Review of the Pennsylvania Child Support Guidelines:

Updated Schedule and Findings from Analysis of Case File Data

Submitted to:

Supreme Court of Pennsylvania

Domestic Relations Procedural Rules Committee

Submitted by:

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Points of view expressed in this document are those of the author and do not necessarily represent the official position of the Domestic Relations Procedure Rules Committee or the Pennsylvania Department of Human Services Bureau of Child Support Enforcement. The author is responsible for any errors and omissions.

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SECTION 1: PURPOSE AND BACKGROUND

This report documents that Pennsylvania has fulfilled the federal data requirements of a state child support guidelines reviews, including the requirement to review the economic data on the cost of raising children. It also prepares and documents an updated schedule, which is based on economic data on the cost of raising children. In Pennsylvania, child support orders are calculated using the child support guidelines provided under rules of civil procedure (Pa.R.C.P. 1910.16-1, *et seq.*). The guidelines contain the child support schedule that is core to the calculation of the child support order amount.

The Pennsylvania guidelines are used by all judges and decision-makers for establishing and modifying child support orders. Federal regulation (Title 45 of the Code of Federal Regulations, C.F.R. § 302.56) requires states to review their guidelines at least once every four years and, as part of that review, analyze economic data on the cost of raising children; analyze guidelines applications and deviations gathered through case file data or some other method; analyze payment data and the rates of income imputation, application of the low-income adjustment, and defaults; and analyze labor market data. Pennsylvania rules of civil procedure (Pa.R.C.P. 1910.16-1(e)) also provides for the periodic review of the guidelines.

Exhibit 1: DRPRC Committee Reviewing the Guidelines

Current Members	
Carolyn Moran Zack, Esq., Chair	Jenna A. Neidig, Esq.
Kenneth J. Horoho, Jr. Esq., Vice Chair	Ned Hark, Esq.
Joel B. Bernbaum, Esq.	Honorable Kim D. Eaton
Richard P. Focht, Esq., ex-officio	Cynthia K. Stoltz, Esq.
Honorable Kathryn M. Hens-Greco	Honorable Alita Rovito
Honorable Margaret Theresa Murphy	Ann M. Funge, Esq.
Former Members	
Joseph P. Martone, Esq. (Term: Apr. 2019 to Apr. 2024)	David S. Pollock, Esq. (Term: Feb. 2018 to Feb. 2024)
Staff Members	
Daniel A. Durst, Esq. Chief Counsel	Serena C. Nedrow Assistant

The Domestic Relations Procedural Rules Committee (DRPRC) of the Pennsylvania Supreme Court conducts the review. Exhibit 1 lists the members of the DRPRC reviewing the guidelines.[1] The DRPRC began the review in 2023. The DRPRC's recommended changes will be published for public comment in late 2024 or early 2025. Among other opportunities for input, this provides an opportunity for input from a wide range of stakeholders, including those specifically named in federal regulation.[2] Once the comment period closes, DRPRC will review the comments and may adjust their recommendations accordingly before final recommendations are submitted to the Court. Ultimately,

[1] This fulfills the federal requirement (C.F.R. § 302.56(d)) to publish the membership of the reviewing body.
[2] This fulfills the federal requirement (C.F.R. § 302.56(h)(3)) to provide meaningful opportunity for public input including that of the state child support agency and low-income parents.

any changes must be approved and made by the Court. Although it is anticipated that any changes to the guidelines will be made sometime in 2025, there are many factors that could affect this timing. It is anticipated that the next review of the Pennsylvania child support guidelines will start in 2027.[3]

Pennsylvania Children and Child Support

Child support is an important source of income for many Pennsylvania children. Based on the U.S. Census American Community Survey, 2,612,977 children lived in Pennsylvania in 2022.[4] The 2024 Kids Count reports several 2022 statistics that are relevant to child support.[5]

- The percentage of Pennsylvania children living in poverty was 15%, while it was 16% nationally.
- The percentage of children whose parents lack secure employment is 25% in Pennsylvania and 26% nationally.
- The percentage of children living in single-parent families is 34% in both Pennsylvania and nationally.
- The percentage of Pennsylvania female-headed families receiving child support is 25%, while it is 23% nationally.[6]

Despite the statistic, many Pennsylvania families benefit from child support. This is evident in federal data[7] reported about the Pennsylvania IV-D child support program, where IV-D stands for Section IV-D of the Social Security Act that enables government child support programs. The Pennsylvania IV-D program is a state-supervised and county-administered child support program where local offices provide and administer child support services. In federal fiscal year (FFY) 2023, the Pennsylvania IV-D program served 281,070 cases, established 21,930 support orders, distributed almost $1.1 billion in child support collections, and collected 82% of the current support due, which is more than the national average of 65%. Other than certain types of public assistance cases, the use of IV-D services is not mandated. The number of non-IV-D child support cases and the collections on those cases are unknown.

Although state data are not available, a 2015 national study found that without child support, the child poverty rate would be 7.0 percentage points higher.[8] Nonetheless, other national research finds that 18% of nonresidential parents had incomes below poverty in 2017.[9] These statistics underscore the delicate balance at low incomes where child support can help lift families out of poverty, but must

[3] This fulfills the federal requirement (C.F.R. § 302.56(e)) to publish the dates of the effective changes and the next review.
[4] U.S. Census American Community Survey 2022. Retrieved from https://data.census.gov.
[5] Annie E. Casey Foundation. (2024). *2024 Kids Count Data Book: State Trends in Child Well-Being*. Retrieved from https://datacenter/aecf.org.
[6] For this particular data field, the data is from 2020–2022.
[7] Federal Office of Child Support Enforcement. (2024). *Office of Child Support Preliminary Report 2023*. Retrieved from https://www.acf.hhs.gov/css/policy-guidance/fy-2023-preliminary-data-report-and-tables.
[8] Sorensen, Elaine. (Dec. 2016). "The Child Support Program Is a Good Investment." The Story Behind the Numbers. Federal Office of Child Support Enforcement. p. 8. Retrieved from https://www.acf.hhs.gov/sites/default/files/programs/css/sbtn_csp_is_a_good_investment.pdf.
[9] U.S. Congressional Research Service. (Oct. 2021). *Demographic and Socioeconomic Characteristics of Nonresident Parents*. Retrieved from https://crsreports.congress.gov/product/pdf/R/R46942.

recognize that low-income parents who are not living with the child may have a limited ability to pay. This is one reason the Pennsylvania child support guidelines include a self-support reserve for the payer-parent.

FEDERAL REQUIREMENTS

As shown in Exhibit 2 at the end of this subsection, federal regulation imposes many requirements of state child support guidelines and state guidelines review processes. Federal regulation expanded state requirements in 2016 through the Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs (FEM) Rule.[10]

Federal Requirements of Guidelines

Pennsylvania meets the federal requirement through several different provisions. Specifically, it meets the federal requirement for/to:

- Provide one guidelines to be used statewide through Pa.R.C.P. 1910.16-1(b);
- Consider:
    - All income and earnings through Pa.R.C.P. 1910.16-2 and 1910.11 and 23 Pa.C.S. § 4305(b),
    - Other evidence of ability to pay through 23 Pa.C.S. § 4305(b) and 231 Rule 1910.19(f),
    - The parent's basic subsistence needs through Pa.R.C.P. 1910.2(e), and
    - The actual circumstances of the parent when income imputation is authorized through 231 Rule 1910.16-2(d);
- Provide:
    - Deviation criteria and to record of deviation through Pa.R.C.P. 1910.16-5; and
    - The child's healthcare needs through 23 Pa.C.S. § 4324, Pa.R.C.P. 1910.16-6(b)-(c); and
- Be specific and numeric through Pa.R.C.P. 1910.16-3; and
- Not treat incarceration as voluntary unemployment through Pa.R.C.P. 1910.16-2(d)(2)(ii).

In all, the existing Pennsylvania guidelines fulfills all federal requirements of state guidelines.

Still, the DRPRC is recommending an improvement to the requirement to not consider incarceration to be voluntary unemployment. The current provision was adopted when the Federal Office of Child Support Services (OCSS) was proposing a rule change to allow exceptions to the prohibition against treating incarceration as voluntary unemployment due to intentional nonpayment of child support resulting from a criminal case or civil contempt action or if incarceration is for any offense of which the

[10] See Federal Office of Child Support Enforcement. (Dec. 20, 2016). Actional Transmittal (AT-16-06) *Final Rule: Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs*. Retrieved from https://www.acf.hhs.gov/css/policy-guidance/final-rule-flexibility-efficiency-and-modernization-child-support-enforcement.

individual's depending child or the child support recipient was a victim.[11] Pennsylvania's existing rule, which was proposed by the 2020 Committee, provides for the exceptions. Meanwhile, in November 2021, OCSS withdrew its proposed rule to allow for exceptions.[12] Since this occurred between Pennsylvania's quadrennial guidelines review cycles, it was not addressed again until this review (2024). The 2024 DRPRC is recommending removal of the exceptions.

Federal Requirements of Guidelines Reviews

Although most states are just beginning to meet the federal data requirements for guidelines review, Pennsylvania has met the review requirements since 2016. This report documents that Pennsylvania is meeting the data review requirements for its 2024 review. In addition, the Court will meet the federal requirements to post the report and provide opportunity for public comment.

The FEM Rule expanded what data states must consider as part of their periodic guidelines review. Prior to the FEM Rule, states only needed to consider economic data on the cost of raising children and collect and analyze case file data on guidelines deviations. The intent was to use the economic data to update the child support schedule/formula if deemed appropriate by the state, and to use the deviation data to develop guidelines provisions that would keep deviations at a minimum.[13]

The FEM Rule added requirements to analyze payment data and the rates of application of the low-income adjustment (which addresses the subsistence needs of the payer-parent), income imputation, and default and to analyze labor market data. The FEM Rule aims to increase regular, on-time payment to families, to increase the number of payer-parents working and supporting their children, and to reduce the accumulation of unpaid arrears.[14] The FEM Rule is particularly intent on improving child support policies among low-income cases in the IV-D program. National data finds that IV-D cases have lower incomes than non-IV-D cases on average and that IV-D cases have a higher proportion of never-married parents than divorcing parents than non-IV-D cases do.[15] (The difference between never-married and divorcing parent often means a different legal path toward order establishment in many states.) The expanded data requirements are intended to help arm states with data-based recommendations that will improve their guidelines. The analysis of the rate of application of the low-income adjustment dovetails with the new federal requirement to consider the subsistence needs of the

[11] Federal Office of Child Support Enforcement. (Sept. 17, 2020). *Proposed Rule: Optional Exceptions to the Prohibition Against Treating Incarceration as Voluntary Unemployment under Child Support Guidelines.* Retrieved from https://www.federalregister.gov/documents/2020/09/17/2020-17747/optional-exceptions-to-the-prohibition-against-treating-incarceration-as-voluntary-unemployment. See also 23 Pa. C.S. § 4352(a.2) effect of incarceration.

[12] Federal Office of Child Support Enforcement. (Nov. 10, 2021). *Optional Exceptions to the Prohibition Against Treating Incarceration as Voluntary Unemployment Under Child Support Guidelines.* Retrieved from https://www.federalregister.gov/documents/2021/11/10/2021-24606/optional-exceptions-to-the-prohibition-against-treating-incarceration-as-voluntary-unemployment.

[13] 45 C.F.R. § 302.56(h)(2).

[14] U.S. Department of Health and Human Services. (Nov. 17, 2014). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Proposed Rulemaking" 79 *Federal Register*, p. 68548. Retrieved from https://www.govinfo.gov/content/pkg/FR-2014-11-17/pdf/2014-26822.pdf.

[15] Sorensen, Elaine. (2021). *Characteristics of Custodial Parents and Their Children.* Retrieved from *https*://www.acf.hhs.gov/sites/default/files/documents/ocse/characteristics_cps_and_their_children.pdf.

payer-parent. States must examine their income imputation rate because the final rule singled out income imputation as an overused approach to determining income among low-income payer-parents.[16] The narrative surrounding the FEM Rule also noted the correlation between income imputation and default orders, as well as the importance of engaging both parents in the order establishment process to obtain the best and most accurate information about their specific circumstances including their current incomes.[17] This also explains the addition of the federal requirement to consider the state's default rate. The analysis of labor market information can also inform the provisions to consider the specific circumstances of the payer-parent when income imputation is authorized, and the appropriateness of the low-income adjustment used to consider the subsistence needs of the payer-parent.

Organization of Report

Section 2 reviews case file data and labor market data.

Section 3 examines economic data on the cost of raising children and develops an updated schedule using more current economic data.

Section 4 analyzes the impact of the guidelines and proposed updated schedule.

Section 5 provides conclusions.

Appendix A provides technical documentation of the data and steps used to develop the updated schedule.

Appendix B provides the proposed updated schedule.

[16] U.S. Department of Health and Human Services. (Dec. 20, 2016). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Final Rule." 81 *Federal Register* 244, p. 93520. Retrieved from https://www.gpo.gov/fdsys/pkg/FR-2016-12-20/pdf/2016-29598.pdf.

[17] U.S. Department of Health and Human Services. (Nov. 17, 2014). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Proposed Rulemaking" 79 *Federal Register*, p. 68554. Retrieved from https://www.govinfo.gov/content/pkg/FR-2014-11-17/pdf/2014-26822.pdf.

Exhibit 2: Federal Regulations Pertaining to State Child Support Guidelines

45 C.F.R. § 302.56 Guidelines for setting child support orders

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

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

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

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

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

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

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

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

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

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

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

(e) The State must review, and revise, if appropriate, the child support guidelines established under paragraph (a) of this section at least once every four years to ensure that their application results in the determination of appropriate child support order amounts. The State shall publish on the internet and make accessible to the public all reports of the guidelines reviewing body, the membership of the reviewing body, the effective date of the guidelines, and the date of the next quadrennial review.

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

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

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

(1) worked, and earnings) by occupation and skill-level for the State and local job markets, the impact of guidelines policies and amounts on custodial and noncustodial parents who have family incomes below 200 percent of the Federal poverty level, and factors that influence employment rates among noncustodial parents and compliance with child support orders;

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

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

SECTION 2: FINDINGS FROM DATA ANALYSIS

This section documents the findings from the analysis of case file data and the analysis of labor market data.

SAMPLING OF CASE FILE DATA, GENERAL TRENDS, AND DATA LIMITATIONS

A random sample of newly established and modified orders was pulled from the Pennsylvania Child Support Enforcement System (PACSES). Previous samples relied on a sample from orders newly established or modified within a 12-month period (i.e., Federal Fiscal Year 2017–2018 for the last review) and payment data for the following 12-month period (i.e., FY2018–2019 for the last review). Since the Pennsylvania child support schedule was last changed January 1, 2022, the sample was limited to a six-month period (i.e., January 1, 2022, through June 30, 2022) and the payment data is pulled from July 1, 2022, through June 30, 2023. In other words, there is still a year's worth of payment data, which is useful since payments can be more seasonal.

Sample Size and Selection

Sampling starts with obtaining counts of the number of orders established or modified during the sample period (i.e., January 1, 2022 – June 30, 2022). The guidelines are to be applied during the establishment of a new order as well as the modification of an existing order. However, the sample is stratified between new and modified orders because historically they have different rates of availability of information from the automated guidelines calculator that is part of PACSES.[18] Information from the PACSES worksheet provides the best source of information about incomes, deviations, and other factors considered in the guidelines calculation.

Based on information provided by the Pennsylvania Department of Human Services Bureau of Child Support Enforcement (BCSE), 10,170 new orders were established and 39,402 orders were modified over this six-month, sampling period. The sampling targeted 25% of orders and rounded up to oversample: that is, the targeted sample size was 10,000 modified orders and 3,000 newly established orders for a total targeted sample size of 13,000 orders. This is more than adequate to detect statistical differences in deviation rates over time and other statistical differences and account for orders not having PACSES worksheets. In contrast, the last review targeted 20,000 orders, but it started from a 12-month sample.

Number of Orders Available for Analysis

The actual data extract included 9,996 modifications and 2,997 new establishments. The small discrepancy may have been caused by a few duplicated cases and is not of concern because of the oversampling. Among the 12,993 orders available for analysis (which is the sum of the 9,996 modifications and 2,997 new establishments), 74% of newly established orders (2,220 orders) had

[18] For the last review, 58% of modified orders had a PACSES worksheet and 81% of new orders had a PACSES worksheet. Use of the PACSES worksheet, particularly how it relates to the data limitations, is discussed in more detail later.

PACSES worksheets and 46% of modifications (4,629 orders) had PACSES worksheets (i.e., a total of 6,849 sampled orders had worksheets). One reason that modifications may have fewer worksheets is they have a higher proportion of zero orders. Guidelines users or parents may not bother with a worksheet calculation when the order is being modified to zero.

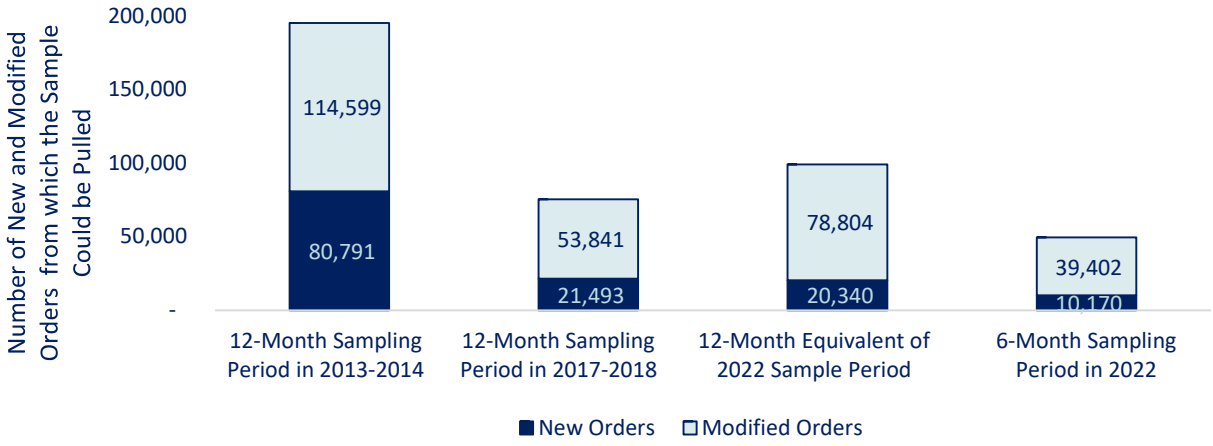
Trends in New Orders/Modified Orders

The guidelines are to be applied when an order is being newly established and when an order is being modified. To this end, the sum of newly established orders and modified orders within a particular time period should reflect the number of orders in which the child support guidelines were applied. This is also the universe from which the case file sample is drawn.

Exhibit 3 shows that over time, there are more modifications than new establishments.

- The ratio of modified orders to new orders was 4 to 1 for the universe of orders for this review (the 2024 review that sampled from the first six months of 2022);
- The ratio of modified orders to new orders was 2.5 to 1 for the universe of orders for the 2020 review (which sampled from FY 2017–2018); and
- The ratio of modified orders to new orders was 1.4 to 1 for the universe of orders for the 2016 review (which sampled from FY 2013–2014).

Exhibit 3: Trends in the Numbers of Newly Established and Modified Orders Based on the Sample Periods of the 2024,[a] 2020, and 2016 Case File Reviews (Source: PACSES)



[a] Because the sample for the 2024 review is drawn from a six-month sampling period rather than a 12-month sampling period like the previous two guidelines review, a 12-month equivalent is shown as a comparison. The point of showing it is that the number of orders established per year appears to have stabilized from the last review.

Exhibit 3 also shows that the number of new orders has declined over time; albeit, it appears to have stabilized over the last four years (i.e., around 20,000 new orders per year). Nationally and across most states, the numbers of new orders have also declined as well as caseloads in general.

Declining caseloads may have also affected the number of modifications over time, although the number of modifications is also very sensitive to local economic conditions and caseload cleanup actions. During an economic recession, there may be more modifications due to reduced incomes. Also, sometimes child support agencies may initiate a special modification project to ensure that orders reflect the current income of the parties (e.g., a child support office may review all orders matched to electronic unemployment records to ensure they are properly modified downward during an economic recession) that affect the number of modifications. No special projects were noted over this time period; however, BCSE (unlike many states) already uses routine matches with unemployment records to initiate modifications and is always making continuous improvements to better utilize automated data to inform whether the payer-parent has the ability to pay.

The FEM Rule encourages child support agencies to develop and use modification procedures and processes such that the child support order reflects the actual and specific circumstances of the case (e.g., if income changes, the order is modified to reflect that income). Pennsylvania and other states with progressive modification processes and policies (e.g., the ability to use data from automated sources as credible information and the ability of the agency to initiate a review without a signed request from a party even in non-public assistance cases) have seen an increase in the ratio of modifications to new orders established over time.

Zero and Non-Financial Orders

A related trend is the volume of zero and non-financial orders among modifications. Among the modifications sampled, 33% had a zero or non-financial order while 21% of newly established orders that were sampled had a zero or non-financial order. When the statistic is pivoted, only 20% of zero and non-financial orders have a PACSES worksheet. The reason for the zero/non-financial order is not clear. The parties may have agreed to a zero order or relied on Pa. R.C.P. 1910.19(f)) that provides for a zero (or a non-financial amount) when the order can no longer be enforced under state law or the payer-parent is unable to pay, has no known income or assets, and there is no reasonable prospect that the obligor will be able to pay in the foreseeable future. In either circumstance, there would be no need to run a guidelines calculation knowing that the order would be zero.

Data Limitations

PACSES Guidelines Calculations

The analysis is limited to orders where there is a PACSES worksheet because the worksheet is the data source for guidelines deviations, incomes of the parties, and other data fields of interest. The concern is whether there is any systematic difference between those with and without PACSES worksheets. If there is, those with PACSES worksheets are not representative of all orders set in the state. As is, zero and non-financial orders are less likely to have PACSES worksheets. Over half (52%) of orders without PACSES worksheets are zero or non-financial orders.

Running a PACSES guidelines calculation is a standard practice in the order establishment and modification processes of most County Domestic Relations Sections (DRSs). The 2020 review analyzed

differences between those with and without PACSES worksheets using data fields available from PACSES (e.g., incarceration and whether the payer-parent was enrolled in Medicaid or SNAP). It did not find any systematic differences other than more non-zero orders and newly established orders with PACSES worksheets and more zero and non-financial orders and modifications without PACSES worksheets including those who were incarcerated. The 2024 data extract did not include all of the data fields used for the analysis (e.g., whether the payer-parent was enrolled in Medicaid or SNAP or incarceration history), but added a few data fields to the ones used in 2020: whether either party had attorney representation, whether the order was agreed to or recommended, whether the payer-parent was referred to CareerLink for work search, and race/ethnicity of each party. Regardless of which party had attorney representation, a PACSES worksheet was slightly more likely to be available when there was attorney representation. There was no difference among orders where agreement between the parties was noted versus when the order was recommended, but the data field is dubious. It does not account for timing (e.g., the parties may be presented with a recommended amount and then agree to it later).

A PACSES worksheet was less likely to be available when there was a referral to CareerLink for work search, and less likely to be available when the payer-parent's race was recorded as Black/African American. This may reflect that those referred to CareerLink and Black/African American payer-parents were more likely to have zero and non-financial orders than other races/ethnicities.[19] In summary, although zero and non-financial orders are the root of some PACSES guidelines worksheets not being available (probably because there is no need for a guidelines calculation when there is zero or non-financial order), they do not explain all orders without PACSES guidelines worksheets . Some non-financial orders also do not have PACSES guidelines worksheets (but not as often as they are missing for zero and non-financial orders), and some but not all zero and non-financial orders do indeed have PACSES guidelines worksheets. The only way to thoroughly address this issue would be to sample orders without PACSES guidelines worksheets from court files (instead of PACSES) to determine whether there is any systematic reason that can be identified from the court file that cannot be determined using data available from PACSES.

Despite this limitation, there is no better data source that is readily accessible than PACSES worksheets. Further, even if biased, they provide a useful snapshot. To analyze the possible limitation more fully would require pulling and examining actual orders without PACSES worksheets from court case files. This would be time-consuming and may not provide additional insights.

Specific Data Fields

Other data limitations concern specific federal data fields. PACSES and the PACSES worksheet do not track whether the order amount was determined using the self-support reserve (which is how Pennsylvania meets the federal requirement to consider the subsistence needs of the payer-parent) and

[19] The difference is only statistical between Black/African American and other races and ethnicities. However, statistical difference may have not been detected among other races/ethnicities because of their small sample size (e.g., there were only 15 Native Americans in the data extract). The incidence of zero and non-financial orders may reflect differences in employability, enrollment in means-tested programs such as TANF, incarceration rates, and other factors that may vary by race/ethnicity that also indicate inability to pay. Pa. R.C.P. 1910.19(f)) authorizes a zero or nonfinancial order when there is an inability to pay. In other words, Pa. R.C.P. 1910.19(f)) appears to be working as intended and being applied equitably.

they do not track whether the order was entered by default. To overcome this limitation, the analysis relies on proxies to estimate the percentage of orders adjusted for the payer-parent's low income and entered by default (e.g., frequency of zero orders when the payer-parent income is less than the self-support reserve; and income imputation, attorney representation and agreements between the parties to estimate default). Some states are adding checkboxes to their guidelines worksheets to note whether the order was calculated using the low-income adjustment and whether income was imputed to a party as well as the hourly wage and number of workhours per week for the income imputation. Pennsylvania may want to consider this addition in the future, although PACSES does have a data field noting income imputation.

Findings from the Analysis of Case File Data

Overview of Order Amounts and Basic Characteristics

Exhibit 4 shows the frequency of orders by the number of children and selected characteristics of the parties. Some of the key findings are:

- There was no major change in the frequency of number of children from the last case file review (i.e., most are for one or two children);
- The highest number of children considered in a guidelines calculation was eight children, but it was very uncommon to determine support for four or more children (i.e., only 2% of the orders included four or more children);
- There was no change in the relationship statistics between the payer-parent to the child since the last case file review (i.e., most were fathers);
- There was no change in the percentage of orders where the receiving-parent/custodian household currently receives TANF (i.e., it was 7% among all orders);
- There was a small increase in the percentage of orders where the children are currently or previously enrolled in Medicaid (i.e., it was 75% for this review and 72% for the last review);
- There are several new data fields that were not gathered for the last review:
    - Race/ethnicity of the parents, which finds that about 40% of parents without missing information were people of color;
    - Attorney representation of the parents, which finds that about 23% of parents had attorney representation;
    - Whether a payer-parent was ever referred to CareerLink Work Search (i.e., 7% were referred); and
    - Whether the order was agreed to or recommended.

The validity of the data field noting whether the order was agreed to or recommended is not audited. How it is populated may depend on whom and when it is put up on PACSES and their interpretation of the data field. Parents may not agree to an order until they see the recommended amount.

Exhibit 4: Percentage of Orders by Number of Children and Selected Characteristics of the Parties

	Modified Orders (N=4,629)	New Orders (N=2220)	All Orders (N=6,849)
Number of Children Included in the Order			
Zero[a]	3%	7%	4%
One	59%	60%	60%
Two	28%	25%	27%
Three	8%	6%	7%
Four or More	2%	2%	2%
Relationship of Defendant/Payer-Parent to Child			
Father	88%	81%	86%
Mother	8%	9%	8%
Other/Missing	4%	10%	6%
Current TANF Assistance Status of Receiving-Parent/Custodian Household			
Current	6%	9%	7%
Former	21%	10%	18%
Never	72%	81%	75%
Cases where Children Are Currently or Previously Medicaid			
Current or Previous	77%	71%	75%
Never	23%	29%	25%
Race/Ethnicity of the Payer-Parent			
Asian	<1%	1%	<1%
Black/African American	25%	21%	24%
Hispanic	10%	9%	10%
Native American	<1%	<1%	<1%
White	55%	52%	54%
Other/Multiracial	3%	3%	3%
Missing	6%	14%	9%
Race/Ethnicity of the Receiving-Parent/Custodian			
Asian	<1%	1%	<1%
Black/African American	19%	14%	18%
Hispanic	8%	8%	8%
Native American	<1%	<1%	<1%
White	57%	51%	55%
Other/Multiracial	4%	3%	3%
Missing	12%	22%	15%
Payer/Parent Has Attorney Representation			
Yes	22%	24%	23%
No	78%	76%	77%
Receiving-Parent/Custodian Has Attorney Representation			
Yes	23%	23%	23%
No	77%	77%	77%
Payer-Parent Referred to CareerLink Work Search			
Yes	9%	2%	7%
No	91%	98%	93%
Order was Agreed to Recommended as Noted by PACSES[b]			
Agreed	33%	37%	34%
Recommended	67%	63%	66%

[a] The vast majority of orders with no children had no current support due in FY 2018–2019. The Center for Policy Research (CPR) assumes that this may result from automated PACSES recoding when the case is closed. CPR saw a similar outcome for the last review and in other states. Information about case closure was not obtained for this review.

