July 1997.

"The Persistence of Gender Earnings Inequality in Taiwan, 1978-1992," *Industrial and Labor Relations Review*, 50(4), July 1997, 594-609 (with Joseph E. Zveglich and Yana V. Rodgers).

"What Does the AFQT Really Measure: Race, Wages, Schooling, and the AFQT Score?" *Review of Black Political Economy*, 24: 4, Spring 1996, 13-46 (with William Spriggs).

"The Effect of Federal Contractor Status on Racial Differences in Establishment-Level Employment Shares: 1979-1992," *The American Economic Review Papers and Proceedings*, 86: 2, May 1996, 290-293; The Economics Of Affirmative Action, Edited by Harry J. Holzer and David Neumark, Edgar Elgar Publishing, 2004 (with William Spriggs).

"The Efficiency of a Lottery as a Source of Public Revenue," *Public Finance Quarterly*, 23: 2, April 1995, 242-254 (with Charles Stuart).

"The Significance of Access to Land as a Determinant of Kenya's Interregional Migration," *World Development* 19: 7, July 1991, 921-926.

EDITED VOLUMES:

Handbook on the Economics of Discrimination, Edited by William M. Rodgers III, North Hampton: MA: Edward Elgar Publishing Ltd, (March 2006).

Prosperity for All? The Economic Boom and African Americans, Edited by William M. Rodgers III and Robert Cherry, New York, NY: Russell Sage Foundation, (Summer 2000).

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

ARTICLES, BOOK CHAPTERS AND REPORTS:

"The Great Recession's Impact on African American Public Sector Employment," in *Public Jobs and Political Agendas: The Public Sector in an Era of Economic Stress*, Labor and Employment Relations Association Series, (2012) Edited by Daniel J. B. Mitchell. National Poverty Center Working Paper #12-01.

"The New Normal? Opportunities for Prosperity in a "Jobless Recovery," in *The State of Black America*, National Urban League, (May 2011) (with Bernard E. Anderson, Lucy J. Reuben, and Valerie R. Wilson).

"Why Reduce African American Unemployment?" in *The State of Black America*, National Urban League, (March 2009).

"Econometric Decomposition," in *International Encyclopedia of the Social Sciences*, Edited by William Darity, Jr., (January 2008).

"Understanding the Black-White Earnings Gap," in *The Color of Opportunity: Narrowing Racial Divides and Expanding Prosperity for All*, Edited by Robert Kuttner and William E. Spriggs, The American Prospect, October 2008.

"The Consequences of Recent Job Growth on Older Low-Income Workers," in *Older and Out of Work: Jobs and Social Insurance for a Changing Economy*. Edited by Randall W. Eberts and Richard A. Hobbie, W.E. Upjohn Institute for Employment Research, 2008.

"Why should African Americans Care about Macroeconomic Policy," in *The State of Black America*, National Urban League, (April 2007).

"New Jersey Public-Private Sector Wage Differentials: 1970 to 2004," Heldrich Center of Workforce Development. (November 2006).

"How have Hispanics Fared in the 'Jobless Recovery'?" The Center for American Progress, Washington, DC. (February 2006).

"What do the Future Labor Market Prospects of Non-college Educated Adults, Youth and Minorities look like?" in *Black Men Left Behind*, Edited by Ronald Mincy, Columbia University and NPCL, (February 2006).

"The Fragility of the 1990s Economic Gains," The Center for American Progress, (July 2005) (with Richard Freeman).

"Blacks Need More than an Economic Boom," in *Real World Macro,* 22nd Edition, Edited by Daniel Fireside, John Miller, and the *D&S* Collective. Dollars and Sense, (June, 2005).

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

"Jobless Recovery: Whatever Happened to the Great American Jobs Machine?" Centre Piece Magazine, London, 9: 3, Autumn 2004, 22-27; New York Federal Reserve, *Economic Policy Review*, New York, 11:1, August 2005. (with Richard Freeman).

"Aiding Dislocated Workers in a 21st Century Economy," John J. Heldrich Center for Workforce Development, Edward J. Bloustein School of Planning and Public Policy, Rutgers, The State University of New Jersey, (February 2005) (with Carl Van Horn, Neil Ridley and Karen Dixon).

"Laid Off: American Workers and Employers Assess a Volatile Labor Market," John J. Heldrich Center for Workforce Development, Edward J. Bloustein School of Planning and Public Policy, Rutgers, The State University of New Jersey, April 22, 2004 (with Carl Van Horn and Karen Dixon).

"Racial and Ethnic Differences in the Impact of Job Training on Wages," in *Building Skills for Black Workers: Preparing for the Future Labor Market*, Edited by Cecilia Conrad, Washington, DC: Joint Center for Political and Economic Studies, (2004).

"Learning to Expect the Unexpected: U.S. Department of Labor Chief Economist Forum," in *Perspectives on Work*, (Fall 2002).

"A Recipe for Shared Prosperity: Post September 11th," in *Denken + Glauben* (In German), (October 2002).

"Opportunities in Economics Abound for African American Students," *The Last Job Search Guide You'll Ever Need: How to Find – and Get – The Job or Internship of Your Dreams!*, *The Black Collegian*, (Fall 2001).

"Identifying the Links between Income Inequality and Health for Policymakers," in *Income, Socioeconomic Status, and Health: Exploring the Relationships*, Edited by James Auerbach and Barbara Kivimae Krimgold, Washington, DC: National Policy Association and Academy for Health Services Research and Health Policy, (2001).

"Introduction," *in Telework: The New Workplace of the 21st Century*," U.S. Department of Labor, Washington, DC. (Winter 2001).

"Area Economic Conditions and the Labor Market Outcomes of Young Men in the 1990s Expansion," in *Prosperity for All? The Economic Boom and African Americans*, Edited by William M. Rodgers III and Robert Cherry, New York, NY: Russell Sage Foundation, (Summer 2000).

"A Critical Assessment of Skills Explanations of Black-White Employment and Wage Gaps," In *the State of Black America, 1999*, Edited by William E. Spriggs, Washington, DC: National Urban League, 1999.

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

"A View from the Front Lines," in *Education Accountability: Saving Schools-And Students*, Edited by Lee A. Daniels, New York, NY: National Urban League, 1999.

"Tax Policy and African American Job Creation," in *Job Creation Prospects and Strategies for the Black Worker in the 21st Century*, Edited by Wilhelmina A. Leigh and Margaret C. Simms, Washington, DC: Joint Center for Political and Economic Studies, 1999.

Federal-Contractor Status and Minority Employment: A Case Study of California, 1979-1994," in *The Impact of Affirmative Action on Public-Sector Employment and Contracting in California*, Edited by Paul Ong, Berkeley, CA: California Policy Seminar, 1997, Alta Vista Publishing, 1999.

"Racial Differences in Employment Shares-New Evidence from the EEO-1 Files," in *Civil Rights and Race Relations in the Post Reagan-Bush Era*, Edited by Samuel L. Myers, Jr., Westport, CT: Praeger Publishers, 1997.

"Measuring Wage Discrimination During Periods of Growing Overall Wage Inequality," In *Race, Markets, and Social Outcomes*, Edited by Patrick L. Mason and Rhonda M. Williams, Boston, MA: Kluwer Academic Publishers, 1997.

CONGRESSIONAL AND STATE LEGISLATIVE TESTIMONY:

"The New Jersey Petroleum Refinery Industry," Testimony to the New Jersey Assembly Commerce and Economic Development Committee. February 2007.

"Helping New Jersey's Low-Wage Workers," Testimony to the New Jersey Senate Labor Committee. February 2005.

"Overview of Child Support Guideline Proposal, "Testimony to the Ad Hoc Subcommittee Studying the Child Support Guideline. November 2003.

"A Review of Virginia's Child Support Guidelines," Testimony to the Child Support Review Panel. June 2002.

"Virginia's Economic Conditions and the Labor Market Outcomes of Non-college Educated Men in the 1990s Boom," Testimony to the Joint Subcommittee Studying the Status and Needs of African-American Males in Virginia, Commonwealth of Virginia General Assembly, Hearing on the Status of African American Men in Virginia. August 1999.

"A Primer on the U.S. Labor Market and the Economic Status of African American Men," Testimony to the Joint Subcommittee Studying the Status and Needs of African-American Males in Virginia, Commonwealth of Virginia General Assembly, Hearing on the Status of African American Men in Virginia. July 1998.

"The Minimum Wage's Effect on Black Youth Employment," Testimony to the Joint Economic Committee, U.S. Congress, Hearing on Raising the Federal Minimum Wage. February 1995.

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

MAJOR MEDIA APPEARANCES, ESSAYS AND OP-EDS:

"December Jobs Report, Ebru Today, (1/8/13), https://www.youtube.com/watch?v=fJ9Pn63PCcw.

"Should Government and Business do More to Create Jobs?" (1/4/13), http://video.foxbusiness.com/v/2073120068001/should-government-and-business-do-more-to-create-jobs

"Would Fiscal Cliff Stall Job Growth?" Fox Business News, (12/27/2012), http://video.foxbusiness.com/v/2059100488001/would-fiscal-cliff-stall-job-growth/?playlist_id=937116503001.

"A.L.I.C.E," Ebru Today, (11/23/12), http://ebrutoday.com/topics/finance/956-a-l-i-c-e.html, or http://www.youtube.com/watch?v=B3UGB2ig4YI.

"Fresh Outlook," Co-host, Ebru TV, (11/17/12),
http://www.youtube.com/watch?v=bxttrvVM8QI
http://www.youtube.com/watch?v=HCf102a_DRk
http://www.youtube.com/watch?v=fXfRAB_sYBA
http://www.youtube.com/watch?v=8cNFC80IR1Q

"Hiring Rally Ahead?" Fox Business News**, (11/8/2012),** http://video.foxbusiness.com/v/1956162854001/hiring-rally-ahead/**.**

"America's Fiscal Cliff," Ebru Today, (11/14/12), https://www.youtube.com/watch?v=9bt81MTqZyI&feature=g-all-u .

"Mitt Romney's Economic Plan: Can It Work?" The Huffington Post, (9/21/2012), http://www.huffingtonpost.com/william-m-rodgers-iii/mitt-romneys-economic-plan_b_1903826.html.

"The Urgency for Congress to Foster Broad-Based Prosperity," Sunday Op-Ed in Newark Star Ledger, (8/19/2012), http://blog.nj.com/njv_guest_blog/2012/08/the_urgency_for_congress_to_fo.html.

Are We Better Off than 1 Year Ago? 4 Years Ago?, EBRU TV (9/10/12), http://www.youtube.com/watch?v=ad2X14ppoaY&feature=plcp.
Exhibit IV: Qualification of Subject Matter Experts: Dr. William Rodgers III

Analysis of August Bureau of Labor Statistics Jobs Report, New York Times (9/7/12). http://www.nytimes.com/video/playlist/business/1194811622255/index.html#100000001766564.

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

"Some of My Reasons for LIVING UNITED," United Way Worldwide Blog (8/16/12), Remarks from United Way Worldwide Regional Summit, http://www.unitedway.org/blog/entry/some-of-my-reasons-for-living-united/ .

"Long-Term Unemployment," Nevada Public Radio (August 10, 2012). http://www.knpr.org/son/archive/detail2.cfm?SegmentID=9132&ProgramID=2566.

"U.S. Family Finances from 2007 to 2010: New Evidence from the Survey of Consumer Finances," EBRU Today Show (June 26, 2012). http://www.youtube.com/watch?v=vjvCF5VRcXk&feature=plcp

"Is the Reduction in the Maximum Duration of Unemployment Benefits Premature?" EBRU Today Show (February 21, 2012). http://www.youtube.com/watch?v=u0H2dywqEA8

"The Improved Job Market & the Long-Term Unemployed," The Diane Rehm Show (February 9, 2012). http://thedianerehmshow.org/shows/2012-02-09/improved-job-market-long-term-unemployed/transcript

"Implications of Friday's Bureau of Labor Statistics Job's Report," EBRU Today Show (February 7, 2012). http://www.youtube.com/watch?v=ud09N01PScI

"Changes in the Labor Market," PBS Nightly Business Report Guest Commentary (Monday, February 6, 2012). http://www.nbr.com/transcripts/changes-in-the-labor-market-20120206

"A Delicate Balancing Act: Legacy, Solutions, and a Vision for the Future," EBRU Today Show (January 24, 2012).

"Falling U.S. Unemployment, Illusion or Reality?" EBRU Today Show (January 11, 2012).

"Is America Getting Back to Work?" Fox Business News (6 January 2012). http://video.foxbusiness.com/v/1370549270001/is-america-getting-back-to-work/

"Unemployed: Out of Time and Resources," Fox Business News (9 December 2011). http://video.foxbusiness.com/v/1318595553001/unemployed-out-of-time-and-resources/

"Why We Need to Pass the Jobs Bill Now," Fox Business News (6 October 2011). http://video.foxbusiness.com/v/1204423658001/why-we-need-to-pass-the-jobs-bill-now/

"Where are the Jobs," CNBC Street Signs (Friday, 8 July 2011). http://video.cnbc.com/gallery/?video=3000032248

Exhibit IV: Qualification of Subject Matter Experts: Dr. William Rodgers III

"Direction of the Jobless Trend," CNBC Squawk on the Street (Monday, 27 June 2011). http://video.cnbc.com/gallery/?video=3000029773

"Non-Profits & Job Creation," PBS Nightly Business Report Guest Commentary (Monday, June 27, 2011). http://www.pbs.org/nbr/site/onair/transcripts/non_profits_and_job_creation_110627/

"Economy's Pothole Recovery," PBS Nightly Business Report Guest Commentary (Monday, April 25, 2011). http://www.pbs.org/nbr/site/onair/transcripts/economy_pothole_recovery_110425/

"Non-Profits Can Benefit the Unemployed," PBS Nightly Business Report Guest Commentary (Monday, March 28, 2011). http://www.pbs.org/nbr/site/onair/transcripts/non_profits_and_unemployed_110328/

"Financial Literacy for Children," PBS Nightly Business Report Guest Commentary (Monday, February 07, 2011). http://www.pbs.org/nbr/site/onair/transcripts/financial_literacy_for_children_110207/

"The Flip Side of the Jobs Report," CNN's Your $$$$ (January 8, 2011). http://transcripts.cnn.com/TRANSCRIPTS/1101/08/cnnitm.01.html

"Income Inequality - The New Wave," PBS Nightly Business Report Guest Commentary (Thursday, January 06, 2011). http://www.pbs.org/nbr/site/onair/transcripts/income_inequality_110106/

"Unemployment in America," CNN's Your $$$$ (December 4 and 5, 2010). http://transcripts.cnn.com/TRANSCRIPTS/1012/05/cnnitm.01.html

"What the Great Recession stole from Black America," Special to CNNMoney, October 20, 2010. http://www.cnn.com/2010/OPINION/10/20/inam.money.great.recession/index.html.

"Economics for Kids," Originally shown on CNN's Your $$$$ (October 2 and 3, 2010) and American Morning (October 4, 2010). http://www.cnn.com/video/#/video/living/2010/10/04/am.dnt.romans.sitnr.kids.cnn?iref=videosearch.

"Looming End To Tax Cuts Stirs Political Battle," NPR's Tell Me More (September 21, 2010). http://www.npr.org/templates/story/story.php?storyId=130018497.

"Economic Indicators Point To Poor Recovery," NPR's Morning Edition (August 20, 2010) http://www.npr.org/templates/story/story.php?storyId=129316618.

"Fears of Deflation Amidst Falling Prices," NPR's The Takeaway, Friday, August 6, 2010. http://www.thetakeaway.org/2010/aug/06/start-conversation-your-personal-jobs-report/.

"Reactions to the May and June 2010 Bureau of Labor Statistics Jobs Reports," CNN's Your $$$$, June 5 and 6 and July 3 and 4, 2010.

"New Information About the State of Your Job," CNN's Your $$$$, February 7 and 8, 2010.

"Where is the Stimulus Going?" CNN's Your $$$$, January 23 and 24, 2010.

"Reactions to the January 2010 Bureau of Labor Statistics Jobs Report," Fox Business News, January 8, 2010.

"Gimme Back My Job," CNN's Your $$$$, November 26, 28 and 29, 2009.

"The Importance of Social Safety Nets," Fox Business News, June 18, 2009.

"Race and Lack of Jobs," CNN's Your $$$$, June 6 and 18, 2009.

"Black Unemployment in East St. Louis Highlights Disparities," PBS NewsHour, May 8, 2009.

"The Auto Industry, G-20 Economic Summit, and Terrorism," NBC's Meet the Press, April 4, 2009.

"Where are the Jobs?" NBC Nightly News, March 18, 2009.

Preview and Review of the Bureau of Labor Statistics' Employment Situation Release, CNBC Squawk Box, January 9, 2009; February 6, 2009; March 6, 2009; and April 3, 2009.

"Jersey's Working Poor Need a Boost," Newark Star Ledger, November 17, 2004. (with Carl Van Horn).

"A Case for Raising the Federal Minimum Wage," Forthcoming, 2004, Center for American Progress, Washington, DC.

"Minorities, Rural American Need Stronger Labor Market to Regain Lost Ground," May 7, 2004, Center for American Progress, Washington, DC.

"America's Worried Workforce," Newark Star-Ledger, May 7, 2004, (with Scott Reynolds).

"Labor Market Unease Unlikely to Go Away Soon," April 30, 2004, Center for American Progress, Washington, DC, (with Scott Reynolds).

"The African-American Experience in the Recent Recession and Job Loss Recovery," January 14, 2004, Center for American Progress, Washington, DC.

SELECTED INVITED TALKS:

"America's Fork in the Road," Presented to Life Long Learning Group called CONNECT, Dallas, Texas, December 7, 2012.

"2012 Presidential Election: What's at Risk and the Impact on the Economy?" Presented to the 1199 SEIU, September 18, 2012.

"2012 Presidential Election: What is at Risk and the Impact on the Economy?" Presented to the NAACP Metuchen/Edison Area Branch, September 13, 2012.

"Futurework 2.0: Life After the Great Recession," Presented while serving as a Visiting Scholar at the Cardiff School of Business, December 2, 2011.

WORK SUBMITTED:

"`End of Men'" Conversation on Employment and Wages," January 2013. (Submitted *Boston University Law Journal*.)

"Evolving the U.S. Department of Labor for the New Workforce," December 2012. (with Sara Horowitz and Gabrielle Wuolo). (Submitted to *Industrial and Labor Relations Review*.)

"The Impact of 9-11 and the London Bombings on the Employment and Earnings of U.K. Muslims," August 2010. IZA Discussion Paper #4763. (with Faisal Rabby). (Submitted to *Industrial Relations.)*

"The Impact of Monetary Policy on the Duration and Type of Unemployment," January 2006. (Submitted *Contemporary Economic Policy*).

"The Role of Labor Demand, Labor Supply and Institutional Factors in Explaining the Relationship between Black-White Income Inequality and White Family Income," January 2002. (Revise and Resubmit to the *Review of Social Economy*).

"The African American High School Composition Effect: What Does It Mean?" March 2001. (with William Spriggs) (Revise and Resubmit to *Industrial Relations*).

"Estimating the Bias Due to Measurement Error in the Economic Returns to Schooling: Eight Months Makes a Big Difference," March 2001. (with Sarah Bruhl) (Revise and Resubmit to *Economics of Education Review*).

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

WORKING PAPERS:

"The Earnings Gap between Undocumented and Documented U.S. Farmworkers: 1990 to 2009," Center for Women and Work, and Heldrich Center for Workforce Development, Rutgers University. December 2012. (with Elizabeth Nisbet).

"The Impact of Clinical Depression on the Labor Market Outcomes of Young Adults," Revised December 2012. Heldrich Center for Workforce Development, July 2010. Social Science Research Council (with Alice Kassens). http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1964806.

"Has the Reduction in Unemployment Insurance Benefits been Premature? Heldrich Center for Workforce Development. Rutgers University. August 2012.

"Futurework 2.0: Life After the Great Recession," January 2012. Heldrich Center for Workforce Development. http://www.heldrich.rutgers.edu/sites/default/files/content/Future_Work_Report.pdf

"Is the Stimulus Landing in the Neediest Communities?" January 2010. Heldrich Center for Workforce Development.

"Out of College and Out of Work: Good Employment Policy in a Bad Economy," June 2009. Heldrich Center for Workforce Development.

"U.S. Active Labor Market Policy: Will the U.S. Economy Need a 2nd Stimulus?" June 2009. Heldrich Center for Workforce Development.

"Prosperity for All Revisited: The 2001 to 2008 Expansion," December 2008. Heldrich Center for Workforce Development.

"The Motherhood Wage Penalty for First Generation Immigrant and Native Women: Do Family Gaps Affect All US Women," November 2008. Heldrich Center for Workforce Development. (With Anjali Srivastava).

"A Proposed Resolution to the Racial Wage Gap: Race, Cognitive Ability and the Wage Curve," January 2007. Heldrich Center Workforce for Development. (With Heather Boushey and William E. Spriggs).

"The Consequences of Recent Job Growth on Older Low Income Workers," National Poverty Center Working Paper #06-06. National Academy of Social Insurance. January 2006.

"Food Security and the Federal Minimum Wage," March 2004. Formerly National Urban League Special Research Report #SRR-03-2002. (with Hanley Chiang and Bruce W. Klein).

"Identifying Inter-Occupational Gender Wage Differentials: A Parametric Frontier Approach," March 2005. (with William C. Horrace).

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

"Does the Glass Ceiling have Adverse Spillover Effects: A Tale of Two Federal Agencies," July 2003 (with Allison Brown).

"Does Contractionary Monetary Policy have Differential Geographic Impacts?" July 2003. (with Gregory Licausi).

"The Structure of Entry-Level Law School Salaries: 1985 to 2001," June 2002 (with Thomas J. Whiteside).

"The Distributional Impact of Minimum Wage Increases: Income and Earnings," January 2002. (with Jared Bernstein).

"Area Economic Conditions and the Crime of Young Men in the 1990s Expansion," October 2001. (with Richard B. Freeman).

"Education and the AFQT Score: What's Their Role in Explaining the Lower Relative Earnings of Blacks?" March 2001. (with William E. Spriggs and Elizabeth Waaler).

"Within School Segregation in Extracurricular Activities: A Longitudinal Approach," November 1999. (with Michelle Ragsdale).

"Changes in Taiwan's College Wage Premium, 1978-1997: Supply, Demand and Institutional Factors," July 1999 (with Paul Helms and Joseph Zveglich).

"Area Economic Conditions and the Labor Market Outcomes of Young Men in the 1990s Expansion," March 1999. NBER Working Paper #7073. (with Richard Freeman).

"The Effects of Minimum Wages on Teenage Employment and Enrollment: Evidence from the National Longitudinal Survey of Youth," November 1996.

PROFESSIONAL ACTIVITIES:

Rutgers University and the Edward J. Bloustein School of Planning and Public Policy

- Men's Basketball Team, Academic Mentor, 2011, 2012, and 2013.
- President's Council on Institutional Diversity and Equity, 2008 to 2012.
- Chair, Bloustein Faculty Work Equity Committee, Fall 2009 to Spring 2010.
- President's Faculty Diversity Award Selection Committee, Spring 2007
- School of Management and Labor Relations Dean Search Committee, Spring 2006
- University-wide Budget Advisory Committee, Spring 2006, Spring 2008
- NJ101, New Faculty Travel Seminar, Spring 2005
- Honorary Degree Committee: 2004, 2005, 2006, 2007, 2008, 2009
- Commencement Faculty Marshall: 2004, 2005, 2006, 2007, 2008, 2009

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

Bloustein School of Planning and Public Policy
Reading Committee: Fall 2011, 2012
Faculty Workload Committee Chair: April 2009 to April 2010
Appointments and Promotions Committee: 2004, 2005, 2006, 2008
FASIP (Merit Pay) Committee: 2005

Editorial Board, Teaching Public Administration, 2011 to present

Member, U.S. Bureau of Labor Statistics, Technical Advisory Committee

Member, Labor Employment Relations Association, Annual Conference Committee

Member, Labor Markets Advisory Group, The Migration Policy Institute

Member, Center for American Progress Academic Advisory Committee for Economic Policy

Member, Congressional Black Caucus Foundation's Council of Academic Advisors

Member, Economic Policy Institute Research Advisory Board

Member, University of Kentucky Center for Poverty Research

Member, ICPSR Ad Hoc Committee on Quantitative Methods for Underserved Groups

Member, Virginia Governor's Advisory Board of Economists

Associate Editor, *Southern Economic Journal*, 2000-2005

American Economic Association, 1993 to 2009.
Chair, Economics Mentoring Program (formerly named the Pipeline Project)
Member, Committee on the Status of Minority Groups in the Economics Profession

National Economic Association, January 1994 to present.
Samuel Z. Westerfield Nomination Committee, 2005
Immediate-Past President, 2004
President, 2003.
President-Elect, 2002.
Board of Directors, 1998 to 2004.

Dissertation Committee, Chair, 1997 to 1999.
Election Committee, Member, 1995.
Member, 1994 to Present

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

Referee and Reviewer, *Economics Letters, Canadian Journal of* Economics, Demography, *Economic Inquiry*, National Research Council, National Science Foundation, *Journal of Human Resources*, *Journal of Policy Analysis and Management*, *Journal of Political Economy, Feminist Economics*, *Southern Economic Journal, Industrial Relations, Journal of Contemporary Economic Issues, Labour Economics Review of Black Political Economy, Review of Economics and Statistics, Social Sciences and Humanities Research Council of Canada, Sociological Perspectives*, *Teaching Public Administration*, MacArthur Fellowship Program, University of Massachusetts-Amherst, U.S. Department of Health and Human Services, W.E. UpJohn Institute, Wayne State University Press, William T. Grant Foundation.

Employment Training Administration, U.S. Department of Labor, Expert Panel Member, February 1999 to December 1999.

Crossroads Workforce Training Group, Williamsburg-James City County, VA, Consultant, February 1999 to October 1999.

AFL-CIO, Economics Education Consultant, February1997 to December 1997.

Steering Committee Member, Program to Enrich Economics Education at 4 HBCUs to Increase the Supply of African Americans Pursuing Doctoral Degrees in Economics and Public Policy, June 1996 to Present.

Society of Labor Economists Member, September 1995 to 2000.

James City County Democratic Committee, 1995 to 2000.
Vice-Chair, December 1997 to January 1, 1999.
Strategic Planning Committee, Chair, 1996.

James City County All Together, Inc.
Board of Directors, January 2001 to January 2004
Economics Committee, February 1997-1999
Moderator, Merging Two Realities: Education and Workforce Development, November 1997.

Dartmouth College Alumni Activity
Dartmouth Club of Princeton
Board of Directors, 2008 to present
Class of 1986
Chair, Nominating Committee, December 2010 to June 2011
Executive Committee, 2001 to present
President, 2004 to 2006
Vice President, 2001 to 2003

Exhibit IV: Qualification of Subject Matter Experts: Dr. William M. Rodgers III

Alumni Council
- Member, Nominating Committee, Spring 2004 to Spring 2006
- Executive Committee, Spring 2005 to Spring 2006
- Committee on Academic Affairs, Fall 2003 to Spring 2006
  - Chair, Spring 2005 to Spring 2006
  - Member, Fall 2003 to Spring 2006

Exhibit V

Measure of Housing for New Jersey Child Support Guidelines

Dr. Burt Barnow

Housing is an important component of expenditures for most American families, and there are several approaches that can be used to measure housing in constructing measures of family spending. For example, in the 2009 Consumer expenditure Survey (CES), the Bureau of Labor Statistics reports that among all husband and wife consumer units, housing expenditures averaged $20,654 out of total expenditures of $63,104, or about one-third of all expenditures.[1] This section discusses what is captured in the CES measure of housing expenditures, some potential alternative measures suggested by the subcommittee, and the feasibility of using the alternative measures. The section concludes with a discussion of how states similar to New Jersey in terms of income deal with housing expenditures in formulating their guidelines.

The CES measure of housing expenditures for owner-occupied dwelling units includes mortgage interest and charges on; property taxes paid; and maintenance, repairs, insurance and other expenses. Other housing expenses included are housing expenses for renters and "other lodging" expenses.

Including Mortgage Principal Payments as Housing Expenditures

There are three ways that housing expenditures for homeowners could be defined for the purpose of estimating expenditures on children: (1) expenditures on housing as defined in the Consumer Expenditure Survey, (2) expenditures on housing as defined in the Consumer Expenditure Survey plus mortgage principal payments of home owners, and (3) estimated or

[1] All figures were obtained from http://www.bls.gov/cex/2009/Standard/cucomp.pdf.

imputed rent plus other housing costs of renters. The definition of housing expenditures in the CES excludes mortgage principal payments, but because these payments represent a significant use of funds for some home owners, it is useful to consider the arguments for and against including principal payments. The argument against including principal payments is straightforward. The CES does not include principal payments because principal payments are not expenditures in the accounting sense of the term; instead they represent loan repayments, which is a form of saving, and should therefore not be considered in computations of expenditures.

Betson (2010) provides a rationale for including principal payments:

> In the past, some estimates have relied on the family's total expenditures as a measure of total spending, but as noted earlier, this concept does not reflect the family's principal payments on their debt, in particular, the principal payments on their home mortgage. The difference between the two measurements (i.e., "outlays," which does include principal payments, and "spending," which does not), is negligible for families with little or no debt or debt that has recently been financed (especially home purchases). However, if the family lives in the same home for a [sic] several years, the difference between the two concepts will grow as the mortgage payment reflects more principal payments than interest payments. Since most child support guidelines are intended to provide for children from ages 0 through at least age 18 years old, the use of family outlays makes more sense than family expenditures.

