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NEW JERSEY Findings from Child Support Order Case File Reviews

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State of New Jersey
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Trenton, New Jersey 08625

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Table of Contents

Executive Summary	i
Introduction.....	1
Organization of Report	1
Background.....	1
New Jersey’s Existing Guidelines	2
Determination of Support Awards.....	3
Previous Case File Reviews.....	3
Data Collection and Methodology	3
Data Collection	3
Counties Participating in Study	4
Case Selection and Data Limitations.....	4
Data Analysis and Reporting of Findings.....	5
Order Amounts and Incomes	5
Adjustments for Special Factors.....	8
Adjustments to Income.....	8
Other Adjustments.....	9
Adjustments for Low Income (Self Support Reserve).....	11
Guidelines Deviations	12
Direction, Amount and reasons for Deviations	14
Characteristics of Cases with Deviations.....	15

List of Exhibits

Exhibit 1: Factors Considered in New Jersey Guidelines	2
Exhibit 2: Number of Orders Reviewed, Population and Order Established and Modified.....	4
Exhibit 3: Number of Children, Order Amounts and Income of the Parents.....	6
Exhibit 4: Percent of Cases with Adjustments to Income for Selected Factors	8
Exhibit 5: Adjustments to Basic Child Support Obligation.....	9
Exhibit 6: Application of Shared-Parenting Time Adjustment.....	11
Exhibit 7: Eligibility and Application of Self Support Reserve (FD orders)	12
Exhibit 8: Eligibility and Application of Self Support Reserve (Fm orders)	12
Exhibit 9: Application of the New Jersey Guidelines.....	13
Exhibit 10: Guidelines Deviation Rates in Other States	14
Exhibit 11: Characteristics of Cases with Deviations	15



Appendix I – Guidelines Worksheets

Appendix II – Deviation Reasons



Executive Summary

In accordance to federal regulation [45 CFR 302.56], New Jersey is reviewing its child support guidelines. As part of that review, New Jersey has conducted a case file review to determine the extent to which child support guidelines are applied and deviated. After reviewing over 2,400 case files, New Jersey has found that the guidelines were applied in 96 percent of the orders and the guidelines are deviated from in 4 percent of the orders. This is comparable to New Jersey's previous guidelines deviation rate of 3 percent and much lower than the deviation rate in other states. Since deviations are permissible when the guidelines-determined amount would be unjust, inappropriate or not in the best interest of the child, this implies the New Jersey guidelines are working well.

The case file review also reveals many characteristics of recently established and modified child support orders. Many cases involve poor parents. This includes custodial and noncustodial parents and the FD (non-dissolution) and FM (dissolution) cases, where most child support orders are issued. For example, about half (48%) of the custodial parents in FD (non-dissolution) orders have poverty incomes. Noncustodial parents and FM (dissolution) cases are less likely to have poverty incomes, but poverty still exists. For example, 8 percent of noncustodial parent in FM (dissolution) orders have poverty incomes.

The New Jersey Guidelines permits many adjustments for individual circumstances of the case (e.g., either parent has a prior child support orders, additional dependents, or eligible child care expenses; or pays additional premium costs to insure the child, unreimbursed health care costs for the child, or additional expenses such as educational expenses). These adjustments are applied in 1 to 38 percent of the orders depending on the adjustment and the docket type. The only exceptions are unreimbursed health care costs and additional expenses. There were no cases with unreimbursed health care costs and only a few orders with additional expenses.

The New Jersey Guidelines are unique because they allow a shared-parenting time adjustment for routine visitation, provided certain criteria are met. Shared-parenting time adjustments were applied in 17 percent of the FD (non-dissolution) orders and 30 percent of the FM (dissolution) orders. The average adjustment for shared-parenting time is \$12 and \$14 per week, respectively, among FD (non-dissolution) and FM (dissolution) orders.

New Jersey Guidelines provide a self support reserve equivalent to 105 percent of the federal poverty guidelines. If the custodial parent's income is above the self support reserve and the noncustodial parent's income after child support is less than the self support reserve, there may be a downward adjustment to the order. This adjustment was applied in about one third (13%) of the FD (non-dissolution) orders and 10 percent of the FM (dissolution orders). The adjustment may have been applied in more orders if the custodial parent had income above the self support reserve.