[b] The datafield is not validated, and there is a concern about the timing and consistency of its use. It may be inconsistency populated. It could also be that the parties agree to a recommended order amount during the conference.

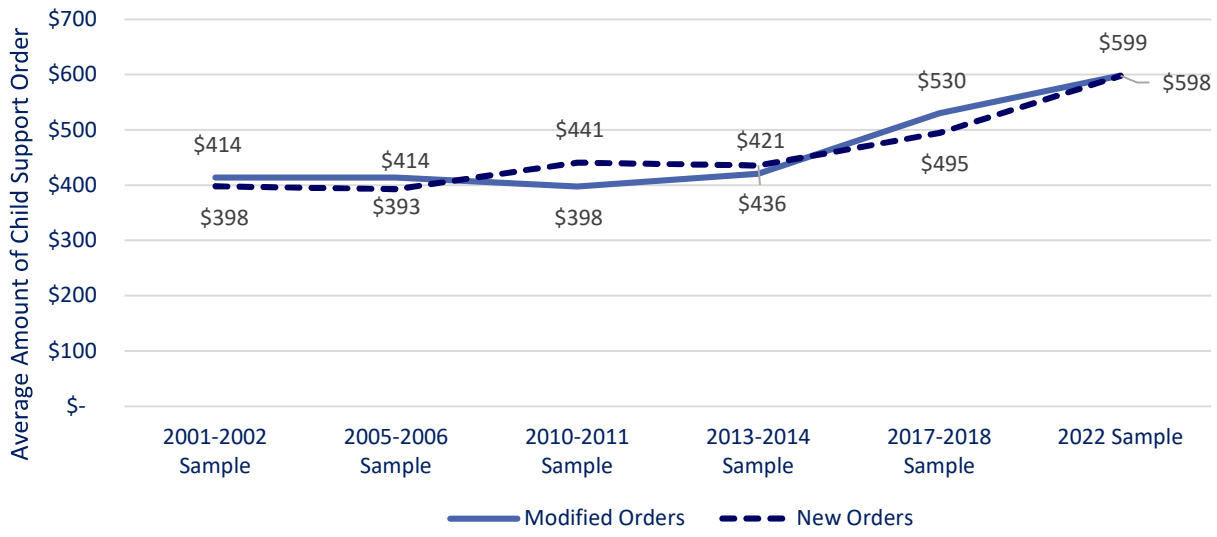
Other analyzed characteristics that are not shown in Exhibit 4 are:

- The original order date for modified orders averaged about five years prior, while almost 40% of the original dates were after January 1, 2020;
- The median age of payer-parents was 37 years old;
- The median age of receiving-parents/custodians was 36 years old;
- Both parents had attorney representation among 14% of the orders and when only one parent had attorney representation, it was not more likely to be the payer-parent than the receiving-parent/custodian; and
- Although Pennsylvania has 67 counties, no one county contributed to more than 6% of the analyzed cases (i.e., no county had over 450 new establishments or modifications during the sample time period).

Order Amounts

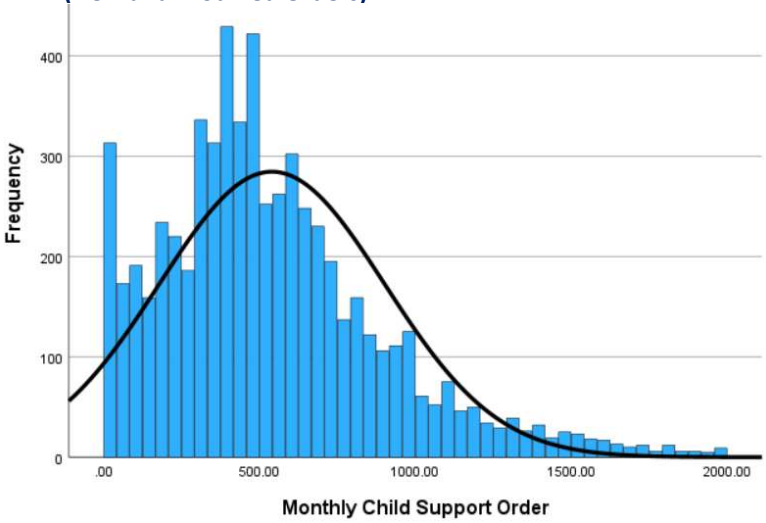
Exhibit 5 shows the average order amount has continued to increase over time. The latest case file data found it is about $599 per month. For prior reviews, there was more of a gap in the average order amount among modified and newly established order. That gap no longer exists. The median order amounts were $500 and $488 per month, respectively, among modified and new orders.

Exhibit 5: Change in the Average Amount of Child Support Ordered over Time



Average and median order amounts only paint a partial picture of the amount of support being ordered. Exhibit 6 shows the distribution of all order amounts (newly established and modified orders). It shows that many orders were set between $0 and $500 per month and that the frequency of orders becomes less with higher order amounts.

Exhibit 6: Histogram Showing Distribution of All Order Amounts (New and Modified Orders)



Among those with PACSES worksheets, only 5% of modified orders and 12% of newly established orders were set at zero. This is little change from the previous review among modified orders (which found 4% were set at zero) and an increase for newly established orders from the previous review (which found 6% were set at). However, it appears that these percentages may be skewed downward because they do not include orders without PACSES worksheets. In many instances when a zero order is appropriate (i.e., the payer-parent has no income), there would be no need to run a child support guidelines worksheet. It is also plausible that orders with missing amounts may actually be non-financial orders. If all these orders were also counted as zero orders, the percentages of all sampled modifications and newly established orders set at zero (or a non-financial amount) were 34% and 21%, respectively.

Incomes of the Parties

Besides the number of children, the parents' incomes are the most important determinant of the order amount when applying the guidelines. Income information is only available among those with PACSES worksheets. Exhibit 7 and Exhibit 8 show that average and median incomes for both parties have increased over time and that the increase from the last guidelines review was substantial. In general, wages have increased since the recession induced by the COVID-19 pandemic ended.

Still, average and median incomes only tell part of the story. Exhibit 9 provides histograms showing the distribution of net income among payer-parents and receiving-parents/custodians with PACSES guidelines calculations. Exhibit 9 also show that net incomes (like order amounts) were concentrated around below-average incomes and those with high income became more infrequent the higher the income. Further, Exhibit 9 shows many receiving parents/custodians had zero income.

Exhibit 7: Average and Median Net Monthly Income of the Payer-Parent over Time

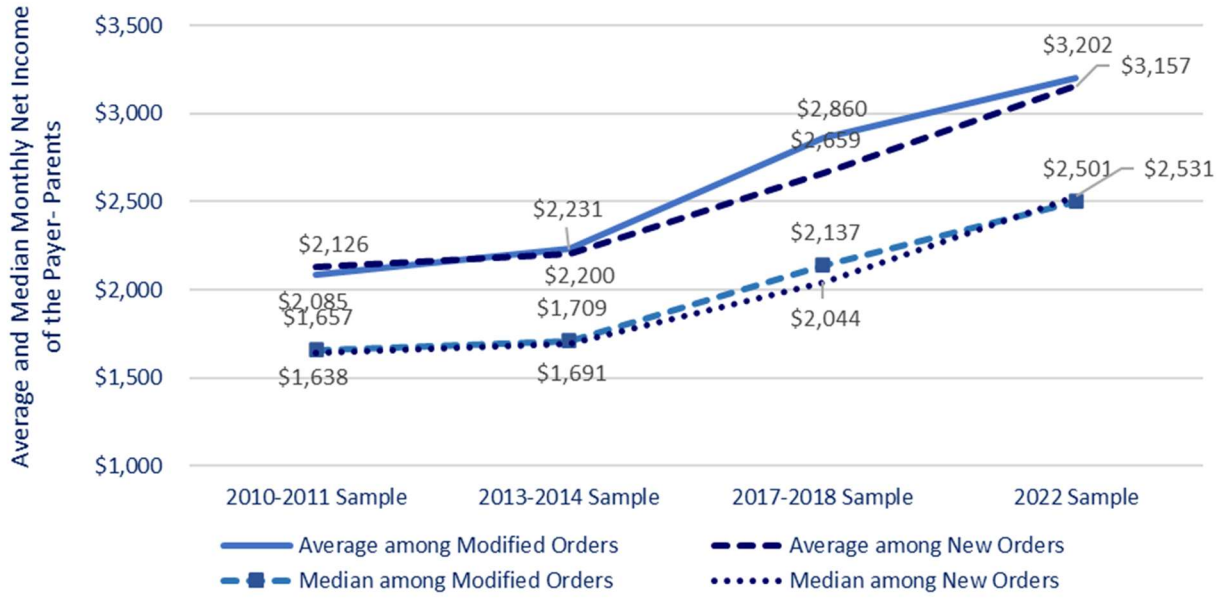


Exhibit 8: Average and Median Net Monthly Income of the Receiving-Parent/Custodian over Time

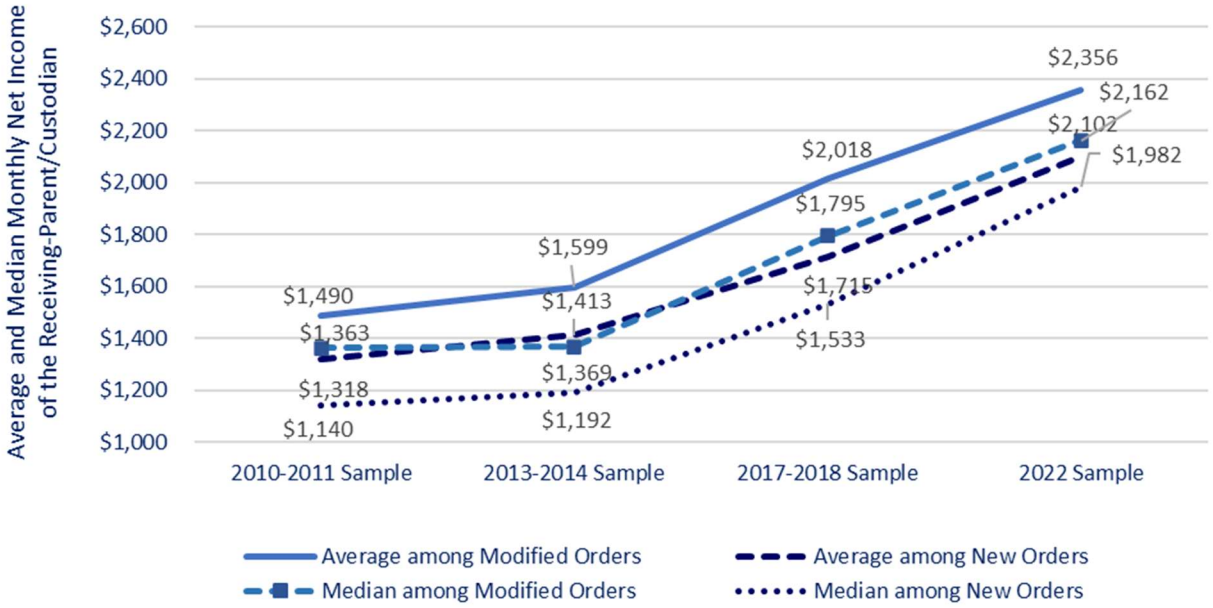
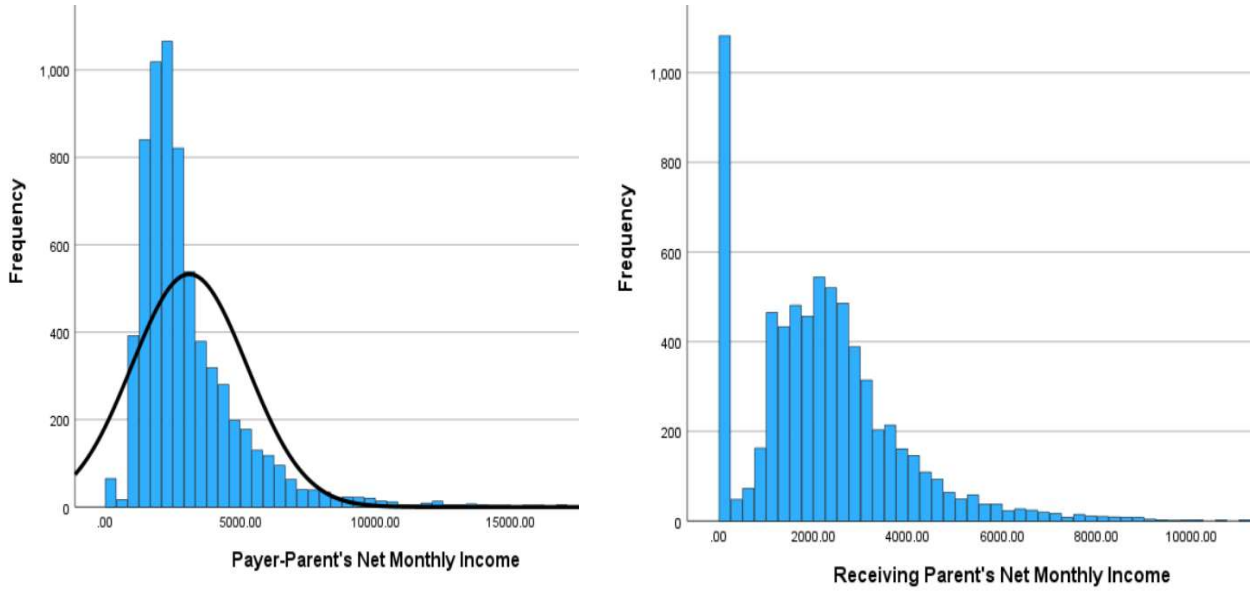


Exhibit 9: Histograms Showing Distribution of the Parent's Net Monthly Incomes

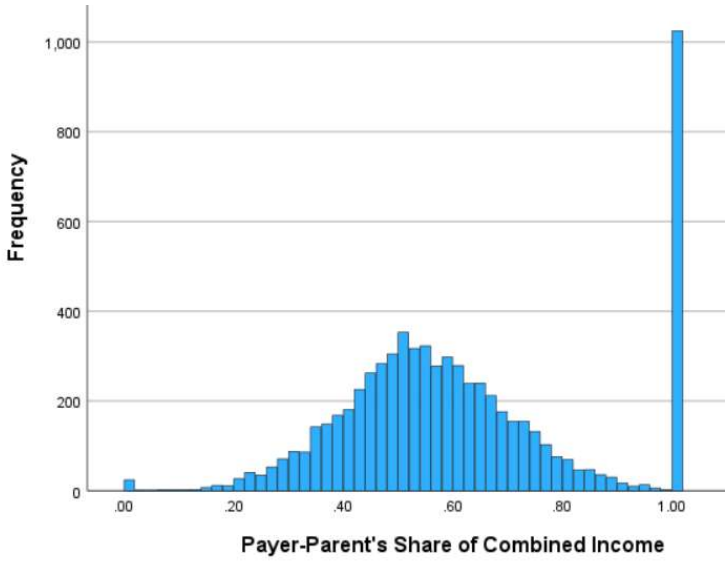


Combined Incomes and Each Parent's Share of Income

The combined income of the parties averaged $5,462 net per month, and the median was $4,749 net per month. Only 17 orders with PACSES guidelines calculations (i.e., less than 1% of orders) had combined incomes more than $30,000 net per month, which is the highest income considered in the schedule. Almost a quarter of the 17 cases had incomes exceeding $50,000 net per month. The 17 cases with combined net incomes exceeding $30,000 net per month involved 34 parents (i.e., each of the 17 cases involved two parents). Over half (59%) of the parents had incomes exceeding $14,000 net per month. This included a mix of payer-parents and receiving-parents. Another 20% had incomes of at least $6,000 net per month but not more than $10,000 net per month. The remaining 20% had incomes below $6,000 net per month.

The payer-parent's share of combined income averaged 60% among modified orders and 64% among newly established orders. These averages are generally the same as the last two guidelines reviews. Exhibit 10 shows a histogram that captures how the payer-parent's share of combined income varies. It shows a large

Exhibit 10: Histogram Showing Distribution of Payer-Payer's Share of Combined Income Among All Orders with PACSES Guidelines



percentage of orders where the payer-parent's share is 100% (1.0 in the Exhibit), but among those that were not 100%, the payer-parent's share is almost normally distributed around 50%, with a slight skewing to the right (higher percentages).

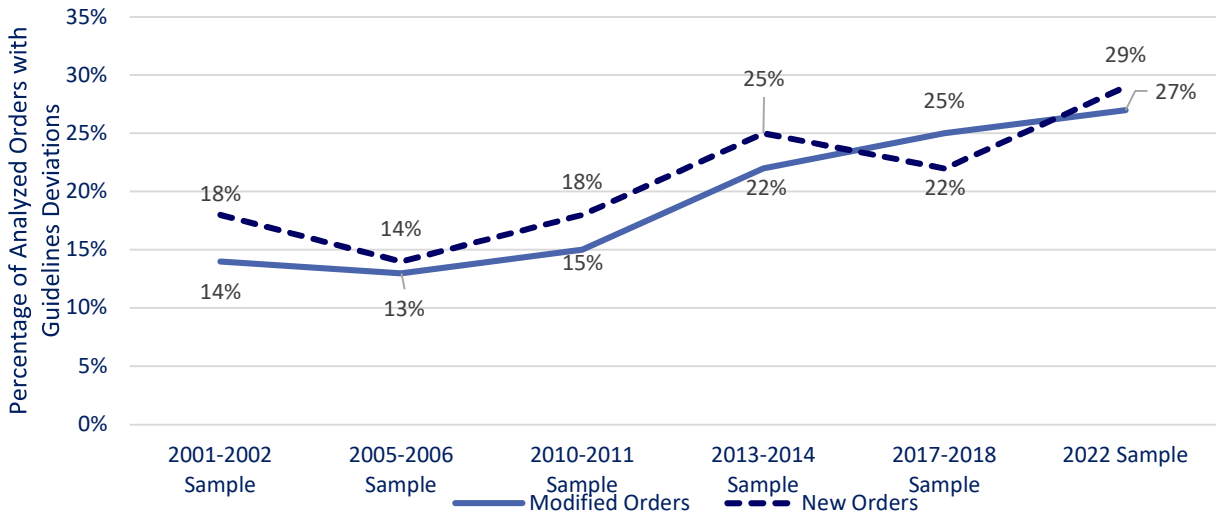
Analysis of Federally Required Fields

Federal regulation (C.F.R. § 302.56(h)(2)) requires the analysis of rates of deviations, income imputation, default orders, and application of the low-income adjustment. Federal regulation further requires the analysis of payments by the last three factors.

Deviations from the Guidelines

The overall deviation rate is 28%, which is statistically different than the overall rate found from the previous review (23%). Exhibit 11 shows it is slightly higher (29%) among newly established orders than modified orders (27%).

Exhibit 11: Changes in Guidelines Deviation Rate over Time



The overall deviation rate was also higher among high incomes than low incomes. For example, those with combined net incomes above $10,000 net per month had a guidelines deviation rate of 36%, while those with combined net incomes of $4,000 net per month (which would be almost 200% of the federal poverty level in both households) had a guidelines deviation rate of 10%. The rate was also higher among white parents (32%) than people of color (e.g., 21% among Black/African American parents and 25% among Hispanic/Latinx).[20] Deviation rates also differed between those with and without attorney representation but varied depending on the parent's role. When both parents were attorney represented, the deviation rate was 21%, when only the payer-parent was represented the deviation

[20] Other races and ethnicities are not reported due to the small sample size.

rate was 25%, and when only the receiving-parent/custodian was represented the deviation rate was 28%.

The Pennsylvania deviation rate is generally in line with the deviation rates of neighboring states that publish their deviation rates.[21]

- ***Delaware***. Delaware reported that historically 30% of obligations out of mediation are deviations from the guideline formula and 10% of obligations imposed by Commissioners were out of deviations, but did not provide the specific rates in its report.[22]
- ***Maryland***. Maryland's last case file review was from orders entered from 2015 through 2018, which is before Maryland last schedule changes went into effect in 2022.[23] Deviations were determined from an examination of guideline worksheets. The deviation rate was 23%. Most of the deviations were downward. About half of the deviations provided no reason or provided little detail of the reason for the deviation.
- ***Ohio***. Ohio's recent guidelines review found a deviation rate of 28% among new and modified orders entered by the court during the sample period.[24]
- ***West Virginia***. West Virginia conducted a manual of review of 150 orders and found a deviation rate of 47%.[25] The West Virginia report notes that this is much higher than its 2014 review rate (15%), but there was a change in methodology for examining deviations. The more current guideline review noted a deviation if it was specifically mentioned in case notes or if the guideline amount did not match the order amount.

Although most deviation reasons were downward (72%) for this case file analysis, it is less than the percentage of downward deviations last review (81%).

Exhibit 12 shows the deviation criteria for the Pennsylvania child support guidelines. Like the previous review, the most commonly noted reason was "other relevant factor," but it was used less frequently. It was noted among 61% of deviations this case file review and 70% of deviations last guidelines review. The second most common deviation reason this review was "child's best interest," which was noted in 20% of the deviations. The third most common deviation reason, "a party's other support obligations," was noted in 8% of the deviations. These were also the second and third most commonly listed reasons among deviations in the last review and generally they were noted at the same rate.

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[21] New Jersey and New York do not publish their rates.

[22] Delaware Family Court. (Nov. 2022). *The Family Court of the State of Delaware: Delaware Child Support Formula: Evaluation and Update.* Retrieved from https://courts.delaware.gov/forms/download.aspx?id=172308.

[23] Demyan, Natalie & Passarella, Letitia Logan. (Sept. 2022). *Maryland Child Support Guidelines: 2015–2018 Case-Level Data.* Retrieved from https://www.ssw.umaryland.edu/media/ssw/fwrtg/child-support-research/cs-guidelines/MD-Child-Support-Guidelines-Case-level-Review,-2015-2018.pdf.

[24] Ohio Department of Job and Family Services. (2023). *2023 Child Support Guidelines Review: Report to the General Assembly*. Retrieved from https://jfs.ohio.gov/static/Ocs/employers/2023-Child-Support-Guidelines-Report.pdf.

[25] Venohr, Jane & Matyasic, Savahanna. (Jan. 2022). *Review of the West Virginia Child Support Guidelines.* Retrieved from https://dhhr.wv.gov/bcse/parents/Documents/2022%20Jane%20Venohr%27s%20Summary%20Report.pdf.

Exhibit 12: Deviation Provision in Pennsylvania Child Support Guidelines

Pa.R.C.P. 1910.16-5
Rule 1910.16-5. Support Guidelines. Deviation. (b) Factors. In deciding whether to deviate from the basic child support, spousal support, or *alimony pendente lite* obligation, the trier of fact shall consider: (1) unusual needs and unusual fixed obligations; (2) a party's other support obligations; (3) other household income; (4) the child's age; (5) the parties' relative assets and liabilities; (6) medical expenses not covered by insurance; (7) the parties and the child's standard of living; (8) in a spousal support or *alimony pendente lite* case, the duration of the marriage from the date of marriage to the date of final separation; and (9) other relevant and appropriate factors, including the child's best interests

Application of the Self-Support Reserve

Eligibility for the self-support reserve (SSR) varies by the payer-parent's income and the number of children for whom support is being determined. The current SSR is $1,063 per month, which was the federal poverty guidelines (FPG) for one person in 2020 and the most current FPG when the guidelines were last reviewed. Most states relate their SSR to the FPG and provide an adjustment mechanism similar to the Pennsylvania adjustment. Exhibit 13 shows where the basic obligations have been adjusted for the SSR: it is the blue shaded area of the schedule.

Exhibit 13: Excerpt of the Schedule

Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1100	**33**	**33**	**34**	**34**	**34**	**35**
1150	**78**	**79**	**80**	**81**	**81**	**82**
1200	**123**	**124**	**126**	**127**	**128**	**130**
1250	**168**	**170**	**172**	**174**	**175**	**177**
1300	**213**	**215**	**218**	**220**	**222**	**225**
1350	**258**	**261**	**264**	**267**	**269**	**272**
1400	**303**	**306**	**310**	**313**	**316**	**320**
1450	334	**352**	**356**	**360**	**363**	**367**
1500	346	**397**	**402**	**406**	**410**	**415**
1550	357	**443**	**448**	**453**	**457**	**462**
1600	369	**488**	**494**	**499**	**504**	**510**
1650	380	**534**	**540**	**546**	**551**	**557**
1700	392	**579**	**586**	**592**	**598**	**605**
1750	403	614	**632**	**639**	**645**	**652**
1800	415	632	**678**	**685**	**692**	**700**
1850	426	649	**724**	**732**	**739**	**747**
1900	438	667	**770**	**778**	**786**	**795**
1950	449	684	**816**	**825**	**833**	**842**
2000	461	702	848	**871**	**880**	**890**
2050	472	719	869	**918**	**927**	**937**
2100	484	737	891	**964**	**974**	**985**
2150	495	754	912	**1011**	**1021**	**1032**
2200	507	772	933	1042	**1068**	**1080**
2250	518	789	954	1066	**1115**	**1127**
2300	530	807	976	1090	**1162**	**1175**
2350	541	825	997	1113	**1209**	**1222**
2400	553	842	1018	1137	1251	**1270**
2450	565	860	1039	1161	1277	**1317**
2500	576	877	1060	1184	1303	**1365**
2550	588	895	1082	1208	1329	**1412**
2600	599	912	1103	1232	1355	**1460**
2650	611	930	1124	1255	1381	1501
2700	622	947	1145	1279	1407	1530

If the payer-parent's net income alone falls into the shaded area, the payer-parent would be eligible for the SSR. In this situation, the child support guidelines amount is calculated twice: once assuming the receiving parent's income is zero; and the other calculation uses the receiving parent's income. The low-income adjustment directs that the order be set at the lower of the two amounts. For example, if the payer-parent's net income is $1,100 per month, which is the approximate after-tax income from full-time, minimum wage earnings, the basic obligation is $33 per month assuming that the receiving party has no income. However, if both parents had equal incomes their combined income would be $2,200 net. Based on the schedule in Exhibit 13 this would yield a basic obligation of $507 per month. If each parent is responsible for their prorated share this would be $253.50 per month. Since this is more than $33 per month, the order is set at $33 per month in this situation.

PACSES does not contain a data field noting whether the SSR test was used to reduce the payer-parent's order amount. PACSES also does not note whether the payer-parent was eligible for the SSR. Using the payer-parent's net income and number of children, CPR estimated that 16% of payer-parents were eligible for the SSR. The estimation is likely to understate the actual percentage because it does not consider adjustments to incomes or add-ons for additional expenses such as childcare expenses. It is less than the percentage from the last review (25%). This undoubtedly reflects that incomes have generally increased in the last few years so fewer parents are eligible.

The median order was $168 per month among payer-parents eligible for the SSR adjustment. Among those with incomes below the SSR (i.e., $1,063 net per month, which was 2% of those eligible for the SSR adjustment), 33% were set at zero. It is not clear why an amount other than zero is ordered in these situations.

Among those eligible for the SSR, the median order amount as a percentage of gross income was 11%, which is below the 20% of payer-parent's gross income threshold noted in the FEM Rule as being pivotal to payment and non-payment.[26] (Subsequent research[27] is mixed on whether such a threshold exists with some arguing that income imputation and default matter more.[28]) Among the few Pennsylvania orders exceeding 20% of the payer-parent's gross income, most were for two or more children. The research cited in the FEM Rule actually notes a threshold higher than 20% for two or more children. In summary, there is not a concern that the Pennsylvania guidelines produces order amounts that exceed this threshold and there is also a question about whether the 20-percent threshold actually sets a dividing line between payers and non-payers.