I will not attempt to settle the debate about which of these two measures of housing costs is most appropriate for developing child support guidelines here, but it is useful to put the issue in perspective. As Betson notes in the paragraph quoted above, many households do not make principal payments. Among husband and wife households, in 2009, 56 percent had a mortgage while the remainder either owned and had no mortgage or rented. The CES published tables do not indicate how many households had relatively new mortgages where principal payments are minimal. However, as Betson also notes, on average including principal payments does increase total spending; the 2009 CES indicates that average principal payments, including those who make

no principal payments, for husband and wife households is $3,231, and including principal payments in spending increases total spending by 5.1 percent.[2]

Although there is no doubt that measured spending changes when principal payments are included, this does not mean that there would necessarily lead to an impact on child support guidelines. For example, states using guidelines approaches other than the income shares model, total expenditures are not used in establishing the guidelines, so states using the Melson or percentage of obligor's income guidelines, or that develop guidelines using other principles (such as Hawaii) are not affected by how housing expenses are measured.

Even in income shares states, such as New Jersey, how housing expenditures are measured arguably should not affect guidelines. The guidelines in New Jersey make use of the Rothbarth approach, which assumes that we can determine the relative well-being of households with different compositions by the amount spent on "adult goods," which has been interpreted typically as the amount spent on clothing for adults, alcohol, and tobacco.[3] Although intermediate calculations may involve using housing expenses to develop the guidelines, the actual guidelines are based on the relationship between expenses for adult goods and net income. Thus, changing the measurement of housing expenses to include mortgage principal payments will affect the level of total expenditures, but it should not affect net or gross income—all the decision does is to move some household payments from savings to expenditures. Thus, the decision on whether to include or exclude mortgage principal payments should have no effect on child support guidelines for New Jersey using its current approach.

[2] In his recent analysis of the CES, Betson (2010) finds that including principal payments has a statistically significant impact on measured expenditures for families with one, two and three children.

[3] David Betson, who analyzes CES data for calculating expenditures on children for many states with incomes shares guidelines, has used only adult clothing in recent work. See Betson (2010).

Use of Estimated or Imputed Rent in Developing Child Support Guidelines

From an economic conceptual view, consumption of owner-occupied housing should be measured differently from goods and services that are purchased. In an owner-occupied dwelling unit, the owner acts as both a renter and an owner—in effect, the person pays rent to him or herself, and the same person then receives rental income identical to the amount paid. It could be argued that if we wish to measure consumption expenditures, we should use the implicit rent paid on owner-occupied dwelling units rather than housing expenditures.

Because the rent on an owner-occupied dwelling unit is implicit and not directly observed, the CES cannot ask homeowners what they pay in rent, but instead must ask: "If someone were to rent your home today, how much do you think it would rent for monthly, unfurnished and without utilities?" [4] Thus, instead of relying on actual prices paid, the CES must rely on responses to a hypothetical question. To impute net rent, adjustments are required to account for vacancies, repairs, and taxes typically paid by the property owner. Garner and Verbrugge (2009) note that in theory, after-tax user costs should equal net rent, but they find that "In keeping with most previous research, we find tremendous divergence between conventional measures of user costs and net rents."[5] The U.S. Department of Commerce estimates net rent for owner-occupied housing for the national income and product accounts, and Garner, McClelland, and Passero (2009) find that

[4] Thesia I. Garner and Randal Verbrugge (2009). "Reconciling User Costs and Rental Equivalence: Evidence from the U.S. Consumer Expenditure Survey." Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, Working Paper 427, August 2009, p. 6.

[5] Thesia I. Garner and Randal Verbrugge (2009). "Reconciling User Costs and Rental Equivalence: Evidence from the U.S. Consumer Expenditure Survey." Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics, Working Paper 427, August 2009, p. 1.

estimates from the CES are 25 to 30 percent higher than the estimates of imputed rent produced by the Department of Commerce.[6]

Another potential problem with using imputed rent rather than actual expenditures is that in the rental framework, income should also be adjusted to account for the implicit rent received by homeowners. Thus, the calculations for determining child support guidelines would involve imputing additional income as well as imputing rental payments.

In conclusion, a move to using implicit rent on owner-occupied dwellings instead of expenses (either including principal payments or excluding principal payments) adds a great deal of complexity and use of hypothetical data to the development of child support guidelines. First, the data collected from consumers is hypothetical rather than actual expenditures. Second, the data would require adjustments to account for vacancies and expenses typically paid by landlords. Third, because the implicit rent also generates implicit income, adjustments to measured income would also be required. Thus, even though a case can be made for using implicit rent on owner-occupied dwellings, in practice using such a measure would complicate the process of developing guidelines and would likely introduce significant error.

Treatment of Housing Costs by States Similar to New Jersey

The Subcommittee is interested in how five states with similar income levels treat housing expenditures in constructing their guidelines. In this section the approaches used in Alaska, Connecticut, Hawaii, Maryland, and Massachusetts are discussed. It should be kept in mind that although housing expenditures are an important component of total expenditures, measurement of

[6] Thesia I. Garner, Robert McClelland, and William Passero (2009). "Strengths and Weaknesses of the Consumer Expenditure Survey from a BLS Perspective." Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics.

housing expenditures is not an important factor in the development of guidelines in many situations. As noted below, states using the Melson formula or the percentage of income approach do not depend on how housing expenditures are measured.

Alaska. The State of Alaska makes use of the percentage of income approach.[7] Under this approach, guidelines only depend on the obligor's income and the number of children. There is no need to estimate equivalence scales, and there is no need to measure expenditures on housing in developing the guidelines.

Connecticut. The State of Connecticut makes use of the income shares concept. The Connecticut child support guidelines were issued in 2005 and were developed by the same researchers who developed New Jersey's guidelines. The state's report on guidelines states "Mortgage principal payments are excluded from measurements of current consumption, as they constitute a form of savings."[8]

Hawaii. Hawaii uses the Melson formula for its child support guidelines. States using the Melson formula develop guidelines that follow four basic principles:

- Each parent is entitled to keep sufficient income for their basic needs and to facilitate continued employment.
- Each child's basic needs are taken care of before the parents may retain any additional income.
- When calculating the basic needs of the child, these guidelines also consider child care and the child's health insurance expenses.

[7] Alaska's child support guidelines are described on the Internet at http://www.courts.alaska.gov/civ2.htm#90.3 obtained on July 29, 2011.
[8] State of Connecticut Commission for Child Support Guidelines (2005). "Child Support and Arrearage Guidelines." Obtained from http://www.jud.ct.gov/Publications/ChildSupport/2005csguidelines.pdf on July 29, 2011.

- If income is available after the primary needs the parents and each child are met, the child is entitled to share in any additional income of the parents so they can benefit from the absent parent's higher standard of living.[9]

Under the Melson guidelines, there is no need to explicitly calculate housing expenditures in constructing the guidelines.

Maryland. Like New Jersey and Connecticut, Maryland uses an income shares approach for its child support guidelines. Conversations with Dr. Jane Venohr, the expert consultant who developed the guidelines, indicated that Maryland did not include mortgage principal payments in constructing its guidelines.

Massachusetts. Massachusetts has developed child support guidelines that are not income shares, percentage of income, or Melson formula guidelines, and development of the guidelines do not require estimates of how much money intact families spend on their children. The task force that developed Massachusetts' guidelines concluded that "the Task Force concluded that isolation of the specific household costs attributable to the child, who is the objective goal of the economic models, is neither necessary nor appropriate."[10]

To summarize, none of the five states used for comparison made use of mortgage principal payments in the development of their guidelines. Alaska and Hawaii make use of the percentage of income and Melson formula, respectively, and these approaches do not require estimates of spending on housing. Massachusetts developed its own approach, and the state did not need to specifically estimate expenditures on housing. The two remaining states, Connecticut and

[9] Hawaii Child Support Guidelines 2010 obtained from http://www.courts.state.hi.us/docs/form/oahu/child_support/csg_instructions.pdf on July 29, 2011.
[10] Massachusetts Child Support Guidelines Task Force (2008). "Report of the Child Support Guidelines Task Force." Obtained from http://www.mass.gov/courts/childsupport/task-force-report.pdf on July 29, 2011

Maryland, use an income shares approach for developing guidelines, but these states do not include mortgage principal payments.

Exhibit VI

Treatment of Social Security Disability Derivative Benefits
Margaret Campbell Haynes, J.D.

Issue: What is a recommended approach for New Jersey Child Support Guidelines with regard to Social Security Disability derivative child benefits if the goals are equitable treatment of parents and consistency with the view that such benefits represent substitute income?

Background:

The current New Jersey Support Guidelines account for Social Security Disability derivative child benefits by (1) excluding such benefits from either parent's income; and (2) deducting such benefits from the total basic child support amount, before calculating each parent's share of the basic child support amount. It is therefore meaningless as to which parent is disabled.

According to the Family Practice Committee, Child Support Subcommittee:

> The history of the rule suggests that this method was selected specifically to amplify the child support reduction when a non-custodial parent becomes disabled, and his or her child or children are receiving benefits from social Security based on the disabled non-custodial parent's work history.
>
> In practice, this exaggerated reduction works well when the non-custodial parent becomes disabled. However, when the custodial parent becomes disabled, the child's household income is usually significantly reduced by the custodial parent's loss of earning capacity. To further this family's financial hardship by applying the exaggerated child support reduction contradicts basic principles of child support policy. The non-custodial parent, whose circumstances have not changed, should not benefit from a financial windfall at the expense of the child.

Presumably in recognition of the possibility of inequity, the New Jersey Guideline contains the following note:

> NOTE: There may be circumstances when the CP/PPR is the party who is disabled and the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.

Therefore, rather than requiring uniform treatment when either the custodial parent or noncustodial parent is disabled, the current guideline leaves the matter within the discretion of the court in the case of the disabled custodial parent.

Recommendation:

The support guidelines should provide uniform treatment with regard to Social Security Disability derivative child benefits, regardless of which parent is disabled. It is recommended that such uniform treatment contain the following:

1. Include the amount of Social Security Disability derivative child benefits within the income of the disabled parent.
2. To the extent the derivative benefits are included within a disabled parent's income, provide that parent a dollar-for-dollar credit against that parent's support obligation up to the amount of the obligation.
3. If the presumptive child support amount of the obligor is equal to or less than the derivative benefits, the child support responsibility of that parent shall have been met.
4. Recommended: Provide that any derivative child benefits that are greater than the obligor's presumptive support obligation shall be retained by the custodial parent for the child's benefit and shall not be used as a reason for decreasing the final child support order or reducing arrearages and shall not be credited to any future child support obligation. See the support guidelines of Alaska, District of Columbia, Georgia, Idaho, Montana, North Dakota, Oklahoma, and Tennessee.

   Alternative: Provide that any derivative child benefits that are greater than the obligor's presumptive support obligation shall be retained by the custodial parent for the child's benefits and shall not be used as a reason for decreasing the final child support order and shall not be credited to any future child support obligation. If the amount paid to or for a child on behalf of a disabled parent is in excess of the child support obligation of that disabled parent, the amount received in excess of the child support obligation [shall][may] be credited against any child support arrearage owed by the parent that accrued subsequent to the date of the parental disability, but shall not be applied to an arrearage that accrued prior to the date of disability. See the support guidelines of Kentucky, Maryland, Virginia, and Wyoming.

5. Consider whether you want the guidelines to expressly address lump sum retroactive Social Security Disability derivative payments. Most state guidelines do not. There is no uniform approach among those states that do address. See the support guidelines of Montana and Oklahoma.

Appendix A contains suggested language for amending the current New Jersey Support Guidelines, consistent with the above recommendations 1 – 4.

Discussion:

Definition

According to the Social Security Administration, "Social security is based on a simple concept. When you work, you pay taxes into the system, and when you retire or you become disabled, your spouse and your dependent children receive monthly benefits that are based on your earning. And, your survivors collect benefits when you die." Federal law provides that a child of an individual entitled to such disability, old-age, or death benefits is entitled to a child's insurance benefit provided the child has filed an application for benefits, has not reached age 18, is not married, and is dependent on the parent receiving the Social Security benefits. See 42 U.S.C. § 402. Disability benefits are sometimes referred to as Social Security Disability Insurance (SSDI). Generally the amount of the dependent benefit is 50% of the disabled parent's disability rate, which in turn is based on the disabled parent's past income.

When a child receives Social Security disability benefits due to a parent's disability, these are called derivative benefits. A child's receipt of Social Security derivative benefits factors into many child support guidelines.

A child may also receive Social Security benefits based on his or her own disability. Such benefits do not factor into guidelines' numerical calculations.

Treatment of Derivative Child Benefits Under New Jersey Support Guidelines

Appendix IX-A (2009)
10. Adjustments to the Support Obligation
c. *Government Benefits Paid to or for Children* - In some cases, government benefits may be received by or for a child based on a parent's earnings record, disability, or retirement (e.g., Black Lung, Veterans Disability, Social Security). Such payments are meant to replace the lost earnings of the parent and are paid in addition to the worker's or member's benefits (i.e., payments to family members do not reduce the member's benefits). . . . Supplemental Security Income (SSI) and welfare payments received for or on behalf of a child are not included in this category since they supplement parental income based on financial need. If non-means tested benefits are paid to or for a dependent child for whom support is being determined, the benefits must be deducted from the basic support obligation (See Potter v. Potter, 169 N.J. Super. 140 (App. Div. 1979), De La Ossa v. De La Ossa, 291 N.J. Super. 557 (App. Div. 1996), Pasternak v. Pasternak, 310 N.J. Super. 483 (Ch. Div. 1997) and Herd v. Herd, 307 N.J. Super. 501 (App. Div. 1998)).

The deduction is provided because the receipt of such benefits reduces the parents' contributions toward the child's living expenses (i.e., the marginal cost of the child). If the benefits received by the child are greater than the total support obligation (i.e., the amount of the obligation after deducting the benefits is zero), no support award should be ordered while the child is receiving the benefits. The benefits will continue to be paid by the government agency to the custodial parent in lieu of child support. If the total obligation is greater than the benefits received by the child, the non-custodial parent's income share of the residual amount (after deducting the benefits) is the support award to be paid to the custodial parent. Government benefits paid to or for a child that reduce benefits paid to a non-custodial parent (an apportionment) should not be deducted from the basic child support award, but should be used to offset the parent's child support order (i.e., the apportionment represents a payment toward the support order similar to a garnishment). NOTE: There may be circumstances when the CP/PPR is the party who is disabled and the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.

Appendix IX-B
Instructions for Completing Worksheet
Lines 1 -5 Determining Income
Types of Income Excluded from Gross Income - The following types of income are excluded from *gross income*:
g. a government benefit based on a parent's earnings record, disability, or condition that is paid to or for the child (or the child's caretaker) for whom support is being determined (e.g., Black Lung, Veteran's Disability, Social Security) or other nonmeans- tested government benefits meant to reduce the cost of the child (e.g., adoption subsidies as provided by N.J.A.C. 10:121-2);

Comments section of the Worksheet.

Line 5 - Net Income
Add the Net Taxable Income and the Non-Taxable Income to obtain the weekly Net Income. [Math: Line 3 + Line 4]. Enter each parent's Net Income in the appropriate Line 5 column.
Add the net incomes of the parents to obtain the Combined Net Income [Math: Line 5 Custodial Parent + Line 5 Non-Custodial Parent = Line 5 Combined].
Enter the result on Line 5, Combined.

Line 6 - Percentage Share of Income
Divide each parent's net income by the combined net income to obtain each parent's percentage share of income. [Math: Line 5 Custodial Parent ÷ Line 5 Combined = Custodial Parent Line 6 Percentage Share; Line 5 Non-Custodial Parent ÷ Line 5 Combined = Non-Custodial Parent Line 6

Percentage Share]. The sum of the two percentages (ratios) must equal one (the decimal equivalent of 100%).
Enter each parent's income share in the appropriate Line 6 column.

Line 7 - Basic Child Support Amount
Look-up the Basic Child Support Amount from Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line 5 combined net income of the parents.
Enter the Basic Child Support Amount on Line 7.

Line 12 - Deducting Government Benefits Paid to or for the Child
Enter government benefits received by the child on behalf of either parent on Line 12. If a child is receiving government benefits based on either parent's earning record, disability, or retirement, the amount of those benefits must be deducted from the total support award (regardless of the effect of the child's benefit payments on benefits paid to the parent). Such benefits include, but are not limited to: Social Security Retirement or Disability, Black Lung, and Veteran's Administration benefits. Also included are nonmeans- tested government benefits meant to offset the cost of the child such as adoption subsidies (*N.J.A.C.* 10:121-2). SSI, public assistance (TANF), and other means-tested benefits are not government benefits based on a parent's earnings record, disability or retirement and should not be included on Line 12. If the government benefit received by the child is greater than the total support award (i.e., the amount of the total support award after deducting the government benefit is zero or less), the amount of the government benefit that is being paid to or for the child represents the support award. In such cases, the support award should be made payable directly to the obligee (i.e., from the government agency to the obligee; not through Probation). If the government benefit is less than the total support obligation, it shall continue to be paid directly to the obligee and the residual amount shall be paid through Probation. See Appendix IX-A, paragraph 10(b).

Note that these benefits are not included in the gross income of the recipient parent.

NOTE: There may be circumstances when the CP/PPR is the party who is disabled and the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.

Line 13 - Calculating the Total Child Support Amount
Add the basic child support amount, net child-care cost, health insurance cost for the child, predictable and recurring unreimbursed health-care costs above $250 per child per year, and court-approved predictable and recurring extraordinary expenses. Then,

Exhibit VI: Treatment of Social Security Disability Derivative Benefits,
Margaret Campbell Haynes, J.D.

Subtract any government benefits received by the child. The result is the Total Child Support Amount. [Math: ((Line 7 + Line 8 + Line 9 + Line 10 + Line 11) - Line 12)].
Enter the total support amount on Line 13.

IF THE TOTAL CHILD SUPPORT AMOUNT IS ZERO (THE GOVERNMENT BENEFIT EXCEEDS THE TOTAL CHILD SUPPORT AMOUNT), STOP!
GOVERNMENT BENEFITS PAID DIRECTLY TO CHILD'S CUSTODIAN WILL SUBSTITUTE FOR THE CHILD SUPPORT ORDER. OTHERWISE, CONTINUE TO LINE 14.

Line 14 - Parental Share of the Total Child Support Obligation
Multiply each parent's percentage share of income by the total child support amount to find each parent's share of the total child support amount. [Math: Line 6 Custodial Parent × Line 13 Total Support; Line 6 Non-Custodial Parent × Line 13 Total Support].
Enter each parent's share of the total support amount in the appropriate Line 14 column.

[Then there are various credits]

Line 20 - Figuring Each Parent's Net Support Obligation
Subtract each parent's direct payments for child care, the child's share of the health insurance premium, predictable and recurring unreimbursed health care for the child above $250 per year per child, and predictable and recurring extraordinary court- approved expenses from the paying parent's share of the total support amount. Then, **subtract** the Line 19 credit, if any, from the non-custodial parent's support amount. The result is each parent's net child support obligation.
[Math: (Line 14 - (Line 15 + Line 16 + Line 17 + Line 18 + Line 19)) for each parent].
Enter each parent's net obligation in the appropriate Line 20 column.
[then there are adjustments and self-support reserve]

Treatment of Derivative Child Benefits Under Other State Guidelines

When a child receives Social Security Disability derivative benefits due to a parent's disability, New Jersey excludes such benefits from either parent's income. Only two other state guidelines take such an approach: Kentucky and Montana.

When a child receives Social Security Disability derivative benefits due to the custodial parent's disability, most of the state child support guidelines that expressly address such benefits include the payments made to the child as income to the custodial parent. The rationale is that the Social Security benefits paid to the child represent substitute income that is otherwise due to the disabled parent.[1] In turn, these States give the custodial

[1] Courts that have addressed the question have reached a similar conclusion. "Many courts reach the conclusion that dependent disability benefits must be included in the disabled parent's income, whether based on statute, common law,

parent a dollar-for-dollar credit for the Social Security derivative child benefits against the custodial parent's support obligation.[2] The rationale is that, because the benefits represent substitute income, they are also substitute support. These States do not credit the payments against the noncustodial parent's support obligation.

When a child receives Social Security Disability derivative benefits due to the noncustodial parent's disability, and the noncustodial parent has a support obligation, most of the state child support guidelines that expressly address such benefits include the payments made to the child as income to the noncustodial parent. The rationale is that the Social Security benefits paid to the child represent substituted income that is otherwise due to the disabled parent. In turn, these States give the noncustodial parent a dollar-for-dollar credit for the Social Security derivative child benefits against the noncustodial parent's support obligation. The rationale is that, because the benefits represent substitute income, they are also substitute support. The States do not credit the payment against the custodial parent's support obligation.

Only two States address Social Security derivative child benefits that are due to a noncustodial parent's disability, and deduct the amount of such benefits from the noncustodial parent's income: Connecticut and Hawaii. These States are definitely in the minority since most States include such benefits within parental income.

One State, Pennsylvania, adds the amount of Social Security derivative child benefits to the combined parental income. It therefore does not matter which parent is disabled. The presumptive amount of support at the combined income of the obligee, obligor, and child's benefits is then reduced by the amount of the child's benefits before apportioning the remaining support obligation between the parents, based on their respective percentage of the combined parental income.

Where the Social Security disability derivative child benefit exceeds the disabled obligor's support obligation, state support guidelines take various approaches. Many provide that the support obligation is set at $0, and any "excess" benefit continues to go to the custodial parent for the child's benefit. In addition, four States have express language providing that the dependent benefits cannot be applied toward future support obligations.[3] Five States have express language providing that the benefits cannot be used as a credit against any arrears owed by the disabled obligor.[4] Two States expressly

common sense, or public policy." Tori Kricken, Child Support and Social Security Dependent Benefits: A Comprehensive Analysis and Proposal for Wyoming, 2 Wyo. L. Rev. 39, 53 (2002).

[2] In the absence of statutory guidance, most courts have also allowed a credit against a parent's support obligation for derivative government benefits so long as the benefits were attributed to the efforts or qualifications of the parent seeking the credit. *Id.* at 60. See also Laura W. Morgan, Child Support Guidelines: Interpretation and Application, § 2.03[e][9][iii][B] (Aspen Law & Business 1996 & Supps. 1997-2009).

[3] Arizona, Maryland, Montana, and North Dakota.

[4] Arizona, Georgia, Montana, Oklahoma, and Tennessee.

provide that the benefits can be used as a credit against arrears.[5] And two States provide that the excess cannot be used as a credit against any arrears that accrued prior to the parent's disability, but may be used as a credit against any arrears that accrued subsequent to the date of the parental disability. [6]

A few States address the crediting of Social Security derivative child benefits against arrears where there is a modification pending due to the disability.[7]

Appendix B details the approach of each state support guideline that expressly addresses Social Security derivative child benefits.

Options for New Jersey to Consider

The recommended approach is for New Jersey to follow the policy adopted by the majority of States that have expressly addressed the issue, i.e., include the amount of the Social Security disability derivative child benefits in the income of the disabled parent; and, in turn, credit the amount of the benefits dollar-for-dollar toward the disabled parent's child support obligation, up to the amount of that obligation. Such an approach is consistent with the view that the benefits should be treated as substitute income of the disabled parent.

An alternative approach, patterned after Pennsylvania, is to include the amount of the Social Security disability derivative child benefits in the combined income of the two parents; and, in turn, credit the amount of the benefits dollar-for-dollar toward the combined parental support obligation, prior to calculating each parent's proportionate share of that obligation. Although the alternative approach treats the derivative benefits as substitute income, it treats the benefits as substitute income to both parents. It does not assign the benefits to the parent who is actually disabled. Therefore, if the custodial parent is disabled, there is still a decrease to the noncustodial parent's support

[5] Idaho and Virginia.
[6] Kentucky and Maryland.
[7] The District of Columbia guidelines provide: "If the judicial officer finds that SSDI derivative benefits were paid to a child subject to the support order prior to the filing of the petition to establish or motion to modify child support, these benefits shall be credited toward any retroactive child support or accumulated arrears owed pursuant to the support order." Idaho's guidelines address the situation where a modification of support is granted on grounds of a Social Security Disability determination: "Filing of the petition to modify support entitles the noncustodial parent to a retroactive reduction in support to the date of filing of the petition for modification and not the date of filing for the benefits. If the modification of support is granted, any lump sum payment of retroactive Social Security Disability benefits paid shall be credited toward the modified support obligation." Oklahoma leaves it to the court's discretion to determine if, under the circumstances of the case, it is appropriate to credit social security benefits paid to the custodial person prior to a modification of child support against the past-due child support obligation of the noncustodial parent. In the absence of statutory guidance, courts have also addressed the issue. *See, e.g.*, *Brown v. Brown*, 849 N.E.2d 610 (Ind. 2006).

obligation. The result is a further reduction in income available to the household of the disabled custodial parent. For that reason, we do not recommend this alternative approach.

Scenarios Using Current Approach and Proposed Approach

Examples 1 and 2 involve low income parents.

Example 1 – Disabled CP
The noncustodial parent has net income of $400 per week; the custodial parent has net income of $200 per week. In addition to that income, their child receives Social Security derivative benefits of $100 per week (estimated as one-half of the disabled parent's benefit) as a result of the custodial parent's disability.

New Jersey's Current Approach Using Sole Parenting Worksheet
Line 5 – Net weekly income of Custodial Parent is $200; Net income of Noncustodial Parent is $400; Combined net income is $600.
Line 6 – Percentage Share of Income: Custodial Parent is 33%; Noncustodial Parent is 67%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $150.
Line 12 – Adjustment for Government Benefits is ($100).
Line 13 – Total Child Support Amount is $50.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $16.50; Noncustodial Parent is $33.50.

Recommended Approach
Line 5 – Net weekly income of Custodial Parent is $300 ($200 + $100); Net income of Noncustodial Parent is $400; Combined net income is $700.
Line 6 – Percentage Share of Income: Custodial Parent is 43%; Noncustodial Parent is 57%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $171.
~~Line 12 – Adjustment for Government Benefits~~[line would be deleted from worksheet at this point]
Line 13 – Total Child Support Amount is $171.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $74; Noncustodial Parent is $97.
A new line adjustment would be added:
Adjustment for Government Benefits for the Child
[Since the worksheet only records adjustments to the noncustodial parent's obligation, nothing would be reflected since it is the custodial parent who is disabled.]
Line 20 – Net Child Support Obligation (of the NCP) is $97.

Exhibit VI: Treatment of Social Security Disability Derivative Benefits,
Margaret Campbell Haynes, J.D.

Alternative Approach
Line 5 – Net weekly income of Custodial Parent is $200; Net income of Noncustodial Parent is $400; Combined net income is $600.
Two new lines would be added:
One line would read: Adjustment for Government Benefits for the Child
[This line would allow the amount of the derivative benefits to be added to the combined parental net income.]
The amount that would be placed under the combined column is $100.
The other new line would read: Total Combined Income (line 5, column Combined + new line, column Combined).
The amount that would be placed under the combined column is $700.
[Then current Line 7 needs to be moved up to here.]
Line 7 – Basic Child Support Amount from Appendix IX-F is $171.
[Then current Line 12 needs to be moved up to here.]
Line 12 – Adjustment for Government Benefits is ($100)
Line 13 – Total Child Support Amount is $71.
[Then current Line 6 needs to be moved to here.]
Line 6 – Percentage Share of Income: Custodial Parent is 33%; Noncustodial Parent is 67%.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $23; Noncustodial Parent is $48.

CP Disabled

CP Net Weekly Income Without Derivative Benefits = $200 **NCP Net Weekly Income Without Derivative Benefits = $400** **Weekly Derivative Benefits = $100**	**CP Income**	**NCP Income**	**Child Support Amount for One Child**	**NCP's Support Obligation**
Current Approach	$200	$400	$150 - $100 (SSDI) = $50	$33.50
Recommended Approach	$300	$400	$171	$97.00
Alternative Approach	$200	$400	$171 – $100 (SSID) = $71	$48.00

Exhibit VI: Treatment of Social Security Disability Derivative Benefits, Margaret Campbell Haynes, J.D.

The current New Jersey methodology for treatment of Social Security disability derivative child benefits disproportionately impacts a custodial parent's and child's household when the custodial parent is disabled. Not only does the CP and child household experience reduced income due to the CP's disability, but the amount of child support that the noncustodial parent is required to pay also decreases. The noncustodial parent actually benefits from the custodial parent's disability.

The recommended approach includes the amount of the derivative benefits within the income of the disabled parent, which in this case is the custodial parent. In turn, the benefits are then credited against the disabled parent's support obligation. In this case, the credit is against the custodial parent's share of the total support obligation. There is no credit against the noncustodial parent's share of the total support obligation, since the benefits are not derived from any disability on the part of the noncustodial parent. Therefore, the noncustodial parent's support obligation remains unchanged.

The alternative approach is based on New Jersey's current methodology, but treats custodial and noncustodial parents equally. The amount of the derivative benefits is added to the combined parental income; the amount of the derivative benefits is then subtracted from the total basic support obligation before each parent's share of that obligation is calculated. It is an improvement over the current methodology because (1) it treats the benefits as substituted income, and in turn credits the amount of the benefits against the support obligation; and (2) the same approach is used regardless of which parent is disabled. However, an important limitation of the alternative approach is that it is inconsistent with the concept of derivative benefits as substitute income to the disabled parent. Rather, both the current New Jersey methodology and the alternative approach treat the derivative benefits as "belonging" to both parents.