Introduction

This report has been prepared under contract with the New Jersey Administrative Office of the Courts (AOC). The New Jersey Child Support Guidelines are being reviewed in accordance with a requirement of the Family Support Act of 1988 [P.L. 100-485]. Federal regulations [45 CFR 302.56] further require that the review must include an analysis of case data on the application of, and deviation from, the guidelines. The information is to be used to “ensure that deviations from the guidelines are limited.”

This report provides the findings from analyses of New Jersey child support case files. Particular emphasis is placed on determining the guidelines deviation rate, the directions and amounts of the deviations, and the reasons for the deviations.

ORGANIZATION OF REPORT

The remainder of this report is divided into five sections.

- The first section provides background information including a brief overview of the New Jersey Child Support Guidelines and a previous study examining guidelines usage and deviations in New Jersey.
- The second section describes how case file data were collected and how they are aggregated for analysis.
- The third section summarizes average order amounts, number of children for whom support is being determined and the incomes of the parents.
- The fourth section summarizes the application of the guidelines, particularly the application of adjustments for special factors (e.g., additional dependents, shared parenting time).
- The fifth section provides the findings from the analysis for guidelines deviations and compares it to findings from other studies.

Background

The New Jersey Child Support Guidelines are based on the Income Shares model, which was recommended by the 1983-87 National Child Support Guidelines Advisory Panel. The Income Shares model calculates child support based on both parents' incomes. It presumes that the child is entitled to the same amount of expenditures the child would have received had the parents lived together. At the core of the New Jersey Guidelines is the “Basic Child Support Award Schedule,” which is a look-up table that shows the average amount of child-rearing expenditures in intact families for a range of combined parental incomes and one to six children. The amount from the Schedule is prorated between the parents in the guidelines calculation. The custodial parent's share is assumed to be spent directly on the child. The noncustodial parent's share is the child support order. The Schedule excludes child care costs, the premium cost of carrying health insurance for the children, and the unreimbursed health care expenses for the child. Those expenses are prorated between the parents and added or subtracted from base support depending on which parent is paying the expense. The New Jersey Guidelines also permits additional adjustments for other factors that are discussed later.



FEDERAL REQUIREMENTS

Federal law required states to promulgate advisory guidelines by 1987 and presumptive guidelines by 1989. The guidelines are to be applied statewide and be made available to persons whose duty it is to set child support award amounts. The presumptive guidelines amount can be rebutted based on state-determined criteria. In determining the criteria, states must consider the best interest of the child and what would be unjust or inappropriate in a particular case.

NEW JERSEY'S EXISTING GUIDELINES

Since New Jersey adopted statewide guidelines in 1985, it has conducted several reviews that resulted in many changes to the guidelines over time, including updates to the schedule to reflect more current economic factors. Although the guidelines have been reviewed since, the last time that there were substantive changes to the Schedule and guideline formula accompanying the Schedule was in 1997.

Key factors considered in the calculation of child support are shown in Exhibit 1. They include each party's net income, additional dependents of either parent, a self support reserve available to both parties, eligible child care costs, the premium costs associated with the child's health insurance, unreimbursed health care expenses made on behalf of the child, and additional expenses such as extraordinary educational expenses.

Exhibit 1	
Selected Factors Considered in the Calculation of Child Support under New Jersey Guidelines	
✓	The custodial parent's net income
✓	The noncustodial parent's net income
✓	A self support reserve equivalent to the federal poverty guidelines
✓	Additional dependents of either party
✓	Percent of overnights with each party
✓	Eligible child care costs
✓	Premium costs of child's health insurance coverage
✓	Unreimbursed health care expenses for the child
✓	Other court-approved expenses (e.g., extraordinary education expenses)

There are two guidelines worksheets for New Jersey: one for sole custody cases and the other for shared-parenting time cases. They are contained in Appendix I.

Guidelines Deviation Criteria

The Court may deviate from the guidelines to accommodate the needs of the children or the parents' circumstances. The following deviation factors are provided [NJSA 2A:34-23(a) and NJSA 9:17-53(e)]:

- Needs of the child;
- Standard of living and economic circumstances of each parent;
- All sources of income and assets of each parent;
- Earning ability of each parent, including educational background, training, employment skills, work experience, custodial responsibility for children including the cost of providing child care and the length of time and cost of each parent to obtain training or experience for appropriate employment;
- Need and capacity of the child for education, including higher education;
- Age and health of the child and each parent;
- Income, assets and earning ability of the child;
- Responsibility of the parents for the support of others;



- Debts and liabilities of each child and parent; and
- Any other factors the court may deem relevant if the amount determined is unjust, inappropriate, or not in the child's best interest.