Income Imputation and Default Orders

Pennsylvania calls its provision for income imputation "earning capacity" in its guidelines. It may be applied to either party. Exhibit 14 shows the provision. It meets the federal requirement to consider the specific circumstances of the parent when income imputation is authorized and generally lists all of the factors listed in the FEM Rule. The Pennsylvania provision requires the trier of fact to determine willful failure to maintain employment, which is also consistent with the intent of the federal requirement to limit income imputation to actual income or earning potential.

Exhibit 15 shows the rate of income imputation by parent from the case file analysis conducted for this review and for last review. It shows low rates of income imputation (7–10% depending on the parent role and case subtype) based on the most recent case file data. Also, the rate has decreased. In

[26] U.S. Department of Health and Human Services. (Nov. 17, 2014). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs." 79 *Fed. Reg.* 68,554. Retrieved from https://www.govinfo.gov/content/pkg/FR-2014-11-17/pdf/2014-26822.pdf.

[27] See Judicial Council of California. (2022). for a summary of subsequent research. *Review of Statewide Uniform Child Support Guideline*. Retrieved from https://www.courts.ca.gov/documents/Review-of-Uniform-Child-Support-Guideline-2021.pdf.

[28] Orange County Department of Child Support Services. (Jun. 2021). *Revisiting the 19 Percent Ratio of Order to Wage Threshold on Payment Compliance*. Retrieved from https://www.css.ocgov.com/sites/css/files/2021-06/Revisiting%2019%20Percent%20Ratio%20of%20Order%20to%20Wage%20FINAL%20June%2021_0.pdf.

contrast, Delaware reported an income imputation rate among payer-parents of 33%,[29] West Virginia reported a rate of 27%,[30] and Maryland reported a rate of 11%.[31]

Exhibit 14: Pennsylvania Guidelines Provision for Income Imputation

Pa.R.C.P. 1910.16-2(d)(4))
(1) Earning Capacity. (i) When a party willfully fails to obtain or maintain appropriate employment, the trier-of-fact may impute to the party an income equal to the party's earning capacity. (A) Earning Capacity Limitation. The trier-of-fact: (I) shall not impute to the party an earning capacity that exceeds the amount the party could earn from one full-time position; and (II) shall determine a reasonable work regimen based upon the party's relevant circumstances, including the jobs available within a particular occupation, working hours and conditions, and whether a party has exerted substantial good faith efforts to find employment. (B) The trier-of-fact shall base the party's earning capacity on the subdivision (d)(4)(ii) factors. (C) After assessing a party's earning capacity, the trier-of-fact shall state the reasons for the assessment in writing or on the record. (D) When the trier-of-fact imputes an earning capacity to a party who would incur childcare expenses if the party were employed, the trier-of fact shall consider reasonable childcare responsibilities and expenses. (ii) Factors. In determining a party's earning capacity, the trier-of-fact shall consider the party's: (A) child care responsibilities and expenses; (B) assets; (C) residence; (D) employment and earnings history; (E) job skills; (F) educational attainment; (G) literacy; (H) age; (I) health; (J) criminal record and other employment barriers; (K) record of seeking work; (L) local job market, including the availability of employers who are willing to hire the party; (M) local community prevailing earnings level; and (N) other relevant factors.

When income is imputed in Pennsylvania, common amounts were at $1, 390 gross per month or $1,738 gross per month. Both gross monthly incomes can be achieved starting from a $10 per hour wage where the former assumes a 32-hour workweek and the latter assumes a 40-hour workweek. Although the effective minimum wage in Pennsylvania is $7.25 per hour as noted in the analysis of labor market data, there are low-skilled jobs paying more than minimum wage.

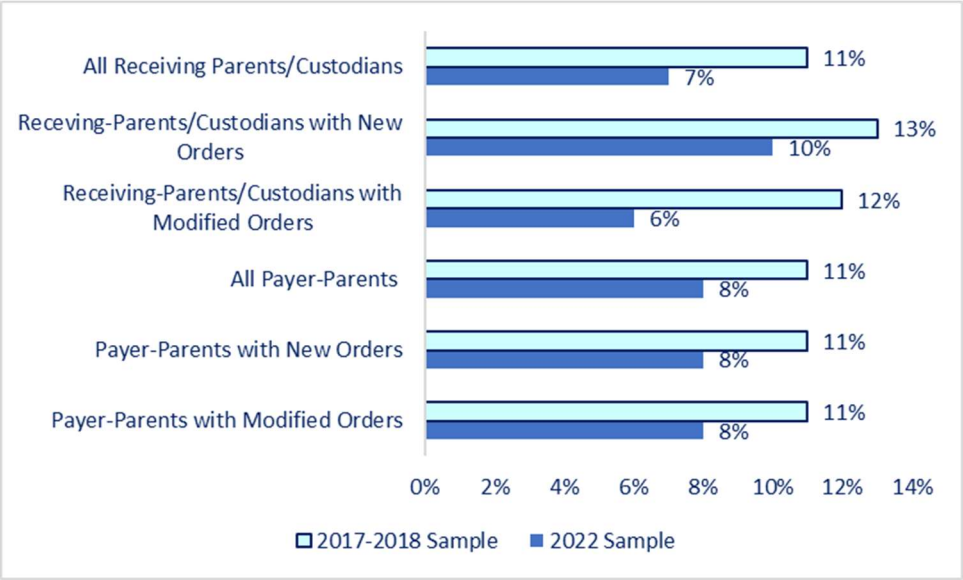
[29] Delaware Family Court. (Nov. 2022). *The Family Court of the State of Delaware: Delaware Child Support Formula: Evaluation and Update.* Retrieved from https://courts.delaware.gov/forms/download.aspx?id=172308

[30] Venohr, Jane and Matyasic, Savahanna. (Jan. 2022). *Review of the West Virginia Child Support Guidelines.* Retrieved from https://dhhr.wv.gov/bcse/parents/Documents/2022%20Jane%20Venohr%27s%20Summary%20Report.pdf

[31] Demyan, Natalie, and Passarella, Letitia Logan. (Sept. 2022). *Maryland Child Support Guidelines: 2015-2018 Case-Level Data.* Retrieved from https://www.ssw.umaryland.edu/media/ssw/fwrtg/child-support-research/cs-guidelines/MD-Child-Support-Guidelines-Case-level-Review,-2015-2018.pdf

One reason that the income imputation rate is very low in Pennsylvania is that Pennsylvania encourages parents to report their income, but also has the policy and automation to use income information from automated sources.

Exhibit 15: Percentages of Parents with PACSES Guidelines Calculations with Income Imputed by Payer-Parent or Receiving-Parent/Custodian and Whether Order Was New or a Modification



Order Amounts Set by Default

It is assumed that when the term, default, is used in the guidelines data requirements that it means that the order was set by default: that is, the payer-parent did not appear at the order establishment/modification hearing or office conference; and, the payer-parent did provide income information by completing and returning an income statement or financial affidavit, tax returns, copies of W-2 wage statements, or other evidence of income as requested. The FEM Rule did not explicitly state that this is what was meant by default in meeting the guidelines data requirements, but it can be inferred from the narrative of the finalized FEM Rule.[32] The FEM Rule often couples income imputation and orders entered by default. For example, the FEM Rule refers to the premise that "[i]mputed or default orders should occur only in limited circumstances."[33] The narrative of the FEM Rule also stated concerns with using default orders coupled with income imputation when the payer-parent refused to appear and participate in the order establishment process by not providing income information and documentation.[34] As indicated in the narrative, a common practice nationally when the parent did not appear and did not provide income information was to impute income to the parent and enter the order by default with the intent of ensuring support for the children.[35] OCSS suggested that would be just only

[32]U.S. Department of Health and Human Services. (Dec. 20, 2016). "Flexibility, Efficiency, and Modernization in Child Support Enforcement Programs: Final Rule." 81 Federal Register 244, p. 93520. Retrieved from https://www.gpo.gov/fdsys/pkg/FR-2016-12-20/pdf/2016-29598.pdf .
[33]*Ibid*.
[34]*Ibid.*
[35]*Ibid.*

if there is evidence that the payer-parent's standard of living was inconsistent with their income. Further, if it was indeed appropriate to impute income and enter a default order, the imputed amount should be based on the payer-parent's ability to pay using evidence of the parent's earnings, income, and other evidence of ability to pay whenever available.[36]

OCSS's connection between default and income imputation, non-appearance, and the payer-parent's failure to provide income information and documentation is important to states (such as Pennsylvania) that do not use the term, "default" in their order determination process. Although there is some variation among county Domestic Relations Sections (DRS), the typical order establishment/modification process starts with a complaint for child support (or a modification).[37] The payer-parent (defendant) is ordered to appear before an officer for an office conference (which may be in-person or by videoconference). Notice is provided to both parties. The parties are expected to provide information and documentation of income, childcare expenses, available medical coverage, and other information to the conference. The officer runs a child support guidelines calculation at the office conference. If both parties have attorney representation and they agree to the amount of support, they are not required to provide DRS with income information nor is a guidelines calculation required (Pa. R.C.P. No. 1910.11(d)(4)).

If the parties agree at the conference, the conference officer shall prepare a written order and submit it along with the conference officer's recommendation for approval/disapproval to the court for final approval. If the parties do not agree, an interim order will be entered based on the guidelines calculation. The parties will be notified and given an opportunity to demand a hearing. If neither party demands a hearing, the order will becomes finalized after a waiting period.

The conference can proceed even if a party fails to appear (Pa. R.C.P. No. 1910.11(a)). If either party, having been properly served, fails to attend the conference, an interim order can be entered. If the party did not provide income information, the order will be based on evidence of earning capacity (Pa.R.C.P. 1910.16-2(d)(4)). In this situation, the parties are also notified of the interim order and given an opportunity to demand a hearing. If neither party demands a hearing, the order will become finalized after the waiting period. A bench warrant can also be issued if a party fails to appear at a conference or hearing (Pa. R.C.P. No. 1910.13.1).

Assuming the intent of examining the federal data field, default, is a measure of whether the payer-parent is engaged in the child support process, CPR explored several alternative data fields as proxies for engagement (e.g., whether an order was interim or final, whether the order was agreed to or recommended, whether there was a demand for a hearing, whether both parents had attorney representation, and whether there was a bench warrant issued). Among these datafields, PACSES only tracks whether an order is agreed or recommended and whether a party is represented by an attorney. Neither of these datafields are ideal proxies. The agreed/recommended category does not capture

[36] *Ibid.*

[37] In an attempt to keep the explanation of the process simple, several nuances are omitted. For example, the description overlooks Pa.R.Civ.P. 1910.12(b) that addresses when the conference and hearing are scheduled on the same day.

parents who agree after reviewing the recommendation. Although attorney representation indicates the parent is engaged in the process, there are many engaged parents without attorney representation. Anyway, the most recent case file data found that the agreed option was checked off among 34% of the cases analyzed and among those without the agreed option checked, another 14% of payer-parents had attorney representation. This suggests that the payer-parent was engaged in at least 48% of the cases examined.

Nonetheless, it is believed a much higher proportion of payer-parents were actually engaged. This study just lacks the appropriate proxy to illustrate that. To rectify this issue, BCSE is planning to add a default field to their PACSES enhancements at the same time PACSES is updated for any schedule changes, assuming the DRPRC's recommendations are approved by the Court. BCSE intends to use the federal definition of a default order published in another OCSS document: that is, "a decision that a tribunal makes when the defendant fails to respond or appear after proper notice."[38]

Other studies find that default rates are generally lower than income imputation rates. For example, a national study found that income was imputed to 37% of the payer-parents in low-income cases because the parent was unemployed or underemployed and just under half of these parents with imputed income had orders entered by default.[39]

Analysis of Payments

Exhibit 16 shows the median percentage of support paid in calendar year 2023 by the federally required data fields (or proxies) for application of the low-income adjustment, whether income was imputed to the payer-parent, and default. The base sample is those with PACSES worksheet calculations and payments due in calendar year 2023. It generally shows that payments are worse among orders eligible for the self-support reserve (SSR) and when income is imputed to the payer-parent. This may be more reflective than parents eligible for the SSR and have income imputed are low income. Exhibit 17 explores the same issue by four income ranges. The first range approximates combined incomes of parents less than 200% of the poverty.

Exhibit 16 also shows a higher percentage of current support paid among those orders that were not agreed to and neither parents had attorney representation. This category intends to be a proxy for default, but it is a poor proxy of default. A better indicator of default would likely have the same percentage of support paid, however.

[38] U.S. Office of Child Support Services. (June 2021.) *Changing a Child Support Order*. p. 10. Retrieved from https://www.acf.hhs.gov/sites/default/files/documents/ocse/changing_a_child_support_order.pdf.

[39] U.S. Department of Health and Human Services Office of Inspector General. (July 2000). *The Establishment of Child Support Orders for Low income Non-custodial Parents.* p. 16. Retrieved from The Establishment of Child Support Orders for Low Income Non-Custodial Parents (OEI- 05-99-00390; 7/00) (hhs.gov).

Exhibit 16: Percentage of Current Support Due in 2023 that Was Paid by Federally Required Data Element

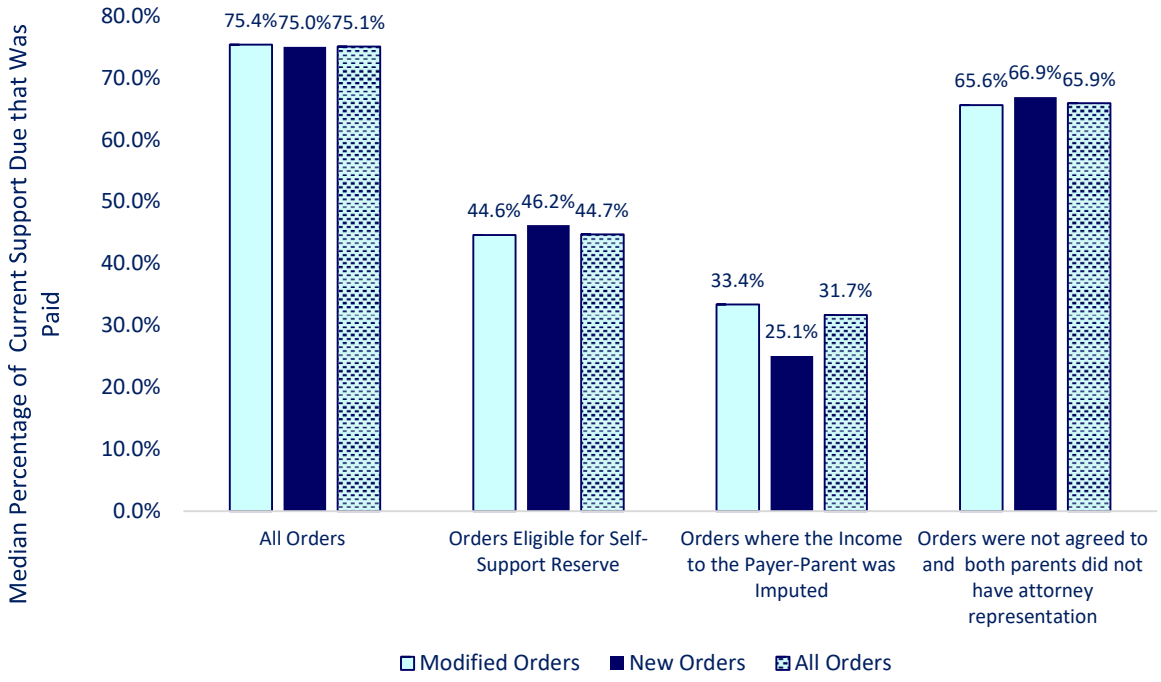
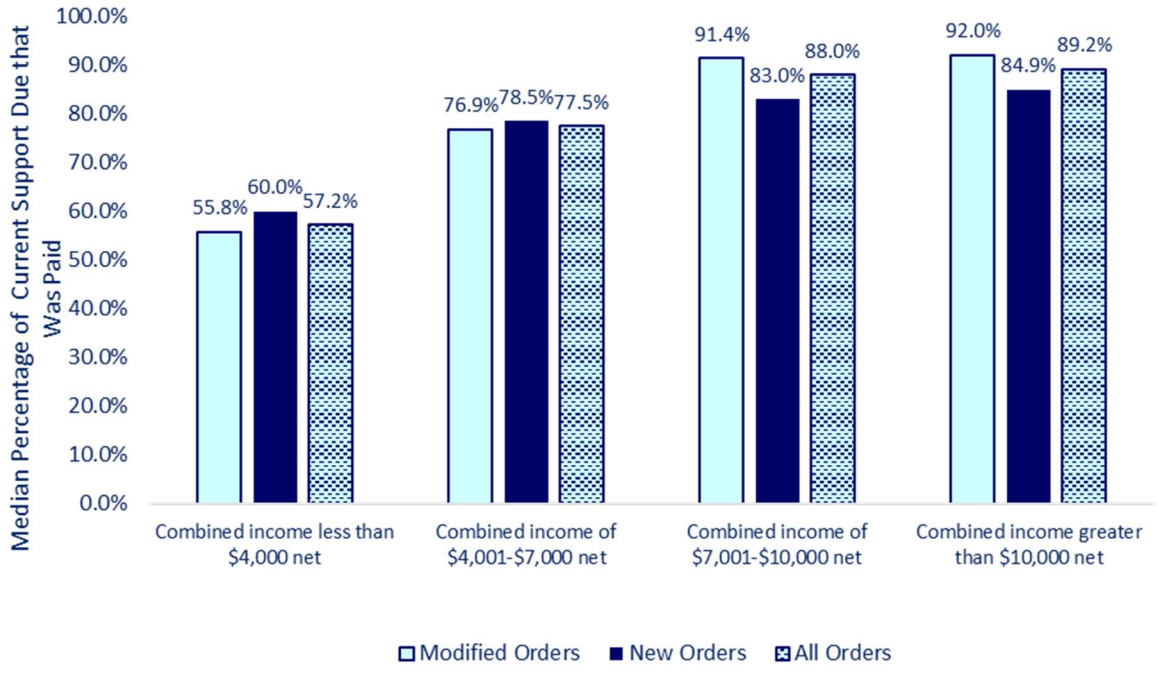


Exhibit 17: Percentage of Current Support Due in 2023 that Was Paid by Combined Net Income



Definition of Income

The definition of what income is available for a guidelines review is determined by each state. Pennsylvania's definition of income, which is shown in Exhibit 18, is similar to those of other states. Like most states, Pennsylvania considers a wide range of income sources (e.g., wages and lottery winnings). Also, like most states, Pennsylvania excludes means-tested income. The Pennsylvania child support guidelines, however, do not directly address overtime income. Instead, it addresses "fluctuations of income," but does not specifically classify overtime income as fluctuating income. The Pennsylvania guidelines provide that there should be no adjustment in support payments for normal fluctuations in earnings. States are mixed on whether they specifically mention overtime income, as well as how to treat overtime income. States that specifically mention overtime income generally include it as an income for calculating support with some exceptions based on whether the parent accrued overtime income in the year prior to the establishment of the order.

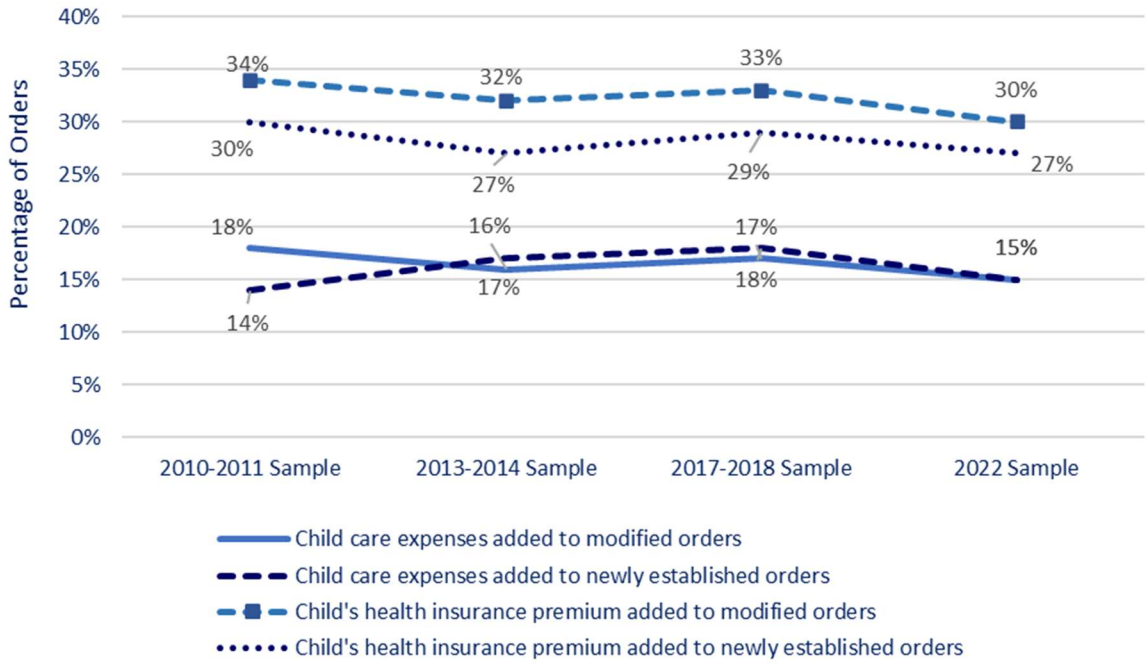
Exhibit 18: Pennsylvania's Definition of Income to Be Used for the Determination of Child Support (Guidelines Income)

Pa. R.C.P. 1910.16-2
Generally, the support amount awarded is based on the parties' monthly net income. (a) *Monthly Gross Income*. Monthly gross income is ordinarily based on at least a six-month average of a party's income. The support law, 23 Pa.C.S. § 4302, defines the term ''income'' and includes income from any source. The statute lists many types of income including, but not limited to: (1) wages, salaries, bonuses, fees, and commissions; (2) net income from business or dealings in property; (3) interest, rents, royalties, and dividends; (4) pensions and all forms of retirement; (5) income from an interest in an estate or trust; (6) Social Security disability benefits, Social Security retirement benefits, temporary and permanent disability benefits, workers' compensation, and unemployment compensation; (7) alimony if, in the trier-of-fact's discretion, inclusion of part or all of it is appropriate; and (8) other entitlements to money or lump sum awards, without regard to source, including: (i) lottery winnings; (ii) income tax refunds; (iii) insurance compensation or settlements; (iv) awards and verdicts; and (v) payments due to and collectible by an individual regardless of source. (b) *Treatment of Public Assistance, SSI Benefits, Social Security Payments to a Child Due to a Parent's Death, Disability or Retirement and Foster Care Payments.* (1) *Public Assistance and SSI Benefits*. Neither public assistance nor Supplemental Security Income (SSI) benefits shall be included as income for determining support. (2) *Child's Social Security Derivative Benefits*. (i) If a child is receiving Social Security derivative benefits due to a parent's retirement or disability: (A) The trier-of-fact shall determine the basic child support amount as follows…. (I) Add the child's benefit to the monthly net income of the party who receives… (3) *Foster Care Payments.* If a party to a support action is a foster parent or is receiving payments from a public or private agency for the care of a child who is not the party's biological or adoptive child, the trier-of-fact shall not include those payments…

Additional Expenses Considered in the Calculation of the Support Orders

Pennsylvania, like most states, provides that additional child-rearing expenses are to be added to the basic obligation.[40] This includes work-related childcare expenses; the child's health insurance premiums; the child's unreimbursed medical expenses; and other expenses such as private school tuition, summer camp, and other expenses. Exhibit 19 shows the percentages of orders with add-ons over time. It is generally unchanged.

Exhibit 19: Percentage of Orders with Add-ons for Childcare Expenses or the Child's Insurance Premium



The actual amount of these other expenses may be added to the basic obligation on a case-by-case basis. In turn, the amount is prorated between the parents and added to that parent's share of the basic obligation. The parent paying a specific expense receives credit for their direct expense. Like most states, Pennsylvania does not include childcare, health insurance premiums and most unreimbursed medical expenses in the schedule. Private school tuition, summer camp and other expenses are included but at the average amount incurred for that income level and number of children (e.g., if only 1% of 1,000 families with two children incur private school tuition at a particular income and the average expense for that 1% is $2,000 then the average across all families of that income range would be $2 in the schedule.)[41]

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[40] Pa. R.C.P. 1910.16-6.

[41] The DRPRC explored the possibility of obtaining specific data on the exact dollar amount expended for other expenses at each income range. Mapping each expense would be prohibitively expensive and timeconsuming. This is because there are hundreds of expenditure items included in the Consumer Expenditure Survey, which is the underlying data source. Each expense would need to be identified (e.g., private school tuition or a uniform for private school) and assumed to be attributable to the child. This could be difficult for some items (e.g., uniform for private school) particularly if the child was wearing adult

***Cost of Childcare and Party Incurring Cost*.** The receiving-parent/custodian incurred the childcare expense in most (95%) of the orders adjusted for childcare expenses. This was unchanged from the last review. Additional childcare expenses averaged $404 per month among receiving-parent custodians. The average was higher among payer-parents: $484 per month. Among those with adjustment for childcare expenses, the childcare expense was more than $1,000 per month for 8% of receiving-parents and 13% of payer-parents. In all, the amount of the childcare expense increased from the last review.

***Cost of Child's Health Insurance Premium and Party Incurring Cost*.** Almost a third (29%) of orders were adjusted for the cost of the child's health insurance premium. Only the receiving-parent/custodian incurred the premium cost in 44% of the orders with an adjustment (compared to 49% last review). Only the payer-parent incurred it in 36% of orders with an adjustment (compared to 44% last review). There was an increase in the percentage of both parents incurring the expense. It was 21% among those with an adjustment for the cost of the child's healthcare insurance this review compared to 7% last review. The child's share of the monthly premium cost considered for the adjustment averaged $197 per month among payer-parents (which was unchanged from the last review) and $186 per month among receiving-parents/custodians (while it averaged $136 last review). For 90% of the payer-parents incurring the expense, it was less than $372 per month and for 90% of receiving-parents incurring the expense, it was less than $318 per month.

The Child's Unreimbursed Medical Expenses. Less than 1% of analyzed orders had adjustment for the child's unreimbursed medical expenses. The percentage with an adjustment for the child's unreimbursed medical expenses has been less than 1% for the last reviews as well.

Private School Tuition or Summer Camp and Other Additional Expenses. Only 5% of analyzed orders had additional expenses. For the last review, the percentage was 4%. The receiving-parent/custodian incurred the additional expenses among 88% of the cases with adjustment. PACSES does not record the reason for the additional expense. The expense of the receiving-parent/custodian averaged $272 per month. The median amount was $153 per month. The amounts were similar among payer-parents (i.e., the average expense was $250 per month and the median was $160 per month). Among those with additional expenses, few additional expenses were more than $1,000 per month (i.e., 5% of receiving-parent/custodians and 2% among payer-parents).

Adjustments for Multiple Families

In addition to providing an income deduction to the payer-parent for payment of other child support orders, the guidelines provide that the payer-parent's child support order can be reduced if the total of the parent's basic child support obligations equal more than 50% of his or her monthly net income.[42] The intent of the adjustment is to treat all children of the obligor equally and not give preference to an parent's first or later family. The adjustment reduces the order amount. For this review, the adjustment

clothing because a purchased uniform could be private school or a work uniform for a parent and would occur the CE category covering clothing expenses not private tuition expenses. The DRPRC also explored the feasibility of other less lucid expenses (e.g., travel expenses associated with the child visiting college campuses which would be included in travel expenses in the CE but not explicitly attributed to the child's college-entrance expense).

[42] Pa. R.C.P. 1910.16-7.

is applied to 21% of orders, which is an increase from the last review where it was applied to 11% of orders. The reason for its increased application is not clear.

Treatment of Multiple Families/Additional Dependents in Other States. Only one other state provides for a proportional reduction. Most states provide an income deduction for child support paid on other cases. Most states also provide for an income deduction of a theoretical order for children in the home. The adjustment is typically provided to each parent.

Treatment of Equally Shared, Split, and Extended Visitation

Like previous reviews, the majority of orders (95%) were calculated assuming that primary custody was granted to only one parent. Split custody can only occur if there are least two children. It occurs when one parent has primary custody of at least one child and the other parent also has primary custody of at least one child. Split custody was noted in less than 1% of the cases. The Pennsylvania guidelines provides for the calculation of support in split custody situations by calculating what each parent would owe the other parent for the children living with the other parent and offsetting the two guidelines amounts. Most other states also use this approach.