Example 2 – Disabled NCP

The noncustodial parent has net income of $200 per week; the custodial parent has net income of $400 per week. In addition to that income, their child receives Social Security derivative benefits of $100 per week as a result of the noncustodial parent's disability.

New Jersey's Current Approach Using Sole Parenting Worksheet

Line 5 – Net weekly income of Custodial Parent is $400; Net income of Noncustodial Parent is $200; Combined net income is $600.
Line 6 – Percentage Share of Income: Custodial Parent is 67%; Noncustodial Parent is 33%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $150.
Line 12 – Adjustment for Government Benefits is ($100).
Line 13 – Total Child Support Amount is $50.

Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $33.50; Noncustodial Parent is $16.50.

Recommended Approach
Line 5 – Net weekly income of Custodial Parent is $400; Net income of Noncustodial Parent is $300 ($200 + $100); Combined net income is $700.
Line 6 – Percentage Share of Income: Custodial Parent is 57%; Noncustodial Parent is 43%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $171.
~~Line 12 – Adjustment for Government Benefits~~[line would be deleted from worksheet at this point]
Line 13 – Total Child Support Amount is $171.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $97; Noncustodial Parent is $74.
A new line adjustment would be added:
Adjustment for Government Benefits for the Child = ($100)
[NOTE: An adjustment to the noncustodial parent's obligation is reflected since it is the noncustodial parent who is disabled.]
Line 20 – Net Child Support Obligation (of the NCP) is $0.

Alternative Approach
Line 5 – Net weekly income of Custodial Parent is $400; Net income of Noncustodial Parent is $200; Combined net income is $600.

Two new lines would be added:
One line would read: Adjustment for Government Benefits for the Child
[This line would allow the amount of the derivative benefits to be added to the combined parental net income.]
The amount that would be placed under the combined column is $100.
The other new line would read: Total Combined Income (line 5, column Combined + new line, column Combined).
The amount that would be placed under the combined column is $700.
[Then current Line 7 needs to be moved up to here.]
Line 7 – Basic Child Support Amount from Appendix IX-F is $171.
[Then current Line 12 needs to be moved up to here.]
Line 12 – Adjustment for Government Benefits is ($100)
Line 13 – Total Child Support Amount is $71.
[Then current Line 6 needs to be moved to here.]
Line 6 – Percentage Share of Income: Custodial Parent is 67%; Noncustodial Parent is 33%.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $48; Noncustodial Parent is $23.

Exhibit VI: Treatment of Social Security Disability Derivative Benefits, Margaret Campbell Haynes, J.D.

NCP Disabled

CP Net Weekly Income Without Derivative Benefits = $400 **NCP Net Weekly Income Without Derivative Benefits = $200** **Weekly Derivative Benefits = $100**	**CP Income**	**NCP Income**	**Child Support Amount for One Child**	**NCP's Support Obligation**
Current Approach	$400	$200	$150 - $100 (SSDI) = $50	$16.50
Recommended Approach	$400	$300	$171	$74 - $100 (SSDI) = $0
Alternative Approach	$400	$200	$171 – $100 (SSID) = $71	$23.00

When the noncustodial parent is disabled, the current New Jersey methodology for treatment of Social Security Disability derivative child benefits provides the noncustodial parent some relief from his or her support obligation since the basic support obligation is reduced by the amount of the benefits. However, the noncustodial parent does not benefit as much as he would under the recommended approach since the custodial parent also experiences a reduction in the CP's share of the basic support obligation. Overall, under the current New Jersey methodology, after factoring in the child support obligation, the financial situation of the disabled noncustodial parent is more improved than the financial situation of the disabled custodial parent.

The recommended approach includes the amount of the derivative benefits within the income of the disabled parent, which in this case is the noncustodial parent. In turn, the benefits are then credited dollar for dollar against the disabled parent's support obligation. In this case the credit is against the noncustodial parent's share of the total support obligation. There is no credit against the custodial parent's share of the total support obligation, since the benefits are not derived from any disability on the part of the custodial parent. Because the amount of the benefits exceeds the noncustodial parent's unadjusted support obligation, the adjusted support amount for the noncustodial

parent is set at $0. The recommended approach consistently treats the derivative benefits as substituted income for the disabled parent.

The alternative approach is based on New Jersey's current methodology, but treats custodial and noncustodial parents equally. The amount of the derivative benefits is added to the combined parental income; the amount of the derivative benefits is then subtracted from the total basic support obligation before each parent's share of that obligation is calculated. It is an improvement over the current methodology because (1) it treats the benefits as substituted income, and in turn credits the amount of the benefits against the support obligation; and (2) the same approach is used regardless of which parent is disabled. However, an important limitation of the alternative approach is that it is inconsistent with the concept of derivative benefits as substitute income to the disabled parent. Rather, both the current New Jersey methodology and the alternative approach treat the derivative benefits as "belonging" to both parents. Therefore, the resulting support obligation for the disabled noncustodial parent is greater than it would be under the recommended approach.

In Examples #3 and #4, the parent who is not disabled has much higher income than the disabled parent.

Example 3 – Disabled CP
The noncustodial parent has net income of $2000 per week; the custodial parent has net income of $400 per week. In addition to that income, their child receives Social Security derivative benefits of $200 per week as a result of the custodial parent's disability.

New Jersey's Current Approach Using Sole Parenting Worksheet
Line 5 – Net weekly income of Custodial Parent is $400; Net income of Noncustodial Parent is $2000; Combined net income is $2400.
Line 6 – Percentage Share of Income: Custodial Parent is 17%; Noncustodial Parent is 83%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $363.
Line 12 – Adjustment for Government Benefits is ($200).
Line 13 – Total Child Support Amount is $163.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $28; Noncustodial Parent is $135.

Recommended Approach
Line 5 – Net weekly income of Custodial Parent is $600 ($400 + $200); Net income of Noncustodial Parent is $2000; Combined net income is $2600.
Line 6 – Percentage Share of Income: Custodial Parent is 23%; Noncustodial Parent is 77%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $380.

Exhibit VI: Treatment of Social Security Disability Derivative Benefits,
Margaret Campbell Haynes, J.D.

~~Line 12 – Adjustment for Government Benefits~~[line would be deleted from worksheet at this point]
Line 13 – Total Child Support Amount is $380.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $87; Noncustodial Parent is $293.
A new line adjustment would be added:
Adjustment for Government Benefits for the Child
[Since the worksheet only records adjustments to the noncustodial parent's obligation, nothing would be reflected since it is the custodial parent who is disabled.]
Line 20 – Net Child Support Obligation (of the NCP) is $293.

Alternative Approach
Line 5 – Net weekly income of Custodial Parent is $400; Net income of Noncustodial Parent is $2000; Combined net income is $2400.

Two new lines would be added:
One line would read: Adjustment for Government Benefits for the Child
[This line would allow the amount of the derivative benefits to be added to the combined parental net income.]
The amount that would be placed under the combined column is $200.
The other new line would read: Total Combined Income (line 5, column Combined + new line, column Combined).
The amount that would be placed under the combined column is $2600.
[Then current Line 7 needs to be moved up to here.]
Line 7 – Basic Child Support Amount from Appendix IX-F is $380.
[Then current Line 12 needs to be moved up to here.]
Line 12 – Adjustment for Government Benefits is ($200)
Line 13 – Total Child Support Amount is $180.
[Then current Line 6 needs to be moved to here.]
Line 6 – Percentage Share of Income: Custodial Parent is 17%; Noncustodial Parent is 83%.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $31; Noncustodial Parent is $149.

Exhibit VI: Treatment of Social Security Disability Derivative Benefits,
Margaret Campbell Haynes, J.D.

CP Disabled

CP Net Weekly Income Without Derivative Benefits = $400 **NCP Net Weekly Income Without Derivative Benefits = $2000** **Weekly Derivative Benefits = $200**	**CP Income**	**NCP Income**	**Child Support Amount for One Child**	**NCP's Support Obligation**
Current Approach	$400	$2000	$363 - $200 (SSDI) = $163	$135
Recommended Approach	$600	$2000	$380	$293
Alternative Approach	$400	$2000	$380 – $200 (SSID) = $180	$149

Example #3 presents the situation of a disabled custodial parent. The variances in the NCP support obligation, resulting from the different approaches, points out the dramatic financial impact that the methodology can have on the household of the disabled custodial parent and child.

Example 4 – Disabled NCP
The noncustodial parent has net income of $400 per week; the custodial parent has net income of $2000 per week. In addition to that income, their child receives Social Security derivative benefits of $200 per week as a result of the noncustodial parent's disability.

New Jersey's Current Approach Using Sole Parenting Worksheet
Line 5 – Net weekly income of Custodial Parent is $2000; Net income of Noncustodial Parent is $400; Combined net income is $2400.
Line 6 – Percentage Share of Income: Custodial Parent is 83%; Noncustodial Parent is 17%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $363.

Line 12 – Adjustment for Government Benefits is ($200).
Line 13 – Total Child Support Amount is $163.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $135; Noncustodial Parent is $28.

Recommended Approach
Line 5 – Net weekly income of Custodial Parent is $2000; Net income of Noncustodial Parent is $600 ($400 + $200); Combined net income is $2600.
Line 6 – Percentage Share of Income: Custodial Parent is 77%; Noncustodial Parent is 23%.
Line 7 – Basic Child Support Amount from Appendix IX-F is $380.
~~Line 12 – Adjustment for Government Benefits~~[line would be deleted from worksheet at this point]
Line 13 – Total Child Support Amount is $380.
Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $293; Noncustodial Parent is $87.
A new line adjustment would be added:
Adjustment for Government Benefits for the Child = ($200)
[NOTE: An adjustment to the noncustodial parent's obligation is reflected since it is the noncustodial parent who is disabled.]
Line 20 – Net Child Support Obligation (of the NCP) is $0.

Alternative Approach
Line 5 – Net weekly income of Custodial Parent is $2000; Net income of Noncustodial Parent is $400; Combined net income is $2400.

Two new lines would be added:
One line would read: Adjustment for Government Benefits for the Child
[This line would allow the amount of the derivative benefits to be added to the combined parental net income.]
The amount that would be placed under the combined column is $200.
The other new line would read: Total Combined Income (line 5, column Combined + new line, column Combined).
The amount that would be placed under the combined column is $2600.

[Then current Line 7 needs to be moved up to here.]
Line 7 – Basic Child Support Amount from Appendix IX-F is $380.
[Then current Line 12 needs to be moved up to here.]
Line 12 – Adjustment for Government Benefits is ($200)
Line 13 – Total Child Support Amount is $180.
[Then current Line 6 needs to be moved to here.]
Line 6 – Percentage Share of Income: Custodial Parent is 83%; Noncustodial Parent is 17%.

Line 14 – Each Parent's Share of the Support Obligation: Custodial Parent is $149; Noncustodial Parent is $31.

NCP Disabled

CP Net Weekly Income Without Derivative Benefits = $2000 **NCP Net Weekly Income Without Derivative Benefits = $400** **Weekly Derivative Benefits = $200**	**CP Income**	**NCP Income**	**Child Support Amount for One Child**	**NCP's Support Obligation**
Current Approach	$2000	$400	$363 - $200 (SSDI) = $163	$28
Recommended Approach	$2000	$600	$380	$87 - $200 (SSDI) = $0
Alternative Approach	$2000	$400	$380 – $200 (SSID) = $180	$31

Example #4 presents the situation of a disabled noncustodial parent. The differences in the NCP support obligation, resulting from the various approaches, are MUCH less dramatic than the impact when the custodial parent is disabled.

Conclusion:

Because derivative benefits are, in essence, substitute income, most state guidelines include the benefits as income to the disabled parent. New Jersey does not count the benefits as income at all.

Under New Jersey's current guideline methodology, the derivative child benefits are credited against the total basic child support obligation, thereby reducing the overall

child support obligation. If the custodial parent is the disabled parent, the calculation has a disproportionate effect. Not only is the custodial parent's income reduced due to the CP's disability, but the amount of support the CP will receive is also reduced. Only one other State follows the approach of New Jersey.

Rather than authorizing judicial discretion in the application of guidelines when the custodial parent is disabled and there are Social Security Disability derivative child benefits, the New Jersey guidelines should provide for a consistent approach.
The majority of Income Shares states that expressly address Social Security Disability derivative child benefits include such benefits within the income of the disabled parent, calculate the basic support amount, apportion that amount based on the percentage of income each parent has in relation to the combined parental income, and then treat the amount of the benefits as a dollar for dollar credit against the support obligation of the disabled parent.[8] Such an approach has two benefits: It treats the parents equally. It also supports the fact that derivative benefits are associated with a particular parent, not both parents, and therefore should be treated as substitute income of, and substitute support from, that disabled parent.

We recommend that New Jersey amend its guidelines accordingly.

[8] Delaware, which uses the Melson formula, also adopted this approach as early as 1994: "Social Security Disability Benefits . . . paid to a child(ren) on behalf of a disabled parent shall be added to the disabled parent's income for use in this child support calculation. That parent will then receive a dollar-for-dollar credit off of the bottom line support obligation for these payments received by the child(ren). . . . The judiciary recognizes the prevailing national view, which treats disability payments to a child on behalf of a disabled parent as the payment of child support by that parent." Delaware Family Court, Consolidated Updates (1990 – 2010) to its child support formula.

Exhibit VII

Proposed Amendments to the New Jersey Rules of Court,

Appendix IX-A:

CONSIDERATIONS IN THE USE OF CHILD SUPPORT GUIDELINES

(Includes Amendments through those effective [April 24, 2012])

1. **Philosophy of the Child Support Guidelines** …no change

2. **Use of the Child Support Guidelines As a Rebuttable Presumption** …no change

3. **Deviating from the Child Support Guidelines** …no change

4. **The Income Shares Approach to Sharing Child-Rearing Expenses** …no change

5. **Economic Basis for the Child Support Guidelines**

At the foundation of the child support guidelines are estimates of what parents in intact families spend on their children. Determining the *cost* of raising a child is difficult because most goods and services purchased by families are shared by adults and children. Economists estimate that approximately 65% of household spending is for *pooled* items (e.g., a car, a washing machine, or a box of laundry detergent used in common by all household members). Even for goods that are privately consumed (e.g., clothing, food), expenditure surveys are not detailed enough to link individual household members (adults or children) to a particular expenditure. Together, pooled and privately consumed goods account for about 90% of total household expenditures. Since most expenditures on children cannot be observed directly, economists use an indirect method of determining child-rearing costs known as *marginal-cost estimation*. Marginal-cost estimation

attempts to find the added cost of a child to a family by comparing the expenditures of families considered equally well-off economically and have different numbers of children. For example, if two families (one with and one without a child) are equally well-off, the additional expenses of the family with a child are assumed to be the *marginal cost* of the child.

Selecting a Standard of Well-Being - Before estimating the marginal cost of children, a standard of well-being must be defined. Different marginal cost estimation methods use different standards of well-being. Although several standards have been used in the past, no consensus has emerged as to which provides the most credible result. Two of the most widely used marginal-cost estimation methods, *Rothbarth and Engel*, employ the standards of well-being described below.

Engel - The standard of well-being is the proportion of household income spent on food. Thus, if two families spend the same percentage of their income on food, they are considered equally well-off.

Rothbarth - This standard of well-being is based on how parents adjust their spending on adult goods due to the presence of a child. In other words, well-being is measured by comparing excess-income (i.e., after necessary expenditures for the family) available to purchase adult goods such as adult clothing, alcohol, tobacco, and entertainment.

Consumer Expenditure Data - Once an estimation technique is chosen, the household expenditure data to which it is applied must be selected. Typically, economists use data from the Consumer Expenditure Survey (CEX). The CEX is the most detailed source of national data on household expenditures and how they vary by family composition, size, geographic location and socioeconomic characteristics. The CEX collects expenditure information for hundreds of household consumption items including food, housing, clothing, transportation, education, child care, health care, and entertainment. The CEX is a cross-sectional survey designed to represent the

civilian, non-institutional population in the United States. Approximately 5,000 families participate in the CEX each quarter. CEX results are published annually, however, the results are generally three years old by the time they are available for public use. The CEX is considered the best available source of information for determining the cost of children using marginal-cost estimation techniques.

The Betson Analysis - In September 1990, Dr. David Betson of the University of Notre Dame published child-rearing estimates based on his analysis of pooled CEX data from 1980 through the first quarter of 1987, a variety of estimation techniques, and alternative definitions of the standard of well-being. As did previous studies, Dr. Betson's analysis resulted in a wide range of estimates of expenditures on children. Dr. Betson, like other economists, believes that the true range of marginal expenditures on children lies at some interval between the *Engel* and *Rothbarth* estimates. The *Engel* estimates, which are close to per capita (i.e., equal shares), clearly overstate the marginal cost of children and, thus, represent the upper bound of spending on children. Economists know that the *Engel* estimates are incorrect, but do not have the same information about the *Rothbarth* estimates. Thus, the *Rothbarth* estimates may represent the true level of marginal spending on children or the theoretical lower bound of that spending. Dr. Betson concluded that the *Rothbarth* method produced the best set of estimates on the marginal cost of children because it has the least empirical flaws and those that do exist have a minimal effect on the resulting estimates. [The child support schedules in Appendix IX-F of these guidelines are based on Dr. Betson's *Rothbarth* estimates.]

Estimating Spending on Children – The CEX does not have a direct measure of spending on children, so the expenditures on children are measured indirectly. The cost of

raising children is estimated by comparing total spending in households without children to total spending in households with one, two, and three children in all income categories covered by the tables. Although this may be an indicator of the marginal increase in household spending when children are added, it does not give a complete picture since income constraints may also force adults to spend less on themselves to share what income is available with their child(ren). To measure the impact children make on adult household spending, economists Michaels and Lazear have ascertained that measuring the change in expenditures on adult clothing gives the best estimate of expenditures on children in the household. This particular "estimator," which is a derivative of the Rothbarth methodology adopted to current use by Dr. Rodgers of Rutgers University, is along with the marginal increases in overall household spending, analyzed to arrive at the overall cost of child rearing as reflected in the awards table. The CEX data is also adjusted to account for the variety of educational levels, ethnic backgrounds, family size, labor force attachment of the parents, region of residence, and interview year. Dr. Rodgers adjusted the Rothbarth parameters for New Jersey's higher cost of living as reflected by the state's income distribution.

Development of Child Support Award Schedules – [Dr. Betson's analysis provides estimates of parental expenditures on one, two, and three children as a percentage of total household consumption. His *Rothbarth* findings were translated into a child support guidelines format by:

a. converting spending as a proportion of consumption to a proportion of net income;

b. updating Dr. Betson's 1990 estimates to September 1994;

c. deducting the cost of child care and unreimbursed health care expenses up to $250 per child per year (these expenses are added to the basic obligation);

d. extrapolating the estimates to families with four, five, and six children; and

e. computing marginal proportions between income ranges so that the support schedule could be organized into ten dollars increments]

Dr. Rodgers' 2012 study estimates parental expenditures on one, two, and three children as a percentage of total household outlays. To do this, Rodgers uses the estimation method developed by Lazear and Michael (1988) to estimate Rothbarth parameters. Lazear and Michael look at spending on adult clothes by families with and without children. Rodgers then transforms these Rothbarth parameters into a schedule of child support obligations by using the following steps:

a. converting child-related spending as a proportion of consumption to a proportion of net income;

b. updating estimates to 2011;

c. adjusting the schedule to reflect New Jersey's higher cost of living as measured by the CPI-U;

d. deducting the cost of child care and unreimbursed health care expenses that exceed $250 per child per year (these expenses are added to the basic obligation);

e. extrapolating the estimates to families with four, five, and six children;

f. computing marginal proportions between income intervals so that the support schedule can be constructed in ten dollars increments;

g. using the Rothbarth and marginal proportions to create the relationship between support obligations and combined net weekly income; and

h. using median regression to smooth (remove remaining kinks/discrete jumps) the relationship.

6. Economic Principles Included in the Child Support Guidelines

a. There is no absolute cost of raising children. The *cost* of raising children is inferred from the amount that parents' spend on their children. A child's *marginal cost* is the amount of spending above what the parents would spend if they did not have a child.

b. Larger households have lower per-person costs due to economies of scale and the sharing of [household] family goods (i.e., unit prices decrease as quantities and sharing increase).

c. Total spending on children increases with family size but at a decreasing rate. Support awards [(i.e., support awards should] increase with the number of children in the family[)].

d. When a family's total outlays [total expenditures of the household] rise, child-related spending [on children] increases roughly in the same proportion. In the Rodger study's analysis, as one moves from the lowest to highest of the 22 income intervals, the average increase in total outlays is 7%, 6%, and 8% for one child, two children, and three children. The comparable average increases in the expenditures on children are 7%, 7%, and 9%.

e. As a family's income [rises]increases, child-related expenditures[spending on children] increase[s] because[since] parents use a portion[some] of their disposable[discretionary] income to improve their children's quality of life. [the children's standard of living.] From the Lazear and Michael's model, the change (derivative) in child-related expenditures with respect to family income has two

components. The second portion of the derivative is the positive impact that income has on total expenditures.

f. Child-related expenditures [Spending on children] as a percentage of *family consumption* are[is] relatively constant across most of the income scale. [through most of the income range.]

g. As income increases, total family consumption spending [(e.g., for goods and services)] declines as a proportion of net income since income items [for non-consumption items (e.g.,] such as savings, personal insurance, and gifts[) increases] increase with [the level of household] family income. Families at lower level of the income ladder have [In low-income families,] consumption spending that may exceed 100% of net income. In contrast, high-income families may spend [only] 60% to 75% of net income on consumption items.

h. As a family's [household] income increases, child-related expenditures [on children] as a proportion of family income decline, even though [although such] these expenditures as a percentage of a family's consumption spending remain fairly [almost] constant [as a proportion of family consumption spending]. The difference between spending as a proportion of family income and a proportion of consumption is due to the effect of income taxes, savings, and charitable contributions. Income allocated [dedicated] to these items is not available for consumption spending[(i.e., on goods and services)].

i. [As the number of children rises, the marginal cost of each child does not increase proportionately (i.e.,] [d]Due to economies of scale, the sharing of family [household] goods and the redistribution of adult spending, as the number of

children increases, the additional cost of each child has a less than proportionate increase.[). Expenditures on two children] Dr. Rodgers estimates that child-related expenditures for two children are less than twice as much as child-related expenditures [spending on] for one child. [(i.e., depending on the estimation method, two children cost from 1.40 to 1.73 more than one child).] For two children, the average cost across the 22 income intervals is 1.7 more than one child. Also, the child-related expenditures for three children [cost] are less than three times as much as one child[(the range is about 1.56 to 2.24 more than one child)]. This study average is 2.2 more than one child. These estimates lie in the range of those reported in the 2004 Policy Studies report for New Jersey.

7. Assumptions Included in the Child Support Guidelines

a. *Intact Family Spending Patterns as the Standard for Support Orders* - Support guidelines based on spending patterns of intact families provide an adequate level of support for children. Child-rearing expenditures of single parents provide little guidance for setting adequate child support awards since single-parent households generally have less money to spend compared with intact families. The fact that single parents actually do spend less income on children compared with two-parent families does not mean that they should spend less if the other parent has the means to increase total spending on the children through support payments. Also, the level of spending by single parents on their children has no relation to adequacy or the needs of the children but is a function of the total amount of income available to those parents.

b. *Standard of Living* - Although these support guidelines attempt to approximate the same level of marginal spending on children before divorce or separation, the resulting child

support awards do not guarantee that the children's *standard of living* will remain the same if one of those events occurs. Usually, the children's *standard of living* will decline since the child support award (based on marginal spending) is being added to a much smaller level of base household expenditures. Less total money is available in the primary household of the child after divorce or separation since the other parent's income is no longer available. Less money means a decline in household expenditures which results in a lower *standard of living.*

Additionally, some economies of scale are lost when one parent leaves the household.

c. *Marginal-Cost Estimation* - For determining child support obligations, marginal-cost estimation techniques, which provide the additional cost of children based on intact-family spending patterns, are more appropriate than average-cost methods that divide spending between all family members equally (per capita).

d. *The Rothbarth Marginal Cost Estimator* – The *Rothbarth* marginal cost estimation [technique] techniques (e.g., Betson and Lazear and Michael) provide [provides] the most accurate estimates of parental expenditures on children in dual-parent [intact] families. [Dr. David Betson's 1990 *Rothbarth* analysis of the 1980-1986 Consumer Expenditure Survey] Dr. Rodgers' 2012 analysis of the 2000 to 2011 micro data of the Consumer Expenditure Survey provides the most current and reliable estimates of [parental] child-related expenditures [on children] in dual-parent [intact] families.

e. *National versus New Jersey Spending on Children* – Because the Rothbarth estimates are for the U.S. and it is well known that New Jersey's income distribution is very different from the U.S income distribution, Dr. Rodgers uses Census data to equate the income of New Jersey and U.S families and constructs proportions to smooth the

schedule or remove discrete jumps in obligation as net income rises. This follows the same principle as in the 2004 Policy Studies Report for New Jersey. [Intact-family spending on children as a *proportion* of consumption or income based on national Consumer Expenditure Surveys is consistent with the way in which New Jersey parents spend income on their children. Expenditure patterns derived from the 1980-1986 Consumer Expenditure Surveys have not changed since the data were collected. The specification of child-rearing expenditures as a *proportion* of consumption or income, rather than absolute dollar estimates, avoids the problems associated with the difference in the cost-of living between states.]

The 2010 U.S. and New Jersey income distribution in the American Community Survey was used to adjust the Rothbarth estimates.

f. *NCP/PAR Time*- The awards in the support schedules represent spending on children by intact families. In an intact family, the children reside in one household and no NCP/PAR Time is needed. This is similar to child support actions in which one parent has sole physical custody of a child and there is no NCP/PAR Time. The awards in the Appendix IX-F support schedules represent situations in which the child is with the custodial parent 100% of the time. Although the Appendix IX-F awards are not reduced for NCP/PAR Time, they may be adjusted, if these factors are present in a specific case, through worksheet calculations. For further information and assumptions related to NCP/PAR Time adjustments and their related assumptions, see paragraphs 13 and 14 respectively.

g. *Effect of a Child's Age:* [Dr. Betson's analysis did] Dr. Rodgers' 2012 study does not provide estimates on child-rearing expenditures by children's age groups. The

Appendix IX-F awards represent the average cost of raising a child from age zero through 17 years (i.e., the total marginal cost averaged more than 18 years). Studies have shown that expenditures are higher than the average for teen-aged children and lower than the average for preteen children**.**

h. *Self-Support Reserve:*

The self-support reserve is a factor in calculating a child support award only when one or both of the parents have income at or near the poverty level. The self-support reserve is 105% of the U.S. poverty guideline for one person. It attempts to ensure that the obligor has sufficient income to maintain a basic subsistence level and the incentive to work so that child support can be paid. A child support award is adjusted to reflect the self-support reserve only if [its] payment <u>of the child support award</u> would reduce the obligor's net income below the reserve *and* the custodial parent's (or the Parent of the Primary Residence's) net income <u>minus the custodial parent's share of the child support award</u> is greater than 105% of the poverty guideline. The latter condition is necessary to ensure that custodial parents can meet their basic needs so that they can care for the children. As of January 26, 2012, the self-support reserve is $226.00 (this amount is 105% of the poverty guideline for one person).

i. *Income Tax Withholding* - For wage earners, income tax withholding rates provide an accurate estimate of after-tax income available to pay weekly support obligations. Income tax withholding may differ from end-of-year tax obligations due to the parent's filing status and the number exemptions, deductions and credits reported or claimed by each parent.

j. *Spending of Child Support Order* - These guidelines assume that the obligee is spending the support award for the benefit of the child or children.

k. *Sharing of Child-Rearing Expenses* - These guidelines assume that the parents are sharing in the child-rearing expenses in proportion to their relative incomes. To the extent that this is not true (i.e., if one parent is paying all costs associated with housing for the child from his or her own income) and can be proven to the court, a guidelines-based support award may require adjustment.

8. Expenses Included in the Child Support Schedules

The awards in the Appendix IX-F child support schedules represent the average amount that intact families spend on their children (i.e., the marginal amount spent on the children). The Appendix IX-F support awards include the child's share of expenses for housing, food, clothing, transportation, entertainment, unreimbursed health care up to and including $250 per child per year, and miscellaneous items. Specific items included in each category are listed below. *Note*: The fact that a family does not incur a specific expense in a consumption category is not a basis for a deviation from the child support guidelines. The Appendix IX-F awards are based on the percentage of income spent on children by a large number of families in a variety of socioeconomic situations. The use of averages reflects the diversity of spending by parents. To qualify for a deviation based on average costs, a parent must show that the family's marginal spending on children for all items related to a consumption category differs from the *average* family (e.g., there are no housing costs).

Housing- Mortgage principal and interest payments or home equity loans, property taxes, insurance, refinancing charges, repairs, maintenance, rent, parking fees,

property management or security fees, expenses for vacation homes, lodging while out of town, utilities, fuels, public services, domestic services, lawn care, gardening, pest control, laundry and dry cleaning (non-clothing), moving and storage, repairs on home, furniture, major appliances, purchase or rental of household equipment of tools, postage, laundry or cleaning supplies, cleaning and toilet tissues, household and lawn products, stationary, all indoor and outdoor furniture, floor coverings, all small appliances and housewares (except personal care appliances), all household textiles (e.g., linens, drapes, slipcovers, sewing materials, etc.), and miscellaneous household equipment (e.g., clocks, luggage, light fixtures, computers and software, decorating items, etc.). The net purchase price of a home [and mortgage principal payments are considered savings and are] is not included as expenditures in this category.