DETERMINATION OF SUPPORT AWARDS

Child support orders are established and modified through a judicial process in New Jersey. Orders are typically established or modified through the Family Division of the Superior Court, which includes a Child Support Hearing Officer Program to expedite court proceedings and assist litigants who are not parties to a divorce proceeding in reaching mutual decisions. A Hearing Officer adjudicates most complaints for child support among non-dissolution cases. They hear IV-D cases; that is, county child support program cases. Contested, dissolution cases are generally heard by a Judge, although first they may be referred to a mediation program or another diversionary program. Other Family Division units, such as the Domestic Violence units, may also establish child support orders; yet, only a small number of orders are issued through these other units.

PREVIOUS CASE FILE REVIEWS

New Jersey participated in a national guidelines study sponsored by the federal Office of Child Support Enforcement (OCSE).¹ The study encompassed 11 states and 21 counties, averaging two counties per state. States were encouraged to cooperate with the study on the basis that the cases reviewed in that particular state would satisfy the federal requirement to conduct a case file review.

The OCSE study reviewed 438 cases in two New Jersey counties. The New Jersey counties participating in the study were unnamed. Most (99%) of the New Jersey cases reviewed were IV-D cases. The percent of cases reviewed with a deviation from the guidelines amount was 4 percent in one New Jersey county and 0 percent in the other New Jersey county. The deviation rates among the other counties participating in the study ranged from 1 to 41 percent. The overall rate was 17 percent. All of the New Jersey deviations were downward. In contrast, 83 percent of all cases in the study with deviations were downward. The most frequent reason for deviation among all cases was agreement between the parties. The study did not report reasons for deviations by state or county.

Data Collection and Methodology

Data Collection

The AOC with assistance from LegalPlus was able to extract automated guidelines worksheets from recently established and modified orders for the case data analyses. This data collection method was superior to other methods such as hard copy case file reviews because it avoided the need to dedicate staff to pull case files, the development of data collection instruments and sampling plans, data entry and cleaning, and staff traveling between counties to review cases. The automated worksheets were extracted from court local area networks

¹CSR, Incorporated and the American Bar Association Center on Children and the Law, *Evaluation of Child Support Guidelines: Volume 1; Findings and Conclusions*, Report to the federal Office of Child Support Enforcement, Washington, D.C. (March 1996).



(LANs) in three New Jersey vicinages using a software application designed by LegalPlus specifically for this project. It is envisioned that guidelines users who wish to monitor or track their case files and guidelines applications could also use the software application in the future.

LegalPlus developed the automated guidelines software, which is used in all New Jersey courts to compute the guidelines amount. The software typically resides on individual personal computers, but many courts have begun to save guidelines calculations on their LANs. In addition, the guidelines calculation is normally contained in the hardcopy court case file or another record of legal proceeding.

Counties Participating in Study

There are 21 counties and 15 vicinages in New Jersey. (Vicinages combine one or more counties into a judicial district.) The goal was to obtain automated guidelines worksheets from recently established or modified orders in at least two counties or vicinages (preferably a large and small county). AOC contacted vicinages to determine which vicinages save automated guidelines calculations for recently determined or modified orders on their LAN and whether they would cooperate with the study. Using these criteria, AOC found three vicinages comprising five counties: Burlington, Essex, Cumberland, Gloucester, and Salem. The last three counties form one vicinage. Burlington and Essex Counties are each a vicinage. Exhibit 2 displays the number of cases reviewed from each vicinage and other relevant statistics.