In addition to the split custody formula, the Pennsylvania guidelines provide another adjustment for substantial or shared physical custody. The adjustment can be applied if the children spend 40% or more of their time during the year with the payer-parent. This adjustment was applied to 11% of the cases analyzed. It was applied to 9% of the cases analyzed last review. As shown in Exhibit 20 , the timesharing threshold for applying the adjustment is high compared to other state formulae. The formula provided in the Pennsylvania guidelines is also unique. No other state relies on a formula similar to the Pennsylvania formula.

Cost of Living Adjustment (COLA) to Increase Order Amounts Over Time

Federal regulation allows for the use of COLAs to periodically update order amounts without a significant change in circumstances. Few states utilize COLAs because they are awkward adjustments when the guidelines calculation considers the income of both parents; they are also tedious to implement due to the notification process including the opportunity and instructions to stop the cost-of-living adjustment (when incomes do not keep pace with inflation), and other logistics. An increase in income of the receiving parent/custodian generally decreases the order amount. Pennsylvania, like most states, considers the income of both parents in the calculation of support; thus, an increase in the receiving party's income generally decreases the order amount. Minnesota is the only state to apply a COLA even if there is little inflation.[43] Due to recent inflation, however, COLA has some merit in that it can help keep child support orders in line with current price levels.

[43] 2023 Minnesota Statutes 518A.74. Retrieved from https://www.revisor.mn.gov/statutes/cite/518A.75.

Exhibit 20: Threshold for Applying Parenting-Time Formula

Threshold for Shared-Parenting Time Adjustment	States
0–10% parenting time	8 states (AZ, CA, MI, MN, MO, NV, NJ, OR)
11–15% parenting time	1 state (IN)
16–20% parenting time	1 (FL)
21–25% parenting time	9 states (CO, DE, ID, KY, OH, TN, VT, VA, WI)
26–30% parenting time	7 states (AK, MT, NE, ND, NM, SC, UT)
31–35% parenting time	8 states (DC, IA, KS, MA, MD, NC, OK, WV)
36–40% parenting time	4 states (HI, IL, PA, WY)
41–45% parenting time	None
46–50% parenting time	5 states (Al, KS, LA, ME, SD)
States with a threshold	42 states
States without a formula	8 states (AR, CT, GA, MS, NH, NY, TX, WA)

Spousal Support/Alimony Pendente Lite (APL)

In addition to child support, spousal support or alimony *pendente lite* (APL) may be ordered. It was ordered in 3% of modified orders and 7% of newly established orders. These percentages differ little from those of the last review (2% among modified orders and 8% on newly established orders). The median amount ordered was $623 per month among modified orders and $751 per month among newly established orders. The median income of those ordered to pay spousal support was $5,053 net per month and the median income of those receiving spousal support was $1,860 net per month.

Examination of Labor Market Data

Federal regulation (45 C.F.R. § 302.56(h)(1)) requires the consideration of labor market data as part of a state's guidelines review. Labor market information, particularly for low-skilled workers, can be helpful when reviewing income imputation provisions and the appropriateness of the low-income adjustment. This section fulfills the federal requirement. Most of the data comes from the Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis.[44] It is the data source unless otherwise noted.

Unemployment and Employment Rates

The DRPRC reviewed employment data as part of its September 2023 meeting. At the time, the most recent unemployment data was from July 2023. Both the national and Pennsylvania unemployment rates were at 3.5%. The counties with the three highest unemployment rates in July 2023 were Forest

[44] Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis https://www.workstats.dli.pa.gov/.

County (5.1%), Monroe County (4.8%), and Cameron County (4.7%); the counties with the three lowest rates were Cumberland County (2.2%), Chester County (2.3%), and Montour County (2.4%). At the time this report was written, June 2024 unemployment rates were available. Pennsylvania's rate was 3.5% and the national rate was 4.3%. Still, these are remarkably lower than the double-digit unemployment rates reported in the last guidelines review, which was at the height of the economic downturn caused by the COVID-19 pandemic that began Spring 2020.

The unemployment rates that are reported above are based on the U-3 measurement methodology, which is the conventional rate tracked historically and typically reported in media streams. The official U-3 measurement only counts those who are participating in the labor force, either through employment or active job-seeking, within the last four weeks. Even before the pandemic, the U.S. Bureau of Labor Statistics (BLS) developed alternative measures to better account for discouraged workers who stopped searching for employment, those working part-time who wanted full-time work, and other circumstances that generally yield higher rates.[45] Inclusion of these workers is known as the U-6 unemployment rate. As of July 2023, Pennslyvania's U-6 unemployment rate was 8.6%.

As of August 2023, there were 6,165,400 non-farm jobs in Pennsylvania. As of June 2023, Pennsylvania's labor force participation rate was 61.6%.

Hours Worked and Income Imputation

Many states now use state or national labor market data on the average hours worked to inform income imputation policies. This is in recognition that many hourly-wage jobs do not offer a 40-hour workweek. When the DRPRC reviewed labor market data in September 2023, the most recent data was from 2022. It found that that the average workweek in Pennsylvania was 34.3 hours. More current data finds little difference. As of June 2024, the average workweek in Pennsylvania for private employers was 34.2 hours.[46]

There are many factors that contribute to the lack of year-round, full-time work. Some pertain to the employability of a parent, and other factors pertain to the structure of low-wage employment. A national study found that the highest educational attainment of 60% of the low-income, nonresident parents was a high school degree or less.[47] Payer-parents also face other barriers to employment. A multisite national evaluation of payer-parents in a work demonstration program provides some insights on this.[48] It found that 64% of program participants had at least one employment barrier that made it

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[45] U.S. Bureau of Labor Statistics. (June 2008). *The Unemployment Rate and Beyond: Alternative Measures of Labor Underutilization*. Retrieved from https://www.bls.gov/opub/btn/archive/the-unemployment-rate-and-beyond-alternative-measures-of-labor-underutilization.pdf.

[46] U.S. Bureau of Labor Statistics. (July 2024). *Total Private Average Hourly Earnings and Weekly Hours and Earnings by State, June 2024.* https://www.bls.gov/charts/state-employment-and-unemployment/average-hourly-earnings-and-weekly-hours-and-earnings-by-state.htm

[47] U.S. Congressional Research Service. (Oct. 2021). *Demographic and Socioeconomic Characteristics of Nonresident Parents*. Retrieved from https://crsreports.congress.gov/product/pdf/R/R46942.

[48] Canican, Maria, Meyer, Daniel, & Wood, Robert. (Dec. 2018). Characteristics of Participants in the Child Support Noncustodial Parent Employment demonstration (CSPED) Evaluation, at 20. Retrieved from https://www.irp.wisc.edu/wp/wp-content/uploads/2019/05/CSPED-Final-Characteristics-of-Participants-Report-2019-Compliant.pdf.

difficult to find or keep a job. Common employment barriers consisted of problems getting to work (30%), criminal records (30%), and lack of a steady place to live (20%). Other employment barriers noted not having the skills sought by employers, taking care of other family members, health issues, and alcohol or drug problems. Many of the participants also cited mental health issues, but few noted it as being a major barrier to employment.

Low-wage jobs do not always provide consistent hours week to week or an opportunity to work every week of the year. This causes unpredictable and erratic income, which can affect child support compliance. Over half (58%) of national workers are paid hourly.[49] The usual weekly hours are considerably less in some industries (e.g., leisure and hospitality). A Brookings Institute study defines vulnerable workers as those earning less than median earnings and having no healthcare benefits.[50] Most vulnerable workers are concentrated in the hospitality, retail, and healthcare sectors. There is considerable turnover in some of these industries. For example, the leisure and hospitality industry has an annual quit rate of 55.4% and a 21.5% annual rate of layoffs and discharges.[51] High levels of turnover contribute to periods of non-work that can depress earnings.

The lack of healthcare benefits also contributes to fewer hours, fewer weeks worked, and voluntary and involuntary employment separations. Only one-third of workers in the lowest 10th percentile of wages have access to paid sick time, compared to 78% among all civilian workers.[52] For those with access to paid sick time, the average is eight days per year. Similarly, those in the lowest 10th percentile of wages are less likely to have access to paid vacation time: 40% have access, compared to 76% of all workers. Those with paid vacation time have an average of 11 days per year. Without paid sick time or vacation time, a worker may terminate employment voluntarily or be involuntary terminated when the worker needs to take time off due to an illness or to attend to personal matters. If a parent without access to paid sick time and paid vacation time did not work for 19 days (which is the sum of the average number of paid sick days and paid vacation days), they would miss about four weeks of work throughout the year.

Low-Skilled Jobs and Employment Opportunities

Pennsylvania is one of 20 states that does not have a minimum wage that exceeds the federal minimum wage of $7.25 per hour. Gross monthly earnings from a 40-hour workweek at $7.25 per hour would be $1,257 per month. After accounting for payroll taxes (i.e., federal and state income tax rates and FICA)

[49] Ross, Martha & Bateman, Nicole. (Nov. 2019). Meet the Low-Wage Workforce. Brookings Institute. Retrieved from https://www.brookings.edu/wp-content/uploads/2019/11/201911_Brookings-Metro_low-wage-workforce_Ross-Bateman.pdf.
[50] Jund-Mejean, Martina & Escobari, Marcela. (Apr. 2020). *Our employment system has failed low-wage workers*. How can we rebuild. Brookings Institute. Retrieved from https://www.brookings.edu/blog/up-front/2020/04/28/our-employment-system-is-failing-low-wage-workers-how-do-we-make-it-more-resilient/.
[51] Bahn, Kate & Sanchez Cumming, Carmen. (Dec. 31, 2020). *Improving U.S. Labor Standards and the Quality of Jobs to Reduce the Costs of Employee Turnover to U.S. Companies*. Retrieved from https://equitablegrowth.org/improving-u-s-labor-standards-and-the-quality-of-jobs-to-reduce-the-costs-of-employee-turnover-to-u-s-companies.
[52] U.S. Bureau of Labor Statistics. (Mar. 2020). *Table 6. Selected Paid Leave Benefits: Access* Retrieved from https://www.bls.gov/news.release/ebs2.t06.htm.

this would leave an after-tax income of about $1,112 net per month. In contrast, the 2024 federal poverty guidelines for one person is $1,255 per month.

The Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis conducted a detailed analysis of Pennsylvania minimum-wage and low-wage earners and published its findings in March 2023.[53] It reported that in 2022, there were 63,600 Pennsylvania workers earning minimum wage or less and 417,800 Pennsylvania workers earning slightly more ($7.26 to $12.00 per hour).

The Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis also publishes the lowest wage jobs in Pennsylvania. Based on data available in 2023, the occupations and their annual wages were:

- Agricultural workers: $22,700
- Gambling and sports book writers and runners: $23,410
- Cooks, fast food: $24,220
- Amusement and recreation attendants: $24,300
- Fast food and counter workers: $25,330
- Shampooers: $25,470
- Hosts and hostesses: $25,510
- Ushers, lobby attendants, and ticket takers: $25,620
- Cashiers: $25,680

In contrast, earnings from 40-hour at minimum wage would be $15,080 gross per year.

Factors that Influence Employment Rates and Compliance

Federal regulation requires the consideration of factors that influence employment rates and compliance. There is some older academic research that finds child support can affect employment among payer-parents.[54] Another study finds some weak association of changes in fathers' earnings with changes in orders among fathers in couples that had their first child support ordered in 2000.[55] There also are many anecdotes of payer-parents who quit working or turn to unreported employment (also called the underground economy) once wages are garnished for child support.

These studies are of limited value for this analysis because they are dated (hence do not consider today's labor market and child support enforcement practices) and not specific to Pennsylvania. The lingering impact of the pandemic on employment may also overshadow other factors. Another issue is

[53] Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis. (Mar. 2023). *Analysis of the Pennsylvania Minimum Wage.* Retrieved from https://www.workstats.dli.pa.gov/Documents/Minimum%20Wage%20Reports/Minimum%20Wage%20Report%202023.pdf?SiteID=1.

[54] Holzer, Harry J. Offner, Paul, & Sorensen, Elaine. (Mar. 2005). "Declining employment among young black less-educated men: The role of incarceration and child support." *Journal of Policy Analysis and Management*.

[55] Ha, Yoonsook, Cancian, Maria, & Meyer, Daniel, R. (Fall 2010). "Unchanging Child Support Orders in the Face of Unstable Earnings." 29 *Journal of Policy Analysis and Management* 4, pp. 799–820.

that opportunities for income from unreported employment are rapidly changing and even more difficult to research. Before the pandemic, it was becoming more common to have multiple jobs where one may be unreported employment and the other may be reported employment. There is also evidence that self-employment has increased. Modern employment with unreported income includes earnings from Uber and Doordash; streamer services such as Twitch, in which people who "stream" rely on viewer donations; and others. These types of jobs operate under what is considered a "gig economy," or labor markets that are known for their short-term contracts and freelance jobs in preference to permanent work. While more is being done to understand these gig economies, the earnings from unreported employment are often inconsistently identified in surveys, exacerbating any attempt to study them within the same timeframe as a state's child support guidelines review. All these dynamics limit the ability to isolate the impact that child support may be having at this time.

Section 3: Cost of Raising Children and Updating the Schedule

Federal regulation requires the consideration of the economic cost of child rearing as part of a state's child support guidelines review. Most states including Pennsylvania base their guidelines schedule/formula on an economic study of child-rearing expenditures. The current Pennsylvania child support schedule is based on a study published in 2021 that has not been updated.[56] In fact, there is no more current, credible study of child-rearing expenditures. Besides the underlying economic study, there are other factors considered in the schedule that could be updated—namely, the schedule could be updated to current price levels and for the current federal poverty guidelines that forms the basis of the self-support reserve that is incorporated into the schedule. Further, the guidelines review is an opportunity to review all the assumptions and data underlying the schedule to determine whether they are appropriate for Pennsylvania families and parents today and for the next four years.

This section is organized into subsections. The first subsection summarizes the economic cost of child rearing including the study underlying the current Pennsylvania child support schedule. The second subsection summarizes the major policy and other data (e.g., federal poverty guidelines) underlying the current Pennsylvania schedule.

Economic Studies of Child-Rearing Expenditures

Child support schedules/formulas are part policy and part economic data. Most state guidelines, including the Pennsylvania guidelines, rely on a study of child-rearing expenditures as the underlying basis of their child support schedule or formula. Federal regulation (45 C.F.R. § 302.56 (h)(1)) requires states to consider economic data on the cost of raising children as part of a state's child support guideline review. The intent is to use the information to assess the adequacy and appropriateness of the state's child support formula/schedule and, if appropriate, revise it.

Two major types of studies exist: the cost of providing the basic or minimum needs of households with children,[57] and studies that try to estimate what intact families across a range of incomes (including middle- and higher-income families) actually spend on children. Most state guidelines rely on studies estimating expenditures for a range of incomes in intact families. This is because most guidelines are based on the principle that children should share in the lifestyle afforded by their parents—that is, if the payer-parent's income affords the payer-parent a higher standard of living, the support order should also be more for that higher-income parent. Basing a child support schedule/formula on the cost of the

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[56] Betson, David M. (2021). "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." *In* Venohr, Jane, & Matyasic, Savahanna. (Feb. 23, 2021). *Review of the Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule.* Report to the Arizona Supreme Court Administrative Office of the Courts. Retrieved from https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187.

[57] An example of a minimum need study is the Massachusetts Institute of Technology Livable Wage Study. It is sometimes used among conventional media sources to infer the cost of raising children. See https://livingwage.mit.edu/states/42.

basic needs of the child would be inadequate for figuring out what a payer-parent who can afford a lifestyle above subsistence can afford in child support.

There are several studies of child-rearing expenditures. They vary in data years and the methodology used to separate the child's share of expenditures from total household expenditures.

Exhibit 21 compares the findings from studies conducted in the last five years and those underlying state guidelines. The Exhibit is organized by the economic methodology, then the economist conducting the study, and then the data years.

- The major methodologies are the Rothbarth methodology, the Engel methodology, and what is called direct approaches.
- Most studies were conducted by Professor Emeritus David Betson, University of Notre Dame. He conducted his first study in 1990 with the federally contracted purpose of assisting states fulfill the requirement to provide statewide guidelines.[58]
- All of the studies rely on the U.S. Bureau of Labor Statistics Consumer Expenditure Survey (CE), which is the most comprehensive data set on expenditures in the nation.[59]

Each of these items is discussed in more detail.

Exhibit 21 shows the average percentages for one, two, and three children across all income ranges. Most economists limit their estimates to these family sizes because there are few families with four or more children in the Consumer Expenditure Survey (CE), which is the source of expenditures data for all of the studies shown except the van der Gaag study. All of the studies shown measure what is spent on children by intact families.

Exhibit 21 shows child-rearing expenditures as an average percentage of total household expenditures, which is how most researchers report their findings. The difference between gross income and household expenditures are taxes, savings,[60] and expenditures outside the home such as gifts and charitable contributions. An exception is the van der Gaag (1981) study that relates the estimates to income. The USDA study relates to gross income, but also reports its estimates as percentages of total expenditures to make them comparable them to the results from other studies.

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[58] Betson, David M. (1990). *Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.

[59] More information about the CE can be found at https://www.bls.gov/cex/.

[60] There are two issues with savings: an economic methodology for estimating it and a policy issue. Parents may save for their own benefit (i.e., their retirement) or the benefit of their children (e.g., college funds and inheritance). Layering a savings model that incorporates this and also captures the share of current household expenditures devoted to child rearing is beyond the scope of most economic models. The policy issue concerns whether income that intact families save should be tapped into for the guidelines amount. The District of Columbia is the only income shares guidelines to tap into it. The argument against including it is children benefit from their parents' savings when it is on their behalf. See National Center for State Courts. (1987). *Development of Guidelines for Child Support Orders, Final Report.* Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, VA. II-26.

Exhibit 21: Comparison of Findings from Recent Studies of Child-Rearing Expenditures and Studies Underlying State Guidelines[61]

Economic Methodology	Economist and Data Years	Average Child-Rearing Expenditures as a Percentage of Total Expenditures		
		1 Child	2 Children	3 Children
Rothbarth	**Betson[62]**			
	2013–2019	24.9%	38.4%	47.0%
	2004–2009	23.5%	36.5%	44.9%
	1998–2004	25.2%	36.8%	43.8%
	1996–1998	25.6%	35.9%	41.6%
	1980–1986	24.2%	34.2%	39.2%
	Rodgers/Replication of Betson[63]			
	2004–2009 CE	22.2%	34.8%	43.2%
	Rodgers			
	2000–2015 CE	19.2%	24.1%	30.8%
	2004–2009 CE	21.5%	24.4%	33.4%
	Florida State University			
	2013–2019 CE[64]	21.3%	33.4%	41.4%
	2009–2015 CE[65]	24.9%	38.3%	46.9%
Engel	**Betson[66]**			
	2013–2019 CE	21.9%	34.4%	42.7%
	1996–1998 CE	32.0%	39.0%	49.0%
	1980–1986 CE	33.0%	46.0%	58.0%
	Florida State University			
	2013–2019 CE	21.5%	33.6%	41.6%
	2009–2015 CE	20.3%	32.6%	41.4%
	Espenshade[67]			
	1972–73 CE	24.0%	41.0%	51.0%
"Direct" approaches	**Betson** 2013–2019 CE	22.5%	35.6^	45.7%
	USDA[68] 2011–2015 CE	26.0%	39.0%	49.0%
Point estimate from literature review	**van der Gaag[69]** (no year specified)	25.0%	37.5%	50.0%

[61] Adapted from Judicial Council of California, *Review of Statewide Uniform Child Support Guideline 2022*. San Francisco, CA. Exhibit 9, p. 52. Retrieved from https://www.courts.ca.gov/documents/Review-of-Uniform-Child-Support-Guideline-2021.pdf.
[62] Betson, David M. (2021).
[63] Rodgers, William M. (2017). "Comparative Economic Analysis of Current Economic Research on Child-Rearing Expenditures." *In* Judicial Council of California, *Review of Statewide Uniform Child Support Guideline 2017*. San Francisco, CA. Retrieved from http://www.courts.ca.gov/documents/lr-2018-JC-review-of-statewide-CS-guideline-2017-Fam-4054a.pdf.
[64] Norribin, Stefan C., et al. (Nov. 2021). Review and Update of Florida's Child Support Guidelines. Retrieved from http://edr.state.fl.us/Content/special-research-projects/child-support/ChildSupportGuidelinesFinalReport2021.pdf.
[65] Norribin, Stefan C., et al. (Nov. 2017). Review and Update of Florida's Child Support Guidelines. Retrieved from http://edr.state.fl.us/content/special-research-projects/child-support/ChildSupportGuidelinesFinalReport2017.pdf.
[66] Betson, David. (2022). "Appendix A to Addendum D: Review of the Georgia Child Support Guidelines." *In Georgia Support Commission: Economic Study Final Report*. Retrieved from https://csc.georgiacourts.gov/wp-content/uploads/sites/8/2023/01/2022-Final-Report.pdf.
[67] Espenshade, Thomas J. (1984). *Investing in Children: New Estimates of Parental Expenditures*. Urban Institute Press: Washington, D.C.
[68] Lino, Mark, et al. (2017). *Expenditures on Children by Families, 2015*. Misc. Pub. No. 1528-2015. U.S. Dept. of Agriculture, Center for Nutrition & Policy Promotion, Washington, D.C. Retrieved from https://cdn2.hubspot.net/hubfs/10700/blog-files/USDA_Expenditures%20on%20children%20by%20family.pdf?t=1520090048492.
[69] van der Gaag, Jacques. (1981). *On Measuring the Cost of Children*. Discussion Paper 663-81. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.

The economic study underlying the Kansas child support guidelines[70] is not included in the comparison because it is an old study and Kansas is the only state to rely on it. A recent Texas study is not included because it is specific to Texas.[71] The Texas study was used to assess the current Texas percentages, but Texas did not change its percentages based on the study. Texas is based on a percentage-of-net income guidelines.

Overview of the Consumer Expenditure Survey

Most economists use expenditure data from the national Consumer Expenditure (CE) survey. Conducted by the U.S. Bureau of Labor Statistics (BLS), the CE is a comprehensive and rigorous survey with over a hundred-year history.[72] Today, the CE surveys about 6,000 households a quarter on hundreds of expenditures items.[73] Households stay in the survey for four quarters, yet households rotate in and out each quarter. The primary purpose of the CE is to calibrate the market basket used to measure changes in price levels over time. Committed to producing data that are of consistently high statistical quality, relevance, and timely, the BLS closely monitors and continuously assesses the quality of the CE and makes improvements when appropriate. Some of these improvements have occurred in between studies and, hence, may cause differences in results between study years.

The sampling of the CE is not designed to produce state-specific measurements of expenditures.[74] To expand the CE so it could produce state-specific measurements would require a much larger sample and other resources and would take several years. Instead, economists develop national measurements of child-rearing expenditures from the CE, and pool data years to yield a significant sample size.

Economic Basis of State Guidelines

The District of Columbia, 32 states (including Pennsylvania), and Guam rely on a study using the Rothbarth methodology. All but one of these states/tribunals rely on the Rothbarth estimate developed by Professor Emeritus David Betson, University of Notre Dame. (New Jersey conducted their own Rothbarth study and made adjustments to accommodate New Jersey income, which is higher than most states.) Betson first estimated child-rearing expenditures using the Rothbarth methodology in 1990 from expenditure data from families participating in the 1980–86 CE. After 1990, he updated his Rothbarth

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[70] Terrell, W. T. & Pelkowski, J. M. (2010). XII. *Determining the 2010 Child Support Schedules*. Retrieved from www.kscourts.org/Rules-procedures-forms/Child-Support-Guidelines/PDF/Child%20Support%20Determination%20Economist%20FINAL%20REPORT.pdf.

[71] Texas Attorney General. (Aug. 2021). Texas Child Support Guidelines Review Report 2021. p. 164. Retrieved from https://www.texasattorneygeneral.gov/sites/default/files/files/child-support/files/2022/Child%20Support%20Division%20Guidelines%20Review%202022.pdf .

[72] U.S. Bureau of Labor Statistics (BLS). (Jun. 28, 2018). *130 Years of Consumer Expenditures.* Retrieved from https://www.bls.gov/cex/csxhistorical.htm.

[73] There are two components to the CE survey. Each starts with a sample of about 12,000 households. One component is a diary survey, and the other is an interview survey. The results from the interview survey are the primary data source for measuring child-rearing expenditures. Nonetheless, the BLS uses both components to cross check the quality of the data. More information can be found at U.S. Bureau of Labor Statistics. (n.d.). *Handbook of Methods: Consumer Expenditures and Income.* p. 16. Retrieved from https://www.bls.gov/opub/hom/cex/pdf/cex.pdf.

[74] Recently, however, the BLS has been creating state-specific samples for some of the larger states (e.g., California, Florida, and Texas).

study four times. His most current study, his fifth study (also noted as BR5), is based on 2013–2019 CE.[75] Although released in 2021, the BR5 study forms the basis of the Pennsylvania guidelines and 13 other state guidelines: Alabama, Arizona, Illinois, Iowa, Georgia, Maine, Missouri, North Carolina, South Carolina, South Dakota, Vermont, West Virginia, and Wyoming. There is no study that uses more current data than 2019.

Several states (i.e., Arkansas, Colorado, Connecticut, Ohio, Kentucky, Virginia, and Washington) still rely on the fourth Betson-Rothbarth (BR study). The District of Columbia and a few other states (e.g., Tennessee and Oregon) rely on earlier BR studies. The second most frequently used study is the Espenshade-Engel study, which was published in 1984. It was used to develop a prototype income shares table under the 1983–87 National Child Support Guidelines project.[76] Several states still rely on it or partially rely on it. Those states are Alaska, California,[77] Florida, Indiana, Michigan, Texas, and Washington. Only a few states are known to still relate their guidelines formula to the van der Gaag study (i.e., California, Nevada, New York, and Wisconsin). Maryland and Minnesota are the only states to rely on the USDA study. Maryland uses the USDA study for high incomes and a Betson-Rothbarth study for low incomes. Minnesota provides for amounts lower than the USDA at low incomes than phases in the USDA amounts at middle and higher incomes.

Studies of Child-Rearing Expenditures by Economic Methodology

The major methodologies in use by studies conducted in the last 10 years are the Rothbarth, Engel, and USDA. Each is discussed in this subsection. In addition, a study by Comanor, Sarro, and Rogers (CSR) is discussed. The CSR study is not in use by any state, but parent advocacy groups in various states have asked that it be considered in a state's guidelines review. Exhibit 21 did not include the CSR results because CSR does not express its findings as a percentage of total expenditures.

Rothbarth Studies

Betson conducted his first study of child-rearing expenditures in 1990 and has updated his study four times since then for more current expenditure data. In addition to Betson-Rothbarth studies, William Rodgers (Rutgers University) and a team of Florida State University researchers have developed Rothbarth estimates. One set of Rodgers-Rothbarth estimates form the basis of the New Jersey child support schedule. No other Rodgers study nor the Florida State University study form the basis of any

[75] Betson, David M. (2021). "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." *In* Venohr, Jane, & Matyasic, Savahanna. (Feb. 23, 2021). *Review of the Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule*. Report to the Arizona Supreme Court Administrative Office of the Courts. Retrieved from https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187.

[76] National Center for State Courts. (1987). *Development of Guidelines for Child Support Orders, Final Report.* Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, VA.

[77] As noted in the California report, the California guidelines formula took in consideration both the van der Gaag (1981) and Espenshade (1984) studies of child-rearing expenditures (see Judicial Council of California, Review of Statewide Uniform Child Support Guideline 2022. San Francisco, CA. Retrieved from https://www.courts.ca.gov/documents/Review-of-Uniform-Child-Support-Guideline-2021.pdf.

other state's child support guidelines. Betson, Rodgers, and the Florida State University researchers apply the Rothbarth estimator differently.

The Rothbarth methodology is named after the economist, Irwin Rothbarth, who developed it. It is considered a marginal cost approach—that is, it considers how much more is spent by a couple with children than a childless couple of child-rearing age. To that end, the methodology compares expenditures of two sets of equally well-off families: one with children and one without children. The difference in expenditures between the two sets is deemed to be child-rearing expenditures. The Rothbarth methodology relies on expenditures for adult goods to determine equally well-off families.[78] Through calculus, economists have proven that using expenditures on adult goods understates actual child-rearing expenditures because parents essentially substitute away from adult goods when they have children.[79] The methodology does not account for how much is substituted.