Food - All food and non-alcoholic beverages purchased for home consumption or purchased away from home (including vending machines, restaurants, tips, school meals and catered affairs). Non-food items (e.g., tissue papers, alcoholic beverages, cigarettes) are not included.

Clothing - All children's clothing, footwear (except special footwear for sports), diapers, repairs or alterations to clothing and footwear, storage, dry cleaning, laundry, watches, and jewelry.

Transportation - All costs involved with owning or leasing an automobile including monthly installments toward principal cost, finance charges (interest), lease payments, gas and motor oil, insurance, maintenance and repairs. Also, included are other costs related to transportation such as public transit, parking fees, license and

registration fees, towing, tolls, and automobile service clubs. The net outlay (purchase price minus the trade-in value) for a vehicle purchase is not included. Transportation also does not include expenses associated with a motor vehicle purchased or leased for the intended primary use of a child subject to the support order.

Unreimbursed Health Care Up to and Including $250 Per Child Per Year - Unreimbursed health-care expenditures (e.g., medical and dental) up to and including $250 per child per year are included in the schedules. Such expenses are considered ordinary and may include items such as non-prescription drugs, co-payments or health care services, equipment or products. The parent's cost of adding a child to health insurance policy is not included in the schedules.

Entertainment - Fees, memberships and admissions to sports, recreational, or social events, lessons or instructions, movie rentals, televisions, radios, sound equipment, pets, hobbies, toys, playground equipment, photographic equipment, film processing, video games, and recreational, exercise or sports equipment.

Miscellaneous Items - Personal care products and services (e.g., hair, shaving, cosmetics), books and magazines, education (e.g., tuition, books, supplies), cash contributions, personal insurance, and finance charges (except those for mortgage and vehicle purchases).

Note: Educational expenses for children (i.e., for private, parochial, or trade schools, or other secondary schools, or post-secondary education) are not included in the child support schedules and may be treated as a supplemental expense.

9. Expenses That May Be Added to the Basic Child Support Obligation

. . . no change

10. Adjustments to the Support Obligation

The factors listed below may require an adjustment to the basic child support obligation.

a. *Other Legal Dependents of Either Parent* - . . . (no change)

b. *Multiple Family Obligations*. In some cases, one individual may be obligated to pay child support to multiple families. When the court adjudicates a case involving an obligor with multiple family obligations, it may be necessary to review all past orders for that individual. If the court has jurisdiction over all matters, it may either average the orders or fashion some other equitable resolution to treat all supported children fairly under the guidelines. If multiple orders reduce the obligor's income to an amount below the self-support reserve, the orders should be adjusted to distribute the obligor's available income equitably among all children while taking into consideration both the obligee's share of the child support obligation and obligor's self-support reserve. The amended guidelines provide that, when considering the obligee's income in the self-support reserve test, deducting the obligee's share of the child support obligation is mandatory rather than discretionary. The obligee's share of child support now must be deducted just as the obligor's support payment is deducted. Although the obligee's share of support is retained by him or her, it nonetheless represents the obligee's presumptive support going to the child. This amendment will address the treatment of both parents with respect to the self-support reserve, even in situations with multiple orders.

In all cases, a fixed dollar amount shall be ordered to establish the principle of the parent's support obligation and to provide a basis for an upward modification should the obligor's income increase in the future. If other jurisdictions' tribunals ordered the obligor to pay child support for a different family, the New Jersey court may consider that fact for the purpose of maintaining the obligor's self-support reserve.

c. *Government Benefits Paid to or for Children* -

Government benefits for children fall into three categories. The treatment of each type of benefit is related to its purpose and eligibility standards.

1. Means-tested benefits have eligibility standards based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are meant to provide for minimal subsistence and are excluded as income (not counted for either parent).
2. Derivative benefits have eligibility standards that are based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. Such payments are either deducted from a parent's government benefit or paid in addition to the parent's benefit. These child benefits are earned benefits that are meant to replace the lost earnings of the parent in the event of disability or retirement. The derivative child benefits shall be counted in the weekly net income

of the parent whose contribution is the source of the benefits and applied as a credit to that parent's child support obligation. If the amount of the support obligation after deducting the benefits is zero, then the child support obligation is satisfied and no support award should be ordered while the child is receiving the benefits.

3. Other benefits are obtained without regard to means tests or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This type of government benefits is not meant to replace lost earnings of a party, but to supplement the child's household income. Such benefits are counted as income for the parent who actually receives the benefits (usually the custodial parent).

[In some cases, government benefits may be received by or for a child based on a parent's earnings record, disability, or retirement (e.g., Black Lung, Veterans Disability, Social Security). Such payments are meant to replace the lost earnings of the parent and are paid in addition to the worker's or member's benefits (i.e., payments to family members do not reduce the member's benefits). A parent may also receive other non-means-tested government benefits that are meant to reduce the cost of the child such as adoption subsidies (N.J.A.C. 10:121-2). Supplemental Security Income (SSI) and welfare payments received for or on behalf of a child are not included in this category since they supplement parental income based on financial need. If non-means tested benefits are paid to or for a dependent child for whom support is being determined, the benefits must be deducted from the basic support obligation (See Potter v. Potter, 169 N.J. Super. 140 (App.

Div. 1979), De La Ossa v. De La Ossa, 291 N.J. Super. 557 (App. Div. 1996), Pasternak v. Pasternak, 310 N.J. Super. 483 (Ch. Div. 1997) and Herd v. Herd, 307 N.J. Super. 501 (App. Div. 1998)). The deduction is provided because the receipt of such benefits reduces the parents' contributions toward the child's living expenses (i.e., the marginal cost of the child). If the benefits received by the child are greater than the total support obligation (i.e., the amount of the obligation after deducting the benefits is zero), no support award should be ordered while the child is receiving the benefits. The benefits will continue to be paid by the government agency to the custodial parent in lieu of child support. If the total obligation is greater than the benefits received by the child, the non-custodial parent's income share of the residual amount (after deducting the benefits) is the support award to be paid to the custodial parent. Government benefits paid to or for a child that reduce benefits paid to a non-custodial parent (an apportionment) should not be deducted from the basic child support award, but should be used to offset the parent's child support order (i.e., the apportionment represents a payment toward the support order similar to a garnishment). NOTE: There may be circumstances when the CP/PPR is the party who is disabled and the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.]

11. Defining Income …no change

12. Imputing Income to Parents

The fairness of a child support award resulting from the application of these guidelines is dependent on the accurate determination of a parent's net income. If the court finds that either parent is, without just cause, voluntarily underemployed or unemployed, it shall impute income to that parent according to the following priorities:

a. impute income based on potential employment and earning capacity using the parent's work history, occupational qualifications, educational background, and prevailing job opportunities in the region. The court may impute income based on the parent's former income at that person's usual or former occupation or the average earnings for that occupation as reported by the New Jersey Department of Labor (NJDOL);
b. if potential earnings cannot be determined, impute income based on the parent's most recent wage or benefit record (a minimum of two calendar quarters) on file with the NJDOL (note: NJDOL records include wage and benefit income only and, thus, may differ from the parent's actual income); or
c. if a NJDOL wage or benefit record is not available, impute income based on the full-time employment (40 hours) at the New Jersey minimum wage ($7.25 per hour).

In determining whether income should be imputed to a parent and the amount of such income, the court should consider: (1) what the employment status and earning capacity of that parent would have been if the family had remained intact or would have formed, (2) the reason and intent for the voluntary underemployment or unemployment, (3) the availability of other assets that may be used to pay support, and (4) the ages of any children in the parent's household and child-

care alternatives. The determination of imputed income shall not be based on the gender or custodial position of the parent. Income of other household members, current spouses, and children shall not be used to impute income to either parent except when determining the other-dependent credit. When imputing income to a parent who is caring for young children, the parent's income share of child-care costs necessary to allow that person to work outside the home shall be deducted from the imputed income. For further information on imputing income, see *Strahan v. Strahan*, 402 N.J. Super. 298 (App. Div. 2008), *Caplan v. Caplan*, 182 N.J. 250 (2005), *Gertcher v. Gertcher*, 262 N.J. Super. 176 (Ch. Div. 1992), *Bencivenga v. Bencivenga*, 254 N.J. Super. 328 (App. Div. 1992), *Thomas v. Thomas*, 248 N.J. Super. 33 (Ch. Div. 1991), *Arribi v. Arribi*, 186 N.J. Super. 116 (Ch. Div. 1982), *Lynn v. Lynn*, 165 N.J. Super. 328 (App. Div. 1979), *Mowery v. Mowery*, 38 N.J. Super. 92 (App. Div. 1955).

13. Adjustments for PAR Time (formerly Visitation Time) …no change

14. Shared-Parenting Arrangements …no change

15. Split-Parenting Arrangements …no change

16. Child in the Custody of a Third Party …no change

17. Adjustments for the Age of the Children …no change

18. College or Other Post-Secondary Education Expenses …no change

19. Determining Child Support and Alimony or Spousal Support Simultaneously

…no change

20. Extreme Parental Income Situations

Although these guidelines apply to all actions to establish and modify child support awards, extremely low or high parental income situations make the Appendix IX-F awards inappropriate due to the limitations of the economic data. The guidelines listed below apply to extreme parental income situations.

a. *Obligors With Net Income Less Than the U.S. Poverty Guideline.* If an obligor's net income, after deducting that person's share of the total support award, is less than 105% of the U.S. poverty guideline for one person (net income of $226 per week as of January 26, 2012 or as published annually in the Federal Register), the court shall carefully review the obligor's income and living expenses to determine the maximum amount of child support that can reasonably be ordered without denying the obligor the means of self-support at a minimum subsistence level. If an obligee's income minus the obligee's share of the child support award is less than 105% of the poverty guideline, no self-support reserve adjustment shall be made regardless of the obligor's income. [When assessing whether an obligee has sufficient net income to permit the application of the self-support reserve for an obligor, the court may consider the effect of the obligee's share of the child support obligation (note that this amount is not calculated on either worksheet). Thus, at the Court's discretion, the obligor self-support reserve may not be applied if the obligee's net income minus the obligee's child support obligation is less than105% of the poverty guideline for one person.] In all cases, a fixed dollar amount shall be ordered to establish the principle of the parent's support obligation and to provide a basis for an upward modification should the obligor's income increase in the future. In these circumstances, the support award should be between $5.00 per week

and the support amount at $170 combined net weekly income for the appropriate number of children.

b. *Parents with a Combined Net Annual Income In Excess of $187,200*. If the combined net income of the parents is more than $187,200 per year, the court shall apply the guidelines up to $187,200 and supplement the guidelines-based award with a discretionary amount based on the remaining family income (i.e., income in excess of $187,200) and the factors specified in *N.J.S.A.* 2A:34-23. Thus, the maximum guidelines award in Appendix IX-F represents the minimum award for families with net incomes of more than $187,200 per year. An award for a family with net income in excess of $187,200 per year shall not be less than the amount for a family with a net income of $187,200 per year. Because estimates on the marginal cost of children in intact families with net incomes of more than $187,200 per year are either unreliable or unavailable, the court shall not extrapolate the Appendix IX-F schedules (statistically or by adding amounts from different income ranges) beyond that dollar limit.

21. Other Factors that May Require an Adjustment to a Guidelines-Based Award

At the court's discretion, the following factors may require an adjustment to a guidelines-based child support award:

a. equitable distribution of property;

b. income taxes;

c. fixed direct payments (e.g., mortgage payments);

d. unreimbursed medical/dental expenses for either parent;

e. educational expenses for children (i.e., for private, parochial, or trade schools, or other secondary schools, or post-secondary education);

f. educational expenses for either parent to improve earning capacity;

g. single family units (i.e., one household) having more than six children;

h. cases involving the voluntary placement of children in foster care;

i. special needs of gifted or disabled children;

j. ages of the children;

k. hidden costs of caring for children such as reduced income, decreased career opportunities, loss of time to shop economically, or loss of savings;

l. extraordinarily high income of a child (e.g., actors, trusts);

m. substantiated financial obligations for elder care that existed before the filing of the support action;

n. the tax advantages of paying for a child's health insurance; and

o. one obligor owing support to more than one family (e.g. multiple prior support orders).

p. motor vehicle purchased or leased for the intended primary use of a child subject to the support order.

q. parties sharing equal parenting time. *See Benisch v. Benisch,* 347 N.J. Super. 393 (App. Div. 2002); *Wunsch v. Deffler v. Deffler,* 406 N.J. Super. 505 (Ch. Div. 2009).

r. overnight adjustment for multiple children with varying parenting time schedules.

The court may consider other factors that could, in a particular case, cause the child support guidelines to be inapplicable or require an adjustment to the child support award. In all cases, the decision to deviate from the guidelines shall be based on the best interests of the child. All

deviations from the guidelines-based award and the amount of the guidelines-based award must be stated in writing in the support order or on the guidelines worksheet.

22. Stipulated Agreements …no change

23. Modification of Support Awards

Before using these guidelines to modify a child support award, the court must find that the circumstances of the parties have changed since the date that the order was entered (see *Lepis v. Lepis*, 83 N.J. 139 (1980) and *Walton v. Visgil,* 248 N.J. Super. 642 (App. Div. 1991)). In applying the guidelines in modification actions, the court shall consider the interrelationship of alimony or other financial factors that may have influenced the original child support amount as well as the principles set forth in existing case law. The adoption of revised child support guidelines is not an automatic basis for the modification of a child support order. To qualify for a modification, a party must file a motion with the court and show a change in circumstances, other than the adoption of revised guidelines, as specified in *Lepis [v. Lepis], supra,* and other relevant case law.

24. Effect of Emancipation of a Child …no change

25. Support for a Child Who has Reached Majority …no change

26. Health Insurance for Children …no change

27. Unpredictable, Non-Recurring Unreimbursed Health-Care In Excess of $250 Per Child Per Year …no change

28. Distribution of Worksheets and Financial Affidavits …no change

29. Background Reports and Publications

The reports listed below were either used during the development of the New Jersey child support guidelines or document the Supreme Court Family Practice Committee's findings and recommendations regarding the guidelines. Judiciary reports are available at the New Jersey State library and select city, county, and county courthouse libraries. Reports prepared for the U.S. Department of Health and Human Services are available from the U.S. Office of Child Support Enforcement Reference Center.

a. New Jersey Child Support Institute, Institute for Families, in cooperation with the Office of Child Support Services, Division of Family Development, Department of Human Services, *Child Support Guidelines Quadrennial Review: Final Report*, 2013.

b. William M. Rodgers III, *New Jersey Economic Basis for Updated Child Support Schedule,* Rutgers, The State University of New Jersey, March 19, 2013.

c. Margaret Campbell Haynes, *Treatment of Social Security Disability Derivative Benefits*, 2011.

d. New Jersey Child Support Institute, Institute for Families, in cooperation with the Office of Child Support Services, Division of Family Development, Department of Human Services, *Child Support Guidelines Working Forum Compendium*, Fall 2009.

e. New Jersey Supreme Court Family Practice Committee, *2007 – 2009 Final Report*, January 20, 2009.

f. New Jersey Supreme Court Family Practice Committee, *2004 – 2007 Final Report*, January 12, 2007

g. Policy Studies, Inc., *New Jersey Economic Basis for Updated Child Support Schedule,* Report prepared for the New Jersey Administrative Office of the Courts, March 30, 2004.

[a]h. New Jersey Administrative Office of the Courts, *Supplemental Report of the Supreme Court Family Division Practice Committee on Proposed Amendments to Appendix IX (Child Support Guidelines) of the New Jersey Court Rules*, Report to the Supreme Court, October 1996.

[b]i. New Jersey Administrative Office of the Courts, *Final Report of the Supreme Court Family Division Practice Committee on Proposed Revisions to the New Jersey Child Support Guidelines*, R. 5:6A and Appendix IX of the New Jersey Court Rules, Report to the Supreme Court, March 1996.

[c]j. Policy Studies, Inc., *Economic Basis for Updated Child Support Schedules, State of New Jersey*, Report prepared for the New Jersey Administrative Office of the Courts, April 1995.

[d]k. Mark Lino, *Expenditures on Children by Families, 1994 Annual Report*, U.S. Department of Agriculture, Center for Nutrition Policy and Promotion, Miscellaneous Publication 1528, April 1995.

[e]l. David M. Betson, *Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey*, Report to the U.S. Department of Health and Human Services (Office of Assistant Secretary for Planning and Evaluation), University of Wisconsin Institute for Research on Poverty, September 1990.

[f]m. Lewin/ICF, *Estimates of Expenditures on Children and Child Support Guidelines,* Report to the U.S. Department of Health and Human Services (Office of Assistant Secretary for Planning and Evaluation), Lewin/ICF, October 1990.

[g]n. Robert G. Williams, *Development of Guidelines for Child Support Orders, Final Report*, Report to the U.S. Office of Child Support Enforcement, Policy Studies Inc., September 1987.

Exhibit VIII

Proposed Amendments to Appendices IX-B, IX-C, and IX-D of NJ Court Rule 5:6A

APPENDIX IX-B
USE OF THE CHILD SUPPORT GUIDELINES

(Includes Amendments through those effective [April 24, 2012])

GENERAL INFORMATION

Completion and Filing of the Worksheet ... no change

Use of Weekly Amounts ... no change

Rounding to Whole Dollars and Percentages ... no change

Defining Parental Roles ... no change

Selection of a Worksheet ... no change

Exhibit VIII: Proposed Amendments to Appendix IX-B, IX-C, and IX-D

LINE INSTRUCTIONS FOR THE SOLE-PARENTING WORKSHEET

Caption ... no change

Lines 1 through 5 - Determining Income

Gross Income ... no change.

Sources of Income - ... no change

Income from self-employment or operation of a business. ... no change

Sporadic Income ... no change

Military Pay ... no change.

In-Kind Income ... no change

Alimony, Spousal Support, and/or Separate Maintenance Received ... no change

Types of Income Excluded from Gross Income - The following types of income are

excluded from *gross income*:

a. means-tested income (i.e., based on the fact that the recipient has minimal income and requires government assistance to live) including, but not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), General Assistance, Refugee Assistance, rent subsidies, food stamps, and Supplemental Security Income for the Aged, Blind or Disabled;

b. alimony, spousal support, or separate maintenance payments (the net amount after adjusting for the tax benefits, if known) to a current or former spouse;

c. child support received for children of another relationship;

d. non-income producing assets (e.g., undeveloped real estate, automobiles, jewelry, art, stocks and bonds) unless the court finds that the intent of the investment was to avoid the payment of child support;

e. income from children, unless the court determines that such income should be included because the child is a professional or has substantial income that reduces the family's living expenses;

f. income from other household members (e.g., step-parents, grandparents, current spouse) who are not legally responsible for the support of the child for whom support is being established except to determine the other-dependent credit (the income of the current spouse may be included if an other-dependent deduction is requested - see Appendix IXA, paragraph 10).

g. [a government benefit based on a parent's earnings record, disability, or condition that is paid to or for the child (or the child's caretaker) for whom support is being determined (e.g., Black Lung, Veteran's Disability, Social Security) or

other non- means-tested government benefits meant to reduce the cost of the child (e.g., adoption subsidies as provided by N.J.A.C. 10:121-2);]

[h]g. for modifications involving retirement income, the pro-rated amount of contributions to a voluntary plan that were previously included in gross income when the current support order was established;

[i]h. financial assistance for education including loans, grants, scholarships, veteran's education benefits, and awards provided under the National and Community Service Act of 1990 (except post-service benefits); and

[j]i. federal earned income tax credits.

Collecting and Verifying Income Information ... no change

Taxable and Non-Taxable Income - ... no change

Analyzing Income Tax Returns - ... no change

Government Benefits for the Child - Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

a. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act

(DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent).

b. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. The derivative benefit is counted as income (on Line 5) for the parent whose contribution is the source of the benefit. If the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit (on Line 15).

c. Other benefits – Benefits that are obtained without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This benefit is counted as income (on Line 5) for the parent who actually receives the financial benefit (usually the custodial parent).

Line 1 - Gross Taxable Income ... no change

Line 1a - Mandatory Retirement Contributions ... no change

Line 1b - Alimony Paid ... no change

Line 1c - Alimony Received ... no change

Line 2 - Adjusted Gross Taxable Income ... no change

Line 2a - Withholding Taxes ... no change

.

Line 2b - Prior Child Support Orders ... no change

Line 2c - Mandatory Union Dues ... no change

Line 2d - Other-Dependent Deduction ... no change

Line 3 - Net Taxable Income ... no change

Line 4 - Non-Taxable Income ... no change

Line 5 - Government (Non-Means Tested) Benefit for the Child

Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

a. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent). **Leave blank** Line 5.

b. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. **Enter** the weekly amount of the derivative benefit on Line 5 of the parent whose contribution is the source of the benefit (i.e., if the Non-Custodial Parent's work history and disability qualify the child for Social Security benefits, the benefit for the child will be included on Line 5 Non-Custodial Parent). *Note*, if the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit on Line 15.

c. Other benefits – Benefits that are given without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. **Enter** the weekly amount of this benefit on Line 5 of the parent who actually receives the financial benefit (usually the custodial parent).

Line [5] 6 - Net Income

Add the Net Taxable Income and the Non-Taxable Income to obtain the weekly Net Income. (Math: Line 3 + Line 4 + Line 5). **Enter** each parent's Net Income in the appropriate Line [5] 6 column.

Add the net incomes of the parents to obtain the Combined Net Income (Math: Line [5] 6 Custodial Parent + Line [5]6 Non-Custodial Parent = Line [5] 6 Combined). **Enter** the result on Line [5] 6, Combined.

Line [6] 7 – [Percentage] Each Parent's Share of Income

Divide each parent's net income by the combined net income to obtain each parent's percentage share of income. (Math: Line [5]6 Custodial Parent ÷ Line [5]6 Combined = Custodial Parent Line [6]7 [Percentage]-Share of Income; Line [5]6 Non-Custodial Parent ÷ Line [5]6 Combined = Non-Custodial Parent Line [6]7 [Percentage] Share of

Income). The sum of the two percentages (ratios) must equal one (the decimal equivalent of 100%). **Enter** each parent's income share in the appropriate Line [6]7 column.

Line [7] 8 - Basic Child Support Amount

Look-up the Basic Child Support Amount from Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line [5] 6 combined net income of the parents. **Enter** the Basic Child Support Amount on Line [7] 8.

The parents' combined net income and the number of children for whom support is being determined are used to obtain the basic child support amount from the Appendix IX-F schedules. Appendix IX-F combined net incomes are provided in $10 increments. For incomes that fall between income increments, go to the next higher income increment if the amount is $5.00 or more (e.g., if the combined income is $446, use the award for $450 combined income; if it is $444, use the award for $440).

As explained in Appendix IX-A, the basic child support amount represents average spending on children by intact families (see Appendix IX-A for consumption items included and excluded in the Appendix IX-F basic child support amount).

Line [8] 9 - Adding Net Work-Related Child Care Costs to the Basic Obligation

Calculate net work-related child-care costs using the Appendix IX-E Net Child Care Expense Worksheet. **Enter** the weekly net child-care cost (from Line 7 of Appendix IX-E Worksheet) on Line [8] 9.

Since child care expenses are excluded from the Appendix IX-F child support schedules, such costs, if incurred by either parent, must be added to the basic support amount.

1. *Qualified Child Care Expenses*. Qualified child care expenses are those incurred to care for a dependent who is under the age of 15 or is physically or mentally handicapped. These expenses must be necessary for the employment or job search of the parent. Child care expenses should be reasonable and should not exceed the level required to provide quality care for the child(ren) from a licensed source. Only the net cost of child care (after the federal tax credit is deducted) is added to the basic award. It is assumed that the parent paying for child care will apply for and receive the federal child care tax credit at the end of the tax year.
2. *Determining the Net Child Care Cost*
   a. Calculate the Adjusted Gross Income (AGI) of the parent paying for child care by deducting moving expenses, one-half of the self-employment tax, IRA and Keough contributions, penalties on early withdrawal of savings, self-employment health insurance cost, and alimony paid from that parent's gross income. If this information is not available, use the parent's gross income (Line 1 + Line 4).
   b. Determine the annual child-care cost.
   c. Complete the Net Child Care Expense Worksheet in Appendix IX-E to find the weekly net child-care cost to be added to the basic support amount.

Line [9] 10 - Adding Health Insurance Costs for the Child to the Basic Obligation

Enter the parent's weekly cost of health insurance for the child for whom support is being determined on Line [9] 10. If the parent's weekly marginal cost is unknown at the time of the hearing, use the *per capita* cost of a family policy at the parent's place of work. Do *not* include health insurance costs for adults or other dependents.

Since the cost of health insurance for children is excluded from the Appendix IX-F child support schedules, a parent's contributions to a health insurance policy which includes the child for whom support is being determined must be added to the basic support amount. Only the parent's cost of adding the child to the health insurance (medical and dental) policy is added to the basic support amount (i.e., the marginal premium cost to the parent to add the child to the policy). If the parent who is providing the health insurance has no proof of the cost of adding the child to the health insurance policy, the parent's total premium cost should be divided by the number of persons covered by the policy (per capita). The result is then multiplied by the number of children for whom support is being determined to obtain the child's estimated share of the health insurance cost. For example, if the parent's total health insurance cost is $60 per week and there are four persons covered by the policy (the parent, the two children who are the subjects of the support order, and a new spouse), the per capita health insurance cost for the two children is $30 (($60 ÷ 4 persons = $15) × 2 children = $30). If both parents provide health insurance for the child, each parent's marginal cost of adding the child to the policy should be added together to determine the total health insurance cost for the child. If the cost of the health insurance policy is unknown at the time of the support

establishment hearing, the parent may apply for a modification of the support order when such information becomes available.

Line [10] 11 - Adding Predictable and Recurring Unreimbursed Health Care to the Basic Obligation

Enter the weekly unreimbursed cost of any health care, if predictable and recurring, for the child that exceeds $250 per child per year on Line [10] 11.

Costs under $250 per child per year - Unreimbursed health care expenses (medical and dental expenses not covered by insurance) up to and including $250 per child per year are included in the Appendix IX-F child support schedules and are assumed to be paid by the custodial parent. Because they are part of the basic child support amount, these *ordinary* health care expenses are shared in proportion to the relative incomes of the parents.

Predictable, Recurring Costs above $250 per child per year - Unreimbursed health care expenses in excess of $250 per child per year are excluded from the child support schedules. If such expenses are predictable and recurring, they should be added to the basic support amount using Line [10] 11 The court should consider the duration and recurring nature of unreimbursed health care expenses prior to adding them to the basic support amount. If both parents provide predictable, recurring unreimbursed health care for the child, the cost to each parent should be added together to determine the total

unreimbursed health care costs. Each parent's direct health care expenses for the child above the $250 per child annual threshold are credited against his or her share of the total support award on Line [17] 18.

Unpredictable, Non-Recurring Costs above $250 per child per year - Health-care expenses for a child that exceed $250 per child per year that are not predictable and recurring should be shared between the parents in proportion to their relative incomes as incurred. Since these expenses are not included in the support award, the procedure for sharing such costs should be set forth in the general language of the order or judgment.

Line [11] 12 - Adding Court-Approved Predictable and Recurring Extraordinary Expenses to the Basic Support Amount

Enter court-approved predictable and recurring costs for the child on Line [11] 12.

If approved by the court, predictable and recurring extraordinary expenses for the child that are not included in the Appendix IX-F child support awards may be added to the basic support amount. Examples of extraordinary expenditures are PAR Time transportation expenses, special diets, and private education costs for gifted or handicapped children. See Appendix IX-A, paragraph 8, for a list of items that are included in the Appendix IX-F awards and an explanation of private education expenses that may be added to the basic support amount.

Extraordinary expenses for a child that are not predictable and recurring should be shared between the parents in proportion to their relative incomes as incurred. Since these expenses are not included in the support award, the procedure for sharing such costs should be set forth in the general language of the order or judgment.

Each parent's direct spending on court-approved extraordinary expenses for the child are credited against his or her share of the total support award on Line [18] 19.

[Line 12 - Deducting Government Benefits Paid to or for the Child]

[Enter government benefits received by the child on behalf of either parent on Line 12.]

[If a child is receiving government benefits based on either parent's earning record, disability, or retirement, the amount of those benefits must be deducted from the total support award (regardless of the effect of the child's benefit payments on benefits paid to the parent). Such benefits include, but are not limited to: Social Security Retirement or Disability, Black Lung, and Veteran's Administration benefits. Also included are non-means-tested government benefits meant to offset the cost of the child such as adoption subsidies (*N.J.A.C*. 10:121-2). SSI, public assistance (TANF), and other means-tested benefits are not government benefits based on a parent's earnings record, disability or retirement and should not be included on Line 12. If the government benefit received by the child is greater than the total support award (i.e., the amount of

the total support award after deducting the government benefit is zero or less), the amount of the government benefit that is being paid to or for the child represents the support award. In such cases, the support award should be made payable directly to the obligee (i.e., from the government agency to the obligee; not through Probation). If the government benefit is less than the total support obligation, it shall continue to be paid directly to the obligee and the residual amount shall be paid through Probation. See Appendix IX-A, paragraph 10(b)]

[Note that these benefits are not included in the gross income of the recipient parent.]

[NOTE: There may be circumstances when the CP/PPR is the party who is disabledand the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.]

Line 13 - Calculating the Total Child Support Amount

Add the basic child support amount, net child-care cost, health insurance cost for the child, predictable and recurring unreimbursed health-care costs above $250 per child

per year, and court-approved predictable and recurring extraordinary expenses. Then, **Subtract** any government benefits received by the child. The result is the Total Child Support Amount. (Math: Line [7]8 + Line [8]9 + Line [9]10 + Line [10]11+ Line [11] 12) [- Line 12)]. **Enter** the total support amount on Line 13.