Exhibit 2 Number of Cases Reviewed, Population and Number of Orders Established and Modified						
	Burlington County/ Vicinage	Cumberland, Gloucester, and Salem Counties/ Vicinage	Essex County/ Vicinage	Vicinages Participating in Study	State	Sampled Vicinages as % of State
Population (2000)	423,394	465,396	793,633	1,682,423	8,414,350	20%
Orders Established by Hearing Officers ^a	743	747	1,833	3,321	11,668	28%
Orders Modified by Hearing Officers ^a	337	570	408	1,315	5,239	25%
Orders Reviewed						
• All	271	731	1,432	2,434	2,434	100%
• FD (non-dissolution)	178	676	1,365	2,219	2,219	100%
• FM (dissolution)	61	16	21	98	98	100%
• Other ^b	32	39	46	117	117	100%

^aOrders established are the average annuals from FY2002 and 2003, which is also within the time period in which the reviewed case was filed or the order was issued. Modifications are from FY2003. Counts are not available for FM (dissolution cases).

^bOther includes FV (Family Violence) dockets, other dockets and orders with missing docket numbers.

Case Selection and Data Limitations

A random sample from a “universe of cases” (statistical term for “all” cases) is typically used when collecting information on every case would be overly costly and time consuming. This was not an issue for this study because the data were pulled electronically. All recent case files that had automatic guidelines calculations available electronically were pulled for review. However, a few data limitations to this approach exist. First,



parents who agree to support may not have a guidelines calculation. Exclusion of these cases could understate actual deviation rates.² Secondly, we could not discern between newly established orders and modified orders; although based on docket numbers, it appears that both new and modified orders are represented. Finally, Hearing Officers tend to save automated guidelines worksheets more than Judges, so more non-dissolution cases (which tend to be IV-D cases) than dissolution cases (which tend to be non-IV-D cases) were reviewed.

The issue of the appropriate ratio between IV-D and non-IV-D case sampling is inherent to case file reviews. IV-D case files tend to outnumber non-IV-D case files in most state case file reviews. For example, the split between IV-D and non-IV-D cases in the OCSE child support guidelines study was 71%/29% overall and ranged from 100%/0% to 43%/57% in the 22 counties participating in the study. Unfortunately, the actual split between IV-D and non-IV-D is unknown. This information is necessary to develop an appropriate sample representative of IV-D and non-IV-D orders.³

As more information is recorded electronically, we are hopeful that future guidelines reviews will contain more and better information from non-IV-D orders. The Federal and State Case Registry will likely contribute to this. More and more jurisdictions are participating in the registries. As reporting improves, more reliable counts on the split between IV-D and non-IV-D orders will be available. In turn, that can be used to determine appropriate the sample size and sample strategy for subsequent case file reviews.

Data Analysis and Reporting of Findings

Averages are weighted based on the vicinage's share of orders established by Hearing Officers. Data are reported based on the weighted averages of all case file reviews, cases with FD (non-dissolution) docket numbers, and cases with FM (dissolution) docket numbers. Cases with FV (Family Violence) docket numbers, and other or missing docket numbers were not analyzed separately because they were few in number.

Order Amounts and Incomes

Exhibit 3 shows the number of children, order amounts, and the incomes of the parents among the cases reviewed compared to national statistics. Some of the key findings are highlighted below.

- *There are significant differences between FD (non-dissolution) and FM (dissolution) orders.* In general, FD (non-dissolution) orders involve fewer children, lower order amounts, and the incomes of the parents tend to be lower than those of FM (dissolution orders).

² Whether this should be an actual issue of concern is arguable. Research indicates that child support guidelines help parents reach an agreement. Further, child support is more likely to be paid in cases where the parents reach an agreement. For example, See Walter L. Ellis, *Applying Child Support Guidelines and Fathers' Subsequent Child Support Payment Compliance*, Report to the New Hampshire Department of Health and Human, Concord, NH (October 2001) and Laura Argys, et al., "Can the Family Support Act Put Some Life Back into Deadbeat Dads? An Analysis of Child Support Guidelines, Award Rates, and Levels," *Journal of Human Resources*, vol. 36, no. 2 (Spring 2001).

³ Eventually, this statistic should be available from the Federal Case Registry as more states submit information for IV-D and non-IV-D cases. The most recent report from the Federal Case Registry shows a 92%/8% and 84%/16% split, respectively, among IV-D/non-IV-D cases nationally and New Jersey (Federal Office of Child Support Enforcement, *FY2002 Annual Statistical Report*, Washington, D.C., Table 74).