Betson-Rothbarth Studies

When Congress first passed legislation (i.e., the Family Support Act of 1988) requiring presumptive state child support guidelines, it also mandated the U.S. Department of Health and Human Services to develop a report analyzing expenditures on children and explain how the analysis could be used to help states develop child support guidelines. This was fulfilled by two reports that were both released in 1990. One was by Professor Emeritus David Betson, University of Notre Dame.[80] Using five different economic methodologies to measure child-rearing expenditures, Betson concluded that the Rothbarth methodology was the most robust[81] and, hence, recommended that it be used for state guidelines. The second study resulting from the Congressional mandate was by Lewin/ICF.[82] It assessed the use of measurements of child-rearing expenditures, including the Betson measurements, for use by state child support guidelines.

At the time of Betson's 1990 study, most states had already adopted guidelines to meet the 1987 federal requirement to have advisory child support guidelines. (It was extended to require rebuttal presumptive guidelines in 1989.) Most states were using older measurements of child-rearing expenditures,[83] but many began using a BR study in the mid- to late 1990s. Subsequently, various states and the University of Wisconsin Institute of Research commissioned updates to the BR study over

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[78] Specifically, Betson uses adult clothes, whereas others applying the Rothbarth estimator use adult clothing, alcohol, and tobacco regardless of whether expenditures are made on these items. Betson (1990) conducted sensitivity analysis and found little difference in using the alternative definitions of adult goods.

[79] A layperson's description of how the Rothbarth estimator understates actual child-rearing expenditures is also provided in Lewin/ICF (1990) on p. 2-29.

[80] Betson, David M. (1990). *Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin.

[81] In statistics, the term "robust" means the statistics yield good performance that are largely unaffected by outliers or sensitive to small changes to the assumptions.

[82] Lewin/ICF. (1990). *Estimates of Expenditures on Children and Child Support Guidelines*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Fairfax, VA.

[83] Many states used Espenshade, Thomas J. (1984). *Investing in Children: New Estimates of Parental Expenditures*. Urban Institute Press: Washington, D.C.

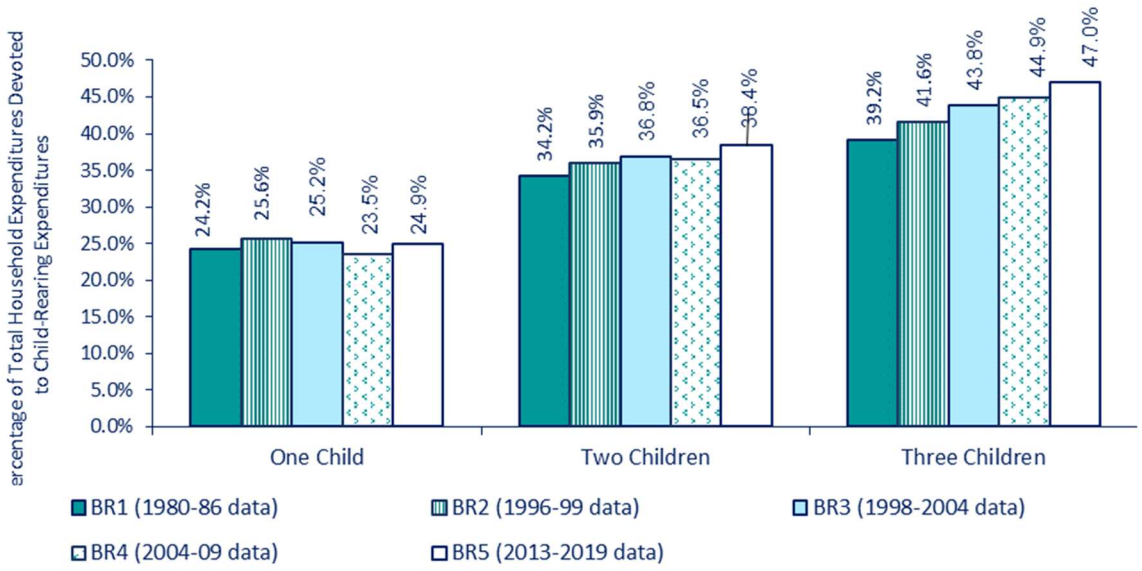
time.[84] Oregon commissioned the third Betson-Rothbarth study (BR3) and Arizona commissioned the most recent BR5 study.

Although Betson recommended the Rothbarth methodology for state guidelines usage in his 1990 report, Lewin/ICF suggested that states assess their guidelines using more than one study since not all economists agree on which methodology best measures actual child-rearing expenditures.[85] For its 1990 report, Lewin/ICF assessed state guidelines by generally examining whether a state's guidelines amount was between the lowest and the highest of credible measurements of child-rearing expenditures. Lewin/ICF used the Rothbarth measurements as the lower bound. Amounts that were above the lowest credible measurement of child-rearing expenditures were deemed as adequate support for children. This also responded to a major concern in the 1980s that state child support guidelines provided inadequate amounts for children.[86] Since then, most states have adapted a BR measurement as the basis of their guidelines schedule/formula.

Betson-Rothbarth Studies over Time

Exhibit 22 compares the percentage of total family expenditures devoted to child rearing for the five BR studies where BR1 stands for the first study, BR2 stands for the second study, and so forth. Exhibit 22 shows the percentages for one, two, and three children. Each study uses more current Consumer Expenditure Survey (CE) data.

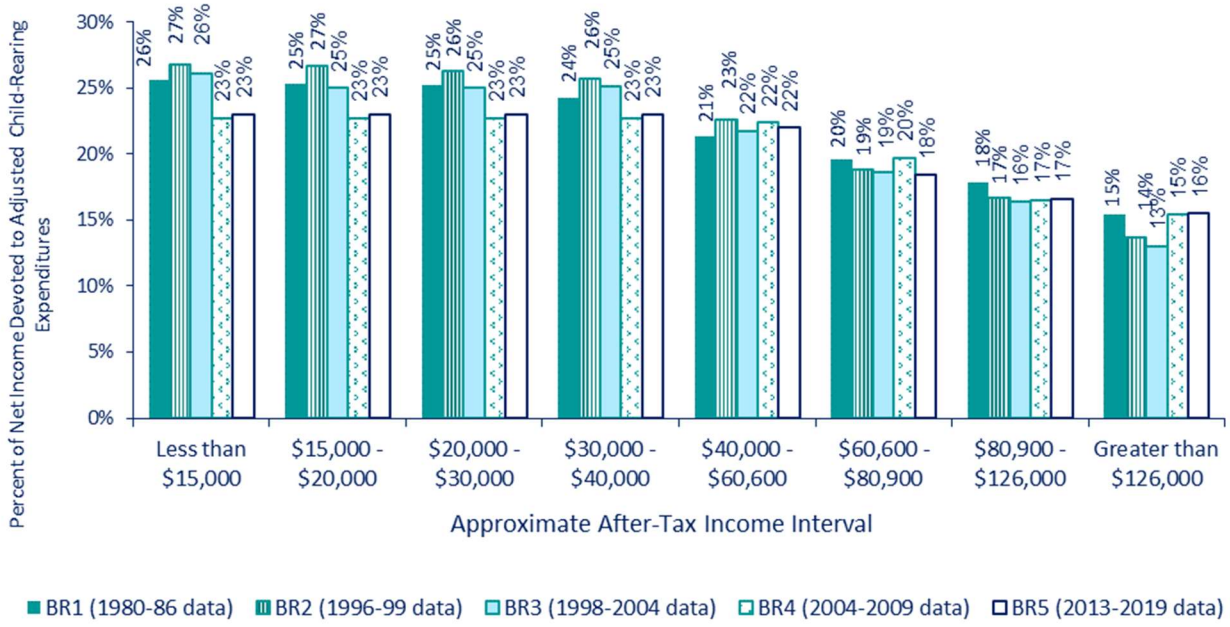
Exhibit 22: Comparisons of Betson-Rothbarth (BR) Measurements over Time



[84] See Appendix A of the Arizona report for more information about the earlier BR studies.
[85] Lewin/ICF. (1990). *Estimates of Expenditures on Children and Child Support Guidelines.* Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Fairfax, VA.
[86] National Center for State Courts. (1987). *Development of Guidelines for Child Support Orders, Final Report.* Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, VA. p. I-6.

As shown in Exhibit 23, the percentages vary with income. Some income ranges show increases over time and others show decreases. Exhibit 23 shows the approximate percentages for one child. (The percentages are approximate due to differences in price levels over the five time periods.) They also differ slightly from the percentages in Exhibit 22 because they relate to after-tax income rather than expenditures. Childcare expenses and most of the child's healthcare expenses are excluded in Exhibit 23. This adjustment is made because the actual amount expended for childcare, the child's health insurance, and the child's extraordinary medical expenses is considered on a case-by-case basis rather than including the average amount in the schedule/formula. The percentages for two and three children also have inconsistent changes across income ranges.

Exhibit 23: Percentage of Net Income Devoted to Raising One Child



Some of the decreases and increases can be explained by data improvements, sampling error, and other factors. Sampling error means that two random samples pulled from the population will not produce the exact same results: sampling error measures the difference between the two samples. Betson estimates sampling error to be about 3%. The Bureau of Labor Statistics (BLS), which conducts the Consumer Expenditure (CE) survey, has improved how it measures income, taxes, and expenditure-outlays in the intervening years. Each improvement is believed to have some impact (albeit sometimes small) on the differences in the estimates over time.

Rothbarth Estimates by Rodgers and Florida State University

As shown in Exhibit 21, Professor William Rodgers, Rutgers University, and a team of Florida State University researchers also produced Rothbarth estimates twice. Each were from different data years. Except for the first Florida study, their Rothbarth estimates are lower than Betson-Rothbarth estimates. The first Florida-Rothbarth findings are almost identical to the most current BR estimates.

The Rodgers-Rothbarth estimates from 2000–2015 are the lowest shown in Exhibit 21. Rodgers prepared them to smooth out economic cycles including the 2007-2009 Recession. Many expenditure patterns may have been changed over a decade that could have affected the estimates as well as data improvements to the Consumer Expenditure (CE) survey that underlies the Rodgers estimates.

The major difference is their functional forms of the Rothbarth estimate. Rodgers approach focuses on maximizing utility given a budget constraint of expenditures on either adult goods or children goods.[87] Betson relies on the "Engel curve,"[88] which is another way that demand for a particular good is examined in economic theory of consumer demand.[89] In other words, the Betson approach aims to measure compensating variance—that is, how much would the parents have to be compensated for adding children such that they are equally well off. Another key difference between the Betson and the Rodgers approach is that Betson uses a non-linear specification of expenditures, while Rodger did not.[90] The non-linear specification allows for the change in child-rearing expenditures as total expenditures to vary the rate that it increases when total expenditures increase. In fact, even when Rodgers attempted to replicate Betson's study by using the same sample construction as Betson, he did not use a non-linear specification. This may explain why Rodgers replication of the Betson's work, as shown in Exhibit 21, is consistently just below the Betson-Rothbarth estimates using the 2004–2009 CE. The Florida researchers also use a different functional form for their Rothbarth estimates, but there is insufficient level of documentation to determine whether they shared the same differences as Rodgers did.

There are also a few other differences between the Betson and Rodgers estimates. Intending to smooth out economic cycles, Rodgers used a longer time period (2000–2015) for one study. For consistency sake, this would have limited his ability to use the CE improved measures of income and expenditures—specifically, expenditure-outlays improved upon the previous measure of expenditures that considered the value of what was purchased even if it was purchased by installment payments. Expenditure-outlays, which is what all economists use now, rely on the amount actually expended for an item and better reflects housing expenses. The economists also constructed their samples differently. Betson limited the sample to two-adult, married couples of child-rearing age and excluded households with adult children or other adults living in the household in order to focus on the cost of minor children. In contrast, Rodgers makes no restriction: a household could have one adult (*e.g.*, a single parent), two adults (a couple), or three or more adults (*e.g*., a couple living with a grandparent).

The Florida researchers did not offer an explanation as to why their Rothbarth estimates decreased between their 2017 and 2021 studies. Their 2017 Rothbarth estimates are almost identical to the most recent Betson-Rothbarth estimates. More detail about the differences in the Rothbarth approaches

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[87] See pp. 97–100 of Rodgers (2017).

[88] The Engel curve is not to be confused with the Engel method for estimating child-rearing expenditures, albeit the same economist developed them. To be clear, the Engel curve can be applied to any economic good, not just a good relating to the estimating of child-rearing measurements.

[89] The Engel curve is an alternative way to look at demand for a particular economic good. The ordinary demand curve examines the relationship between quantity demanded of an economic good and the price of that economic good holding income constant. The classic use of the Engel curve examines the relationship between quantity demanded of an economic good and income holding price of that economic good constant. Betson's application of the Engel curve uses total expenditures rather than income.

[90] See page 92 of Rodgers (2017).

among the three researchers can be found in Betson's appendix to the Arizona report, where his most recent Rothbarth estimates are published.[91]

Engel Methodology

Espenshade (1984) relied on the Engel methodology. To that end, all states that still rely on the Espenshade study rely on the Engel methodology. Both the Rothbarth and Engel methodologies are classified as marginal cost approach because they compare expenditures between two equally well-off families: (a) a married couple with children, and (b) a married couple of child-rearing age without children. The difference in expenditures between these two families is attributed to child-rearing expenditures. To determine whether families are equally well off, the Rothbarth methodology relies on expenditures on adult goods. The Engel methodology relies on food shares. Until recently, economists generally believed the Engel methodology overstates actual child-rearing expenditures.[92] The layperson explanation of the Engel methodology is that children are food intensive so families with children must spend more on food, which drags the difference in expenditures between families with and without children up. Recent Engel estimates, however, are lower.[93] One of these studies (i.e., the Betson study conducted for Georgia) suggests that the reduction in the Engel amounts over time results from a change in how the BLS asks about food expenditures, and a change from food being purely a necessity item to more food options that allow a family to substitute away from more luxurious items (e.g., steak and sushi) to more budget-friendly food items (e.g., hamburger and peanut butter) to accommodate larger family sizes.

Direct Approaches

Historically, the USDA study is the most well-known of direct approaches. Betson tried to replicate its USDA approach using the same dataset he used for his most recent Rothbarth and Engel estimates.

USDA Estimates

The USDA methodology is considered a "direct" approach to measuring child-rearing expenditures, while both the Rothbarth and Engel methodologies are considered indirect approaches. Direct approaches attempt to enumerate expenditures for major categories of expenses (e.g., housing, food, transportation, clothing, healthcare, childcare and education, and miscellaneous expenses), then add them together to estimate the total cost of raising children. The major limitation to a direct approach is that there is still a need for a methodology to separate the child's share from the household total such as the situation for the child's housing expenses.

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[91] Betson, David M. (2021). "Appendix A: Parental Expenditures on Children: Rothbarth Estimates." *In* Venohr, Jane & Matyasic, Savahanna. (Feb. 23, 2021). *Review of the Arizona Child Support Guidelines: Findings from the Analysis of Case File Data and Updating the Child Support Schedule*. Report to the Arizona Supreme Court Administrative Office of the Courts. Retrieved from https://www.azcourts.gov/Portals/74/FCIC-CSGR/SupplementalPacket-030121-FCIC-CSGRS.pdf?ver=2021-02-26-161844-187.

[92] A more technical explanation of the Rothbarth estimator is provided in Betson (2021), *supra* note 65. Additional analysis of both the Rothbarth and Engel estimators are also provided in Lewin-ICF (1990), *Estimates of Expenditures on Children and Child Support Guidelines*. Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. Fairfax, VA. at pp. 2-27–2-28.

[93] For example, see the Florida studies and Betson (2022).

The last USDA study was released in 2017 and considered child-rearing expenditures in 2015. Prior to 2017, the USDA published an updated study every year or two for several decades. The USDA first measures expenditures for seven different categories (i.e., housing, food, transportation, clothing, healthcare, childcare and education, and miscellaneous), then sums them to arrive at a total measurement of child-rearing expenditures. Some of the methodologies use a pro rata approach, which is believed to overstate child-rearing expenditures. The USDA reports its estimates on an annual basis for one child in a two-child household. The USDA provides measurements for the United States as a whole and for four regions: the South, Midwest, Mid-Atlantic, and West. The amount varies by age of the child and household income. The USDA also produces national measurements for rural areas and single-parent families. The most recent USDA measurements are from expenditures data collected in 2011 through 2015. Exhibit 24 shows them. The amounts include expenditures for the child's healthcare and childcare expenses.

Exhibit 24: Summary of Findings from 2017 USDA Study

		Married-Couple Families		Single-Parent Families (overall U.S.)
		Urban (overall U.S.)	Rural Areas (overall U.S.)	
Low Income (less than $59,200 gross per year)	Child-rearing $	**$9,330–$9,980/year**	**$7,650–$8,630/year**	**$8,800–$10,540/year**
	Average Gross Income	$36,300	$36,100	$24,400
Middle Income (more than $59,200 per year and less than $107,400 for Urban South and Rural Only)	Child-rearing $	**$12,680–$13,900/year**	**$10,090–$11,590/year**	**$16,370–$20,190/year**
	Average Gross Income	$81,700	$79,500	$99,000
High Income (more than $107,400 for Married Couples only)	Child-rearing $	**$19,380–$23,390/year**	**$14,600–$17,000/year**	
	Average Gross Income	$185,400	$156,800	

Child-Rearing Expenditures by Single-Parent Families

One salient finding (as shown in Exhibit 24) that is pertinent to addressing concerns about using expenditures data from intact families as the basis of state child support guidelines is that single-parent families with low income and married-couple families with low income devote about the same amount to child-rearing expenditures. It should also be noted that the amounts for middle incomes and high incomes for single-parent families are not separated because they are too few high income, single-parent families from which to produce measurements. More single-parent families with children live in poverty than married-couple families with children. The 2022 U.S. Census American Community Survey finds that 33% of female-headed families with minor children live in poverty, while 6% of married-couple families with minor children live in poverty.[94]

[94] Calculated from 2022 U.S. Census American Community Survey. *Table C17010: Poverty Status in the Past 12 Months of Families by Family Type and Presence of Children*. Retrieved from https://data.census.gov.

Betson's Attempt to Directly Measure Child-Rearing Expenditures

For the direct methodology, Betson initially planned to replicate the USDA approach that measures child-rearing expenditures for seven categories of expenditures with the major being the child's housing, food, and transportation. He abandoned this approach because of insufficient documentation to replicate how the USDA arrived at the child's share of housing and medical expenses. Still, Betson was able to use approaches similar to the USDA's to estimate the child's food costs, transportation costs, clothing, childcare, and miscellaneous expenses.

To arrive at the child's housing expenses, he used two different approaches. For one, he followed the current concept of the USDA approach, which is to base it on the cost of an additional bedroom. For the other, he relied on the old USDA approach that uses a per-capita approach to estimate the child's share of housing expenses. To arrive at the child's out-of-pocket medical expenses, he also relied on Medical Expenditure Panel Survey data, as does the USDA. His estimates varied significantly depending on how he measured housing. When he used the cost of an additional bedroom, he estimated that percentage of total expenditures allocated to children were 22.5% for one child, 35.6% for two children, and 45.7% for three or more children. When he used the per-capita approach, he estimated that percentage of total expenditures allocated to children were 28.8% for one child, 43.7% for two children, and 54.8% for three or more children. The different results highlight how sensitive the overall estimate is to how the child's housing expenses are estimated. Housing expenses constitute the largest share of the total household budget. Betson suggests that the true value may be somewhere nearer the average of the two estimates: 25.7% for one child, 39.7% for two children, and 50.3% for three or more children.

Besides changes over time and differences in how housing and medical expenses were measured, Betson's direct measurement approach differed in other ways from the USDA approach. The USDA relies on quarterly data rather than annualized data, and quarterly data is known to produce larger estimates. The USDA restricts its measurements for individual expenses to those with nonzero amounts. For example, the USDA measurement of childcare and education includes only families that have some childcare and education expenses.

Comanor, et al. Study

Professor Emeritus William Comanor of the University of California at Santa Barbara led a 2015 study.[95] His coauthors were Mark Sarro and Mark Rogers. The CSR study was not funded by any state and does not form the basis of any state guidelines. Professor Comanor developed his own methodology for measuring childrearing expenditures. It also compares expenditures between families with and without children. Gross income is used to equate equally well-off families. The difference in their expenditures is attributed to children. The CSR measurements rely on the 2004–2009 CE. In 2018, CSR reported

[95] Comanor, William, Sarro, Mark, & Rogers, Mark. (2015). "The Monetary Cost of Raising Children." *In* (ed.) Economic and Legal Issues in Competition, Intellectual Property, Bankruptcy, and the Cost of Raising Children (*Research in Law and Economics*), Vol. 27). Emerald Group Publishing Limited, pp. 209–51. Comanor also recently re-published the 2015 findings to 2024 price levels but they are still estimated from 2004-2009 data. [Comanor, William. (2024.) "Why Does Child Support Go Unpaid?" *Regulation.* Retrieved from https://www.cato.org/regulation/summer-2024/why-does-child-support-go-unpaid.]

childrearing costs of $3,421 per year for one child and $4,291 per year for two children in low-income households.[96] For middle incomes (i.e., married couples with an average income of $76,207 per year), CSR reported childrearing costs of $4,749 per year for one child and $6,633 per year for two children. The amounts for low-income households are below poverty, and the amounts for middle incomes are just above poverty. The CSR study found negative expenditures for the child's healthcare expenses and did not estimate childrearing expenditures for entertainment and miscellaneous goods. Another limitation is the use of gross income to equally well-off families. This biases the results if parents have an economic incentive to earn more income to support their families and do so. It also does not account for substitution effects between expenditure items (e.g., spending less on transportation to accommodate a larger house).

Major Data Sources and Assumptions underlying the Schedules

There are several data sources and assumptions underlying the schedules.

- The Pennsylvania child support schedule relies on the income shares guidelines model.
- The existing schedule relies on the fifth Betson-Rothbarth study of child-rearing expenditures (BR5).
- The BR5 measurements were updated from October 2020 price levels for the existing schedule to January 2024 price levels for the proposed schedule.
- Child-rearing expenses that are considered on a case-by-case basis were excluded from the BR5 measurements in the conversion to the existing child support schedule. The excluded expenses were childcare expenses, the child's health insurance premium, and the child's extraordinary, unreimbursed medical expenses.
- The BR measurements are converted from a total-expenditures base to a net-income base by using the average expenditures to net-income ratios calculated from the same families in the CE data that Betson used to measure child-rearing expenditures.
- The BR5 measurements, which cover combined incomes up to about $22,000 net per month based on 2020 prices and $26,000 net per month based on 2024 prices, were extrapolated to extend the schedule to combined incomes of $30,000 net per month and to develop a formula for combined incomes exceeding $30,000 net per month.
- The self-support reserve (SSR) that is incorporated into the schedule is increased from the 2020 federal poverty guidelines (FPG) for one person in the existing schedule to the 2024 FPG in the proposed schedule.

Exhibit 25 provides a side-by-side comparison of the assumptions and data underlying the existing and updated schedule as well as alternative assumptions. The DRPRC reviewed each line item when recommending an updated schedule.

[96] Comanor, William. (Nov. 8, 2018). Presentation to Nebraska Child Support Advisory Commission. Lincoln, NE.

Exhibit 25: Assumptions and Data Underlying Existing and Updated Schedules

Factor	Basis of Existing Schedule	Basis of Updated Schedule	Other Alternatives/Notes
1. Guidelines model	Income shares model	No change	• 41 states use the income shares model • Other models
2. Economic study	Most current Betson-Rothbarth study (2021) from 2013–2019 CE, known as BR5 for Betson's 5th Rothbarth study	No change	• No study using more recent expenditure data • 2021 FL study uses same data years, but not used by any state • 14 states use BR5 (AL, AZ, GA, IA, ME, MO, NC, NM, PA, SC, SD, VT WV, WY) • 9 studies in use: All other studies older than BR5
3. Price levels	October 2020 price levels	January 2024	• Prices have increased 24.2%
4. Exclude childcare and all the child's healthcare expenses	Excludes all but the first $250 per child per year in ordinary, out-of-pocket medical expenses (231 Rule 1910.16-6(c))	No change	• Most states include the first $250 per child per year in healthcare expenses in the schedule to cover routine out-of-pocket expenses • A few states (e.g., CT and VA) exclude all healthcare expenses
5. Conversion of economic study to after-tax income	• Converts expenditures to net income using data from same families in dataset that Betson uses • Caps expenditures at 100% so families are not asked to spend more than their income	No change	• PA assumptions are common • DC's alternative assumption: All after-tax income is spent • Some states adjust for higher/lower cost of living/prices
6. Low-income adjustment	2020 Federal Poverty Guidelines (FPG) for 1 person = $1,063	2024 Federal Poverty Guidelines (FPG) for 1 person = $1,255	Several states use more than 100% of FPG (e.g., New Jersey relies on 150%)
7. Very high incomes	• Highest income was about $22,000 net per month • Extrapolated to $30,000 net per month using trendline from lower incomes • Formula provided for above $30,000/net (231 Rule 1910.16-3.1)	• Highest income was about $26,000 net per month • No change in formula for above $30,000	• Most states do not extrapolate to higher incomes; rather provide highest income is a floor • Extrapolation is sensitive to extrapolation method and income to which extrapolated
8. Standardized timesharing incorporated into schedule	Eliminated from schedule last review	No change	• No states incorporates standardized timesharing in schedule • 8 state guidelines have no timesharing formula

Discussion of Individual Factors for Consideration of Updating the Schedule

Factor 1: Guidelines Model

The guidelines model, which is a policy decision, is important to directing what economic data on child-rearing cost to use. No state relies on a guidelines model that only covers the cost of the child's subsistence needs. Instead, the amount of support is more when the payer-parent has more income under all state guidelines (assuming all other circumstances including the number of overnights with the paying parent are held constant). The underlying premise is that the child should share in the lifestyle afforded by the parent when the parent has income above subsistence.

At the core of the Pennsylvania guidelines is a schedule that reflects amounts estimated to have been spent on children for a range of incomes and family sizes if the parents and children were living in an intact household. This is consistent with the income shares model that forms the basis of 41 states (including Pennsylvania) and the District of Columbia.[97] The income shares model was developed through the 1980s National Child Support Guidelines, which was convened to fulfill a congressional request.[98] At the time, most states did not have statewide child support guidelines. The architects of the incomes shares model designed it to fulfill the guidelines principles identified by the project's oversight committee, which included a wide range of stakeholders. Examples of some of the principles are that the financial responsibility of the children should be shared by the parents who have legal responsibility for the children; child support guidelines should at least cover a child's basic needs, but the child should also share a higher standard of living enjoyed by a parent; the subsistence needs of each parent should be taken into consideration; and each child of a given parent should have a right to that parent's income. One of the major principles is that the child support obligation should allow the children to benefit from the same level of expenditures had the children and both parents lived together. To this end it, the income shares schedule relates to expenditures in intact families. The principle is that children of divorcing and separating parents, as well as never-married parents, should be treated the same regardless of their parents' decisions to marry, divorce, separate, or never marry.

Other Guidelines Models

Besides the income shares model, there are two other guidelines models currently in use by states. The percentage-of-obligor income model is used by six states. New York claims to rely on the income shares model, but is often classified as a percentage-of-obligor income guidelines. Delaware, Hawaii, and Montana use the Melson formula. All three guidelines models in use allow the children to share in the lifestyle enjoyed by the payer-parent when that payer-parent can afford to live a lifestyle beyond subsistence (which is often noted as a self-support reserve).

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[97] National Conference of State Legislatures. (Jul. 2020). *Child Support Guidelines Models.* Retrieved from https://www.ncsl.org/research/human-services/guideline-models-by-s.tate.aspx.

[98] National Center for State Courts. (1987). *Development of Guidelines for Child Support Orders, Final Report.* Report to U.S. Department of Health and Human Services, Office of Child Support Enforcement, Williamsburg, Virginia.

The percentage-of-obligor income model uses the obligor's income only in the calculation of support. As a consequence, the income of the custodial parent does not affect the guidelines-determined amount. In contrast, the more income that the custodial parent has in the income shares model, the lower the guidelines amount because the custodial parent shares more of the financial responsibility of the child. Several states based on the percentage-of-obligor income model switched to an income shares approach in the past three decades; no state has switched to a percentage-of-obligor income guidelines. Most percentage-of-obligor guidelines also relate to expenditures on child-rearing expenditures in intact families. Many of these states explicitly or implicitly assume that the custodial parent spends an equal proportion of their income or dollar amount on the child.