[IF THE TOTAL CHILD SUPPORT AMOUNT IS ZERO (THE GOVERNMENT BENEFIT EXCEEDS THE TOTAL CHILD SUPPORT AMOUNT), STOP! GOVERNMENT BENEFITS PAID DIRECTLY TO CHILD'S CUSTODIAN WILL SUBSTITUTE FOR THE CHILD SUPPORT ORDER. OTHERWISE, CONTINUE TO LINE 14.]

Line 14 - Parental Share of the Total Child Support Obligation

Multiply each parent's percentage share of income by the total child support amount to find each parent's share of the total child support amount. (Math: Line [6]7 Custodial Parent × Line 13 Total Support; Line [6]7 Non-Custodial Parent × Line 13 Total Support). **Enter** each parent's share of the total support amount in the appropriate Line 14 column.

Line 15 – Credit for Derivative Government Benefits for the Child Based on Contribution of the Non-Custodial Parent

Enter the weekly amount of the government benefits paid to the custodial parent for the child (if any) that are based on the contribution (work history, military service, disability, or retirement) of the non-custodial parent in the Line 15 NCP column.

NOTE: benefits amount should match the government benefits for the child on Line 5 NCP column.

Line [15] 16 - Credit for Child- Care Payments

Enter payments (if any) for work-related child-care that are being paid by the non-custodial parent directly to the child care provider in the Line [15] 16 NCP column.

NOTE: payments cannot exceed the net work-related child care cost on Line [8] 9.

Line [16] 17 - Credit for Payment of Child's Health Insurance Cost

Enter the non-custodial parent's direct payments (or payroll deductions) toward the marginal cost of adding the child to a health insurance policy in the Line [16] 17 NCP column.

NOTE: payments cannot exceed the parent's cost of health insurance for the child added on Line [9] 10.

Line [17] 18 - Credit for Payment of Child's Predictable and Recurring Unreimbursed Health Care

Enter the non-custodial parent's direct payments (if any) for predictable and recurring unreimbursed health care above $250 per child per year in the Line [17] 18 NCP column.

NOTE: payments cannot exceed predictable and recurring unreimbursed health care expenses added on Line [10] 11.

Line [18] 19 - Credit for Payment of Court-Approved Extraordinary Expenses

Enter the non-custodial parent's direct payments (if any) for predictable and recurring extraordinary court-approved expenses in the Line [18] 19 NCP column.

NOTE: payments cannot exceed predictable and recurring extraordinary court-approved expenses added on Line 11 12.

Line [19] 20 - Adjustment for Parenting Time Variable Expenses

[Enter the amount of the adjustment for variable expenses for the child during

parenting time periods in the Line 19 NCP column.] The court may grant the non-custodial parent an adjustment for parenting time equal to that parent's income share of the child's variable expenses for the percentage of time the child is with that parent. When determining if the adjustment is appropriate, the court should consider whether the non- custodial parent has incurred variable expenses for the child during the parenting time period and if parenting time reduced the other parent's variable expenses for the child. It is assumed that variable costs (food and transportation) for the child account for 37% of the total marginal child-rearing expenditures in intact families. The parenting time adjustment should not exceed the parent's time share of the variable costs for the child.

Complete Lines 20a and 20b before returning to Line 20. Then **multiply** the basic child support amount (Line 8) by the non-custodial parent's share of overnights with the child (NCP Line 20b). **Multiply** that product by 0.37 (the presumed variable costs). The result is the maximum PAR Time adjustment (the variable cost for the time spent with the child). **Enter** the amount on Line 20. [Math: Line 8 x NCP Line 20b x 0.37].

[**To figure the maximum PAR Time variable-expense adjustment:**

1) Calculate the assumed variable costs for the child by multiplying the basic child support amount (Line 7) by 37%;
2) Calculate the non-custodial parent's percentage of overnights with the

child by dividing the number of overnights with the non-custodial parent by the total overnights with either parent (enter each parent's percentage of time with the child or children on Line 5 of the Comments section of the worksheet);

3) Multiply the variable costs for the child by the non-custodial parent's percentage of overnights. The result is the maximum PAR Time adjustment (the variable cost for the time spent with the child). The result is the maximum PAR Time adjustment (the variable cost for the time spent with the child).]

[**(Math: Line 7** × 0.37 × percentage of time with child)]

NOTE: If the custodial parent's total household net income (from all sources) plus the PAR Time-adjusted support award is less than 200% of the poverty guideline for the number of persons in the household, the PAR Time adjustment is not presumptive and shall be subject to the court's discretion.

Line 20a – Number of Overnights with Each Parent

Enter the number of overnights the child has with the custodial parent in the Line 20a CP column. **Enter** the number of overnights the child has with the non-custodial parent in the Line 20a NCP column. **Add** the total number of overnights to **Enter** in

the Line 20a Combined column.

Line 20b – Each Parent's Share of Overnights with the Child

Divide the CP Line 20a by the Combined Line 20a. **Enter** that number in the Line 20b CP column. **Divide** the NCP Line 20a by the Combined Line 20a. **Enter** that number in the Line 20b NCP column. The two Line 20a decimals should add up to 1.00.

Line [20] 21 – [Figuring Each Parent's] Net Child Support Obligation

Subtract [each] the non-custodial parent's direct payments for child care, the child's share of the health insurance premium, predictable and recurring unreimbursed health care for the child above $250 per year per child, and predictable and recurring extraordinary court-approved expenses from the paying parent's share of the total support amount. Then, **subtract** the Line [19] 20 credit, if any, from the non-custodial parent's support amount and the Line 15 credit, if any, for government benefits for the child based on contribution of the NCP. The result is [each parent's] the net child support obligation. Math: (Line 14 - (Line 15 + Line 16 + Line 17 + Line 18 + Line 19 + Line 20)) [for each parent].

Enter [each parent's] the net obligation on [in the appropriate] Line [20] 21 [column].

Direct payments and credits are subtracted from the total child support amount [of the parent who made the expenditure] to find the [at parent's] net child support obligation. Direct payments may be deducted only if the cost was included in the total child support amount. The net child support obligation for the non-custodial parent is the support order that will be paid for the benefit of the children. [The net obligation of the custodial parent is considered to be spent directly on the children during the course of providing for their daily needs. If the children reside with a third party, each parent's net obligation is his or her respective child support order to be paid to the third-party custodian of the child (i.e., two orders are paid to the child's custodian).]

IF NEITHER PARENT REQUESTED AN ADJUSTMENT FOR OTHER DEPENDENTS, GO TO LINE [24] 25

Lines [21] 22, [22] 23, and [23] 24 - Adjusting the Child Support Obligation for Other- Dependents

1. If either parent requests an adjustment for other legal dependents, three Sole Parenting worksheets must be prepared (if calculating the adjustment manually). The worksheets will result in the following obligation amounts:
    a. a theoretical support obligation for the child in the alternate family (i.e., the parent requesting the adjustment is the theoretical obligor of the child in the alternate family);

b. a support obligation for the child for whom support is being determined calculated after deducting the theoretical obligation for any other dependents from the responsible parent's gross income; and

c. a support obligation for the child for whom support is being determined calculated without deducting the theoretical obligation for other dependents from the responsible parent's gross income.

2. To ensure that a fair share of the parent's income is available to all his or her legal dependents, add the non-custodial parent's support obligation from the worksheet that includes the other-dependent deduction and the non-custodial parent's support obligation from the worksheet that does not include the other-dependent deduction. Divide the sum of the two obligations by two to obtain the adjusted child support obligation for the non-custodial parent.

Line [21] 22 - Line [20] 21 CS Obligation With Other-Dependent Deduction

Enter the amount of the [non-custodial parent's] net child support obligation (Line [20] 21)

from the worksheet that deducted the theoretical support obligation for the parent's other dependents from the parent's net income (i.e., with the Line 2d other-dependent amount deducted from the parent's gross income). Note: the Line 2d theoretical support obligation for children in the alternate family is calculated on a separate Sole-Parenting worksheet.

Line [22] 23 - Line [20] 21 CS Obligation Without Other-Dependent Deduction

Enter the amount of the [non-custodial parent's] net child support obligation (Line [20] 21) from the worksheet that did not deduct the theoretical support obligation for other dependents (Line 2d) from the parent's net income was calculated. Note: the theoretical support obligation for children in the secondary family is calculated on a separate worksheet.

Line [23] 24 - Obligation Adjusted for Other Dependents

Add the Line [21] 22 support obligation that includes the other-dependent deduction and the Line [22] 23 support obligation that does not include the other dependent deduction, then **divide** the sum by two to obtain the Adjusted Child Support Obligation for the non- custodial parent. Math: (Line [21] 22) + (Line [22] 23) ÷ 2). **Enter** the result on Line [23] 24.

Lines [24] 25, [25] 26, and [26] 27 - Maintaining a Self-Support Reserve

To ensure that the obligor parent retains sufficient net income to live at a minimum subsistence level and has the incentive to work, that parent's net child support award is tested against 105% of the U.S. poverty guideline for one person. If the NCPs net income after deducting the child support award is less than the self-support reserve, the

order should be adjusted. **No such adjustment shall occur, however, if the custodial parent's net income minus the custodial parent's child support obligation is less than the self-support reserve**. This priority is necessary to ensure that custodial parents can meet their basic needs while caring for the child(ren). The poverty guideline will be disseminated by the AOC each February or when it is published in the Federal Register. The self-support reserve test is applied as follows:

1. Subtract the obligor's child support obligation from that person's net income.

2. If the difference is greater than 105% of the poverty guideline for one person ($226 per week as of January 26, 2012), the self-support reserve is preserved and the obligor's support obligation is the child support order.

3. If the difference is less than 105% of the poverty guideline for one person **and** the custodial parent's net income is greater than 105% of the poverty guideline, the obligor's child support order is the difference between the obligor's net income and the 105% of the poverty guideline for one person.

In determining whether the application of the self-support reserve is appropriate, the court may need to impute income to a parent as provided in Appendix IX-A. The court should also consider a parent's actual living expenses and the custodial parent's share of the support obligation (see Appendix IX-A, paragraph 20).

Line [24] 25 - Self-Support Reserve Test

Calculate whether the obligor's income will exceed 105% of the poverty level by subtracting the [non-custodial parent's] net child support obligation from the non-custodial parent's [that person's] net income. (Math: Line [5] 6 NCP - Line [20] 21 or Line [23] 24 [Non-Custodial Child Support Obligation].) **Enter** the result for the NCP on Line [24] 25. **Enter** the custodial parent's net income minus the custodial parent's child support obligation (Line [5] 6 minus Line 14) on Line [24] 25. **Then,**

If the NCP Line [24] 25 amount is less than 105% of the poverty guideline and the CP Line [24] 25 minus the CP Line 14 is greater than 105% of the poverty guideline, **Go To** Line [25] 26. ***If the NCP result is greater than 105% of the poverty guideline,*** **Skip** Line [25] 26 and **Enter** the Line [20] 21 or Line [23] 24 non-custodial parent child support obligation on Line [26] 27.

NOTE: If the CP Line [24] 25 minus the CP Line 14 amount is less than *105%* of the poverty guideline, there is no NCP self-support reserve adjustment. In this case, the NCP Line [20] 21 or Line [23] 24 amount is the final child support order (Line [26] 27).

Line [25] 26 - Maximum Child Support Order

Subtract the poverty level from the non-custodial parent's net income to find the maximum child support order. (Math: Line [5] 6 Non-Custodial Net Income – 105% of the poverty guideline). **Enter** the result on Lines [25] 26 and [26] 27.

Line [26] 27 - Child Support Order

Line [26] 27 is the amount to be paid by the non-custodial parent (the obligor) to the custodial parent (from either Line [24] 25 or Line [25] 6) for the benefit of the children.

LINE INSTRUCTIONS FOR THE SHARED-PARENTING WORKSHEET

Caption ... no change

Lines 1 through 5 - Determining Income

Gross Income ... no change.

Sources of Income - ... no change

Income from self-employment or operation of a business. ... no change

Sporadic Income ... no change

Military Pay ... no change.

In-Kind Income ... no change

Alimony, Spousal Support, and/or Separate Maintenance Received ... no change

Types of Income Excluded from Gross Income - The following types of income are excluded from *gross income*:

a. means-tested income (i.e., based on the fact that the recipient has minimal income and requires government assistance to live) including, but not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), General Assistance, Refugee Assistance, rent subsidies, food stamps, and Supplemental Security Income for the Aged, Blind or Disabled;
b. alimony, spousal support, or separate maintenance payments (the net amount after adjusting for the tax benefits, if known) to a current or former spouse;
c. child support received for children of another relationship;

d. non-income producing assets (e.g., undeveloped real estate, automobiles, jewelry, art, stocks and bonds) unless the court finds that the intent of the investment was to avoid the payment of child support;

e. income from children, unless the court determines that such income should be included because the child is a professional or has substantial income that reduces the family's living expenses;

f. income from other household members (e.g., step-parents, grandparents, current spouse) who are not legally responsible for the support of the child for whom support is being established except to determine the other-dependent credit (the income of the current spouse may be included if an other-dependent deduction is requested - see Appendix IXA, paragraph 10).

g. [a government benefit based on a parent's earnings record, disability, or condition that is paid to or for the child (or the child's caretaker) for whom support is being determined (e.g., Black Lung, Veteran's Disability, Social Security) or other non- means-tested government benefits meant to reduce the cost of the child (e.g., adoption subsidies as provided b N.J.A.C. 10:121-2);]

[h]g. for modifications involving retirement income, the pro-rated amount of contributions to a voluntary plan that were previously included in gross income when the current support order was established;

[i]h. financial assistance for education including loans, grants, scholarships, veteran's education benefits, and awards provided under the National and Community Service Act of 1990 (except post-service benefits); and

[j]i. federal earned income tax credits.

Collecting and Verifying Income Information ... no change

Taxable and Non-Taxable Income - ... no change

Analyzing Income Tax Returns - ... no change

Government Benefits for the Child - Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

a. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent).

b. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. The derivative benefit is counted as income (on Line 5) for the parent whose contribution is the source of the benefit. If the benefit is based upon contribution of the Non-Custodial Parent, he

or she will also receive a credit for the benefit (on Line 15).

c. Other benefits – Benefits that are obtained without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This benefit is counted as income (on Line 5) for the parent who actually receives the financial benefit (usually the custodial parent).

Line 1 - Gross Taxable Income ... no change

Line 1a - Mandatory Retirement Contributions ... no change

Line 1b - Alimony Paid ... no change

Line 1c - Alimony Received ... no change

Line 2 - Adjusted Gross Taxable Income ... no change

Line 2a - Withholding Taxes ... no change

Line 2b - Prior Child Support Orders ... no change

Line 2c - Mandatory Union Dues ... no change

Line 2d - Other-Dependent Deduction ... no change

Line 3 - Net Taxable Income ... no change

Line 4 - Non-Taxable Income ... no change

Line 5 - Government (Non-Means Tested) Benefit for the Child

Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

a. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded

as income (not counted for either parent). **Leave blank** Line 5.

b. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. **Enter** the weekly amount of the derivative benefit on Line 5 of the parent whose contribution is the source of the benefit (i.e., if the Non-Custodial Parent's work history and disability qualify the child for Social Security benefits, the benefit for the child will be included on Line 5 Non-Custodial Parent). *Note*, if the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit on Line 15.

c. Other benefits – Benefits that are given without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. **Enter** the weekly amount of this benefit on Line 5 of the parent who actually receives the financial benefit (usually the custodial parent).

Line [5] 6 - Net Income

Add the Net Taxable Income and the Non-Taxable Income to obtain the weekly Net Income. (Math: Line 3 + Line 4 + Line 5). **Enter** each parent's Net Income in the appropriate Line [5] 6 column.

Add the net incomes of the parents to obtain the Combined Net Income (Math: Line [5] 6 [Custodial Parent] PPR + Line [5]6 [Non-Custodial Parent] PAR = Line [5] 6 Combined). **Enter** the result on Line [5] 6, Combined.

Line [6] 7 – [Percentage] Each Parent's Share of Income

Divide each parent's net income by the combined net income to obtain each parent's percentage share of income. (Math: Line [5]6 [Custodial Parent] PPR ÷ Line [5]6 Combined = [Custodial Parent] PPR Line [6]7 [Percentage]-Share of Income; Line [5]6 [Non-Custodial Parent] PAR ÷ Line [5]6 Combined = [Non-Custodial Parent] PAR Line [6]7 [Percentage] Share of Income). The sum of the two percentages (ratios) must equal one (the decimal equivalent of 100%). **Enter** each parent's income share in the appropriate Line [6]7 column.

Line [7] 8 – [Number of Overnights with Each Parent] Basic Child Support Amount

[Enter the number of regular overnights that the child spends or is expected to spend with each parent during a one-year period in the appropriate Line 7 columns. Vacations and holidays with the PAR do not count towards the determination of overnight time.

Add the number of overnights with each parent to obtain the total number of overnights.

Enter the total overnights in the Line 7 Combined column.

Generally, the sum of the number of overnights with each parent will be 365. If, however, the child

spends overnights with a third party (e.g., grandparents) **on a predictable and recurring basis**, each parent's and the total number of overnights should be adjusted accordingly so that neither parent receives credit for this time. For example, if a child stays with grandparents for 10 overnights each year, which would have normally been spent with the PPR, the PPR's number of overnights is reduced by

10 and the total number of overnights is reduced to 355 (365-10). If the child would have spent half of the grandparent visitation time (5 of the 10 overnights) with the PAR, both parent's number of overnights is reduced by five. If a child attends summer camp or other overnight care, the parent paying for such care shall be entitled to the credit for the number of overnights.]

Look-up the Basic Child Support Amount from Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line [5] 6 combined net income of the parents. **Enter** the Basic Child Support Amount on Line [7] 8.

The parents' combined net income and the number of children for whom support is being determined are used to obtain the basic child support amount from the Appendix IX-F schedules. Appendix IX-F combined net incomes are provided in $10 increments. For incomes that fall between income increments, go to the next higher income increment if the amount is $5.00 or more (e.g., if the combined income is $446, use the award for $450 combined income; if it is $444, use the award for $440).

As explained in Appendix IX-A, the basic child support amount represents average spending on children by intact families (see Appendix IX-A for consumption items included and excluded in the Appendix IX-F basic child support amount).

Line 9 – [Basic Child Support Amount] Number of Overnights with Each Parent

[Look-up the Basic Child Support Amount from the Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line 5 combined net income of the parents. **Enter** the Basic Child Support Amount on Line 9.
The parents' combined net income and the number of children for whom support is being determined are used to obtain the basic child support amount from the Appendix IX-F schedules. Appendix IX-F combined net incomes are provided in $10.00 increments. For incomes that fall between income increments, go to the next higher income increment if the amount is $5.00 or more (e.g., if the combined income is $446, use the award for $450 combined income; if it is $444, use the award for $440).

As explained in Appendix IX-A, the basic support amount represents average spending on children by intact families (see Appendix IX-A for items included and excluded in the basic support amount).]

Enter the number of regular overnights that the child spends or is expected to spend with each parent during a one-year period in the appropriate Line 7 columns. Vacations and holidays with the PAR do not count towards the determination of overnight time.

Add the number of overnights with each parent to obtain the total number of overnights.

Enter the total overnights in the Line 7 Combined column.

Generally, the sum of the number of overnights with each parent will be 365. If, however, the child spends overnights with a third party (e.g., grandparents) **on a predictable and recurring basis**, each parent's and the total number of overnights should be adjusted accordingly so that neither parent receives credit for this time. For example, if a child stays with grandparents for 10 overnights each year, which would have normally been spent with the PPR, the PPR's number of overnights is reduced by

10 and the total number of overnights is reduced to 355 (365-10). If the child would have spent half of the grandparent visitation time (5 of the 10 overnights) with the PAR, both parent's number of overnights is reduced by five. If a child attends summer camp or other overnight care, the parent paying for such care shall be entitled to the credit for the number of overnights.

Line [8] 10 - Percentage of Overnights with Each Parent

Divide the number of overnights that the child spends with each parent by the total number of overnights. (Math: Line [7] 9 PPR overnights ÷ Line [7] 9 total overnights; Line [7] 9 PAR overnights ÷ Line [7] 9 total overnights). **Enter** each parent's percentage of overnights in the appropriate Line [8] 10 column. The sum of the percentages (ratios) must equal one (the decimal equivalent of 100%).

NOTE: if the PAR's percentage of overnights with the child is less than the substantial equivalent of two or more overnights per week (28%), STOP! The sole parenting worksheet must be used.

Line [10] 11 - PAR Shared Parenting Fixed Expenses

In shared-parenting situations, each parent incurs fixed costs (housing expenses) for the child even though the child may not be residing with a particular parent at a given time. Fixed costs include expenses for the dwelling, utilities, household furnishings, and household care items (see Appendix IX-A for a full list of items included in this category). It is assumed that fixed costs represent 38% of the basic support amount.

The PPR's fixed costs remain static (i.e., the full 38% of the basic support amount; they are not reduced when the child is not in the household) since that parent must maintain the primary residence for the child at all times. The PPR's fixed costs are included in the basic support amount. **The PAR's fixed expenses** are pro-rated based on the amount of time the child spends in the alternate household. The PAR's fixed expenses are assumed to be equal to [2 × PAR's time with the child × PPR's fixed expenses]. For example, if the PAR spends 30% of overnights with the child, that parent is assumed to incur 60% of the PPR's fixed costs. The parents have equal fixed expenses only when time sharing is equal (50% each). The PAR's time-adjusted fixed expenses must be added to the basic support amount (i.e., the basic amount assumes that there is only one household for the child) to determine the total dual-household costs for the child.

To calculate the PAR's time-adjusted fixed expenses:

(1) **Multiply** the basic support amount by 38% (Math: Line [9] 8 × 0.38.) The result is the portion of the basic support amount that represents the PPR's fixed expenses.

(2) **Multiply** the PPR's fixed expense by two times the PAR's percentage of overnights (Math: PPR fixed expense × PAR Line [8] 10 × 2). The result is the PAR's time-adjusted fixed expense for the child.

Enter this amount on Line [10] 11.

[Line 11 - Deducting Government Benefits Paid to or for the Child]

[Enter the weekly amount of government benefits received by the child on behalf of either parent on Line 11. If a child is receiving government benefits (non-means tested) based on either parent's earning record, disability, or retirement, the amount of those benefits must be deducted from the total support award (regardless of the effect of the child's benefit payments on benefits paid to the parent). Such benefits include, but are not limited to: Social Security Retirement or Disability, Black Lung, and Veteran's Administration benefits. Also included are non-means-tested government benefits meant to offset the cost of the child such as adoption subsidies (*N.J.A.C*. 10:121-2). SSI, public assistance (TANF), and other means-tested benefits are **not** government benefits based on a parent's earnings record, disability or retirement and should not be included on Line 12. If the government benefit received by the child is greater than the total support award (i.e., the amount of the total support award after deducting the government benefit is zero or less), the amount of the government benefit that is being paid to or for the child represents the support award. In such

cases, the support award should be made payable directly to the obligee (i.e., from the government agency to the obligee; not through Probation). If the government benefit is less than the total support

obligation, it shall continue to be paid directly to the obligee and the residual amount shall be paid through Probation. Note that these benefits are not included in the gross income of the recipient parent. See Appendix IX-A, paragraph 10(b) for more information on the treatment of government benefits.

NOTE: There may be circumstances when the CP/PPR is the party who is disabled and the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.**]**

Line 12 - Shared Parenting Basic Child Support Amount

Add the basic child support amount and the PAR's shared parenting fixed expenses, then,

Subtract any government benefits paid to or for the child. The result is the shared parenting basic

child support amount. Math: [(Line 9 + Line 10) - Line 11)] Line 8 + Line 11. **Enter** the shared parenting basic child support amount on Line 12.

The shared parenting basic child support amount includes the costs of the two households in which the child resides, total variable costs (food and transportation) for the child, and other child-rearing costs controlled by the PPR such as clothing, personal care, and entertainment (see Appendix IX-A, paragraph 14(d)). [Government benefits (non-means tested) paid to or for the child are deducted in recognition of the reduced household expenses for the child due to the receipt of government benefits specifically for that child.]

[If the shared parenting basic child support amount is zero or less due the deduction of a government apportionment, continue with the worksheet calculations (carrying forward negative numbers) to determine if the PAR has any obligation for supplemental expenses.]

Line 13 – [PAR] Each Parent's Share of Shared Parenting Basic Child Support Amount

Calculate the PAR's share of the shared custody basic child support amount by multiplying the shared custody basic child support amount by the PAR's income share. Math: (PAR Line [6] 7 × Line 12). **Enter** the PAR's share of the award on Line 13.

Calculate the PPR's share of the shared custody basic child support amount by multiplying the shared custody basic child support amount by the PPR's income share. Math: (PPR Line 7 × Line 12). **Enter** the PPR's share of the award on Line 13.

Line 14 - PAR Shared Parenting Variable Expenses

Variable expenses are incurred only when the child is residing with a parent (i.e., costs that follow the child). This category includes transportation and food). It is assumed that variable costs account for 37% of total spending on a child in an intact family.

Since the PPR has no variable expenses for the child while the child is with the PAR, the shared custody basic child support amount (which assumes that all variable expenses are incurred by the PAR household), must be reduced by the PAR's variable expenses for the child while the child is residing in the PAR's household.

To Calculate the PAR's share of variable expenses for the child:

(1) **Multiply** the basic support amount by 37% (Math: Line [9] 8 × 0.37]. This is the portion of the basic support amount that represents variable expenses for the child.

(2) **Multiply** the variable expenses by the PAR's percentage of regular overnights with the child. [Math: (variable expense × PAR Line [8] 10). The result is the PAR's variable expense for the child. **Enter** this amount on Line 14.

Note: Be careful to calculate variable expenses using the basic child support obligation (Line [9] 8), **not** the shared parenting basic child support amount (Line [13] 12).

Line 15 - PAR Adjusted Shared Parenting Basic Child Support Amount

The PAR Adjusted Shared Parenting Basic Child Support Amount represents the PAR's income

share of the net support obligation for the child while the child is residing in the primary household. To calculate this amount, **subtract** the PAR's fixed expenses and the PAR's variable expenses from the PAR's share of the Shared Parenting Basic Child Support Amount. Math: (Line 13 - Line [10] 11 - Line 14). Note: Line 15 may be a negative number. If so, carry it forward to the supplemental expense calculation.

Lines 16 through 20 - Figuring Supplemental Expenses to be Added to the Shared Parenting Basic Child Support Amount ... no change

Line 16 - Adding Net Work-Related Child Care Costs ... no change

Line 17 - Adding Health Insurance Costs for the Child ... no change

Line 18 - Adding Predictable and Recurring Unreimbursed Health Care ... no change

Line 19 - Adding Court-Approved Predictable and Recurring Extraordinary Expenses ... no change

Line 20 - Total Supplemental Expenses ... no change

Line 21 - PAR's Share of the Total Supplemental Expenses ... no change

Line 22 – Credit for Derivative Government Benefits for the Child Based on Contribution of the Non-Custodial Parent

Enter the weekly amount of the government benefits paid to the custodial parent for the child (if any) that are based on the contribution (work history, military service, disability, or retirement) of the non-custodial parent in the Line 15 NCP column.

NOTE: benefits amount should match the government benefits for the child on Line 5 PAR column.

Line [22] 23 - Credit for PAR's Child-Care Payments

Enter the PAR's direct payments for work-related child-care for the child for whom support is being determined on Line [22] 23. Note: payments cannot exceed the parent's net work-related child care cost added on Line 16.

Line [23] 24 - Credit for PAR's Payment of Child's Health Insurance Cost

Enter the PAR's direct payments towards that parent's cost of adding the child to a health insurance policy on Line [23] 24. NOTE: payments cannot exceed the parent's cost of health insurance for the child added on Line 17.

Line [24] 25 - Credit for PAR's Payment of Unreimbursed Health Care

Enter the PAR's direct payments for predictable and recurring unreimbursed health care greater than $250 per child per year on Line [24] 25.

NOTE: payments cannot exceed predictable and recurring unreimbursed health care expenses added on Line 18.

Line [25] 26 - Credit for PAR's Payment of Court-Approved Extraordinary Expenses

Enter the PAR's direct payments for predictable and recurring extraordinary court- approved expenses on Line [25] 26. NOTE: payments cannot exceed predictable and recurring extraordinary court-approved expenses added on Line 19.

Line [26] 27 - PAR's Total Payments for Supplemental Expenses

Add the PAR's direct payments toward work-related child-care, the cost of adding the child to a health insurance policy, the predictable and recurring unreimbursed health care above $250 per child per year, and the predictable and recurring extraordinary court-approved expenses. Math: ([Line 22 +] Line 23 + Line 24 + Line 25 +Line 26). **Enter** the sum of all payments added on Line [26] 27.

Line [27] 28 - PAR's Net Supplemental Expenses

Subtract the PAR's direct payments for child care, the child's share of the health insurance premium, predictable and recurring unreimbursed health care for the child above $250 per year per child, and predictable and recurring extraordinary court- approved expenses from the PAR's share of the total supplemental expenses. The result is the PAR's net supplemental expenses for the child. Math: (Line 21 - Line [26] 27) **Enter** the PAR's share of net supplemental expenses on Line 27.