The Melson formula is a hybrid of the income shares approach and the percentage-of-obligor income guidelines. Each of these states prorates a basic level of support to meet the primary needs of the child; if the payer-parent has any income remaining after meeting their share of the child's primary support, their basic needs, and payroll taxes, an additional percentage of their income is added to their share of the child's primary support.

There are several other guidelines models not in use that have been proposed.[99] Each have failed for various reasons. Research finds that other factors (e.g., economic basis, whether the schedule has been updated for changes in price levels, and adjustments for low-income parents) affect state differences in guidelines more than the guidelines model.[100] Federal regulation does not require states to adapt a particular guidelines model or format or use a specific economic study.[101]

Quasi-Income Shares and Flexibility of the Income Shares Model

Most states do not adhere strictly to the income shares model. Most states using the income shares model also incorporate a low-income adjustment into their schedule or provide a formula to adjust for low-income after consideration of the schedule amount. Most states using the income shares model also adjust for additional dependents that a parent supports, timesharing arrangements, and other circumstances. All states that have switched guidelines models in the last two decades have switched to the income shares model (i.e., Arkansas, District of Columbia, Georgia, Illinois, Massachusetts, Minnesota, and Tennessee). Common reasons for switching to the income shares model are its perception of equitable treatment of the parents because it considers each parent's income in the calculation of support rather than just one parent's income, and its flexibility to consider individual case circumstances such as extraordinary child-rearing expenses that vary from case to case (e.g., childcare expenses) and timesharing arrangements.

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[99] For example, see the Child Outcomes Based Model discussed by the Arizona Child Support Guidelines Review Committee, Interim Report of the Committee, Submitted to Arizona Judicial Council, Phoenix, Arizona, on October 21, 2009; the American Law Institute (ALI) model can be found in the 1999 Child Support Symposium published by *Family Law Quarterly* (Spring 1999); and the Cost Shares Model can be found at Foohey, Pamela. "Child Support and (In)ability to Pay: The case for the cost shares model." (2009). *Articles by Maurer Faculty.* 1276. Retrieved from https://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=2271&context=facpub.

[100] Venohr, J. (Apr. 2017). Differences in State Child Support Guidelines Amounts: Guidelines Models, Economic Basis, and Other Issues. *Journal of the American Academy of Matrimonial Lawyers*.

[101] The federal requirements are provided in 45 C.F.R. § 302.56, which is shown in Section 1 of this report.

Factor 2: Economic Study

The BR5 study used for the existing schedule has not been updated. There is no credible study of child-rearing expenditures that uses more current data. There is no compelling reason to change to an older study, particularly one that uses a different methodology. The updated schedule is also based on the BR5 study.

Factor 3: Adjust to Current Price Levels

The existing schedule is based on price levels from October 2020. The proposed schedule considers January 2024 prices, which was the most recent month available when the DRPRC met to finalize its recommendation about the schedule. Prices have increased by 24.2% between the two time periods. This does not mean a 24.2% increase in schedule amounts because incomes have also increased.

Factor 4: Exclude Childcare Expenses and Out-of-Pocket Healthcare Costs

The measurements of child-rearing expenditures cover *all* child-rearing expenditures, including childcare expenses and the out-of-pocket healthcare expenses for the child. This includes out-of-pocket insurance premium on behalf of the child and out-of-pocket extraordinary, unreimbursed medical expenses such as deductibles. These expenses are widely variable among cases (*e.g.*, childcare expenses for an infant are high, and there is no need for childcare for a teenager). Instead of putting them in the schedule, the actual amount of the expense is addressed on a case-by-case basis in the worksheet. To avoid double-accounting in the schedule, these expenses are subtracted from the measurements when developing the existing and updated schedules. Appendix A provides the technical details on how this is done.

Inclusion of $250 per Child per Year for Out-of-Pocket Medical Expenses

There is an exception to excluding the child's medical expenses. An amount to cover ordinary out-of-pocket healthcare expenses (*e.g.*, aspirin and copays for well visits) was retained in both the existing and updated schedule. The current schedule assumes up to $250 per child per year for ordinary out-of-pocket healthcare expenses based on data. That assumption is retained for the proposed, updated schedule. The concern, however, is the amount varies significantly among those with Medicaid and those with private insurance, particularly with high deductibles. The 2017 MEPS data finds an average of $271 per year per child, which is close to the $250 level. [102]

Most income shares guidelines also retain up to the first $250 per child per year in healthcare expenses in the schedule because most children are likely to incur some medical expenses. This way the parents do not have to track and share receipts for the first $250 per child per year since it is included.

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[102] U.S. Department of Health & Human Services Agency for Healthcare Research and Quality. (n.d.). *Medical Expenditure Panel Survey.* Retrieved from https://www.meps.ahrq.gov/mepsweb/data_stats/meps_query.jsp.

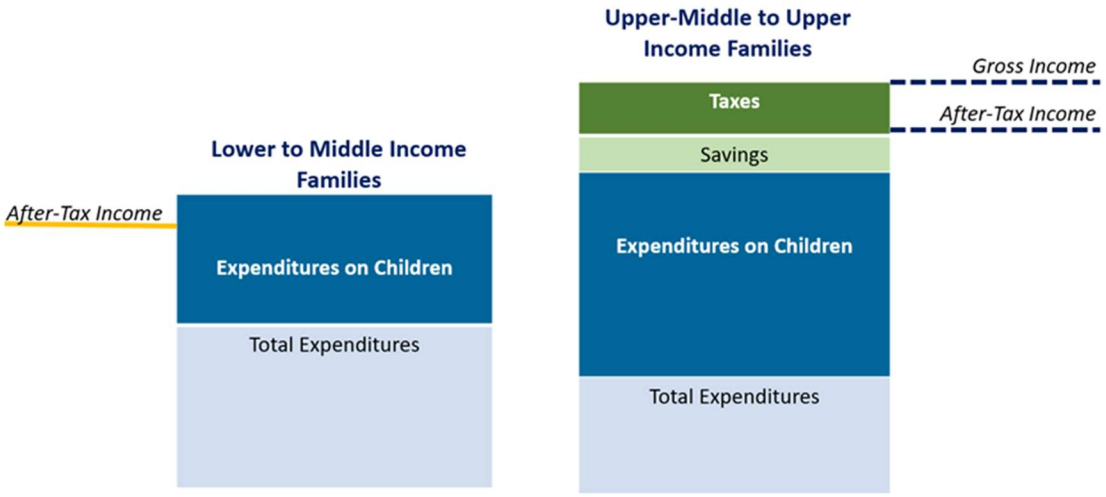
Virginia and Connecticut include no healthcare expenses in their schedules. This lowers the schedule amount but also requires more receipt exchanging between the parents so each parent pays for their prorated share of out-of-pocket medical expenses for the child.

Factor 5: Conversion of Expenditures to Net Income

The Betson-Rothbarth (BR) estimates of child-rearing expenditures are expressed as a percentage of total family expenditures. Some families have savings and do not spend all of their after-tax income on their family. See Exhibit 26 for an illustration that compares expenditures between low-families that spend more than their after-tax income on average and upper-middle to upper income families who do not spend all of their after-tax income on average and generally have savings. Most income shares schedules, including the existing Pennsylvania schedule, consider the expenditures to consumption ratios observed among the same sample of families in the CE used to calculate child-rearing expenditures. These ratios are multiplied by the BR measurements to arrive at a percentage of total family after-tax income expended on children. For income ranges of families where the average expenditures to after-tax income is greater than one, the ratio is capped at one. This occurs at the lower income ranges. Setting at more than one would have the policy implication that parents should spend more than their income.

The District of Columbia is the only BR-based guidelines that does not make this conversion. Instead, the District applies the ratio of child-rearing expenditures to total expenditures to savings as well. This effectively increases the schedule amounts at very high incomes.

Exhibit 26: Relationship between Expenditures and Income



Factor 6: Incorporate a Self-Support Reserve (SSR)

The intent of the SSR is to allow the payer-parent sufficient income after payment of child support to live at least at a subsistence level. The existing schedule uses the 2020 federal poverty guidelines (FPG) for one person ($1,016 per month). The updated schedule includes the 2024 FPG, which is $1,255 per

month. The 2024 FPG is incorporated into the updated schedule using the same methodology used to incorporate the 2020 FPG into the existing schedule. To incorporate the SSR into the schedule, first, the BR5-amount for a particular combined net income and number of children is compared to the difference between net income and the SSR. That difference is then weighted by a factor of 90% for one child, 91% for two children, 93% for three children, and so forth up to 95% for six children. The purpose of the weight is to provide an economic incentive to increase income instead of assigning each additional dollar to child support. A larger weight is assigned for more children because more children cost more. If the weighted difference is less than the BR5-based schedule, it appears in the schedule.

Factor 7: Extrapolate to Higher Incomes

The BR5 measurements when updated to 2024 price levels are available for combined incomes up to about $26,000 net per month. Above this level, there is insufficient information to know how the percentage of income devoted to child-rearing expenditures changes as income increases. For example, it is unknown whether those with combined incomes of $30,000 net per month devote the same percentage of income to child-rearing expenditures as those with $35,000 net per month.

A similar issue existed in the development of the existing schedule and earlier versions of the Pennsylvania schedule. In the past, an extrapolation formula based on logged income to the third degree was developed from the BR percentages at lower incomes and applied to higher incomes to develop schedule amounts at higher incomes. As discussed in more detail in Appendix A that extrapolation was retained. Other extrapolations were explored, but none were not definitively better.

Factor 8: Incorporate an Adjustment for Some Parenting Time

Prior to the existing schedule that became effective January 1, 2022, the pre-2022 schedule incorporated a small adjustment for the payer-parent's direct expenditures on the child assuming 30% timesharing. Those direct expenditures were for food and some entertainment. This adjustment was eliminated in the last review because it was a negligible amount (4–6% difference), and it was unclear how to adjust the order amount when the timesharing arrangement was more or less than 30%. Starting with 0% timesharing is a more sensible approach to adjustment for substantial, physical custody adjustment, which is applicable if there is more than 40% timesharing. This will establish a clearer path to a more appropriate timesharing adjustment. There was no compelling reason to revert to the pre-2022 assumption.

Section 4: Impact of Updated Schedule and Updated Self-Support Reserve

This section explores the impact of the updated schedule and the updated self-support reserve.

Overview of Increases and Decreases

The main contributing factor is increase in price levels (about a 24% increase.) Since it is assumed incomes have generally increase as well, the average increase is 5%. However, the increase is not uniform across all income ranges. This is because the economic evidence, which the schedule is based upon, indicates that a decreasing percentage of income is devoted to child-rearing expenditures as income increases. This means the percentage changes with income. Still, the largest percentage increase from the existing schedule amounts to the updated schedule amounts occur at high incomes. The percentage increase is near 17% at the highest income ranges.

Exhibit 27 and Exhibit 28 graph the proposed change for one and two children, which is the majority of the orders. The graphs essentially show a shift in the trendlines to the right. This reflects that incomes have shifted—that is, incomes move to the right on the graph to indicate there is more income—and they spend more on children. Since the slope of the trendline is not consistent across all incomes this means the increase differs across income ranges as well.

At lower incomes, the impact of increasing the self-support reserve (SSR) from the 2020 federal poverty guidelines (FPG) to the 2024 FPG is decreases. There are decreases in the schedule amounts at incomes eligible for the SSR because of the updated SSR amounts. Due to the scale of the graphs, it is difficult to see the decrease in Exhibit 27 and Exhibit 28. Exhibit 29, which only examines the changes at low incomes, shows the proposed decreases for one, two, and three children that are caused by updating the SSR.

Exhibit 27: Comparison of Existing to Proposed Schedule across Combined Net Incomes

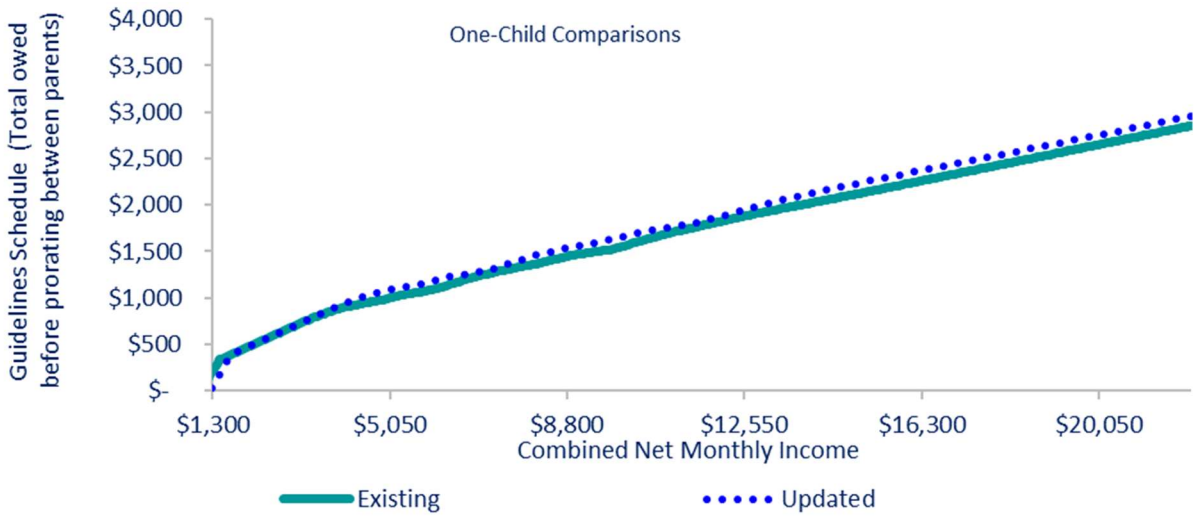


Exhibit 28: Comparison of Existing to Proposed Schedule across Combined Net Incomes

Exhibit 29: Side-by-Side Comparison of Schedule Amounts that Incorporate the Self-Support Reserve (SSR) (shaded area is adjusted for SSR)

	1 Child				2 Children				3 Children			
Combined Adjusted Net Income	Existing	Updated	$ change	% Change	Existing	Updated	$ change	% Change	Existing	Updated	$ change	% Change
1100	33				33				34			
1150	78				79				80			
1200	123				124				126			
1250	168				170				172			
1300	213	41	-173	-81.0%	215	41	-174	-81.0%	218	41	-176	-81.0%
1350	258	86	-173	-66.9%	261	86	-174	-66.9%	264	87	-176	-66.9%
1400	303	131	-173	-56.9%	306	132	-174	-56.9%	310	133	-176	-56.9%
1450	334	176	-159	-47.5%	352	177	-174	-49.6%	356	179	-176	-49.6%
1500	346	221	-125	-36.2%	397	223	-174	-43.9%	402	225	-176	-43.9%
1550	357	266	-92	-25.7%	443	268	-174	-39.4%	448	271	-176	-39.4%
1600	369	311	-58	-15.8%	488	314	-174	-35.7%	494	317	-176	-35.7%
1650	380	356	-25	-6.5%	534	359	-174	-32.7%	540	363	-176	-32.7%
1700	392	392	0	0.0%	579	405	-174	-30.1%	586	409	-176	-30.1%
1750	403	403	0	0.0%	614	450	-164	-26.6%	632	455	-176	-27.9%
1800	415	415	0	0.0%	632	496	-136	-21.5%	678	501	-176	-26.0%
1850	426	426	0	0.0%	649	541	-108	-16.6%	724	547	-176	-24.4%
1900	438	438	0	0.0%	667	587	-80	-12.0%	770	593	-176	-22.9%
1950	449	449	0	0.0%	684	632	-52	-7.6%	816	639	-176	-21.6%
2000	461	461	0	0.0%	702	678	-24	-3.4%	848	685	-163	-19.2%
2050	472	472	0	0.0%	719	719	0	0.0%	869	731	-138	-15.9%
2100	484	484	0	0.0%	737	737	0	0.0%	891	777	-113	-12.7%
2150	495	495	0	0.0%	754	754	0	0.0%	912	823	-89	-9.7%
2200	507	507	0	0.0%	772	772	0	0.0%	933	869	-64	-6.8%
2250	518	518	0	0.0%	789	789	0	0.0%	954	915	-39	-4.1%
2300	530	530	0	0.0%	807	807	0	0.0%	976	961	-14	-1.4%
2350	541	541	0	0.0%	825	825	0	0.0%	997	997	0	0.0%

Comparisons to Other States

Exhibit 30 shows the case scenarios used to compare the existing and updated schedule to the guidelines schedules/formula of neighboring states. The first scenario is based on minimum-wage earnings and the second scenario is based on wages in typical low-wage Pennsylvania jobs as indicated in the analysis of labor market data. Both these scenarios involve incomes below 200% of poverty (so meet a federal requirement to analyze the impact of the guidelines on those with incomes below 200% of poverty). Scenarios 3–7 consider median earnings of Pennsylvania workers by highest educational attainment and gender of Pennsylvania workers in 2022 as noted by the U.S. Census American Community Survey. Median male earnings are used for the payer-parent, and median female earnings are used for the receiving party. The last case scenario considers very high incomes. The case scenarios assume no additional factors considered in the guidelines (e.g., adjustments for work-related childcare or substantial physical custody). For neighboring states, the comparisons use the guidelines amounts and the self-support reserve in effect Fall 2023.

Exhibit 30: Summary of Case Scenarios Used to Compare Impact of Updated Schedule

Case Scenario	Gross Monthly Income of Payer -Parent	Gross Monthly Income of Receiving-Parent
1. Full-time, minimum wage earners	$1,257	$1,257
2. Each parent earns $2,000 per month	$2,000	$2,000
3. Parent's earnings are equivalent to median earnings of Pennsylvania workers with less than a high school education	$3,272	$1,964
4. Parent's earnings are equivalent to median earnings of Pennsylvania workers whose highest educational attainment is a high school degree or GED	$3,755	$2,540
5. Parent's earnings are equivalent to median earnings of Pennsylvania workers whose highest educational attainment is some college or an associate's degree	$4,453	$3,128
6. Parent's earnings are equivalent to median earnings of Pennsylvania workers whose highest educational attainment is a college degree	$6,446	$4,536
7. Parent's earnings are equivalent to median earnings of Pennsylvania workers whose highest educational attainment is graduate degree	$8,199	$5,968
8. High income case	$10,000 net	$10,000 net

Exhibit 31 compares guidelines assumptions and data and socioeconomic characteristics of Pennsylvania and neighboring states. Most of the neighboring states rely on the income shares model. Most states rely on gross income as the basis of their guidelines schedule/formula. Due to this, federal and state income tax and FICA withholding formulas are used to convert the gross-income scenarios shown in Exhibit 30 to a net-income basis before applying the Pennsylvania schedule. New Jersey and Delaware provide automated gross-to-net income conversions as part of their guidelines calculations. Unfortunately, there is not a simple way to avoid the impact of state income tax differences in the comparisons. Pennsylvania 's lower income tax rate essentially means that Pennsylvania parents have slightly more income available for child-rearing expenditures; and, the Pennsylvania amounts should be slightly higher than that of other states.

Exhibit 31: Comparison of Guideline Assumptions and Data and Socioeconomic Characteristics of Pennsylvania and Neighboring States

	US	Pennsylvania	Delaware	Maryland	New Jersey	New York	Ohio	West Virginia
Guidelines Model	N.A.	Income shares	Melson	Income shares	Income shares	Income shares[103]	Income shares	Income shares
Income Basis	N.A.	Net (3.07% state income tax + local)	Gross (2.2–6.6%)	Gross (7.85-8.85% + ≈3% local)	Net 1.4–10.75% state income tax	Gross less FICA	Gross (≈0.5–5% state income tax)	Gross (3–6.5% state income tax
Underlying Economic Study	N.A.	BR5 (2020 prices for existing and 2024 prices for updated)	Total household expenditures from the CE	BR4 (low incomes) USDA (high incomes) Adjusted for MD high incomes, 2018 prices	NJ-Rothbarth (2012 prices)	van der Gaag	BR4 (2015 prices)	BR5 (2022 prices and adjusted for WV low incomes)
Low-income Adjustment	N.A.	SSR = $1,063 net	SSR = $14,600 gross/ year	SSR = $1,145 gross (110% of 2019 FPG) Min. Order = $50	SSR = 150% FPG ($1,823 net) if CP's income > SSR	SSR = 135% FPG gross ($1,640)	SSR = $13,780/yr (gross) (116% of 2016 FPG) Min order = $960/yr + generous phase-out	SSR = $997 gross; Min. order = $50/mo
2022 Median Gross Rent[104]	$1,300	$1,116	$1,274	$1,550	$1,555	$1,499	$949	$795
2022 Price Parity[105]	100.0	96.4	97.7	106.2	109.1	109.5	92.5	90.8
2024 Minimum Wage	$7.25	$7.25	$11.25	$13.25	$14.13	$14.20	$10.10	$8.75

[103] New York calls its guidelines an income shares approach, but it really is a percentage-of-obligor income guidelines. It uses an income shares approach, however, to add-ons for health insurance and childcare, and for other factors considered in the guidelines calculation.
[104] Source: U.S. Census American Community Survey.
[105] U.S. Bureau of Economic Analysis. (Dec. 14, 2023). *Real Personal Consumption Expenditures by State and Real Personal Income by State and Metropolitan Area, 2022.* Retrieved from https://www.bea.gov/sites/default/files/2023-12/rpp1223_1.pdf.

Exhibit 31 also shows differences in the economic study underlying a state's schedule/formula and their low-income adjustments. New Jersey has the most generous self-support reserve. It is 150% of the poverty level, but it requires that both parents have incomes above the threshold before it applies. Median gross rent is an indicator of the cost of living. Price parity measures how much a state's prices are relative to the U.S. average. States with price parities less than 100.0 have prices below the national average and price parities above 100.0 have prices above the national average.

The comparisons consider one and two children. The general findings are:

- *The dollar difference between the existing and proposed amounts ranges from about a $14-per-month difference to a $74 difference.* The differences are generally larger at higher incomes and for more children. Most of the differences are less than a 10% change.
- *Minimum-wage income is below the proposed SSR in Case 1.* The 2024 federal poverty guidelines for one person is $1,255 per month, which is used to update the self-support reserve (SSR), while net income from full-time, minimum wage ($7.25 per hour) would be about $1,100 per month. However, the analysis of labor market information finds that even the lowest-paying occupations in Pennsylvania pay more than minimum wage. In other words, this scenario is unlikely. The case file data also found it to be an unlikely scenario. The Pennsylvania guidelines does not provide a minimum order when the payer-parent's income is below the SSR. New York provides a rebuttable minimum order of $25 per month.
- *Very-low income cases have very different amounts due to variations in state low-income adjustments.* This is evident in both Case 1 and Case 2. Although New Jersey has the most generous SSR, it is not applied because the receiving-parent/custodian's income is not above the SSR, which is also a requirement of the New Jersey guidelines. This is less than an ideal policy since the payer-parent's ability to pay does not change according to the receiving parent's income.
- *Proposed, updated Pennsylvania is generally more than most states except Delaware.* This is because of recent inflation, which updated Pennsylvania captures because it is based on 2024 price levels. Except for Delaware, the other state guidelines are much older.
- *There is a lot of state variation in order amounts in general; yet, some states have consistent patterns.*
    - West Virginia is consistently higher when other states apply their low-income adjustment because it has a low SSR, and consistently lower at higher incomes because it is adjusted for West Virginia's below average incomes.
    - Once Delaware's low-income adjustment no longer applies, it generally yields the highest amounts among the states compared.
    - At very high incomes, Maryland generally yields the second highest amounts among the states compared.
- *Other state nuances.* Ohio and New York do not provide a presumptive rebuttable formula for very high incomes such as that in Case 8. The New Jersey two-child amounts are not much more than the one-child amounts. This is an anomalous finding of the economic study underlying the New Jersey schedule: it found two children do not cost that much more than one child.

Exhibit 32: Comparisons for One Child: Low Income

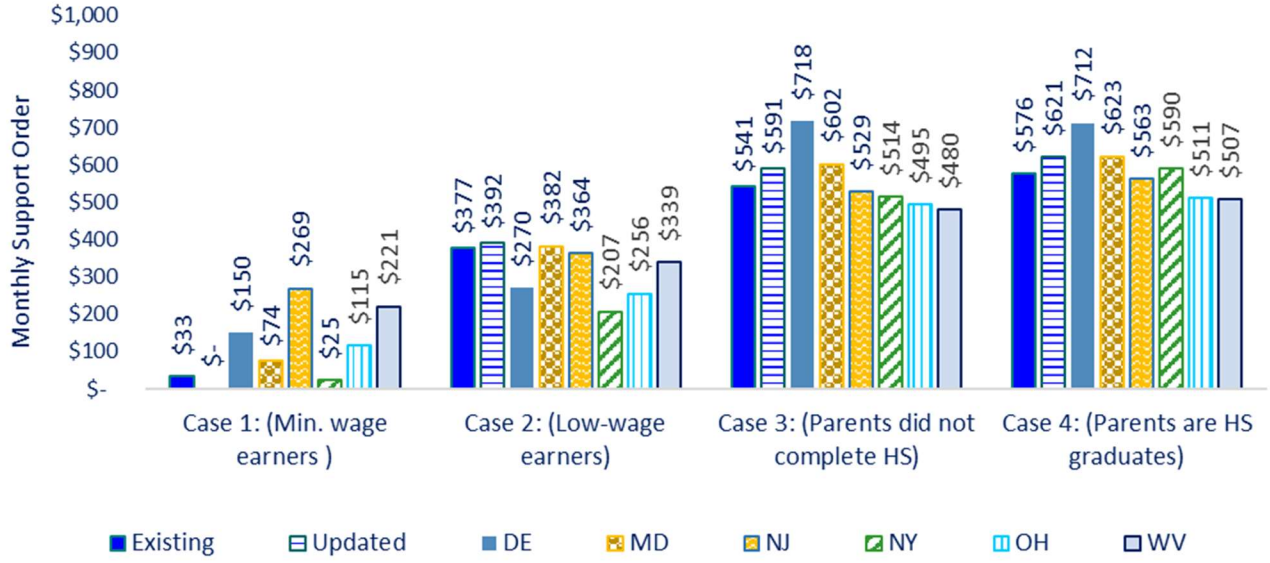


Exhibit 33: Comparisons for Two Children: Low Income

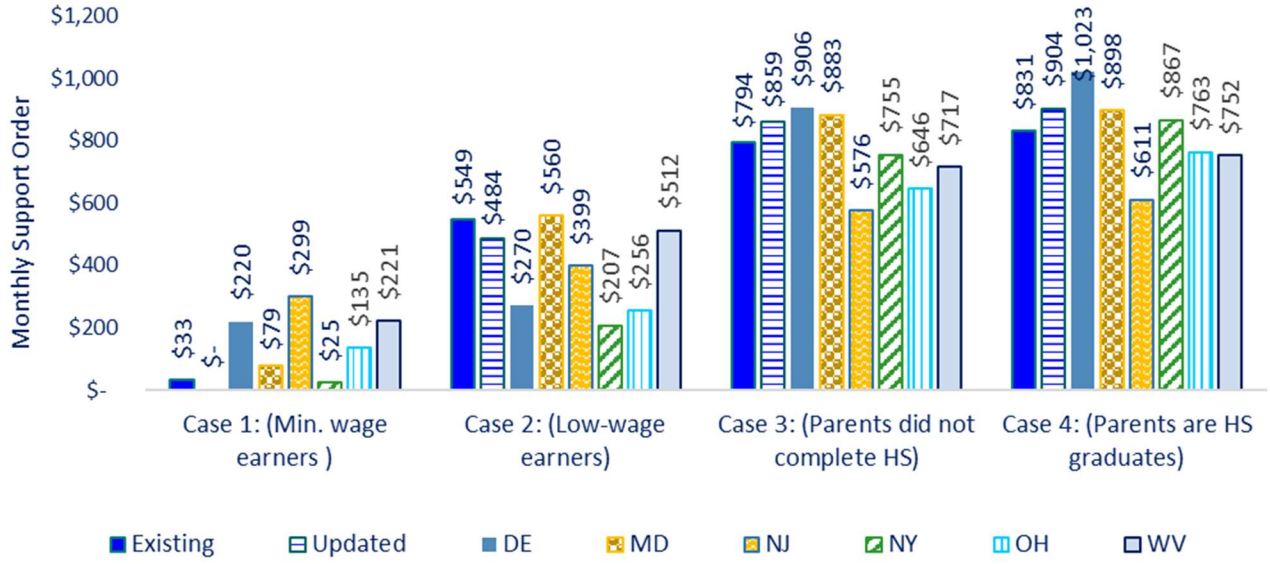


Exhibit 34: Comparisons for One Child: High Income

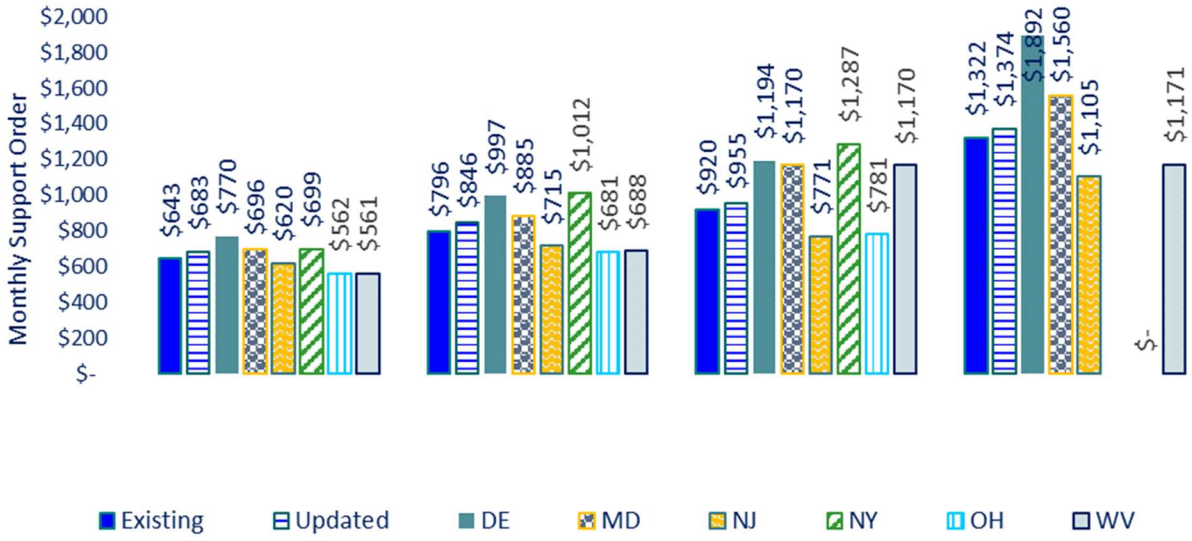
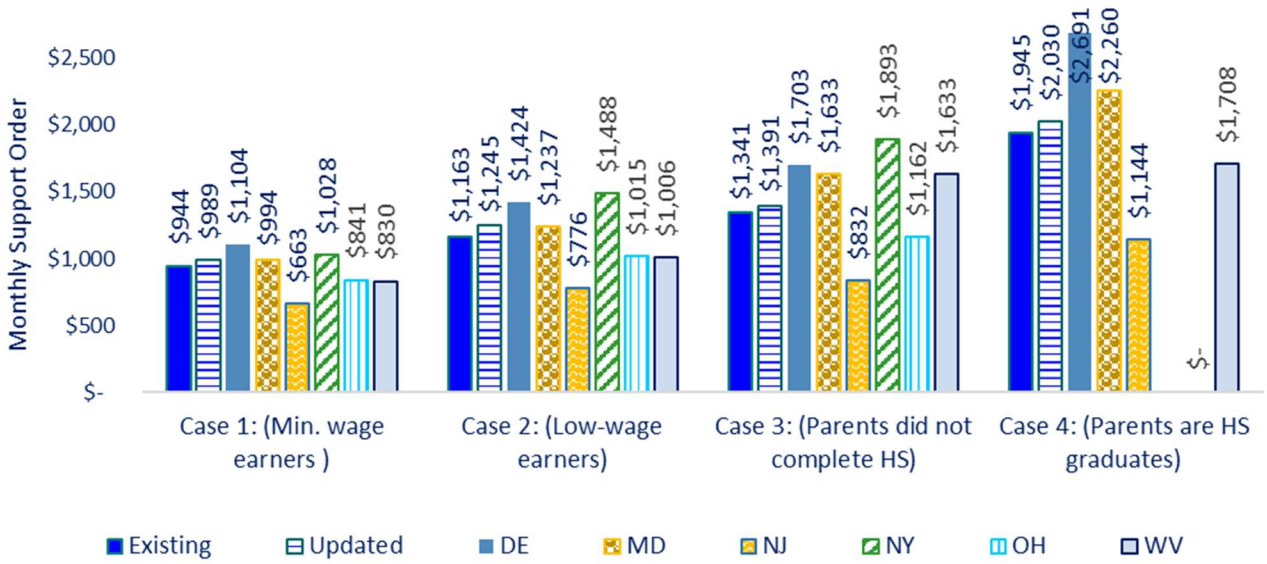


Exhibit 35: Comparisons for Two Children: High Income



SECTION 5: CONCLUSIONS

Pennsylvania is reviewing its child support guidelines. This report documents that Pennsylvania has met federal data requirements of a child support guidelines review. It summarizes economic data on the cost of raising children and uses that data and more current data on price levels and the federal poverty guidelines to develop an updated guidelines schedule. It summarizes the findings from an analysis of case file data on guidelines applications and deviations; payments; and rates of application of the low-income adjustment, income imputation, and defaults. The report also summarizes the findings of the analysis of labor market data and examines the impact of the guidelines on those with incomes below 200% of the poverty level.

These findings are just one piece of information that the Pennsylvania Domestic Relations Procedural Rules Committee (DRPRC), which is conducting the review, is considering. Once DRPRC completes their review, their recommendations will be posted on the court's website for public comment. After reviewing the public comments, DRPRC will submit their recommendations to the Pennsylvania Supreme Court for final approval. The DRPRC is recommending an update to the schedule. It is also making other recommendations that are not documented in this report because they do not concern the federal data requirements. In all, the recommendations will better serve Pennsylvania children and their families.

Appendix A: Technical Documentation of the Updated Schedule

There is no change in the steps used to convert the Betson-Rothbarth estimates to a child support schedule other than to consider 2024 price levels and the 2024 federal poverty guidelines for one person as a self-support reserve. As a consequence, the tables provided in this Appendix are unchanged from the last guidelines review report.

Summary of Steps

Betson provided CPR with information for 25 income ranges that were generally income intervals of $5,000 to $20,000 per year. CPR collapsed a few of them to average out some anomalies (e.g., a spike in the percentage of total expenditures devoted to child-rearing expenditures once childcare and extraordinary medical expenses were excluded from a particular income range.) The collapsing resulted in the 20 income ranges shown in Exhibit A-1.

Exhibit A-1: Parental Expenditures on Children and Other Expenditures by Income Range Used in the BR5 Schedule

Annual After-Tax Income Range (2020 dollars)	Number of Observations	Total Expenditures as a % of After-Tax Income	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth 2013–2019 data)			Childcare $ as a % of Consumption (per child)	Total Excess Medical $ as a % of Consumption	
			1 Child	2 Children	3 Children		(per capita)	(total)
$ 0 – $19,999	283	>200%	22.433%	34.670%	42.514%	0.473%	0.870%	3.005%
$20,000 – $29,999	306	134.235%	23.739%	36.642%	44.893%	0.437%	0.894%	3.208%
$30,000 – $34,999	306	107.769%	24.057%	37.118%	45.462%	0.407%	1.047%	3.722%
$35,000 – $39,999	409	103.780%	24.222%	37.364%	45.755%	0.647%	1.390%	4.878%
$40,000 – $44,999	428	100.064%	24.362%	37.571%	46.002%	0.721%	1.468%	5.301%
$45,000 – $49,999	416	97.195%	24.452%	37.705%	46.161%	0.747%	1.539%	5.485%
$50,000 – $54,999	399	92.716%	24.509%	37.789%	46.261%	0.855%	1.609%	5.887%
$55,000 – $59,999	367	90.548%	24.580%	37.894%	46.386%	1.210%	2.166%	7.389%
$60,000 – $64,999	335	86.130%	24.615%	37.945%	46.447%	0.776%	2.071%	7.474%
$65,000 – $69,999	374	84.016%	24.668%	38.025%	46.541%	1.255%	2.114%	7.525%
$70,000 – $74,999	333	82.671%	24.725%	38.108%	46.640%	1.586%	2.121%	7.375%
$74,999 – $84,999	615	82.690%	24.820%	38.249%	46.807%	1.743%	2.343%	7.894%
$85,000 – $89,999	318	78.663%	24.863%	38.311%	46.880%	1.392%	2.155%	8.331%
$90,000 – $99,999	565	76.240%	24.912%	38.384%	46.966%	1.658%	2.000%	7.888%
$100,000 – $109,999	493	75.488%	24.996%	38.508%	47.113%	2.159%	1.946%	7.121%
$110,000 – $119,999	374	73.058%	25.054%	38.593%	47.213%	2.523%	1.942%	7.583%
$120,000 – $139,999	468	71.731%	25.142%	38.722%	47.365%	2.477%	1.893%	6.494%
$140,000 – $159,999	240	70.658%	25.266%	38.904%	47.579%	3.073%	1.855%	7.516%
$160,000 – $199,999	512	62.753%	25.322%	38.986%	47.676%	1.790%	1.806%	7.037%
$200,000 or more	498	58.427%	25.571%	39.350%	48.103%	2.459%	1.554%	6.501%

Steps to Convert to Schedule

The steps used to convert the information from Exhibit A-1 to the updated schedule in Appendix B are the same steps used to develop the existing schedule.

The steps are presented in the order that they occur, not in the order that the factors were discussed in Section 3.

The steps consist of:

Step 1: Exclude childcare expenses.

Step 2: Exclude child's healthcare expenses except up to the first $250 per year per child that is used to cover ordinary, out-of-pocket medical expenses for the child.

Step 3: Adjust for ratio of expenditures to after-tax income.

Step 4: Update for current price levels.

Step 5: Extend measurements to combined incomes above $26,000 per month.

Step 6: Develop marginal percentages.

Step 7: Extend measurements to four and more children.

Step 8: Incorporate the SSR.

Step 1: Exclude Childcare Expenses

Childcare expenses are excluded because the actual amount of work-related childcare expenses is considered in the guidelines calculation on a case-by-case basis. The actual amount is considered because of the large variation in childcare expenses, which means that the childcare expense is minimal for some children (*e.g.*, older children) and substantial for others (*e.g.*, infants in center-based care). Not to exclude them from the schedule and to include the actual amount in the guidelines calculation (typically as a line item in the worksheet) would be double accounting.

Starting with the expenditures on children, which is shown in fourth column of Exhibit A-1, average childcare expenses are subtracted from the percentage of total income devoted to child rearing. For example, at combined incomes of $60,000 to $64,999 per year, 37.945% of total expenditures is devoted to child-rearing expenditures for two children. Childcare comprises 0.776% of total expenditures per child. The percentage may appear small compared to the cost of childcare, but it reflects the average across all children regardless whether they incur childcare expenses. Childcare expenses may not incur because the children are older, a relative provides childcare at no expense, or another situation.

The percentage of total expenditures devoted to childcare is multiplied by the number of children (*e.g.,* 0.776 multiplied by children is 1.552%). Continuing with the example of a combined income of $60,000 to $64,999 net per month, 1.552% is subtracted from 37.945%. The remainder, 36.393 (37.945 minus 1.552 equals 36.393), is the adjusted percentage devoted to child-rearing expenditures for two children that excludes childcare expenses.

One limitation is that the CE does not discern between work-related childcare expenses and childcare expenses the parents incurred due to entertainment (*e.g.,* they incurred childcare expenses when they went out to dinner.) This means that work-related childcare expenses may be slightly overstated. In turn, this would understate the schedule amounts. Similarly, if there are economies to scale for childcare, multiplying the number of children by the percentage per child would overstate actual childcare expenses. When subtracted from the schedule, this would reduce the schedule too much. However, due to the small percentage devoted to childcare expenses, any understatement is likely to be small.

Step 2: Exclude Medical Expenses

A similar adjustment is made for the child's medical expenses except an additional step is taken. Exhibit A-1 shows the excess medical percentage, which is defined as the cost of health insurance and out-of-pocket medical expenses exceeding $250 per person per year. It is shown two ways by the per-capita amount and the average amount for the entire household. Either way the adjustment considers expenditures on the two adults in the household. It is adjusted to a per-child amount since medical expenses of children are less. The underlying data does not track whether the insurance premium or medical expense was made for an adult's or child's healthcare needs or both.

Based on the 2017 National Medical Expenditure survey, the annual out-of-pocket medical expense per child is $270, while it is $615 for an adult between the ages of 18 and 64.[106] In other words, an adult's out-of-medical expenses is 2.28 times more than that of a child. This information is used to recalibrate the per-person excessive medical amount shown in Exhibit A-1 to a per-child amount. For example, at combined incomes of $60,000 to $64,999 per year, the total excess medical expense is 7.474%. The adjusted child amount is 7.474 divided by the weighted amounts for family members (6.1684 based on 2.28 times two adults plus the average number of children for this income range, 1.6084). The quotient, 1.212%, is the per-child amount for excess medical. It is less than the per-capita amount of 2.071%.

Continuing from the example in Step 1, where 36.393 is the percentage that excludes childcare for two children at a combined income of $60,000 to $64,999 per year, 1.212 multiplied by two children is subtracted to exclude the children's excessive medical expenses. This leaves 33.969 as the percentage of total expenditures devoted to raising two children, excluding their childcare expenses and excess medical expenses.

Step 3: Convert to After-Tax Income

The next step is to convert the percentage from above to an after-tax income by multiplying it by expenditures to after-tax income ratios. Continuing using the example of combined income of $60,000 to $64,999 per year, the ratio is 86.130. When multiplied by 33.969, this yields 29.257% of after-tax income being the percentage of after-tax income devoted to raising two children, excluding their

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[106] Agency for Healthcare Research and Quality. (Jun. 2020). *Mean expenditure per person by source of payment and age groups, United States, 2017. Medical Expenditure Panel Survey*. Generated interactively: June 12, 2020, from https://www.meps.ahrq.gov/mepstrends/hc_use/.

childcare and excess medical expenses. An exception is made at lower incomes, because as shown in Exhibit A-1, they spend more than their after-tax income on average.

Step 4: Adjust to Current Price Levels

The amounts in Exhibit A-1 are based on May 2020 price levels. They are converted to January 2024 price levels using changes to the Consumer Price Index (CPI-U), which is the most commonly used price index.[107] The adjustment is applied to the midpoint of each after-tax income range.

Step 5: Develop Marginal Percentages

The information from the previous steps is used to compute a tax table-like schedule of proportions for one, two, and three children. The percentages from above (e.g., 29.257% for two children for the combined income of $60,000 to $64,999 per year) are assigned to the midpoint of that income range adjusted for inflation. Marginal percentages are created by interpolating between income ranges. For the highest income range, the midpoint was supplied by Betson, and it was $258,887 per year in May 2020 dollars. For the existing schedule, it was converted to October 2020 dollars using the CPI-U. This amount to $21,910 per month. This is shown in Exhibit A-2. When converted to January 2024 dollars, and a monthly amount, it is $25,951 per month.

Another adjustment was made at low incomes. The percentages for incomes below $30,000 net per year were less than the amounts for the net income range $30,000 to $34,999 per year. This is an artificial result caused by the cap on expenditures in Step 3. Decreasing percentages result in a smooth decrease when the parent receiving support has more income. This is the general result of the steps thus far. The exception is at low incomes because they spend more than their after-tax income on average. For the development of the child support schedule, the percentage from the $30,000 to $34,999 are applied to all incomes less than $30,000 per year. For one child, the percentages are from the $35,000 to $39,999 income range. To be clear, this is still less than what families of this income range actually spend on children.

Step 6: Extend to Higher Combined Net Incomes

When the existing schedule was developed (i.e., the one that was in effect when the review was conducted in 2024), the BR5 measurements were available for combined incomes up to about $22,000 net per month. Above this level, there is insufficient information available to know how the percentage of income devoted to child-rearing expenditures changes. For example, it is unknown whether those with combined incomes of $25,000 net per month devote the same percentage of income to child-rearing expenditures as those with $35,000 net per month.

A similar issue existed in the development of the existing schedule and earlier versions of the Pennsylvania schedule. In the past, an extrapolation formula based on logged income to the third degree was developed from the BR percentages at lower incomes to estimate the percentage midpoint at higher incomes. The logged values and cubing allow for a non-linear estimating equation for the

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[107] The increase from October 2020 to January 2024 is 18.4% based on 308.417 divided by 260.388 and subtracting 100%. Source: U.S. Bureau of Labor Statistics. (n.d.) *Consumer Price Index Historical Tables for U.S. City Average.* Retrieved from CPI Home : U.S. Bureau of Labor Statistics (bls.gov).

percentage of expenditures as income increases; specifically, they permit an equation in which the percentages decrease at an increasing rate. For the 2020 review, separate equations were estimated for one and two children. Using the results from the regression equations, the percentage midpoint at a combined net income of $30,000 per month is calculated for one and two children. They yielded 12.03% for one child and 14.17% for two children. Due to an anomalous result from the extrapolation formula applied to three children, the calculated multiplier from two to three children, which is 1.165% (and implies that three children cost 116.5% more than two children), was used to arrive at the three-child midpoint percentage (16.50%) at a combined net income of $30,000. Marginal percentages were developed between the last income interval shown in Exhibit A-2 (monthly net income of $21,910) and $30,000 net. The marginal percentages are 9.5% for one child, 0.95% for two children, and 1.11% for three children. A marginal percentage of 9.5% implies that expenditures on one child increases by $9.50 for every $100 increase in combined net income. A low marginal percentage implies a plateauing of child-rearing expenditures; there are only minute increases in expenditures when the combined net income increases.

Exhibit A-2: Schedule of Proportions for One, Two, and Three Children

Annual After-Tax Income Range (May 2020 dollars)	Monthly Midpoint of Income Range (Oct. 2020 Dollars)	One Child		Two Children		Three Children	
		Midpoint	Marginal Percentage	Midpoint	Marginal Percentage	Midpoint	Marginal Percentage
< $30,0000	$0	23.041%	23.041%	35.086%	35.086%	42.414%	42.414%
$30,000 – $34,999	$2,751	23.041%	23.041%	35.086%	30.397%	42.414%	34.813%
$35,000 – $39,999	$3,174	23.041%	20.834%	34.461%	34.031%	41.401%	40.211%
$40,000 – $44,999	$3,597	22.782%	16.965%	34.410%	25.320%	41.261%	30.000%
$45,000 – $49,999	$4,020	22.169%	10.445%	33.453%	14.985%	40.075%	17.008%
$50,000 – $54,999	$4,443	21.053%	9.406%	31.694%	10.817%	37.879%	8.818%
$55,000 – $59,999	$4,866	20.040%	13.143%	29.879%	22.110%	35.351%	29.299%
$60,000 – $64,999	$5,289	19.488%	7.992%	29.257%	9.168%	34.867%	7.438%
$65,000 – $69,999	$5,713	18.637%	11.118%	27.769%	14.584%	32.835%	14.789%
$70,000 – $74,999	$6,136	18.118%	16.525%	26.860%	23.208%	31.591%	25.699%
$74,999 – $84,999	$6,771	17.969%	12.081%	26.518%	19.891%	31.038%	25.883%
$85,000 – $89,999	$7,405	17.464%	9.419%	25.950%	13.114%	30.597%	14.370%
$90,000 – $99,999	$8,040	16.829%	12.140%	24.936%	16.107%	29.315%	16.595%
$100,000 – $109,999	$8,886	16.382%	7.712%	24.095%	9.708%	28.104%	9.272%
$110,000 – $119,999	$9,733	15.628%	14.265%	22.844%	21.151%	26.466%	24.896%
$120,000 – $139,999	$11,002	15.471%	11.375%	22.649%	15.036%	26.285%	15.418%
$140,000 – $159,999	$12,695	14.925%	9.996%	21.634%	17.177%	24.836%	23.161%
$160,000 – $199,999	$15,234	14.103%	10.376%	20.891%	14.835%	24.557%	16.780%
$200,000 or more	$21,910	12.968%		19.046%		22.187%	

For the income formulas above $30,000 net per month, the regression equations were also used to estimate the percentage midpoint for one and two children only at a combined net income of $40,000 per month instead of $30,000 per month. This produced estimated midpoints of 11.61% for one child

and 11.64% for two children.[108] The midpoint percentage for three children at a combined net income of $40,000 was estimated using the same methodology as was used for the midpoint percentage at a combined net income of $30,000 per month. It was estimated to be 13.56%. In turn, marginal percentages were calculated between the estimated midpoints of $30,000 and $40,000 per month for one, two, and three children. This produced marginal percentages of 10.4% for one child, 4.0% for two children, and 4.7% for three children. Since increasing marginal percentages are required to produce basic obligations that increase with more children, the marginal percentage for one child was capped at 4%. For the 2024 review, these extrapolations were retained but adjusted to January 2024 price levels.

Step 7: Extend to More Children

The measurements of child-rearing expenditures only cover one, two, and three children. The number of families in the CE with four or more children is insufficient to produce reliable estimates. For many child support guidelines, the National Research Council's (NRC) equivalence scale, as shown below, is used to extend the three-child estimate to four and more children.[109]

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

Application of the equivalence scale implies that expenditures on four children are 11.7% more than the expenditures for three children, expenditures on five children are 10.0% more than the expenditures for four children, and expenditures on six children are 8.7% more than the expenditures for five children.

Step 8: Adjust for the SSR

The schedule provides a SSR equivalent 2024 Federal Poverty Guidelines for one person, which was $1,255 per month. It is incorporated into the schedule using the same methodology to incorporate it into the existing schedule. Specifically, first, the BR5-amount for a particular combined net income and number of children is compared to the difference between net income and the SSR. That difference is weighted by a factor of 90% for one child, 91% for two children, 93% for three children, and so forth up to 95% for six children. The purpose of the weight is not to assign each additional dollar to child support but rather to provide an economic incentive to increase income. It varies by the number of children to reflect the additional expense from more children. If the weighted difference is less than the BR5-based schedule, it appears in the schedule. The area adjusted for the SSR is shown by the blue-shaded area of the schedule in Appendix B.

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[108] The small difference between one child and two children at this high income suggests an increasing economies of scale with more children at very high incomes. On the one hand, this may be a topic of further research particularly given the Rodgers (2017) findings discussed earlier that also suggest a larger economies of scale for more children than the BR measurements. On the other hand, only 0.1% of orders extracted for the analysis involved child support orders were the combined income of the parties exceeded $30,000 net per month.

[109] Citro, Constance F. & Robert T. Michael, Editors. (1995). *Measuring Poverty: A New Approach*. National Academy Press. Washington, D.C.

Consumer Expenditure Data (CE)

The CE asks households about expenditures on over 100 detailed items. Exhibit A-3 shows the major categories of expenditures captured by the CE. It includes the purchase price and sales tax on all goods purchased within the survey period.

Exhibit A-3: Partial List of Expenditure Items Considered in the Consumer Expenditure Survey

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

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

For the purposes of developing a child support schedule, childcare and medical expenses are excluded. Exhibit A-4 shows the major categories of expenditures considered in the schedule as well how they vary for low-, middle-, and high-income families. (Families are dividing into these categories by taking the third lowest families in income, the second third as middle income, and the highest third as high income.)

Gross and net incomes are reported by families participating in the CE. The difference between gross and net income is taxes. In fact, the CE uses the terms "income before taxes" and "income after taxes" instead of gross and net income, respectively. Income before taxes is the total money earnings and selected money receipts. It includes wages and salary, self-employment income, Social Security benefits,

pension income, rental income, unemployment compensation, workers' compensation, veterans' benefits, public assistance, and other sources of income. Income is based on self-reports and not checked against actual records.

Exhibit A-4: Average Spending of Families with Children by Net Income

Income Rank	Lowest Third	Middle Third	Highest Third	All Families
Net Income	$36,891	$75,139	$154,974	$88,862
Total Outlays	$40,932	$61,423	$102,012	$68,080
Budget Share (% of Total Outlays)				
Housing	42.8%	42.9%	45.2%	43.5%
Transportation	16.4%	16.6%	14.2%	15.8%
Food	23.1%	18.4%	15.9%	19.1%
Entertainment[a]	4.1%	4.9%	5.9%	5.0%
Healthcare	5.6%	8.8%	7.6%	7.4%
Apparel	2.7%	2.2%	2.4%	2.4%
Tobacco and Alcohol	1.6%	1.2%	1.1%	1.3%
Education and Reading	1.0%	1.4%	2.8%	1.7%
Personal Care	0.5%	0.6%	0.7%	0.6%
All Other	1.2%	3.0%	4.2%	3.2%

[a]When reweighted to reflect only child-rearing expenditures considered in the schedule, entertainment comprises 4.5% of the budget for the lowest third, 5.5% of the budget share for the middle third, 6.7% of the budget share for the top third, and 5.6% of the budget share of all families.

The BLS has concerns that income may be underreported in the CE. Although underreporting of income is a problem inherent to surveys, the BLS is particularly concerned because expenditures exceed income among low-income households participating in the CE. The BLS does not know whether the cause is underreporting of income or that low-income households are actually spending more than their incomes because of an unemployment spell, the primary earner is a student, or the household is otherwise withdrawing from its savings. To improve income information, the BLS added and revised income questions in 2001 as well as its approach to addressing missing income information. The 2010 and 2020 Betson-Rothbarth measurements rely on these changes to measuring income. Previous Betson measurements do not.

The BLS also had concerns with taxes being underreported. Beginning in 2013, the BLS began estimating taxes using demographic and income data from CE households by applying the National Bureau of Economic Analysis TAXSIM program that calculates tax liabilities under U.S. federal and state income tax laws.

The BLS does not include changes in net assets or liabilities as income or expenditures. In all, the BLS makes it clear that reconciling differences between income and expenditures and precisely measuring income are not part of the core mission of the CE. The core mission is to measure and track expenditures. The BLS recognizes that at some low-income levels, the CE shows that total expenditures exceed after-tax incomes, and at very high incomes, the CE shows that total expenditures are considerably less than after-tax incomes. However, the changes to the income measure, the use of outlays rather than expenditures, and use of the tax calculator have lessened some of these issues.