Direct payments for supplemental expenses are subtracted from the PAR's share of total supplemental expenses before those expenses are added to the PAR's share of the adjusted shared parenting child support amount. **Direct payments may be deducted only if the cost was previously included as a supplemental expense.**

Line [28] 29 - PAR's Net Child Support Obligation

Add the PAR's share of the adjusted shared parenting basic child support amount and the PAR's share of the net supplemental expenses to determine the PAR's net child support obligation. Math: (Line 15 + Line [27] 28). **Enter** the PAR's net support obligation on Line [28] 29.

The PAR's net obligation is the child support order that will be paid for the benefit of the children while they are residing with the PPR. Theoretically, the PPR also has a support obligation (although not calculated on the shared parenting worksheet) that is considered to be spent directly on the

children during the course of providing for their daily needs.

NOTE: if the PAR's net obligation is a negative number, this amount must be paid by the PPR to the PAR to preserve each parent's income share of the total shared- parenting expenses. In this case, the PPR would be the obligor of the support order.

Lines [29,] 30, [and] 31 <u>and 32</u> - Adjusting the Child Support Obligation for Other Dependents

1. If either parent requests an adjustment for other legal dependents, a Sole-Parenting worksheet must be prepared to determine the parent's theoretical support obligation for his or her other dependents. Additionally, two separate Shared-Parenting worksheets must be completed (if calculating the adjustment manually). The three worksheets will result in the following obligation amounts:

a. Sole Parenting - a theoretical support obligation for the child in the alternate family (i.e., the parent requesting the adjustment is the theoretical obligor of the child in the alternate family);
b. Primary Shared Parenting - a support obligation for the child for whom support is being determined calculated after the theoretical obligation for any other dependents (Line 2d) is deducted from the responsible parent's gross income; and
c. Alternate Shared Parenting - a support obligation for the child for whom support is being determined calculated without deducting the theoretical obligation for other dependents (Line 2d) from the responsible parent's gross income.

2. To ensure that a fair share of the parent's income is available to all his or her legal dependents, add the parent's support obligation from the worksheet that includes the Line 2d other-dependent deduction and the parent's support obligation from the worksheet that does not include the Line 2d other dependent deduction. Divide the sum of the two support obligations by two to obtain the adjusted child support obligation.

Line [29] 30 - Line [28] 29 PAR CS Obligation WITH Other Dependent Deduction

Enter the PAR's net child support obligation (Line [28] 29) from the worksheet that deducted a theoretical support obligation for other dependents of either parent (i.e., with the Line 2d other-dependent amount deducted from gross income).

Line [30] 31 - Line 28 PAR CS Obligation WITHOUT Other Dependent Deduction

Enter the PAR's net child support obligation (Line [28] 29) from the worksheet that does not deduct a theoretical support obligation for other dependents from the gross income of either parent.

Line [31] 32 - Adjusted PAR CS Obligation

Add the obligation that includes the other-dependent deduction (Line [29] 30) and the obligation that does not include the other-dependent deduction (Line [30] 31), then **divide** the sum by two to obtain the Adjusted PAR Child Support Obligation. Math: (Line [29] 30 + Line [30] 31) ÷ 2)]. **Enter**

the result on Line [31] 32.

Lines [32 and] 33 and 34 - Maintaining a Self-Support Reserve

To ensure that the obligor parent retains sufficient net income to live at a minimum subsistence level and has the incentive to work, that parent's net child support award is tested against 105% of the U.S. poverty guideline for one person. If the NCPs net income after deducting the child support award is less than the self-support reserve, the order should be adjusted. **No such adjustment shall occur, however, if the custodial parent's net income minus the custodial parent's child support obligation is less than the self-support reserve**. This priority is necessary to ensure that custodial parents can meet their basic needs while caring for the child(ren). The poverty guideline will be disseminated by the AOC each February or when it is published in the Federal Register. The self-support reserve test is applied as follows:

1. Subtract the obligor's child support obligation from that person's net income.

2. If the difference is greater than 105% of the poverty guideline for one person ($226 per week as of January 26, 2012), the self-support reserve is preserved and the obligor's support obligation is the child support order.

3. If the difference is less than 105% of the poverty guideline for one person **and** the custodial parent's net income is greater than 105% of the poverty guideline, the obligor's child support order is the difference between the obligor's net income and the 105% of the poverty guideline for one person.

In determining whether the application of the self-support reserve is appropriate, the court may need to impute income to a parent as provided in Appendix IX-A. The court should also consider a parent's actual living expenses and the custodial parent's share of the support obligation (see Appendix IX-A, paragraph 20).

NOTE: In some family situations, (e.g., the PPR's income exceeds the PAR's income and shared parenting times are near equal), the PPR may owe child support to the PAR (in such cases, the PAR's obligation is a negative number). If this occurs, the self- support reserve should be tested using the PPR's net income and the absolute value of the PAR's negative obligation. In all cases, the PPR should be given the priority with regard to the self-support reserve.

Line [32] 33 - Self-Support Reserve Test

Subtract the PAR's net child support obligation from the PAR's net income. Math: PAR's Line 5 net income - PAR Line [28] 29 or [31] 32 child support obligation. Note: if Line [28] 29 or [31] 32 is a negative number, the PPR is the obligor of that amount. **Enter** the PAR's result on Line 32. **Enter** the PPR's net income (from Line 5) on Line [32] 33. Then,

If the PAR's Line* [*32*] *33 is less than 105% of the poverty guideline and the PPR's Line* [*32*] *33 is greater than 105% of the poverty guideline, **Go To** Line [33] 34.

If the PAR's Line* [*32*] *33 is greater than 105% of the poverty guideline, **Skip** Line [33] 34

and **Enter** the PAR's Line [28] 29 or [31] 32 child support obligation on Line [34] 35.

NOTE: If the PPR Line [29] 30 amount is less than 105% of the poverty guideline, there is no PAR self-support reserve adjustment. In this case, the PAR Line [28] 29 or [31] 32 amount is the final child support order (Line [31] 32).

Line [33] 34 - PAR's Maximum Child Support Order

Subtract 105% of the poverty guideline from the PAR's net income to find the maximum child support order. Math: Line 5 PAR net income – 105% of the poverty guideline. **Enter** the result on Lines [33 and] 34 and 35.

Line 34 - Child Support Order

Enter the Line [28] 29, [31] 32 or [33] 34 support amount to be paid by the obligor to the other parent for the benefit of the child. Generally the obligor will be the PAR. However, in some family situations, the PPR may be the obligor (if the PAR's obligation is a negative number). In those cases, enter the absolute (positive) value of the PAR's negative obligation (or the self-support reserve maximum amount) in the PPR's Line [34] 35 column. Otherwise, enter the Line [28] 29 PAR's net support obligation, the Line [31] 32 other-dependent adjusted obligation (if any), or the Line [33] 34 maximum child support obligation (if any) on the PAR's Line [34] 35.

If the PAR is the obligor, go to Line [32] 33. Otherwise, Line [31] 32 is the final child support order.

Line [35] 36 - PPR Household Income Test

Add the PPR's net income from all sources (including means-tested income such as AFDC), the net income of other adults in the primary household, and the PAR shared parenting support order. Math: PPR Line 5 net income + net income of other adults + PAR Line [34] 35 child support order]. Enter the sum in the PPR's Line [35] 36 column.

Test: If Line [35] 36 is less than the PPR household income threshold for the PPR and the total number of persons in the primary household (see table in Appendix IX-A, paragraph 14), the award must be recalculated, **without adjusting for shared- parenting time,** using the Sole-Parenting Worksheet. If Line [35] 36 exceeds the PPR household income threshold, the Line [34] 35 child support order is appropriate.

NOTE: A PAR may still receive an adjustment for variable expenses when the sole parenting worksheet is used to recalculate the support award. If, however, the PPR's household income plus a PAR Time-adjusted support award is still below 200% of the poverty guideline, the application of the variable-expense adjustment is not presumptive (i.e., it is subject to the discretion of the court).

Appendix IX-C: Sole Parenting Worksheet

APPENDIX IX-B

USE OF THE CHILD SUPPORT GUIDELINES

(Includes Amendments through those effective [April 24, 2012])

GENERAL INFORMATION

Completion and Filing of the Worksheet ... no change

Use of Weekly Amounts ... no change

Rounding to Whole Dollars and Percentages ... no change

Defining Parental Roles ... no change

Selection of a Worksheet ... no change

LINE INSTRUCTIONS FOR THE SOLE-PARENTING WORKSHEET

Exhibit VIII: Proposed Amendments to Appendix IX-B, IX-C, and IX-D

Caption ... no change

Lines 1 through 5 - Determining Income

Gross Income ... no change.

Sources of Income - ... no change

Income from self-employment or operation of a business. ... no change

Sporadic Income ... no change

Military Pay ... no change.

In-Kind Income ... no change

Alimony, Spousal Support, and/or Separate Maintenance Received ... no change

Types of Income Excluded from Gross Income - The following types of income are excluded from *gross income*:

a. means-tested income (i.e., based on the fact that the recipient has minimal income and requires government assistance to live) including, but not limited to, Temporary Assistance

to Needy Families (TANF), Deficit Reduction Act (DEFRA), General Assistance, Refugee Assistance, rent subsidies, food stamps, and Supplemental Security Income for the Aged, Blind or Disabled;

b. alimony, spousal support, or separate maintenance payments (the net amount after adjusting for the tax benefits, if known) to a current or former spouse;

c. child support received for children of another relationship;

d. non-income producing assets (e.g., undeveloped real estate, automobiles, jewelry, art, stocks and bonds) unless the court finds that the intent of the investment was to avoid the payment of child support;

e. income from children, unless the court determines that such income should be included because the child is a professional or has substantial income that reduces the family's living expenses;

f. income from other household members (e.g., step-parents, grandparents, current spouse) who are not legally responsible for the support of the child for whom support is being established except to determine the other-dependent credit (the income of the current spouse may be included if an other-dependent deduction is requested - see Appendix IXA, paragraph 10).

g. [a government benefit based on a parent's earnings record, disability, or condition that is paid to or for the child (or the child's caretaker) for whom support is being determined (e.g., Black Lung, Veteran's Disability, Social Security) or other non- means-tested government benefits meant to reduce the cost of the child (e.g., adoption subsidies as provided by N.J.A.C. 10:121-2);]

[h]g. for modifications involving retirement income, the pro-rated amount of contributions to a

voluntary plan that were previously included in gross income when the current support order was established;

[i]h. financial assistance for education including loans, grants, scholarships, veteran's education benefits, and awards provided under the National and Community Service Act of 1990 (except post-service benefits); and

[j]i. federal earned income tax credits.

Collecting and Verifying Income Information ... no change

Taxable and Non-Taxable Income - ... no change

Analyzing Income Tax Returns - ... no change

Government Benefits for the Child - Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

d. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent).

e. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. The derivative benefit is counted as income (on Line 5) for the parent whose contribution is the source of the benefit. If the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit (on Line 15).

f. Other benefits – Benefits that are obtained without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This benefit is counted as income (on Line 5) for the parent who actually receives the financial benefit (usually the custodial parent).

Line 1 - Gross Taxable Income ... no change

Line 1a - Mandatory Retirement Contributions ... no change

Line 1b - Alimony Paid ... no change

Line 1c - Alimony Received ... no change

Line 2 - Adjusted Gross Taxable Income ... no change

Line 2a - Withholding Taxes ... no change

Line 2b - Prior Child Support Orders ... no change

Line 2c - Mandatory Union Dues ... no change

Line 2d - Other-Dependent Deduction ... no change

Line 3 - Net Taxable Income ... no change

Line 4 - Non-Taxable Income ... no change

Line 5 - Government (Non-Means Tested) Benefit for the Child

Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

d. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance,

rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent). **Leave blank** Line 5.

e. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. **Enter** the weekly amount of the derivative benefit on Line 5 of the parent whose contribution is the source of the benefit (i.e., if the Non-Custodial Parent's work history and disability qualify the child for Social Security benefits, the benefit for the child will be included on Line 5 Non-Custodial Parent). *Note*, if the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit on Line 15.

f. Other benefits – Benefits that are given without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. **Enter** the weekly amount of this benefit on Line 5 of the parent who actually receives the financial benefit (usually the custodial parent).

Line [5] 6 - Net Income

Add the Net Taxable Income and the Non-Taxable Income to obtain the weekly Net Income. (Math: Line 3 + Line 4 + Line 5). **Enter** each parent's Net Income in the appropriate Line [5] 6 column.

Add the net incomes of the parents to obtain the Combined Net Income (Math: Line [5] 6 Custodial Parent + Line [5]6 Non-Custodial Parent = Line [5] 6 Combined). **Enter** the result on Line [5] 6, Combined.

Line [6] 7 – [Percentage] Each Parent's Share of Income

Divide each parent's net income by the combined net income to obtain each parent's percentage share of income. (Math: Line [5]6 Custodial Parent ÷ Line [5]6 Combined = Custodial Parent Line [6]7 [Percentage]-Share of Income; Line [5]6 Non-Custodial Parent ÷ Line [5]6 Combined = Non-Custodial Parent Line [6]7 [Percentage] Share of Income). The sum of the two percentages (ratios) must equal one (the decimal equivalent of 100%). **Enter** each parent's income share in the appropriate Line [6]7 column.

Line [7] 8 - Basic Child Support Amount

Look-up the Basic Child Support Amount from Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line [5] 6 combined net income of the parents. **Enter** the Basic Child Support Amount on Line [7] 8.

The parents' combined net income and the number of children for whom support is being

determined are used to obtain the basic child support amount from the Appendix IX-F schedules. Appendix IX-F combined net incomes are provided in $10 increments. For incomes that fall between income increments, go to the next higher income increment if the amount is $5.00 or more (e.g., if the combined income is $446, use the award for $450 combined income; if it is $444, use the award for $440).

As explained in Appendix IX-A, the basic child support amount represents average spending on children by intact families (see Appendix IX-A for consumption items included and excluded in the Appendix IX-F basic child support amount).

Line [8] 9 - Adding Net Work-Related Child Care Costs to the Basic Obligation

Calculate net work-related child-care costs using the Appendix IX-E Net Child Care Expense Worksheet. **Enter** the weekly net child-care cost (from Line 7 of Appendix IX-E Worksheet) on Line [8] 9.

Since child care expenses are excluded from the Appendix IX-F child support schedules, such costs, if incurred by either parent, must be added to the basic support amount.

1. *Qualified Child Care Expenses*. Qualified child care expenses are those incurred to care for a dependent who is under the age of 15 or is physically or mentally handicapped. These expenses must be necessary for the employment or job search of the parent. Child care expenses should be reasonable and should not exceed the level required to

provide quality care for the child(ren) from a licensed source. Only the net cost of child care (after the federal tax credit is deducted) is added to the basic award. It is assumed that the parent paying for child care will apply for and receive the federal child care tax credit at the end of the tax year.

2. *Determining the Net Child Care Cost*

   a. Calculate the Adjusted Gross Income (AGI) of the parent paying for child care by deducting moving expenses, one-half of the self-employment tax, IRA and Keough contributions, penalties on early withdrawal of savings, self-employment health insurance cost, and alimony paid from that parent's gross income. If this information is not available, use the parent's gross income (Line 1 + Line 4).

   b. Determine the annual child-care cost.

   c. Complete the Net Child Care Expense Worksheet in Appendix IX-E to find the weekly net child-care cost to be added to the basic support amount.

Line [9] 10 - Adding Health Insurance Costs for the Child to the Basic Obligation

Enter the parent's weekly cost of health insurance for the child for whom support is being determined on Line [9] 10. If the parent's weekly marginal cost is unknown at the time of the hearing, use the *per capita* cost of a family policy at the parent's place of work. Do *not* include health insurance costs for adults or other dependents.

Since the cost of health insurance for children is excluded from the Appendix IX-F child support schedules, a parent's contributions to a health insurance policy which includes the child for whom

support is being determined must be added to the basic support amount. Only the parent's cost of adding the child to the health insurance (medical and dental) policy is added to the basic support amount (i.e., the marginal premium cost to the parent to add the child to the policy). If the parent who is providing the health insurance has no proof of the cost of adding the child to the health insurance policy, the parent's total premium cost should be divided by the number of persons covered by the policy (per capita). The result is then multiplied by the number of children for whom support is being determined to obtain the child's estimated share of the health insurance cost. For example, if the parent's total health insurance cost is $60 per week and there are four persons covered by the policy (the parent, the two children who are the subjects of the support order, and a new spouse), the per capita health insurance cost for the two children is $30 (($60 ÷ 4 persons = $15) × 2 children = $30). If both parents provide health insurance for the child, each parent's marginal cost of adding the child to the policy should be added together to determine the total health insurance cost for the child. If the cost of the health insurance policy is unknown at the time of the support establishment hearing, the parent may apply for a modification of the support order when such information becomes available.

Line [10] 11 - Adding Predictable and Recurring Unreimbursed Health Care to the Basic Obligation

Enter the weekly unreimbursed cost of any health care, if predictable and recurring, for the child that exceeds $250 per child per year on Line [10] 11.

Costs under $250 per child per year - Unreimbursed health care expenses (medical and dental

expenses not covered by insurance) up to and including $250 per child per year are included in the Appendix IX-F child support schedules and are assumed to be paid by the custodial parent. Because they are part of the basic child support amount, these *ordinary* health care expenses are shared in proportion to the relative incomes of the parents.

Predictable, Recurring Costs above $250 per child per year - Unreimbursed health care expenses in excess of $250 per child per year are excluded from the child support schedules. If such expenses are predictable and recurring, they should be added to the basic support amount using Line [10] 11 The court should consider the duration and recurring nature of unreimbursed health care expenses prior to adding them to the basic support amount. If both parents provide predictable, recurring unreimbursed health care for the child, the cost to each parent should be added together to determine the total unreimbursed health care costs. Each parent's direct health care expenses for the child above the $250 per child annual threshold are credited against his or her share of the total support award on Line [17] 18.

Unpredictable, Non-Recurring Costs above $250 per child per year - Health-care expenses for a child that exceed $250 per child per year that are not predictable and recurring should be shared between the parents in proportion to their relative incomes as incurred. Since these expenses are not included in the support award, the procedure for sharing such costs should be set forth in the general language of the order or judgment.

Line [11] 12 - Adding Court-Approved Predictable and Recurring Extraordinary

Expenses to the Basic Support Amount

Enter court-approved predictable and recurring costs for the child on Line [11] 12.

If approved by the court, predictable and recurring extraordinary expenses for the child that are not included in the Appendix IX-F child support awards may be added to the basic support amount. Examples of extraordinary expenditures are PAR Time transportation expenses, special diets, and private education costs for gifted or handicapped children. See Appendix IX-A, paragraph 8, for a list of items that are included in the Appendix IX-F awards and an explanation of private education expenses that may be added to the basic support amount.

Extraordinary expenses for a child that are not predictable and recurring should be shared between the parents in proportion to their relative incomes as incurred. Since these expenses are not included in the support award, the procedure for sharing such costs should be set forth in the general language of the order or judgment.

Each parent's direct spending on court-approved extraordinary expenses for the child are credited against his or her share of the total support award on Line [18] 19.

[Line 12 - Deducting Government Benefits Paid to or for the Child]

[Enter government benefits received by the child on behalf of either parent on Line 12.]

[If a child is receiving government benefits based on either parent's earning record, disability, or retirement, the amount of those benefits must be deducted from the total support award (regardless of the effect of the child's benefit payments on benefits paid to the parent). Such benefits include, but are not limited to: Social Security Retirement or Disability, Black Lung, and Veteran's Administration benefits. Also included are non- means-tested government benefits meant to offset the cost of the child such as adoption subsidies (*N.J.A.C*. 10:121-2). SSI, public assistance (TANF), and other means-tested benefits are not government benefits based on a parent's earnings

record, disability or retirement and should not be included on Line 12. If the government benefit received by the child is greater than the total support award (i.e., the amount of the total support award after deducting the government benefit is zero or less), the amount of the government benefit that is being paid to or for the child represents the support award. In such cases, the support award should be made payable directly to the obligee (i.e., from the government agency to the obligee; not through Probation). If the government benefit is less than the total support obligation, it shall continue to be paid directly to the obligee and the residual amount shall be paid through Probation. See Appendix IX-A, paragraph 10(b)]

[Note that these benefits are not included in the gross income of the recipient parent.] [NOTE: There may be circumstances when the CP/PPR is the party who is disabledand

the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the

child's primary household due to the

substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.]

Line 13 - Calculating the Total Child Support Amount

Add the basic child support amount, net child-care cost, health insurance cost for the child, predictable and recurring unreimbursed health-care costs above $250 per child per year, and court-approved predictable and recurring extraordinary expenses. Then, **Subtract** any government benefits received by the child. The result is the Total Child Support Amount. (Math: Line [7]8 + Line [8]9 + Line [9]10 + Line [10]11+ Line [11] 12) [- Line 12)]. **Enter** the total support amount on Line 13.

[IF THE TOTAL CHILD SUPPORT AMOUNT IS ZERO (THE GOVERNMENT BENEFIT EXCEEDS THE TOTAL CHILD SUPPORT AMOUNT), STOP! GOVERNMENT BENEFITS PAID DIRECTLY TO CHILD'S CUSTODIAN WILL SUBSTITUTE FOR THE CHILD SUPPORT ORDER. OTHERWISE, CONTINUE TO LINE 14.]

Line 14 - Parental Share of the Total Child Support Obligation

Multiply each parent's percentage share of income by the total child support amount to find each parent's share of the total child support amount. (Math: Line [6]7 Custodial Parent × Line 13 Total

Support; Line [6]7 Non-Custodial Parent × Line 13 Total Support). **Enter** each parent's share of the total support amount in the appropriate Line 14 column.

Line 15 – Credit for Derivative Government Benefits for the Child Based on Contribution of the Non-Custodial Parent

Enter the weekly amount of the government benefits paid to the custodial parent for the child (if any) that are based on the contribution (work history, military service, disability, or retirement) of the non-custodial parent in the Line 15 NCP column.

NOTE: benefits amount should match the government benefits for the child on Line 5 NCP column.

Exhibit VIII: Proposed Amendments to Appendix IX-B, IX-C, and IX-D

Line [15] 16 - Credit for Child- Care Payments

Enter payments (if any) for work-related child-care that are being paid by the non- custodial parent directly to the child care provider in the Line [15] 16 NCP column.

NOTE: payments cannot exceed the net work-related child care cost on Line [8] 9.

Line [16] 17 - Credit for Payment of Child's Health Insurance Cost

Enter the non-custodial parent's direct payments (or payroll deductions) toward the marginal cost of adding the child to a health insurance policy in the Line [16] 17 NCP column.

NOTE: payments cannot exceed the parent's cost of health insurance for the child added on Line [9] 10.

Line [17] 18 - Credit for Payment of Child's Predictable and Recurring Unreimbursed Health Care

Enter the non-custodial parent's direct payments (if any) for predictable and recurring unreimbursed health care above $250 per child per year in the Line [17] 18 NCP column.

NOTE: payments cannot exceed predictable and recurring unreimbursed health care expenses added on Line [10] 11.

Line [18] 19 - Credit for Payment of Court-Approved Extraordinary Expenses

Enter the non-custodial parent's direct payments (if any) for predictable and recurring extraordinary court-approved expenses in the Line [18] 19 NCP column.

NOTE: payments cannot exceed predictable and recurring extraordinary court-approved expenses added on Line 11 12.

Line [19] 20 - Adjustment for Parenting Time Variable Expenses

[Enter the amount of the adjustment for variable expenses for the child during parenting time periods in the Line 19 NCP column.] The court may grant the non-custodial parent an adjustment for parenting time equal to that parent's income share of the child's variable expenses for the percentage of time the child is with that parent. When determining if the adjustment is appropriate, the court should consider whether the non- custodial parent has incurred variable expenses for the child during the parenting time period and if parenting time reduced the other parent's variable expenses for the child. It is assumed that variable costs (food and transportation) for the child account for 37% of the total marginal child-rearing expenditures in intact families. The parenting time adjustment should not exceed the parent's time share of the variable costs for the child.

Complete Lines 20a and 20b before returning to Line 20. Then **multiply** the basic child support amount (Line 8) by the non-custodial parent's share of overnights with the child (NCP Line 20b). **Multiply** that product by 0.37 (the presumed variable costs). The result is the maximum PAR Time adjustment (the variable cost for the time spent with the child). **Enter** the amount on Line 20. [Math: Line 8 x NCP Line 20b x 0.37].

[**To figure the maximum PAR Time variable-expense adjustment:**

1) Calculate the assumed variable costs for the child by multiplying the basic child support amount (Line 7) by 37%;

2) Calculate the non-custodial parent's percentage of overnights with the child by dividing the number of overnights with the non-custodial parent by the total overnights with either parent (enter each parent's percentage of time with the child or children on Line 5 of the Comments section of the worksheet);

3) Multiply the variable costs for the child by the non-custodial parent's percentage of overnights. The result is the maximum PAR Time adjustment (the variable cost for the time spent with the child). The result is the maximum PAR Time adjustment (the variable cost for the time spent with the child).]

[**(Math: Line 7** × 0.37 × percentage of time with child)]

NOTE: If the custodial parent's total household net income (from all sources) plus the PAR Time-adjusted support award is less than 200% of the poverty guideline for the number of persons in the household, the PAR Time adjustment is not presumptive and shall be subject to the court's discretion.

Line 20a – Number of Overnights with Each Parent

Enter the number of overnights the child has with the custodial parent in the Line 20a CP column. **Enter** the number of overnights the child has with the non-custodial parent in the Line 20a NCP column. **Add** the total number of overnights to **Enter** in the Line 20a Combined column.

Line 20b – Each Parent's Share of Overnights with the Child

Divide the CP Line 20a by the Combined Line 20a. **Enter** that number in the Line 20b CP column. **Divide** the NCP Line 20a by the Combined Line 20a. **Enter** that number in the Line 20b NCP column. The two Line 20a decimals should add up to 1.00.

Line [20] 21 – [Figuring Each Parent's] Net Child Support Obligation

Subtract [each] the non-custodial parent's direct payments for child care, the child's share of the health insurance premium, predictable and recurring unreimbursed health care for the child above $250 per year per child, and predictable and recurring extraordinary court-approved expenses from the paying parent's share of the total support amount. Then, **subtract** the Line [19] 20 credit, if any, from the non-custodial parent's support amount and the Line 15 credit, if any, for government benefits for the child based on contribution of the NCP. The result is [each parent's] the net child support obligation. Math: (Line 14 - (Line 15 + Line 16 + Line 17 + Line 18 + Line 19 + Line 20)) [for each parent].

Enter [each parent's] the net obligation on [in the appropriate] Line [20] 21 [column].

Direct payments and credits are subtracted from the total child support amount [of the parent who made the expenditure] to find the [at parent's] net child support obligation. Direct payments may be deducted only if the cost was included in the total child support amount. The net child support obligation for the non-custodial parent is the support order that will be paid for the benefit of the

children. [The net obligation of the custodial parent is considered to be spent directly on the children during the course of providing for their daily needs. If the children reside with a third party, each parent's net obligation is his or her respective child support order to be paid to the third-party custodian of the child (i.e., two orders are paid to the child's custodian).]

IF NEITHER PARENT REQUESTED AN ADJUSTMENT FOR OTHER DEPENDENTS, GO TO LINE [24] 25

Lines [21] 22, [22] 23, and [23] 24 - Adjusting the Child Support Obligation for Other-Dependents

1. If either parent requests an adjustment for other legal dependents, three Sole Parenting worksheets must be prepared (if calculating the adjustment manually). The worksheets will result in the following obligation amounts:
   a. a theoretical support obligation for the child in the alternate family (i.e., the parent requesting the adjustment is the theoretical obligor of the child in the alternate family);
   b. a support obligation for the child for whom support is being determined calculated after deducting the theoretical obligation for any other dependents from the responsible parent's gross income; and
   c. a support obligation for the child for whom support is being determined calculated without deducting the theoretical obligation for other dependents from the responsible parent's gross income.

2. To ensure that a fair share of the parent's income is available to all his or her legal dependents, add the non-custodial parent's support obligation from the worksheet that includes the other-dependent deduction and the non-custodial parent's support obligation from the worksheet that does not include the other- dependent deduction. Divide the sum of the two obligations by two to obtain the adjusted child support obligation for the non-custodial parent.

Line [21] 22 - Line [20] 21 CS Obligation With Other-Dependent Deduction

Enter the amount of the [non-custodial parent's] net child support obligation (Line [20] 21) from the worksheet that deducted the theoretical support obligation for the parent's other dependents from the parent's net income (i.e., with the Line 2d other-dependent amount deducted from the parent's gross income). Note: the Line 2d theoretical support obligation for children in the alternate family is calculated on a separate Sole-Parenting worksheet.

Line [22] 23 - Line [20] 21 CS Obligation Without Other-Dependent Deduction

Enter the amount of the [non-custodial parent's] net child support obligation (Line [20] 21) from the worksheet that did not deduct the theoretical support obligation for other dependents (Line 2d) from the parent's net income was calculated. Note: the theoretical support obligation for children in the secondary family is calculated on a separate worksheet.

Line [23] 24 - Obligation Adjusted for Other Dependents

Add the Line [21] 22 support obligation that includes the other-dependent deduction and the Line [22] 23 support obligation that does not include the other dependent deduction, then **divide** the sum by two to obtain the Adjusted Child Support Obligation for the non- custodial parent. Math: (Line [21] 22) + (Line [22] 23) ÷ 2). **Enter** the result on Line [23] 24.