APPENDIX B: PROPOSED, UPDATED SCHEDULE

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
1300	**41**	**41**	**41**	**42**	**42**	**43**
1350	**86**	**86**	**87**	**88**	**89**	**90**
1400	**131**	**132**	**133**	**135**	**136**	**138**
1450	**176**	**177**	**179**	**181**	**183**	**185**
1500	**221**	**223**	**225**	**228**	**230**	**233**
1550	**266**	**268**	**271**	**274**	**277**	**280**
1600	**311**	**314**	**317**	**321**	**324**	**328**
1650	**356**	**359**	**363**	**367**	**371**	**375**
1700	392	**405**	**409**	**414**	**418**	**423**
1750	403	**450**	**455**	**460**	**465**	**470**
1800	415	**496**	**501**	**507**	**512**	**518**
1850	426	**541**	**547**	**553**	**559**	**565**
1900	438	**587**	**593**	**600**	**606**	**613**
1950	449	**632**	**639**	**646**	**653**	**660**
2000	461	**678**	**685**	**693**	**700**	**708**
2050	472	719	**731**	**739**	**747**	**755**
2100	484	737	**777**	**786**	**794**	**803**
2150	495	754	**823**	**832**	**841**	**850**
2200	507	772	**869**	**879**	**888**	**898**
2250	518	789	**915**	**925**	**935**	**945**
2300	530	807	**961**	**972**	**982**	**993**
2350	541	825	997	**1018**	**1029**	**1040**
2400	553	842	1018	**1065**	**1076**	**1088**
2450	565	860	1039	**1111**	**1123**	**1135**
2500	576	877	1060	**1158**	**1170**	**1183**
2550	588	895	1082	**1204**	**1217**	**1230**
2600	599	912	1103	1232	**1264**	**1278**
2650	611	930	1124	1255	**1311**	**1325**
2700	622	947	1145	1279	**1358**	**1373**
2750	634	965	1166	1303	**1405**	**1420**
2800	645	982	1188	1327	**1452**	**1468**
2850	657	1000	1209	1350	1485	**1515**
2900	668	1017	1230	1374	1511	**1563**
2950	680	1035	1251	1398	1537	**1610**
3000	691	1053	1272	1421	1563	**1658**
3050	703	1070	1294	1445	1589	1705
3100	714	1088	1315	1469	1616	1753
3150	726	1105	1336	1492	1642	1784

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
3200	737	1123	1357	1516	1668	1813
3250	749	1140	1378	1540	1694	1841
3300	760	1156	1396	1560	1716	1865
3350	772	1171	1414	1579	1737	1888
3400	783	1186	1431	1599	1759	1912
3450	795	1201	1449	1618	1780	1935
3500	806	1217	1466	1638	1801	1958
3550	818	1232	1484	1657	1823	1981
3600	829	1247	1501	1677	1844	2005
3650	841	1262	1518	1696	1866	2028
3700	853	1277	1536	1715	1887	2051
3750	864	1293	1553	1735	1908	2074
3800	875	1309	1573	1757	1932	2101
3850	885	1326	1593	1779	1957	2127
3900	895	1343	1613	1802	1982	2154
3950	906	1360	1633	1824	2007	2181
4000	916	1377	1653	1847	2031	2208
4050	927	1394	1673	1869	2056	2235
4100	937	1411	1693	1892	2081	2262
4150	948	1428	1713	1914	2105	2289
4200	958	1445	1734	1936	2130	2315
4250	968	1462	1754	1959	2155	2342
4300	977	1476	1770	1977	2174	2364
4350	986	1489	1785	1994	2193	2384
4400	994	1501	1800	2010	2211	2404
4450	1003	1514	1815	2027	2230	2424
4500	1011	1527	1830	2044	2248	2444
4550	1020	1539	1845	2061	2267	2464
4600	1028	1552	1860	2077	2285	2484
4650	1037	1565	1875	2094	2303	2504
4700	1045	1577	1890	2111	2322	2524
4750	1054	1590	1905	2128	2340	2544
4800	1060	1599	1915	2139	2353	2557
4850	1065	1606	1923	2148	2363	2569
4900	1070	1614	1932	2158	2374	2580
4950	1075	1621	1940	2167	2384	2591
5000	1080	1629	1949	2177	2394	2603
5050	1086	1636	1957	2186	2405	2614
5100	1091	1644	1966	2196	2415	2625
5150	1096	1651	1974	2205	2426	2637
5200	1101	1659	1983	2215	2436	2648

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
5250	1107	1666	1991	2224	2447	2660
5300	1111	1672	1997	2230	2453	2667
5350	1116	1677	2001	2235	2459	2673
5400	1121	1683	2006	2240	2464	2679
5450	1126	1688	2010	2245	2470	2684
5500	1130	1694	2014	2250	2475	2690
5550	1135	1699	2019	2255	2480	2696
5600	1140	1704	2023	2260	2486	2702
5650	1144	1710	2028	2265	2491	2708
5700	1149	1715	2032	2270	2497	2714
5750	1154	1721	2036	2275	2502	2720
5800	1160	1730	2048	2288	2517	2736
5850	1166	1741	2063	2304	2535	2755
5900	1173	1752	2078	2321	2553	2775
5950	1180	1763	2092	2337	2571	2794
6000	1186	1774	2107	2353	2589	2814
6050	1193	1785	2121	2370	2607	2833
6100	1199	1797	2136	2386	2625	2853
6150	1206	1808	2151	2402	2643	2873
6200	1212	1819	2165	2419	2661	2892
6250	1219	1830	2180	2435	2679	2912
6300	1224	1836	2187	2443	2687	2921
6350	1228	1841	2191	2447	2692	2926
6400	1232	1845	2195	2451	2696	2931
6450	1236	1850	2198	2455	2701	2936
6500	1240	1855	2202	2460	2706	2941
6550	1244	1859	2206	2464	2710	2946
6600	1248	1864	2209	2468	2715	2951
6650	1252	1868	2213	2472	2719	2956
6700	1256	1873	2217	2476	2724	2961
6750	1260	1877	2221	2480	2728	2966
6800	1265	1884	2227	2487	2736	2974
6850	1270	1891	2234	2496	2745	2984
6900	1276	1898	2242	2504	2754	2994
6950	1281	1906	2249	2512	2763	3004
7000	1287	1913	2256	2520	2772	3014
7050	1293	1920	2264	2529	2781	3023
7100	1298	1928	2271	2537	2791	3033
7150	1304	1935	2278	2545	2800	3043
7200	1309	1942	2286	2553	2809	3053
7250	1315	1950	2293	2562	2818	3063

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
7300	1322	1960	2304	2574	2831	3078
7350	1330	1971	2317	2588	2847	3095
7400	1339	1983	2330	2603	2863	3112
7450	1347	1994	2343	2617	2879	3129
7500	1355	2006	2356	2631	2894	3146
7550	1363	2018	2368	2646	2910	3163
7600	1372	2029	2381	2660	2926	3180
7650	1380	2041	2394	2674	2942	3198
7700	1388	2052	2407	2689	2958	3215
7750	1396	2064	2420	2703	2973	3232
7800	1405	2076	2433	2717	2989	3249
7850	1413	2087	2446	2732	3005	3266
7900	1421	2099	2458	2746	3021	3283
7950	1430	2110	2471	2760	3036	3301
8000	1438	2122	2484	2775	3052	3318
8050	1445	2133	2497	2789	3068	3335
8100	1451	2143	2510	2804	3084	3352
8150	1457	2153	2523	2818	3100	3370
8200	1463	2162	2536	2833	3116	3387
8250	1469	2172	2549	2847	3132	3404
8300	1475	2182	2562	2861	3148	3421
8350	1481	2192	2575	2876	3163	3439
8400	1487	2202	2588	2890	3179	3456
8450	1493	2212	2601	2905	3195	3473
8500	1499	2222	2613	2919	3211	3491
8550	1505	2232	2626	2934	3227	3508
8600	1511	2242	2639	2948	3243	3525
8650	1517	2252	2652	2963	3259	3542
8700	1523	2262	2665	2977	3275	3560
8750	1529	2272	2678	2992	3291	3577
8800	1535	2280	2688	3002	3303	3590
8850	1539	2286	2695	3010	3311	3599
8900	1544	2293	2702	3018	3320	3609
8950	1549	2300	2709	3026	3329	3619
9000	1553	2306	2717	3034	3338	3628
9050	1558	2313	2724	3042	3347	3638
9100	1563	2319	2731	3050	3355	3647
9150	1567	2326	2738	3058	3364	3657
9200	1572	2332	2745	3066	3373	3667
9250	1577	2339	2752	3075	3382	3676
9300	1582	2345	2760	3083	3391	3686

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
9350	1586	2352	2767	3091	3400	3695
9400	1591	2359	2774	3099	3408	3705
9450	1596	2365	2781	3107	3417	3715
9500	1600	2372	2788	3115	3426	3724
9550	1606	2379	2796	3123	3436	3735
9600	1612	2387	2804	3133	3446	3746
9650	1618	2395	2813	3142	3456	3757
9700	1624	2403	2821	3151	3466	3768
9750	1630	2411	2829	3160	3476	3779
9800	1636	2419	2838	3170	3487	3790
9850	1642	2427	2846	3179	3497	3801
9900	1648	2435	2854	3188	3507	3812
9950	1654	2443	2863	3197	3517	3823
10000	1661	2452	2871	3207	3527	3834
10050	1667	2460	2879	3216	3538	3845
10100	1673	2468	2887	3225	3548	3856
10150	1679	2476	2896	3235	3558	3868
10200	1685	2484	2904	3244	3568	3879
10250	1691	2492	2912	3253	3578	3890
10300	1697	2500	2921	3262	3589	3901
10350	1703	2508	2929	3272	3599	3912
10400	1709	2516	2937	3281	3609	3923
10450	1715	2524	2946	3290	3619	3934
10500	1721	2532	2954	3299	3629	3945
10550	1726	2539	2960	3307	3637	3954
10600	1730	2543	2965	3312	3643	3960
10650	1734	2548	2970	3317	3649	3966
10700	1738	2553	2974	3322	3654	3972
10750	1742	2558	2979	3327	3660	3979
10800	1745	2563	2984	3333	3666	3985
10850	1749	2568	2988	3338	3672	3991
10900	1753	2573	2993	3343	3677	3997
10950	1757	2577	2997	3348	3683	4003
11000	1761	2582	3002	3353	3689	4010
11050	1765	2587	3007	3358	3694	4016
11100	1769	2592	3011	3364	3700	4022
11150	1772	2597	3016	3369	3706	4028
11200	1776	2602	3021	3374	3711	4034
11250	1780	2606	3025	3379	3717	4041
11300	1784	2611	3030	3384	3723	4047
11350	1788	2616	3035	3390	3729	4053

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
11400	1792	2621	3039	3395	3734	4059
11450	1796	2626	3044	3400	3740	4065
11500	1799	2631	3048	3405	3746	4071
11550	1805	2638	3057	3414	3756	4082
11600	1812	2649	3069	3428	3771	4099
11650	1819	2659	3081	3442	3786	4116
11700	1826	2670	3094	3456	3801	4132
11750	1833	2680	3106	3470	3817	4149
11800	1840	2691	3119	3484	3832	4165
11850	1848	2702	3131	3498	3847	4182
11900	1855	2712	3144	3511	3863	4199
11950	1862	2723	3156	3525	3878	4215
12000	1869	2733	3169	3539	3893	4232
12050	1876	2744	3181	3553	3909	4249
12100	1883	2754	3193	3567	3924	4265
12150	1890	2765	3206	3581	3939	4282
12200	1897	2776	3218	3595	3954	4298
12250	1905	2786	3231	3609	3970	4315
12300	1912	2797	3243	3623	3985	4332
12350	1919	2807	3256	3637	4000	4348
12400	1926	2818	3268	3651	4016	4365
12450	1933	2829	3281	3664	4031	4382
12500	1940	2839	3293	3678	4046	4398
12550	1947	2850	3305	3692	4061	4415
12600	1955	2860	3318	3706	4077	4431
12650	1962	2871	3330	3720	4092	4448
12700	1969	2881	3343	3734	4107	4465
12750	1976	2892	3355	3748	4123	4481
12800	1983	2903	3368	3762	4138	4498
12850	1990	2913	3380	3776	4153	4515
12900	1997	2924	3393	3790	4169	4531
12950	2004	2934	3405	3803	4184	4548
13000	2012	2945	3418	3817	4199	4564
13050	2018	2954	3428	3829	4212	4579
13100	2024	2962	3436	3838	4222	4589
13150	2030	2969	3444	3847	4231	4599
13200	2035	2977	3451	3855	4241	4610
13250	2041	2984	3459	3864	4250	4620
13300	2047	2992	3467	3872	4260	4630
13350	2052	2999	3474	3881	4269	4640
13400	2058	3007	3482	3890	4279	4651

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
13450	2064	3014	3490	3898	4288	4661
13500	2069	3022	3498	3907	4297	4671
13550	2075	3029	3505	3915	4307	4682
13600	2081	3037	3513	3924	4316	4692
13650	2086	3044	3521	3933	4326	4702
13700	2092	3052	3528	3941	4335	4713
13750	2098	3060	3536	3950	4345	4723
13800	2104	3067	3544	3958	4354	4733
13850	2109	3075	3552	3967	4364	4743
13900	2115	3082	3559	3976	4373	4754
13950	2121	3090	3567	3984	4383	4764
14000	2126	3097	3575	3993	4392	4774
14050	2132	3105	3582	4002	4402	4785
14100	2138	3112	3590	4010	4411	4795
14150	2143	3120	3598	4019	4421	4805
14200	2149	3127	3606	4027	4430	4815
14250	2155	3135	3613	4036	4440	4826
14300	2160	3142	3621	4045	4449	4836
14350	2166	3150	3629	4053	4458	4846
14400	2172	3157	3636	4062	4468	4857
14450	2177	3165	3644	4070	4477	4867
14500	2183	3172	3652	4079	4487	4877
14550	2189	3180	3659	4088	4496	4888
14600	2195	3187	3667	4096	4506	4898
14650	2200	3195	3675	4105	4515	4908
14700	2206	3202	3683	4113	4525	4918
14750	2212	3210	3690	4122	4534	4929
14800	2217	3217	3698	4131	4544	4939
14850	2223	3225	3706	4139	4553	4949
14900	2229	3232	3713	4148	4563	4960
14950	2234	3240	3721	4157	4572	4970
15000	2240	3247	3729	4165	4582	4980
15050	2246	3255	3738	4175	4592	4992
15100	2251	3264	3749	4188	4607	5007
15150	2256	3272	3761	4201	4621	5023
15200	2261	3281	3772	4214	4635	5038
15250	2266	3290	3784	4227	4649	5054
15300	2271	3298	3796	4240	4664	5069
15350	2276	3307	3807	4253	4678	5085
15400	2281	3315	3819	4265	4692	5100
15450	2286	3324	3830	4278	4706	5116

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
15500	2290	3333	3842	4291	4720	5131
15550	2295	3341	3853	4304	4735	5147
15600	2300	3350	3865	4317	4749	5162
15650	2305	3358	3877	4330	4763	5178
15700	2310	3367	3888	4343	4777	5193
15750	2315	3376	3900	4356	4792	5208
15800	2320	3384	3911	4369	4806	5224
15850	2325	3393	3923	4382	4820	5239
15900	2330	3401	3934	4395	4834	5255
15950	2335	3410	3946	4408	4849	5270
16000	2340	3418	3958	4421	4863	5286
16050	2345	3427	3969	4434	4877	5301
16100	2350	3436	3981	4447	4891	5317
16150	2355	3444	3992	4459	4905	5332
16200	2360	3453	4004	4472	4920	5348
16250	2365	3461	4016	4485	4934	5363
16300	2370	3470	4027	4498	4948	5379
16350	2375	3479	4039	4511	4962	5394
16400	2380	3487	4050	4524	4977	5410
16450	2385	3496	4062	4537	4991	5425
16500	2390	3504	4073	4550	5005	5440
16550	2395	3513	4085	4563	5019	5456
16600	2400	3522	4097	4576	5034	5471
16650	2405	3530	4108	4589	5048	5487
16700	2410	3539	4120	4602	5062	5502
16750	2415	3547	4131	4615	5076	5518
16800	2420	3556	4143	4628	5090	5533
16850	2425	3564	4155	4641	5105	5549
16900	2430	3573	4166	4654	5119	5564
16950	2435	3582	4178	4666	5133	5580
17000	2440	3590	4189	4679	5147	5595
17050	2445	3599	4201	4692	5162	5611
17100	2450	3607	4212	4705	5176	5626
17150	2455	3616	4224	4718	5190	5642
17200	2460	3625	4236	4731	5204	5657
17250	2465	3633	4247	4744	5218	5672
17300	2470	3642	4259	4757	5233	5688
17350	2475	3650	4270	4770	5247	5703
17400	2480	3659	4282	4783	5261	5719
17450	2485	3668	4293	4796	5275	5734
17500	2490	3676	4305	4809	5290	5750

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
17550	2495	3685	4317	4822	5304	5765
17600	2500	3693	4328	4835	5318	5781
17650	2505	3702	4340	4848	5332	5796
17700	2510	3710	4351	4860	5347	5812
17750	2515	3719	4363	4873	5361	5827
17800	2520	3728	4375	4886	5375	5843
17850	2525	3736	4386	4899	5389	5858
17900	2530	3745	4398	4912	5403	5874
17950	2535	3753	4409	4925	5418	5889
18000	2540	3762	4421	4938	5432	5904
18050	2545	3770	4432	4951	5446	5919
18100	2551	3778	4440	4960	5456	5931
18150	2556	3785	4449	4969	5466	5942
18200	2561	3793	4457	4979	5477	5953
18250	2566	3800	4466	4988	5487	5964
18300	2571	3808	4474	4997	5497	5975
18350	2577	3815	4482	5007	5507	5987
18400	2582	3822	4491	5016	5518	5998
18450	2587	3830	4499	5026	5528	6009
18500	2592	3837	4508	5035	5538	6020
18550	2597	3845	4516	5044	5549	6031
18600	2602	3852	4524	5054	5559	6043
18650	2608	3859	4533	5063	5569	6054
18700	2613	3867	4541	5072	5580	6065
18750	2618	3874	4549	5082	5590	6076
18800	2623	3882	4558	5091	5600	6087
18850	2628	3889	4566	5101	5611	6099
18900	2634	3897	4575	5110	5621	6110
18950	2639	3904	4583	5119	5631	6121
19000	2644	3911	4591	5129	5642	6132
19050	2649	3919	4600	5138	5652	6144
19100	2654	3926	4608	5147	5662	6155
19150	2660	3934	4617	5157	5672	6166
19200	2665	3941	4625	5166	5683	6177
19250	2670	3948	4633	5176	5693	6188
19300	2675	3956	4642	5185	5703	6200
19350	2680	3963	4650	5194	5714	6211
19400	2685	3971	4659	5204	5724	6222
19450	2691	3978	4667	5213	5734	6233
19500	2696	3986	4675	5222	5745	6244
19550	2701	3993	4684	5232	5755	6256

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
19600	2706	4000	4692	5241	5765	6267
19650	2711	4008	4701	5250	5776	6278
19700	2717	4015	4709	5260	5786	6289
19750	2722	4023	4717	5269	5796	6300
19800	2727	4030	4726	5279	5806	6312
19850	2732	4037	4734	5288	5817	6323
19900	2737	4045	4742	5297	5827	6334
19950	2743	4052	4751	5307	5837	6345
20000	2748	4060	4759	5316	5848	6356
20050	2753	4067	4768	5325	5858	6368
20100	2758	4075	4776	5335	5868	6379
20150	2763	4082	4784	5344	5879	6390
20200	2769	4089	4793	5354	5889	6401
20250	2774	4097	4801	5363	5899	6412
20300	2779	4104	4810	5372	5910	6424
20350	2784	4112	4818	5382	5920	6435
20400	2789	4119	4826	5391	5930	6446
20450	2794	4126	4835	5400	5940	6457
20500	2800	4134	4843	5410	5951	6468
20550	2805	4141	4852	5419	5961	6480
20600	2810	4149	4860	5429	5971	6491
20650	2815	4156	4868	5438	5982	6502
20700	2820	4164	4877	5447	5992	6513
20750	2826	4171	4885	5457	6002	6525
20800	2831	4178	4893	5466	6013	6536
20850	2836	4186	4902	5475	6023	6547
20900	2841	4193	4910	5485	6033	6558
20950	2846	4201	4919	5494	6044	6569
21000	2852	4208	4927	5504	6054	6581
21050	2857	4215	4935	5513	6064	6592
21100	2862	4223	4944	5522	6074	6603
21150	2867	4230	4952	5532	6085	6614
21200	2872	4238	4961	5541	6095	6625
21250	2877	4245	4969	5550	6105	6637
21300	2883	4253	4977	5560	6116	6648
21350	2888	4260	4986	5569	6126	6659
21400	2893	4267	4994	5578	6136	6670
21450	2898	4275	5003	5588	6147	6681
21500	2903	4282	5011	5597	6157	6693
21550	2909	4290	5019	5607	6167	6704
21600	2914	4297	5028	5616	6178	6715

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
21650	2919	4304	5036	5625	6188	6726
21700	2924	4312	5044	5635	6198	6737
21750	2929	4319	5053	5644	6208	6749
21800	2935	4327	5061	5653	6219	6760
21850	2940	4334	5070	5663	6229	6771
21900	2945	4342	5078	5672	6239	6782
21950	2950	4349	5086	5682	6250	6793
22000	2955	4356	5095	5691	6260	6805
22050	2960	4364	5103	5700	6270	6816
22100	2966	4371	5112	5710	6281	6827
22150	2971	4379	5120	5719	6291	6838
22200	2976	4386	5128	5728	6301	6849
22250	2981	4393	5137	5738	6312	6861
22300	2986	4401	5145	5747	6322	6872
22350	2992	4408	5154	5757	6332	6883
22400	2997	4416	5162	5766	6342	6894
22450	3002	4423	5170	5775	6353	6905
22500	3007	4431	5179	5785	6363	6917
22550	3012	4438	5187	5794	6373	6928
22600	3018	4445	5196	5803	6384	6939
22650	3023	4453	5204	5813	6394	6950
22700	3028	4460	5212	5822	6404	6962
22750	3033	4468	5221	5832	6415	6973
22800	3038	4475	5229	5841	6425	6984
22850	3043	4483	5237	5850	6435	6995
22900	3049	4490	5246	5860	6446	7006
22950	3054	4497	5254	5869	6456	7018
23000	3059	4505	5263	5878	6466	7029
23050	3064	4512	5271	5888	6477	7040
23100	3069	4520	5279	5897	6487	7051
23150	3075	4527	5288	5906	6497	7062
23200	3080	4534	5296	5916	6507	7074
23250	3085	4542	5305	5925	6518	7085
23300	3090	4549	5313	5935	6528	7096
23350	3095	4557	5321	5944	6538	7107
23400	3101	4564	5330	5953	6549	7118
23450	3106	4572	5338	5963	6559	7130
23500	3111	4579	5347	5972	6569	7141
23550	3116	4586	5355	5981	6580	7152
23600	3121	4594	5363	5991	6590	7163
23650	3126	4601	5372	6000	6600	7174

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
23700	3132	4609	5380	6010	6611	7186
23750	3137	4616	5388	6019	6621	7197
23800	3142	4623	5397	6028	6631	7208
23850	3147	4631	5405	6038	6641	7219
23900	3152	4638	5414	6047	6652	7230
23950	3158	4646	5422	6056	6662	7242
24000	3163	4653	5430	6066	6672	7253
24050	3168	4661	5439	6075	6683	7264
24100	3173	4668	5447	6085	6693	7275
24150	3178	4675	5456	6094	6703	7286
24200	3184	4683	5464	6103	6714	7298
24250	3189	4690	5472	6113	6724	7309
24300	3194	4698	5481	6122	6734	7320
24350	3199	4705	5489	6131	6745	7331
24400	3204	4712	5498	6141	6755	7343
24450	3209	4720	5506	6150	6765	7354
24500	3215	4727	5514	6160	6775	7365
24550	3220	4735	5523	6169	6786	7376
24600	3225	4742	5531	6178	6796	7387
24650	3230	4750	5540	6188	6806	7399
24700	3235	4757	5548	6197	6817	7410
24750	3241	4764	5556	6206	6827	7421
24800	3246	4772	5565	6216	6837	7432
24850	3251	4779	5573	6225	6848	7443
24900	3256	4787	5581	6234	6858	7455
24950	3261	4794	5590	6244	6868	7466
25000	3267	4801	5598	6253	6879	7477
25050	3272	4809	5607	6263	6889	7488
25100	3277	4816	5615	6272	6899	7499
25150	3282	4824	5623	6281	6909	7511
25200	3287	4831	5632	6291	6920	7522
25250	3292	4839	5640	6300	6930	7533
25300	3298	4846	5649	6309	6940	7544
25350	3303	4853	5657	6319	6951	7555
25400	3308	4861	5665	6328	6961	7567
25450	3313	4868	5674	6338	6971	7578
25500	3318	4876	5682	6347	6982	7589
25550	3324	4883	5691	6356	6992	7600
25600	3329	4890	5699	6366	7002	7611
25650	3334	4898	5707	6375	7013	7623
25700	3339	4905	5716	6384	7023	7634

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
25750	3344	4913	5724	6394	7033	7645
25800	3350	4920	5732	6403	7043	7656
25850	3355	4928	5741	6413	7054	7667
25900	3360	4935	5749	6422	7064	7679
25950	3365	4942	5758	6431	7074	7690
26000	3370	4943	5758	6432	7075	7691
26050	3375	4944	5759	6433	7076	7692
26100	3379	4944	5760	6433	7077	7692
26150	3384	4944	5760	6434	7077	7693
26200	3389	4945	5761	6435	7078	7694
26250	3394	4945	5761	6435	7079	7695
26300	3398	4946	5762	6436	7079	7695
26350	3403	4946	5762	6436	7080	7696
26400	3408	4947	5763	6437	7081	7697
26450	3413	4947	5763	6438	7081	7698
26500	3417	4948	5764	6438	7082	7698
26550	3422	4948	5765	6439	7083	7699
26600	3427	4949	5765	6440	7084	7700
26650	3431	4949	5766	6440	7084	7701
26700	3436	4950	5766	6441	7085	7701
26750	3441	4950	5767	6441	7086	7702
26800	3446	4951	5767	6442	7086	7703
26850	3450	4951	5768	6443	7087	7704
26900	3455	4952	5768	6443	7088	7704
26950	3460	4952	5769	6444	7088	7705
27000	3465	4953	5770	6445	7089	7706
27050	3469	4953	5770	6445	7090	7706
27100	3474	4954	5771	6446	7090	7707
27150	3479	4954	5771	6446	7091	7708
27200	3484	4954	5772	6447	7092	7709
27250	3488	4955	5772	6448	7092	7709
27300	3493	4955	5773	6448	7093	7710
27350	3498	4956	5773	6449	7094	7711
27400	3503	4956	5774	6450	7094	7712
27450	3507	4957	5775	6450	7095	7712
27500	3512	4957	5775	6451	7096	7713
27550	3517	4958	5776	6451	7097	7714
27600	3522	4958	5776	6452	7097	7715
27650	3526	4959	5777	6453	7098	7715
27700	3531	4959	5777	6453	7099	7716
27750	3536	4960	5778	6454	7099	7717

Proposed Updated Schedule of Basic Support Obligations						
Combined Adjusted Net Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children
27800	3540	4960	5778	6454	7100	7718
27850	3545	4961	5779	6455	7101	7718
27900	3550	4961	5780	6456	7101	7719
27950	3555	4962	5780	6456	7102	7720
28000	3559	4962	5781	6457	7103	7721
28050	3564	4963	5781	6458	7103	7721
28100	3569	4963	5782	6458	7104	7722
28150	3574	4964	5782	6459	7105	7723
28200	3578	4964	5783	6459	7105	7724
28250	3583	4965	5783	6460	7106	7724
28300	3588	4965	5784	6461	7107	7725
28350	3593	4965	5785	6461	7107	7726
28400	3597	4966	5785	6462	7108	7727
28450	3602	4966	5786	6463	7109	7727
28500	3607	4967	5786	6463	7109	7728
28550	3612	4967	5787	6464	7110	7729
28600	3616	4968	5787	6464	7111	7730
28650	3621	4968	5788	6465	7112	7730
28700	3626	4969	5788	6466	7112	7731
28750	3631	4969	5789	6466	7113	7732
28800	3635	4970	5790	6467	7114	7732
28850	3640	4970	5790	6468	7114	7733
28900	3645	4971	5791	6468	7115	7734
28950	3649	4971	5791	6469	7116	7735
29000	3654	4972	5792	6469	7116	7735
29050	3659	4972	5792	6470	7117	7736
29100	3664	4973	5793	6471	7118	7737
29150	3668	4973	5793	6471	7118	7738
29200	3673	4974	5794	6472	7119	7738
29250	3678	4974	5795	6472	7120	7739
29300	3683	4975	5795	6473	7120	7740
29350	3687	4975	5796	6474	7121	7741
29400	3692	4975	5796	6474	7122	7741
29450	3697	4976	5797	6475	7122	7742
29500	3702	4976	5797	6476	7123	7743
29550	3706	4977	5798	6476	7124	7744
29600	3711	4977	5798	6477	7125	7744
29650	3716	4978	5799	6477	7125	7745
29700	3721	4978	5800	6478	7126	7746
29750	3725	4979	5800	6479	7127	7747
29800	3730	4979	5801	6479	7127	7747

Proposed Updated Schedule of Basic Support Obligations							
Combined Adjusted Net Income		One Child	Two Children	Three Children	Four Children	Five Children	Six Children
29850		3735	4980	5801	6480	7128	7748
29900		3740	4980	5802	6481	7129	7749
29950		3744	4981	5802	6481	7129	7750
30000		3749	4981	5803	6482	7130	7750

The proposed formula for monthly net incomes above $30,000 is:

- One child: $3,749 + 4.0% of combined monthly net income above $30,000
- Two children: $4,981 + 4.0% of combined monthly net income above $30,000
- Three children: $5,803 + 4.7% of combined monthly net income above $30,000
- Four children: $6,482 + 5.3% of combined monthly net income above $30,000
- Five children: $7,103 + 5.8% of combined monthly net income above $30,000
- Six children: $7,750 + 6.3% of combined monthly net income above $30,000