Lines [24] 25, [25] 26, and [26] 27 - Maintaining a Self-Support Reserve

To ensure that the obligor parent retains sufficient net income to live at a minimum subsistence level and has the incentive to work, that parent's net child support award is tested against 105% of the U.S. poverty guideline for one person. If the NCPs net income after deducting the child support award is less than the self-support reserve, the order should be adjusted. **No such adjustment shall occur, however, if the custodial parent's net income minus the custodial parent's child support obligation is less than the self-support reserve**. This priority is necessary to ensure that custodial parents can meet their basic needs while caring for the child(ren). The poverty guideline will be disseminated by the AOC each February or when it is published in the Federal Register. The self-support reserve test is applied as follows:

1. Subtract the obligor's child support obligation from that person's net income.

2. If the difference is greater than 105% of the poverty guideline for one person ($226 per week

as of January 26, 2012), the self-support reserve is preserved and the obligor's support obligation is the child support order.

3. If the difference is less than 105% of the poverty guideline for one person **and** the custodial parent's net income is greater than 105% of the poverty guideline, the obligor's child support order is the difference between the obligor's net income and the 105% of the poverty guideline for one person.

In determining whether the application of the self-support reserve is appropriate, the court may need to impute income to a parent as provided in Appendix IX-A. The court should also consider a parent's actual living expenses and the custodial parent's share of the support obligation (see Appendix IX-A, paragraph 20).

Line [24] 25 - Self-Support Reserve Test

Calculate whether the obligor's income will exceed 105% of the poverty level by subtracting the [non-custodial parent's] net child support obligation from the non-custodial parent's [that person's] net income. (Math: Line [5] 6 NCP - Line [20] 21 or Line [23] 24 [Non-Custodial Child Support Obligation].) **Enter** the result for the NCP on Line [24] 25. **Enter** the custodial parent's net income minus the custodial parent's child support obligation (Line [5] 6 minus Line 14) on Line [24] 25. **Then,**

If the NCP Line* [*24*] *25 amount is less than 105% of the poverty guideline and the CP Line* [*24*] *25 minus the CP Line 14 is greater than 105% of the poverty guideline, **Go To** Line [25] 26. ***If the NCP result is greater than 105% of the poverty guideline,*** **Skip** Line [25] 26 and **Enter** the Line [20] 21 or Line [23] 24 non-custodial parent child support obligation on Line [26] 27.

NOTE: If the CP Line [24] 25 minus the CP Line 14 amount is less than *105%* of the poverty guideline, there is no NCP self-support reserve adjustment. In this case, the NCP Line [20] 21 or Line [23] 24 amount is the final child support order (Line [26] 27).

Line [25] 26 - Maximum Child Support Order

Subtract the poverty level from the non-custodial parent's net income to find the maximum child support order. (Math: Line [5] 6 Non-Custodial Net Income – 105% of the poverty guideline). **Enter** the result on Lines [25] 26 and [26] 27.

Line [26] 27 - Child Support Order

Line [26] 27 is the amount to be paid by the non-custodial parent (the obligor) to the custodial parent (from either Line [24] 25 or Line [25] 6) for the benefit of the children.

Exhibit VIII: Proposed Amendments to Appendix IX-B, IX-C, and IX-D

LINE INSTRUCTIONS FOR THE SHARED-PARENTING WORKSHEET

Caption ... no change

Lines 1 through 5 - Determining Income

Gross Income ... no change.

Sources of Income - ... no change

Income from self-employment or operation of a business. ... no change

Sporadic Income ... no change

Military Pay ... no change.

In-Kind Income ... no change

Alimony, Spousal Support, and/or Separate Maintenance Received ... no change

Types of Income Excluded from Gross Income - The following types of income are excluded from *gross income*:

a. means-tested income (i.e., based on the fact that the recipient has minimal income and requires government assistance to live) including, but not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), General Assistance, Refugee Assistance, rent subsidies, food stamps, and Supplemental Security Income for the Aged, Blind or Disabled;

b. alimony, spousal support, or separate maintenance payments (the net amount after adjusting for the tax benefits, if known) to a current or former spouse;

c. child support received for children of another relationship;

d. non-income producing assets (e.g., undeveloped real estate, automobiles, jewelry, art, stocks and bonds) unless the court finds that the intent of the investment was to avoid the payment of child support;

e. income from children, unless the court determines that such income should be included because the child is a professional or has substantial income that reduces the family's living expenses;

f. income from other household members (e.g., step-parents, grandparents, current spouse) who are not legally responsible for the support of the child for whom support is being established except to determine the other-dependent credit (the income of the current spouse may be included if an other-dependent deduction is requested - see Appendix IXA, paragraph 10).

g. [a government benefit based on a parent's earnings record, disability, or condition that is paid to or for the child (or the child's caretaker) for whom support is being determined (e.g., Black Lung, Veteran's Disability, Social Security) or other non- means-tested government benefits meant to reduce the cost of the child (e.g., adoption subsidies as provided by

N.J.A.C. 10:121-2);]

[h]g. for modifications involving retirement income, the pro-rated amount of contributions to a voluntary plan that were previously included in gross income when the current support order was established;

[i]h. financial assistance for education including loans, grants, scholarships, veteran's education benefits, and awards provided under the National and Community Service Act of 1990 (except post-service benefits); and

[j]i. federal earned income tax credits.

Collecting and Verifying Income Information ... no change

Taxable and Non-Taxable Income - ... no change

Analyzing Income Tax Returns - ... no change

Government Benefits for the Child - Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

d. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or

Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent).

e. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. The derivative benefit is counted as income (on Line 5) for the parent whose contribution is the source of the benefit. If the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit (on Line 15).

f. Other benefits – Benefits that are obtained without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-party relative, such as a step-parent, grandparent, or deceased parent. This benefit is counted as income (on Line 5) for the parent who actually receives the financial benefit (usually the custodial parent).

.

Line 1 - Gross Taxable Income ... no change

Line 1a - Mandatory Retirement Contributions ... no change

Exhibit VIII: Proposed Amendments to Appendix IX-B, IX-C, and IX-D

Line 1b - Alimony Paid ... no change

Line 1c - Alimony Received ... no change

Line 2 - Adjusted Gross Taxable Income ... no change

Line 2a - Withholding Taxes ... no change

Line 2b - Prior Child Support Orders ... no change

Line 2c - Mandatory Union Dues ... no change

Line 2d - Other-Dependent Deduction ... no change

Line 3 - Net Taxable Income ... no change

Line 4 - Non-Taxable Income ... no change

Line 5 - Government (Non-Means Tested) Benefit for the Child

Government benefits for children fall into three categories. Each is described below along with its treatment in calculating child support.

d. Means-tested benefits – Benefits based on the fact that the child or parent has minimal income and requires government assistance. This includes, but is not limited to, Temporary Assistance to Needy Families (TANF), Deficit Reduction Act (DEFRA), Refugee Assistance, rent subsidies, food stamps (SNAP), and Supplemental Security Income for the Aged, Blind or Disabled (SSI), kinship guardian subsidies. Means-tested benefits for the child are excluded as income (not counted for either parent). **Leave blank** Line 5.

e. Derivative benefits – Benefits based on the contribution (e.g., work history, military service, disability, or retirement) of one of the parties is an essential factor in the child's eligibility for the benefit, without regard to family income. This includes but is not limited to Social Security Disability, Social Security Retirement, Black Lung, and Veteran's Administration benefits. **Enter** the weekly amount of the derivative benefit on Line 5 of the parent whose contribution is the source of the benefit (i.e., if the Non-Custodial Parent's work history and disability qualify the child for Social Security benefits, the benefit for the child will be included on Line 5 Non-Custodial Parent). *Note*, if the benefit is based upon contribution of the Non-Custodial Parent, he or she will also receive a credit for the benefit on Line 15.

f. Other benefits – Benefits that are given without regard to family income or contribution (e.g., work history, military service, disability, or retirement) of either party. This includes, but is not limited to adoption subsidies, and Social Security benefits based on the work history of a non-

party relative, such as a step-parent, grandparent, or deceased parent. **Enter** the weekly amount of this benefit on Line 5 of the parent who actually receives the financial benefit (usually the custodial parent).

Line [5] 6 - Net Income

Add the Net Taxable Income and the Non-Taxable Income to obtain the weekly Net Income. (Math: Line 3 + Line 4 + Line 5). **Enter** each parent's Net Income in the appropriate Line [5] 6 column.

Add the net incomes of the parents to obtain the Combined Net Income (Math: Line [5] 6 [Custodial Parent] PPR + Line [5]6 [Non-Custodial Parent] PAR = Line [5] 6 Combined). **Enter** the result on Line [5] 6, Combined.

Line [6] 7 – [Percentage] Each Parent's Share of Income

Divide each parent's net income by the combined net income to obtain each parent's percentage share of income. (Math: Line [5]6 [Custodial Parent] PPR ÷ Line [5]6 Combined = [Custodial Parent] PPR Line [6]7 [Percentage]-Share of Income; Line [5]6 [Non-Custodial Parent] PAR ÷ Line [5]6 Combined = [Non-Custodial Parent] PAR Line [6]7 [Percentage] Share of

Income). The sum of the two percentages (ratios) must equal one (the decimal equivalent of 100%). **Enter** each parent's income share in the appropriate Line [6]7 column.

Line [7] 8 – [Number of Overnights with Each Parent] Basic Child Support Amount

[Enter the number of regular overnights that the child spends or is expected to spend with each parent during a one-year period in the appropriate Line 7 columns. Vacations and holidays with the PAR do not count towards the determination of overnight time.

Add the number of overnights with each parent to obtain the total number of overnights.

Enter the total overnights in the Line 7 Combined column.

Generally, the sum of the number of overnights with each parent will be 365. If, however, the child spends overnights with a third party (e.g., grandparents) **on a predictable and recurring basis**, each parent's and the total number of overnights should be adjusted accordingly so that neither parent receives credit for this time. For example, if a child stays with grandparents for 10 overnights each year, which would have normally been spent with the PPR, the PPR's number of overnights is reduced by

10 and the total number of overnights is reduced to 355 (365-10). If the child would have spent half of the grandparent visitation time (5 of the 10 overnights) with the PAR, both parent's number of overnights is reduced by five. If a child attends summer camp or other overnight care, the parent paying for such care shall be entitled to the credit for the number of overnights.]

Look-up the Basic Child Support Amount from Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line [5] 6 combined net income of the parents. **Enter** the Basic Child Support Amount on Line [7] 8.

The parents' combined net income and the number of children for whom support is being determined are used to obtain the basic child support amount from the Appendix IX-F schedules. Appendix IX-F combined net incomes are provided in $10 increments. For incomes that fall between income increments, go to the next higher income increment if the amount is $5.00 or more (e.g., if the combined income is $446, use the award for $450 combined income; if it is $444, use the award for $440).

As explained in Appendix IX-A, the basic child support amount represents average spending on children by intact families (see Appendix IX-A for consumption items included and excluded in the Appendix IX-F basic child support amount).

Line 9 – [Basic Child Support Amount] Number of Overnights with Each Parent

[Look-up the Basic Child Support Amount from the Appendix IX-F award schedule. Select the appropriate amount for the number of children for whom support is being determined and the Line 5 combined net income of the parents. **Enter** the Basic Child Support Amount on Line 9.

The parents' combined net income and the number of children for whom support is being

determined are used to obtain the basic child support amount from the Appendix IX-F schedules. Appendix IX-F combined net incomes are provided in $10.00 increments. For incomes that fall between income increments, go to the next higher income increment if the amount is $5.00 or more (e.g., if the combined income is $446, use the award for $450 combined income; if it is $444, use the award for $440).

As explained in Appendix IX-A, the basic support amount represents average spending on children by intact families (see Appendix IX-A for items included and excluded in the basic support amount).]

Enter the number of regular overnights that the child spends or is expected to spend with each parent during a one-year period in the appropriate Line 7 columns. Vacations and holidays with the PAR do not count towards the determination of overnight time.

Add the number of overnights with each parent to obtain the total number of overnights.
Enter the total overnights in the Line 7 Combined column.

Generally, the sum of the number of overnights with each parent will be 365. If, however, the child spends overnights with a third party (e.g., grandparents) **on a predictable and recurring basis**, each parent's and the total number of overnights should be adjusted accordingly so that neither parent receives credit for this time. For example, if a child stays with grandparents for 10 overnights each year, which would have normally been spent with the PPR, the PPR's number of

overnights is reduced by

10 and the total number of overnights is reduced to 355 (365-10). If the child would have spent half of the grandparent visitation time (5 of the 10 overnights) with the PAR, both parent's number of overnights is reduced by five. If a child attends summer camp or other overnight care, the parent paying for such care shall be entitled to the credit for the number of overnights.

Line [8] 10 - Percentage of Overnights with Each Parent

Divide the number of overnights that the child spends with each parent by the total number of overnights. (Math: Line [7] 9 PPR overnights ÷ Line [7] 9 total overnights; Line [7] 9 PAR overnights ÷ Line [7] 9 total overnights). **Enter** each parent's percentage of overnights in the appropriate Line [8] 10 column. The sum of the percentages (ratios) must equal one (the decimal equivalent of 100%).

NOTE: if the PAR's percentage of overnights with the child is less than the substantial equivalent of two or more overnights per week (28%), STOP! The sole parenting worksheet must be used.

Line [10] 11 - PAR Shared Parenting Fixed Expenses

In shared-parenting situations, each parent incurs fixed costs (housing expenses) for the child even though the child may not be residing with a particular parent at a given time. Fixed costs include

expenses for the dwelling, utilities, household furnishings, and household care items (see Appendix IX-A for a full list of items included in this category). It is assumed that fixed costs represent 38% of the basic support amount.

The PPR's fixed costs remain static (i.e., the full 38% of the basic support amount; they are not reduced when the child is not in the household) since that parent must maintain the primary residence for the child at all times. The PPR's fixed costs are included in the basic support amount. **The PAR's fixed expenses** are pro-rated based on the amount of time the child spends in the alternate household. The PAR's fixed expenses are assumed to be equal to [2 × PAR's time with the child × PPR's fixed expenses]. For example, if the PAR spends 30% of overnights with the child, that parent is assumed to incur 60% of the PPR's fixed costs. The parents have equal fixed expenses only when time sharing is equal (50% each). The PAR's time-adjusted fixed expenses must be added to the basic support amount (i.e., the basic amount assumes that there is only one household for the child) to determine the total dual-household
costs for the child.

To calculate the PAR's time-adjusted fixed expenses:

(1) **Multiply** the basic support amount by 38% (Math: Line [9] 8 × 0.38.) The result is the portion of the basic support amount that represents the PPR's fixed expenses.

(2) **Multiply** the PPR's fixed expense by two times the PAR's percentage of overnights (Math: PPR fixed expense × PAR Line [8] 10 × 2). The result is the PAR's time-adjusted fixed expense for the child.

Enter this amount on Line [10] 11.

[Line 11 - Deducting Government Benefits Paid to or for the Child]

[Enter the weekly amount of government benefits received by the child on behalf of either parent on Line 11. If a child is receiving government benefits (non-means tested) based on either parent's earning record, disability, or retirement, the amount of those benefits must be deducted from the total support award (regardless of the effect of the child's benefit payments on benefits paid to the parent). Such benefits include, but are not limited to: Social Security Retirement or Disability, Black Lung, and Veteran's Administration benefits. Also included are non-means-tested government benefits meant to offset the cost of the child such as adoption subsidies (*N.J.A.C.* 10:121-2). SSI, public assistance (TANF), and other means-tested benefits are **not** government benefits based on a parent's earnings record, disability or retirement and should not be included on Line 12. If the government benefit received by the child is greater than the total support award (i.e., the amount of the total support award after deducting the government benefit is zero or less), the amount of the government benefit that is being paid to or for the child represents the support award. In such cases, the support award

should be made payable directly to the obligee (i.e., from the government agency to the obligee; not through Probation). If the government benefit is less than the total support

obligation, it shall continue to be paid directly to the obligee and the residual amount shall be paid through Probation. Note that these benefits are not included in the gross income of the recipient parent. See Appendix IX-A, paragraph 10(b) for more information on the treatment of government benefits.

NOTE: There may be circumstances when the CP/PPR is the party who is disabled and the child's share of derivative government benefits such as Social Security Disability greatly reduces child support at a time when the CP/PPR's personal income is also reduced. This creates a situation where the government benefits have the overall affect of being treated as a contribution made entirely by the NCP/PAR which may result in an injustice to the child. Under these circumstances, deviation from the guidelines may be required to prevent a financial hardship in the child's primary household due to the substantial reduction, or possible elimination, of child support caused by the application of the deduction allowed for government benefits against the basic child support amount.**]**

Line 12 - Shared Parenting Basic Child Support Amount

Add the basic child support amount and the PAR's shared parenting fixed expenses, then, **Subtract** any government benefits paid to or for the child. The result is the shared parenting basic child support amount. Math: [(Line 9 + Line 10) - Line 11)] Line 8 + Line 11. **Enter** the shared parenting basic child support amount on Line 12.

The shared parenting basic child support amount includes the costs of the two households in which the child resides, total variable costs (food and transportation) for the child, and other child-rearing costs controlled by the PPR such as clothing, personal care, and entertainment (see Appendix IX-A, paragraph 14(d)). [Government benefits (non-means tested) paid to or for the child are deducted in recognition of the reduced household expenses for the child due to the receipt of government

benefits specifically for that child.]

[If the shared parenting basic child support amount is zero or less due the deduction of a government apportionment, continue with the worksheet calculations (carrying forward negative numbers) to determine if the PAR has any obligation for supplemental expenses.]

Line 13 – [PAR] Each Parent's Share of Shared Parenting Basic Child Support Amount

Calculate the PAR's share of the shared custody basic child support amount by multiplying the shared custody basic child support amount by the PAR's income share. Math: (PAR Line [6] 7 × Line 12). **Enter** the PAR's share of the award on Line 13.

Calculate the PPR's share of the shared custody basic child support amount by multiplying the shared custody basic child support amount by the PPR's income share. Math: (PPR Line 7 × Line 12). **Enter** the PPR's share of the award on Line 13.

Line 14 - PAR Shared Parenting Variable Expenses

Variable expenses are incurred only when the child is residing with a parent (i.e., costs that follow the child). This category includes transportation and food). It is assumed that variable costs account for 37% of total spending on a child in an intact family.

Since the PPR has no variable expenses for the child while the child is with the PAR, the shared custody basic child support amount (which assumes that all variable expenses are incurred by the PAR household), must be reduced by the PAR's variable expenses for the child while the child is residing in the PAR's household.

To Calculate the PAR's share of variable expenses for the child:

(1) **Multiply** the basic support amount by 37% (Math: Line [9] 8 × 0.37]. This is the portion of the basic support amount that represents variable expenses for the child.

(2) **Multiply** the variable expenses by the PAR's percentage of regular overnights with the child. [Math: (variable expense × PAR Line [8] 10). The result is the PAR's variable expense for the child. **Enter** this amount on Line 14.

Note: Be careful to calculate variable expenses using the basic child support obligation (Line [9] 8), **not** the shared parenting basic child support amount (Line [13] 12).

Line 15 - PAR Adjusted Shared Parenting Basic Child Support Amount

The PAR Adjusted Shared Parenting Basic Child Support Amount represents the PAR's income share of the net support obligation for the child while the child is residing in the primary household. To calculate this amount, **subtract** the PAR's fixed expenses and the PAR's variable expenses from the PAR's share of the Shared Parenting Basic Child Support Amount. Math: (Line 13 - Line [10] 11 - Line 14). Note: Line 15 may be a negative number. If so, carry it forward to the

supplemental expense calculation.

Lines 16 through 20 - Figuring Supplemental Expenses to be Added to the Shared Parenting Basic Child Support Amount ... no change

Line 16 - Adding Net Work-Related Child Care Costs ... no change

Line 17 - Adding Health Insurance Costs for the Child ... no change

Line 18 - Adding Predictable and Recurring Unreimbursed Health Care ... no change

Line 19 - Adding Court-Approved Predictable and Recurring Extraordinary Expenses ... no change

Line 20 - Total Supplemental Expenses ... no change

Line 21 - PAR's Share of the Total Supplemental Expenses ... no change

Line 22 – Credit for Derivative Government Benefits for the Child Based on Contribution of the Non-Custodial Parent

Enter the weekly amount of the government benefits paid to the custodial parent for the child (if

any) that are based on the contribution (work history, military service, disability, or retirement) of the non-custodial parent in the Line 15 NCP column.

NOTE: benefits amount should match the government benefits for the child on Line 5 PAR column.

Line [22] 23 - Credit for PAR's Child-Care Payments

Enter the PAR's direct payments for work-related child-care for the child for whom support is being determined on Line [22] 23. Note: payments cannot exceed the parent's net work-related child care cost added on Line 16.

Line [23] 24 - Credit for PAR's Payment of Child's Health Insurance Cost

Enter the PAR's direct payments towards that parent's cost of adding the child to a health insurance policy on Line [23] 24. NOTE: payments cannot exceed the parent's cost of health insurance for the child added on Line 17.

Line [24] 25 - Credit for PAR's Payment of Unreimbursed Health Care

Enter the PAR's direct payments for predictable and recurring unreimbursed health care greater

than $250 per child per year on Line [24] 25.

NOTE: payments cannot exceed predictable and recurring unreimbursed health care expenses added on Line 18.

Line [25] 26 - Credit for PAR's Payment of Court-Approved Extraordinary Expenses

Enter the PAR's direct payments for predictable and recurring extraordinary court- approved expenses on Line [25] 26. NOTE: payments cannot exceed predictable and recurring extraordinary court-approved expenses added on Line 19.

Line [26] 27 - PAR's Total Payments for Supplemental Expenses

Add the PAR's direct payments toward work-related child-care, the cost of adding the child to a health insurance policy, the predictable and recurring unreimbursed health care above $250 per child per year, and the predictable and recurring extraordinary court-approved expenses. Math: ([Line 22 +] Line 23 + Line 24 + Line 25 +Line 26). **Enter** the sum of all payments added on Line [26] 27.

Line [27] 28 - PAR's Net Supplemental Expenses

Subtract the PAR's direct payments for child care, the child's share of the health insurance

premium, predictable and recurring unreimbursed health care for the child above $250 per year per child, and predictable and recurring extraordinary court- approved expenses from the PAR's share of the total supplemental expenses. The result is the PAR's net supplemental expenses for the child. Math: (Line 21 - Line [26] 27) **Enter** the PAR's share of net supplemental expenses on Line 27.

Direct payments for supplemental expenses are subtracted from the PAR's share of total supplemental expenses before those expenses are added to the PAR's share of the adjusted shared parenting child support amount. **Direct payments may be deducted only if the cost was previously included as a supplemental expense.**

Line [28] 29 - PAR's Net Child Support Obligation

Add the PAR's share of the adjusted shared parenting basic child support amount and the PAR's share of the net supplemental expenses to determine the PAR's net child support obligation. Math: (Line 15 + Line [27] 28). **Enter** the PAR's net support obligation on Line [28] 29.

The PAR's net obligation is the child support order that will be paid for the benefit of the children while they are residing with the PPR. Theoretically, the PPR also has a support obligation (although not calculated on the shared parenting worksheet) that is considered to be spent directly on the children during the course of providing for their daily needs.

NOTE: if the PAR's net obligation is a negative number, this amount must be paid by the PPR to the PAR to preserve each parent's income share of the total shared- parenting expenses. In this case, the PPR would be the obligor of the support order.

Lines [29,] 30, [and] 31 <u>and 32</u> - Adjusting the Child Support Obligation for Other Dependents

1. If either parent requests an adjustment for other legal dependents, a Sole-Parenting worksheet must be prepared to determine the parent's theoretical support obligation for his or her other dependents. Additionally, two separate Shared-Parenting worksheets must be completed (if calculating the adjustment manually). The three worksheets will result in the following obligation amounts:

a. Sole Parenting - a theoretical support obligation for the child in the alternate family (i.e., the parent requesting the adjustment is the theoretical obligor of the child in the alternate family);
b. Primary Shared Parenting - a support obligation for the child for whom support is being determined calculated after the theoretical obligation for any other dependents (Line 2d) is deducted from the responsible parent's gross income; and

c. Alternate Shared Parenting - a support obligation for the child for whom support is being determined calculated without deducting the theoretical obligation for other dependents (Line 2d) from the responsible parent's gross income.

2. To ensure that a fair share of the parent's income is available to all his or her legal dependents, add the parent's support obligation from the worksheet that includes the Line 2d other-dependent deduction and the parent's support obligation from the worksheet that does not include the Line 2d other dependent deduction. Divide the sum of the two support obligations by two to obtain the adjusted child support obligation.

Line [29] 30 - Line [28] 29 PAR CS Obligation WITH Other Dependent Deduction

Enter the PAR's net child support obligation (Line [28] 29) from the worksheet that deducted a theoretical support obligation for other dependents of either parent (i.e., with the Line 2d other-dependent amount deducted from gross income).

Line [30] 31 - Line 28 PAR CS Obligation WITHOUT Other Dependent Deduction

Enter the PAR's net child support obligation (Line [28] 29) from the worksheet that does not deduct a theoretical support obligation for other dependents from the gross income of either parent.

Line [31] 32 - Adjusted PAR CS Obligation

Add the obligation that includes the other-dependent deduction (Line [29] 30) and the obligation that does not include the other-dependent deduction (Line [30] 31), then **divide** the sum by two to

obtain the Adjusted PAR Child Support Obligation. Math: (Line [29] 30 + Line [30] 31) ÷ 2)]. **Enter** the result on Line [31] 32.

Lines [32 and] 33 and 34 - Maintaining a Self-Support Reserve

To ensure that the obligor parent retains sufficient net income to live at a minimum subsistence level and has the incentive to work, that parent's net child support award is tested against 105% of the U.S. poverty guideline for one person. If the NCPs net income after deducting the child support award is less than the self-support reserve, the order should be adjusted. **No such adjustment shall occur, however, if the custodial parent's net income minus the custodial parent's child support obligation is less than the self-support reserve**. This priority is necessary to ensure that custodial parents can meet their basic needs while caring for the child(ren). The poverty guideline will be disseminated by the AOC each February or when it is published in the Federal Register. The self-support reserve test is applied as follows:

1. Subtract the obligor's child support obligation from that person's net income.

2. If the difference is greater than 105% of the poverty guideline for one person ($226 per week as of January 26, 2012), the self-support reserve is preserved and the obligor's support obligation is the child support order.

3. If the difference is less than 105% of the poverty guideline for one person **and** the custodial parent's net income is greater than 105% of the poverty guideline, the obligor's child support order is the difference between the obligor's net income and the 105% of the poverty guideline for one

person.

In determining whether the application of the self-support reserve is appropriate, the court may need to impute income to a parent as provided in Appendix IX-A. The court should also consider a parent's actual living expenses and the custodial parent's share of the support obligation (see Appendix IX-A, paragraph 20).

NOTE: In some family situations, (e.g., the PPR's income exceeds the PAR's income and shared parenting times are near equal), the PPR may owe child support to the PAR (in such cases, the PAR's obligation is a negative number). If this occurs, the self- support reserve should be tested using the PPR's net income and the absolute value of the PAR's negative obligation. In all cases, the PPR should be given the priority with regard to the self-support reserve.

Line [32] 33 - Self-Support Reserve Test

Subtract the PAR's net child support obligation from the PAR's net income. Math: PAR's Line 5 net income - PAR Line [28] 29 or [31] 32 child support obligation. Note: if Line [28] 29 or [31] 32 is a negative number, the PPR is the obligor of that amount. **Enter** the PAR's result on Line 32. **Enter** the PPR's net income (from Line 5) on Line [32] 33. Then,

If the PAR's Line* [*32*] *33 is less than 105% of the poverty guideline and the PPR's Line* [*32*] *33 is greater than 105% of the poverty guideline, **Go To** Line [33] 34.

***If the PAR's Line* [*32*] *33 is greater than 105% of the poverty guideline*, Skip** Line [33] 34 and **Enter** the PAR's Line [28] 29 or [31] 32 child support obligation on Line [34] 35.

NOTE: If the PPR Line [29] 30 amount is less than 105% of the poverty guideline, there is no PAR self-support reserve adjustment. In this case, the PAR Line [28] 29 or [31] 32 amount is the final child support order (Line [31] 32).

Line [33] 34 - PAR's Maximum Child Support Order

Subtract 105% of the poverty guideline from the PAR's net income to find the maximum child support order. Math: Line 5 PAR net income – 105% of the poverty guideline. **Enter** the result on Lines [33 and] 34 and 35.

Line 34 - Child Support Order

Enter the Line [28] 29, [31] 32 or [33] 34 support amount to be paid by the obligor to the other parent for the benefit of the child. Generally the obligor will be the PAR. However, in some family situations, the PPR may be the obligor (if the PAR's obligation is a negative number). In those cases, enter the absolute (positive) value of the PAR's negative obligation (or the self-support reserve maximum amount) in the PPR's Line [34] 35 column. Otherwise, enter the Line [28] 29 PAR's net support obligation, the Line [31] 32 other-dependent adjusted obligation (if any), or the Line [33] 34 maximum child support obligation (if any) on the

PAR's Line [34] 35.

If the PAR is the obligor, go to Line [32] 33. Otherwise, Line [31] 32 is the final child support order.

Line [35] 36 - PPR Household Income Test

Add the PPR's net income from all sources (including means-tested income such as AFDC), the net income of other adults in the primary household, and the PAR shared parenting support order. Math: PPR Line 5 net income + net income of other adults + PAR Line [34] 35 child support order]. Enter the sum in the PPR's Line [35] 36 column.

Test: If Line [35] 36 is less than the PPR household income threshold for the PPR and the total number of persons in the primary household (see table in Appendix IX-A, paragraph 14), the award must be recalculated, **without adjusting for shared- parenting time,** using the Sole-Parenting Worksheet. If Line [35] 36 exceeds the PPR household income threshold, the Line [34] 35 child support order is appropriate.

NOTE: A PAR may still receive an adjustment for variable expenses when the sole parenting worksheet is used to recalculate the support award. If, however, the PPR's household income plus a PAR Time-adjusted support award is still below 200% of the poverty guideline, the application of the variable-expense adjustment is not presumptive (i.e., it is subject to the discretion of the court).

Appendix IX-C: Sole Parenting Worksheet

CHILD SUPPORT GUIDELINES - SOLE PARENTING WORKSHEET *[Appendix IX-C]*			
Case Name: vs. *Plaintiff* *Defendant*		County:	
		Docket #:	
Custodial Parent is the: ☐ Plaintiff ☐ Defendant		Number of Children:	
All amounts must be weekly	**CUSTODIAL**	**NON-CUSTODIAL**	**COMBINED**
1. Gross Taxable Income	$	$	
1a. Mandatory Retirement Contributions (non-taxable)	-$	-$	
1b. Alimony Paid (Current and/or Past Relationships)	-$	-$	
1c. Alimony Received (Current and/or Past Relationships)	+$	+$	
2. Adjusted Gross Taxable Income ((L1-L1a-L1b)+L1c)	$	$	
2a. Federal, State and Local Income Tax Withholding	-$	-$	
2b. Prior Child Support Orders (Past Relationships)	-$	-$	
2c. Mandatory Union Dues	-$	-$	
2d. Other Dependent Deduction (from L14 of a separate worksheet)	-$	-$	
3. Net Taxable Income (L2-L2a-L2b-L2c-L2d)	$	$	
4. Non-Taxable Income (source:)	+$	+$	
5. Government (Non-Means Tested) Benefits for the Child	+$	+$	
6. Net Income (L3+L4+L5)	$	$	$
7. Each Parent's Share of Income (L6 Each Parent ÷ L6 Combined)	0._____	0._____	1.00
8. Basic Child Support Amount (from Appendix IX-F Schedules)			$
9. Net Work Related Child Care (from Appendix IX-E Worksheet)			+$
10. Child's Share of Health Insurance Premium			+$
11. Unreimbursed Health Care Expenses over $250 per child per yr.			+$
12. Court-Approved Extraordinary Expenses			+$
13. Total Child Support Amount (L8+L9+L10+L11+L12)			$
14. Each Parent's Share of Support Obligation (L7 x L13)	$	$	
15. Government Benefits for the Child Based on Contribution of NCP		-$	
16. Net Work-Related Child Care Paid		-$	
17. Health Insurance Premium for the Child Paid		-$	
18. Unreimbursed Health Care Expenses Paid (>$250/child/year)		-$	
19. Court-Approved Extraordinary Expenses Paid		-$	
20. Adjustment for Parenting Time Expenses (L8 x L20b for Non-Custodial Parent x 0.37) *Note: Not presumptive in some low income situations (see App IX-A., ¶13)*		-$	
20a. Number of Overnights with Each Parent			
20b. Each Parent's Share of Overnights with the Child (L20a for Parent ÷ L20a Combined)	0._____	0._____	1.00
21. Net Child Support Obligation (L14-L15-L16-L17-L18-L19-L20)		$	
Continued on Page 2			

CHILD SUPPORT GUIDELINES – SOLE PARENTING WORKSHEET – PAGE 2			
All amounts must be weekly	**CUSTODIAL**	**NON-CUSTODIAL**	**COMBINED**
If neither parent is requesting the other-dependent deduction, go to line 25			
22. Child Support Order WITH other-Dependent Deduction		$	
23. Child Support Order WITHOUT other-Dependent Deduction		$	
24. Adjusted Child Support Order ((L22 + L23) ÷ 2)		$	
25. Self-Support Reserve Test: (L6 – L21 or L24 for NCP; L6 - L14 for CP)	$	$	
If L25 for NCP is greater than 105% of the federal poverty guideline for one person (*pg*) or L25 for CP is less than *pg*, enter L21 or L24 amount on L27. If L25 for NCP is less than the *pg* and L25 for CP income is greater than the *pg*, go to L26.			
26. Obligor Parent's Maximum Child Support Obligation. (L6 NCP income – 105% of federal poverty guideline for one person). Enter result here and on Line 27.		$	
27. Child Support Order		$	
COMMENTS, REBUTTALS, AND JUSTIFICATION FOR DEVIATIONS			
1. This child support order for this case ☐ was ☐ was not based on the child support guidelines award.			
2. If different from the child support guidelines award (Line 27), enter amount ordered:			
3. The child support guidelines were not used or the guidelines award was adjusted because:			
4. The following court-approved extraordinary expenses were added to the basic support obligation:			
6. Custodial Taxes: ☐ App IX-H ☐ Circ E ☐ Other #Allowances: Marital: Non-Custodial Taxes: ☐ App IX-H ☐ Circ E ☐ Other #Allowances: Marital:			
Prepared By:	Title:	Date:	

Appendix IX-D: Shared Parenting Worksheet

CHILD SUPPORT GUIDELINES - SHARED PARENTING WORKSHEET (*Appendix IX-D*)			
Case Name: vs. *Plaintiff* *Defendant*		County:	
		Docket #:	
PPR is the: ☐ Plaintiff ☐ Defendant		Number of Children:	
All amounts must be weekly	PARENT OF PRIMARY RESIDENCE (PPR)	PARENT OF ALTERNATE RESIDENCE (PAR)	COMBINED
1. Gross Taxable Income	$	$	
1a. Mandatory Retirement Contributions (non-taxable)	-$	-$	
1b. Alimony Paid (Current and/or Past Relationships)	-$	-$	
1c. Alimony Received (Current and/or Past Relationships)	+$	+$	
2. Adjusted Gross Taxable Income ((L1-L1a-L1b)+L1c)	$	$	
2a. Federal, State and Local Income Tax Withholding	-$	-$	
2b. Prior Child Support Orders (Past Relationships)	-$	-$	
2c. Mandatory Union Dues	-$	-$	
2d. Other Dependent Deduction (from L14 of a separate worksheet)	-$	-$	
3. Net Taxable Income (L2-L2a-L2b-L2c-L2d)	$	$	
4. Non-Taxable Income (source:)	+$	+$	
5. Government (Non-Means Tested) Benefits for the Child	+$	+$	
6. Net Income (L3+L4+L5)	$	$	$
7. Each Parent's Share of Income (L6 Each Parent ÷ L6 Combined)	0._____	0._____	1.00
8. Basic Child Support Amount (from Appendix IX-F Schedules)			$
If PAR time sharing is less than the equivalent of two overnights per week (28%), use Sole Parenting Worksheet.			
9. Number of Overnights with Each Parent			
10. Each Parent's Share of Overnights with the Child (L9 for Parent ÷ L9 Combined)	0._____	0._____	1.00
11. PAR Shared Parenting Fixed Expenses (L8 x PAR L10 x 0.38 x 2)			+$
12. Shared Parenting Basic Child Support Amount (L8 + L11)			$
13. Each Parent's Share of SP Basic Child Support Amount (L7xL12)	$	$	
14. PAR Shared Parenting Variable Expenses (PAR L10 x L8 x 0.37)		-$	
15. PAR Adjusted SP Basic Child Support Amount (PAR L13 – L11 – L14)			
16. Net Work Related Child Care (from Appendix IX-E Worksheet)			+$
17. Child's Share of Health Insurance Premium			+$
18. Unreimbursed Health Care Expenses over $250 per child per yr.			+$
19. Court-Approved Extraordinary Expenses			+$
20. Total Supplemental Expenses (L16+L17+L18+L19)			$
21. PAR's Share of Total Supplemental Expenses (PAR L7 x L20)		$	
22. Government Benefits for the Child Based on Contribution of PAR		$	
23. PAR Net Work-Related Child Care PAID		$	
Continued on Page 2			

CHILD SUPPORT GUIDELINES - SHARED PARENTING WORKSHEET – PAGE 2			
All amounts must be weekly	**PPR**	**PAR**	**COMBINED**
24. PAR Health Insurance Premium for the Child PAID		$	
25. PAR Unreimbursed Health Care Expenses PAID (>$250/child/year)		$	
26. PAR Court-Approved Extraordinary Expenses PAID		$	
27. PAR Total Supplemental Expenses PAID (L22+L23+L24+L25+L26)		$	
28. PAR Net Supplemental Expenses (L21 – L27)		$	
29. PAR Net Child Support Obligation (L15 + L28)		$	
If neither parent is requesting the other-dependent deduction, go to line 33.			
30. Line 29 PAR CS Obligation WITH other-Dependent Deduction		$	
31. Line 29 PAR CS Obligation WITHOUT other-Dependent Deduction		$	
32. Adjusted PAR Child Support Obligation ((L30 + L31) ÷ 2)		$	
33. Self-Support Reserve Test: (L6 - L29 or L32 for PAR; L6 – L16 for PPR)	$	$	
If L33 for PAR is greater than 105% of the federal poverty guideline for one person (*pg*) or L33 for the PPR is less than the *pg*, enter the L29 or L32 amount on the PAR L34. If L33 for PAR is less than the *pg* and L33 for PPR's is greater than the *pg*, go to L34. If L29 or L33 is negative, see App. IX-B for instructions.			
34. Maximum CS Obligation (Obligor Parent's L6 net income – 105% of the poverty guideline for one person). Enter result here and on Line 35.	$	$	
35. Child Support Order (negative L29 or L32 denotes PPR Obligation)	$	$	
If the PAR is the Obligor, Continue on Line 36			
36. PPR Household Income Test (L6 PPR net income from all sources + net income of other household members + L35 order). If less than the PPR household income threshold (see App. IX-A, ¶14(c)), the SOLE PARENTING WORKSHEET must be used.	$		
COMMENTS, REBUTTALS, AND JUSTIFICATION FOR DEVIATIONS			
1. This child support order for this case ☐ was ☐ was not based on the child support guidelines award.			
2. If different from the child support guidelines award (Line 35), enter amount ordered:			
3. The child support guidelines were not used or the guidelines award was adjusted because:			
4. The following extraordinary expenses were added to the basic support obligation on Line 19:			
5. Custodial Taxes: ☐ App IX-H ☐ Circ E ☐ Other #Allowances: Marital:			
Non-Custodial Taxes: ☐ App IX-H ☐ Circ E ☐ Other #Allowances: Marital:			
Prepared By:	Title:	Date:	

Exhibit IX

Proposed Amendment to Appendix IX-F of NJ Court Rule 5:6A

Proposed Child Support Award Schedules for One to Six Children

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
180	50	59	68	75	83	91
190	53	62	72	80	88	97
200	56	66	76	84	93	102
210	59	69	80	88	98	108
220	62	72	84	93	103	113
230	65	75	88	97	107	119
240	68	78	92	102	112	124
250	71	82	96	106	117	130
260	74	85	100	110	122	135
270	77	88	103	114	127	140
280	80	91	107	119	131	145
290	82	94	111	123	136	151
300	85	97	115	127	140	156
310	88	100	118	131	145	161
320	91	103	122	135	150	166
330	94	106	126	139	154	171
340	96	109	129	143	159	176
350	99	112	133	147	163	181
360	102	114	136	151	167	186
370	104	117	140	155	172	191
380	107	120	143	159	176	196
390	110	123	147	163	181	200
400	112	126	150	167	185	205
410	115	128	154	170	189	210
420	117	131	157	174	193	215
430	120	134	160	178	197	219
440	122	137	164	182	202	224
450	125	139	167	185	206	229
460	127	142	170	189	210	233
470	130	145	174	193	214	238
480	132	147	177	196	218	242
490	135	150	180	200	222	247
500	137	152	183	203	226	251
510	139	155	186	207	230	255
520	142	157	190	210	234	260

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
530	144	160	193	214	238	264
540	146	162	196	217	242	268
550	149	165	199	221	245	273
560	151	167	202	224	249	277
570	153	170	205	228	253	281
580	155	172	208	231	257	285
590	158	174	211	234	260	289
600	160	177	214	238	264	293
610	162	179	217	241	268	298
620	164	181	220	244	271	302
630	166	184	223	247	275	306
640	168	186	225	250	278	310
650	170	188	228	254	282	314
660	172	191	231	257	285	317
670	174	193	234	260	289	321
680	177	195	237	263	292	325
690	179	197	239	266	296	329
700	181	199	242	269	299	333
710	182	201	245	272	303	337
720	184	204	247	275	306	340
730	186	206	250	278	309	344
740	188	208	253	281	313	348
750	190	210	255	284	316	351
760	192	212	258	287	319	355
770	194	214	261	290	322	358
780	196	216	263	293	325	362
790	198	218	266	295	329	366
800	199	220	268	298	332	369
810	201	222	271	301	335	373
820	203	224	273	304	338	376
830	205	226	276	307	341	379
840	207	228	278	309	344	383
850	208	230	281	312	347	386
860	210	232	283	315	350	389
870	212	234	285	317	353	393
880	213	235	288	320	356	396
890	215	237	290	323	359	399
900	217	239	292	325	362	403
910	218	241	295	328	365	406
920	220	243	297	330	367	409
930	222	244	299	333	370	412

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
940	223	246	301	335	373	415
950	225	248	304	338	376	418
960	226	250	306	340	379	421
970	228	251	308	343	381	424
980	230	253	310	345	384	427
990	231	255	312	348	387	430
1000	233	257	315	350	389	433
1010	234	258	317	352	392	436
1020	236	260	319	355	395	439
1030	237	261	321	357	397	442
1040	239	263	323	359	400	445
1050	240	265	325	362	402	448
1060	241	266	327	364	405	451
1070	243	268	329	366	408	454
1080	244	269	331	368	410	456
1090	246	271	333	371	412	459
1100	247	273	335	373	415	462
1110	248	274	337	375	417	465
1120	250	276	339	377	420	467
1130	251	277	341	379	422	470
1140	252	279	343	382	425	473
1150	254	280	345	384	427	475
1160	255	282	347	386	429	478
1170	256	283	349	388	432	480
1180	258	284	350	390	434	483
1190	259	286	352	392	436	486
1200	260	287	354	394	439	488
1210	262	289	356	396	441	491
1220	263	290	358	398	443	493
1230	264	291	360	400	445	496
1240	265	293	361	402	447	498
1250	266	294	363	404	450	501
1260	268	296	365	406	452	503
1270	269	297	367	408	454	505
1280	270	298	368	410	456	508
1290	271	300	370	412	458	510
1300	272	301	372	414	460	512
1310	274	302	373	415	462	515
1320	275	303	375	417	464	517
1330	276	305	377	419	467	519
1340	277	306	378	421	469	522

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1350	278	307	380	423	471	524
1360	279	308	382	425	473	526
1370	280	310	383	426	475	528
1380	281	311	385	428	477	531
1390	282	312	386	430	479	533
1400	284	313	388	432	481	535
1410	285	315	390	433	482	537
1420	286	316	391	435	484	539
1430	287	317	393	437	486	541
1440	288	318	394	439	488	543
1450	289	319	396	440	490	545
1460	290	320	397	442	492	548
1470	291	322	399	444	494	550
1480	292	323	400	445	496	552
1490	293	324	402	447	497	554
1500	294	325	403	449	499	556
1510	295	326	405	450	501	558
1520	296	327	406	452	503	560
1530	297	328	408	453	505	562
1540	298	329	409	455	506	564
1550	299	330	410	457	508	566
1560	300	331	412	458	510	568
1570	301	333	413	460	512	569
1580	302	334	415	461	513	571
1590	303	335	416	463	515	573
1600	304	336	417	464	517	575
1610	304	337	419	466	518	577
1620	305	338	420	467	520	579
1630	306	339	422	469	522	581
1640	307	340	423	470	523	583
1650	308	341	424	472	525	584
1660	309	342	426	473	527	586
1670	310	343	427	475	528	588
1680	311	344	428	476	530	590
1690	312	345	430	478	532	592
1700	313	346	431	479	533	593
1710	314	347	432	481	535	595
1720	314	348	434	482	536	597
1730	315	349	435	484	538	599
1740	316	350	436	485	540	600
1750	317	351	437	486	541	602

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
1760	318	352	439	488	543	604
1770	319	353	440	489	544	606
1780	320	354	441	491	546	607
1790	321	355	442	492	547	609
1800	321	356	444	493	549	611
1810	322	356	445	495	550	612
1820	323	357	446	496	552	614
1830	324	358	447	498	553	616
1840	325	359	449	499	555	617
1850	326	360	450	500	556	619
1860	327	361	451	502	558	621
1870	327	362	452	503	559	622
1880	328	363	454	504	561	624
1890	329	364	455	506	562	625
1900	330	365	456	507	564	627
1910	331	366	457	508	565	629
1920	332	367	458	510	567	630
1930	332	367	460	511	568	632
1940	333	368	461	512	569	633
1950	334	369	462	513	571	635
1960	335	370	463	515	572	637
1970	336	371	464	516	574	638
1980	337	372	466	517	575	640
1990	338	373	467	519	577	641
2000	338	374	468	520	578	643
2010	339	375	469	521	579	644
2020	340	376	470	523	581	646
2030	341	376	471	524	582	647
2040	342	377	473	525	584	649
2050	343	378	474	526	585	650
2060	343	379	475	528	586	652
2070	344	380	476	529	588	654
2080	345	381	477	530	589	655
2090	346	382	478	531	591	657
2100	347	383	480	533	592	658
2110	348	384	481	534	593	660
2120	348	384	482	535	595	661
2130	349	385	483	537	596	663
2140	350	386	484	538	598	664
2150	351	387	485	539	599	666
2160	352	388	487	540	600	667

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2170	353	389	488	542	602	669
2180	354	390	489	543	603	670
2190	354	391	490	544	604	672
2200	355	391	491	545	606	673
2210	356	392	492	547	607	675
2220	357	393	494	548	609	676
2230	358	394	495	549	610	678
2240	359	395	496	551	611	679
2250	360	396	497	552	613	681
2260	361	397	498	553	614	682
2270	362	398	499	554	616	684
2280	362	399	501	556	617	685
2290	363	400	502	557	618	687
2300	364	400	503	558	620	688
2310	365	401	504	559	621	690
2320	366	402	505	561	623	691
2330	367	403	507	562	624	693
2340	368	404	508	563	625	694
2350	369	405	509	565	627	696
2360	370	406	510	566	628	697
2370	371	407	511	567	630	699
2380	372	408	513	569	631	701
2390	373	409	514	570	632	702
2400	374	410	515	571	634	704
2410	375	411	516	572	635	705
2420	375	412	517	574	637	707
2430	376	413	519	575	638	708
2440	377	414	520	576	640	710
2450	378	414	521	578	641	711
2460	379	415	522	579	642	713
2470	380	416	524	580	644	715
2480	381	417	525	582	645	716
2490	382	418	526	583	647	718
2500	383	419	527	584	648	719
2510	385	420	529	586	650	721
2520	386	421	530	587	651	723
2530	387	422	531	589	653	724
2540	388	423	532	590	654	726
2550	389	424	534	591	656	727
2560	390	425	535	593	657	729
2570	391	426	536	594	659	731

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2580	392	427	538	596	660	732
2590	393	428	539	597	662	734
2600	394	430	540	598	663	736
2610	395	431	542	600	665	737
2620	396	432	543	601	666	739
2630	397	433	544	603	668	741
2640	399	434	546	604	669	742
2650	400	435	547	606	671	744
2660	401	436	548	607	673	746
2670	402	437	550	608	674	747
2680	403	438	551	610	676	749
2690	404	439	552	611	677	751
2700	406	440	554	613	679	753
2710	407	441	555	614	681	754
2720	408	443	557	616	682	756
2730	409	444	558	617	684	758
2740	411	445	559	619	685	760
2750	412	446	561	621	687	761
2760	413	447	562	622	689	763
2770	414	448	564	624	691	765
2780	416	450	565	625	692	767
2790	417	451	567	627	694	769
2800	418	452	568	628	696	771
2810	419	453	570	630	697	772
2820	421	454	571	632	699	774
2830	422	456	573	633	701	776
2840	423	457	574	635	703	778
2850	425	458	576	637	704	780
2860	426	459	577	638	706	782
2870	428	461	579	640	708	784
2880	429	462	580	642	710	786
2890	430	463	582	643	712	788
2900	432	464	584	645	713	790
2910	433	466	585	647	715	792
2920	435	467	587	648	717	794
2930	436	468	588	650	719	796
2940	438	470	590	652	721	798
2950	439	471	592	654	723	800
2960	441	472	593	655	725	802
2970	442	474	595	657	727	804
2980	444	475	597	659	728	806

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
2990	445	477	598	661	730	808
3000	447	478	600	663	732	810
3010	448	479	602	664	734	812
3020	450	481	604	666	736	814
3030	452	482	605	668	738	817
3040	453	484	607	670	740	819
3050	455	485	609	672	742	821
3060	456	487	611	674	744	823
3070	458	488	612	676	747	825
3080	460	490	614	678	749	828
3090	461	491	616	680	751	830
3100	463	493	618	682	753	832
3110	465	494	620	684	755	835
3120	467	496	622	686	757	837
3130	468	497	623	688	759	839
3140	470	499	625	690	762	842
3150	472	501	627	692	764	844
3160	474	502	629	694	766	846
3170	476	504	631	696	768	849
3180	477	505	633	698	770	851
3190	479	507	635	700	773	854
3200	481	509	637	702	775	856
3210	483	510	639	704	777	859
3220	485	512	641	707	780	861
3230	487	514	643	709	782	864
3240	489	516	645	711	784	866
3250	491	517	647	713	787	869
3260	493	519	649	715	789	871
3270	495	521	651	718	792	874
3280	497	523	654	720	794	877
3290	499	524	656	722	796	879
3300	501	526	658	725	799	882
3310	503	528	660	727	801	885
3320	505	530	662	729	804	887
3330	507	532	664	732	807	890
3340	509	534	667	734	809	893
3350	511	536	669	736	812	896
3360	513	537	671	739	814	898
3370	516	539	674	741	817	901
3380	518	541	676	744	820	904
3390	520	543	678	746	822	907

Weekly Income	1 Child	2 Children	3 Children	4 Children	5 Children	6 Children
3400	522	545	680	749	825	910
3410	524	547	683	751	828	913
3420	527	549	685	754	830	916
3430	529	551	688	756	833	919
3440	531	553	690	759	836	922
3450	534	555	692	762	839	925
3460	536	557	695	764	842	928
3470	538	560	697	767	844	931
3480	541	562	700	770	847	934
3490	543	564	702	772	850	937
3500	546	566	705	775	853	940
3510	548	568	707	778	856	943
3520	551	570	710	780	859	947
3530	553	573	713	783	862	950
3540	556	575	715	786	865	953
3550	558	577	718	789	868	956
3560	561	579	720	792	871	960
3570	563	582	723	795	874	963
3580	566	584	726	797	877	966
3590	569	586	729	800	880	970
3600	571	589	731	803	884	973

Exhibit X

Peer Review by Dr. David A. Macpherson

Review of
"New Jersey Economic Basis for Updated Child Support Schedule"

Professor William M. Rodgers Rutgers University New Brunswick, NJ

by

David A. Macpherson, E.M. Stevens Professor of Economics

Trinity University

San Antonio, TX

February 8, 2013

Introduction

I was asked to address three topics with regards to the "New Jersey Economic Basis for Updated Child Support Schedule" report by Professor William P. Rodgers. The issues are: (1) appropriateness of using Consumer Expenditure Survey data for the period of 2000 to 2011; (2) appropriateness of using the Lazear and Michael (1988) economic model of income distribution within the family; and (3) appropriateness of the proposed child support schedules. This review will address each of these issues.

Consumer Expenditure Survey data for the period of 2000 to 2011

This study uses Consumer Expenditure Survey (CES) for the period of 2000 to 2011. This analysis uses data from a longer time period than is typical for studies that use CES data to estimate the cost of children.[1] There are both advantages and disadvantages to using more years of CES data. On one hand, the use of more years of data may mask changes in economic relationships that have occurred over time. As a result, a misleading estimate of current economic relationships may occur.

On the other hand, the sample sizes in the CES are relatively small and using more data will increase the precision of the estimates from the analysis. The CES includes only about 5,000 households in each year and sample restrictions for the analysis will reduce the sample used in the analysis even further.[2] The sample size for the analysis is particularly important with regards to this analysis which uses the Rothbarth approach, which uses differences in spending on adult clothing across households to infer the cost of children. Spending on adult clothing is a very small fraction of all expenditures for the average household. Over the 2000-2011 period, spending on adult clothing for adults represented only about 0.5% of the average household's expenditures.[3] This is less of an issue with studies using the Engel approach, which examines household spending on food at home which represents about 7% of the average household's spending.[4]

This study's use of 2000-2011 CES data also has the advantage that it represents a longer run estimate of the cost of children. The time period covers both the weak economic conditions of 2000-2003 and 2008-2011 as well as the strong economic conditions of 2004-2007.

[1] Betson (1990) uses 1980-86 CES data; Betson (2001) uses 1996-98 CES data; McCaleb et cal. (2008) uses 2004-2006 CES, Norrbin et al. (2011) uses 2007-2009 CES data; Betson (2010) uses 2004-2009 CES data.
[2] See http://www.bls.gov/opub/hom/pdf/homch16.pdf for more information about CES sample design.
[3] See Rodgers (2012), Table 1.
[4] See http://www.bls.gov/cex/csxann10.pdf, Table A.

Overall, the advantages of using more data (greater precision of estimates and longer-run estimate of child rearing costs) outweigh the disadvantage of potentially masking changes in the costs of raising children.

Lazear and Michael (1988) economic model of income distribution

The study uses the Lazear and Michael (1988) method rather than the Betson (1990) approach to implementing the Rothbarth approach to estimating the cost of children. As the study notes, the Lazear and Michael (1988) method has the advantage that the methodology is more clearly laid out than is the Betson (1990) approach. The Lazear and Michael (1988) method has been well received by the economics profession. In fact, Google Scholar reports that it has been cited 256 times.[5]

The Lazear and Michael (1988) approach is not without limitations. For example, it assumes the benefits of savings are the same as the benefits of consumption. This is a difficult issue to address since the composition of the family may change between when the savings are made and when the savings are spent. In addition, the shortcomings are not severe and it is an appropriate way to implement the Rothbarth approach to estimating the cost of children.

Proposed child support schedules

The proposed child support schedules are modestly changed from the current schedules for the current schedules. The proposed schedule for one child are slightly higher than the current schedule, particularly so at higher net incomes. For two and three children, the proposed schedules are very similar to the current schedules at low and moderate income. However, the child support obligations are modestly increased at higher income levels.

Though these modest changes appear reasonable, an important issue should be addressed. The data sample which was used to generate the proposed schedules includes observations that have imputed income. If a survey respondent does not know or refuses to answer questions about his or her income, the CES assigns the individual an income. This is a potentially important issue. Norrbin et al. (2011) report that 46% of their 2006-2009 CES sample observations had their income imputed.[6]

[5] In contrast, Betson (1990) has been cited 48 times.
[6] For a description of the income imputation process in the CES, see http://www.bls.gov/cex/csximpute.htm.

Including observations with imputed income can lead to incorrect regression coefficients and thus incorrect estimates of the cost of children. Bollinger and Hirsch (2006) demonstrate the impact of including imputed income observations in the Current Population Survey. They suggest eliminate observations from the sample.[7] Due to concerns about including observations with imputed income, other studies examining the cost of children delete such observations.[8] It would be worthwhile to examine the impact of income imputation on the estimated child support schedules.

[7] If one is concerned about changes in the composition of the sample, Bollinger and Hirsch (2006) recommend reweighting the sample by the inverse probability of being in the sample. Also see, Bollinger and Hirsch (forthcoming).
[8] For example, see Espenshade (1984) and Norrbin et al. (2008, 2011).

References

Betson, David M. *Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey* (U.S. Dept. of Health & Human Services, 1990).

_____. "Parental Expenditures on Children," ch. 5 in *Review of Statewide Uniform Child Support Guideline* (Judicial Council of Cal., 2001).

_____. "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." Judicial Council of California, Administrative Office of the Courts, Review of Statewide Uniform Child Support Guidelines: A Report to the California Legislature, November 2010.

Bollinger, Christopher R. and Hirsch, Barry T. "Match Bias from Earnings Imputation in the Current Population Survey: The Case of Imperfect Matching," *Journal of Labor Economics*, Vol. 24, No. 3, July 2006, pp. 483-519.

_____. "Is Earnings Nonresponse Ignorable?" *Review of Economics and Statistics*, forthcoming.

Espenshade, Thomas J. *Investing in Children: New Estimates of Parental Expenditures* (Urban Inst. Press, 1984).

Lazear, Edward and Robert T. Michael. "The Division of Income between Adults and Children: Evidence from the 1972-73 Consumer Expenditure Survey, Chapter 5," *Allocation of Income within the Household* (University of Chicago Press: Chicago, Illinois, 1988).

McCaleb, Thomas S.; Macpherson, David A.; and Norrbin, Stefan C. *Review and Update of Florida's Child Support Guidelines* (Florida Leg., Nov. 2008).

Norrbin, Stefan C. ; Macpherson, David A.; and McCaleb, Thomas S. *Review and Update of Florida's Child Support Guidelines* (Florida Leg., Dec. 2011).

Rodgers, William M. *New Jersey Economic Basis for Updated Child Support Schedule*, (Rutgers University: New Brunswick, NY, Dec. 2012).