- *The characteristics of FM (dissolution) orders track more closely to national (Census) information than FD (non-dissolution orders).* For example, the percent of one-child orders is 56 among FM (dissolution cases) and 59 percent nationally (Census data). In contrast, the percent of one-child orders is 73 percent among FD (non-dissolution cases). Yet, the average order amount among FD (non-dissolution) orders (\$84 per week) approximates the national average order amount (\$91 per week); whereas, the average order amount among FM (dissolution) orders is higher (\$137 per week). In large part, the difference may result from the New Jersey sample being recently established and modified orders. The national sample may include orders of any age, so is likely to include much older orders.
- *Many Parents Have Incomes below Poverty.* Poverty is measured with respect to net (after-tax) income. Over a quarter (28%) of the noncustodial parents among FD (non-dissolution) orders have net incomes below 105 percent of the 2003 poverty guidelines for one person (\$181 per week). (As discussed later, the self support reserve is set at 105 percent of the poverty guidelines.) Over half (54%) of the custodial parents among FD (non-dissolution) orders have no income or incomes below poverty. The comparable percentages of parents with poverty income among FM (dissolution) orders is considerably less among noncustodial parents (8%), but still relatively large among custodial parents (39%).
- *In general, noncustodial parents have more income than custodial parents.* The majority (73%) of FD (non-dissolution) orders involve cases where the noncustodial parent's income is more than the custodial parent's income. The comparable percentage among FM (dissolution) orders is somewhat less. In two thirds (66%) of FM (dissolution) orders, the noncustodial parent's income is more than the custodial parent's income.

Exhibit 3 Number of Children, Order Amounts and Incomes of the Parents				
	All Orders Reviewed (n = 2,434)	FD: Non-Dissolution Orders (n = 2,219)	FM: Dissolution Orders (n = 98)	U.S. Census^a
Number of Children				
1 Child	73%	74%	56%	59%
2 Children	20%	19%	26%	29%
3 Children	5%	5%	12%	9%
4 or more Children	2%	2%	6%	4%
Average Number of Children	1.38	1.35	1.72	<i>not available</i>
Weekly Child Support Order				
\$0	1%	1%	3%	<i>not available</i>
\$1-\$25	4%	4%	1%	
\$26-\$50	23%	24%	3%	
\$51-\$100	41%	42%	33%	
\$101-\$150	19%	19%	30%	
\$151-\$200	8%	6%	12%	
\$201 or more	4%	3%	19%	
Average Weekly Order	\$88	\$84	\$137	\$91
Noncustodial Parent's Gross Weekly Income ^b				
\$0 - \$250	29%	30%	8%	<i>not available</i>
\$251 - \$500	40%	42%	38%	
\$501 - \$750	19%	18%	28%	
\$751 - \$1,000	6%	6%	11%	
\$1,001 or more	6%	4%	15%	



**Exhibit 3
Number of Children, Order Amounts and Incomes of the Parents**

	All Orders Reviewed (n = 2,434)	FD: Non-Dissolution Orders (n = 2,219)	FM: Dissolution Orders (n = 98)	U.S. Census^a
Average Weekly Gross Income	\$468	\$425	\$696	
Maximum Weekly Gross Income	\$4,808 ^c	\$1,875	\$3,788	
Custodial Parent's Gross Weekly Income^b				
\$0 - \$250	59%	60%	45%	<i>not available</i>
\$251 - \$500	22%	23%	21%	
\$501 - \$750	11%	11%	17%	
\$751 - \$1,000	5%	4%	12%	
\$1,001 or more	3%	2%	5%	
Average Weekly Gross Income	\$255	\$236	\$388	\$452
Maximum Weekly Gross Income	\$3,654	\$2,442	\$3,654	
Noncustodial Parent's Net Weekly Income^b				
Below \$181 (105% of 2003 poverty)	27%	28%	8%	<i>not available</i>
\$181 - \$250	18%	19%	11%	
\$251 - \$500	40%	42%	48%	
\$501 - \$750	10%	9%	19%	
\$751 or more	5%	2%	14%	
Average Weekly Net Income	\$332	\$306	\$475	
Custodial Parent's Net Weekly Income^b				
\$0	48%	48%	29%	<i>not available</i>
\$1- \$181 (105% of 2003 poverty)	5%	6%	10%	
\$181 - \$250	12%	13%	13%	
\$251 - \$500	23%	24%	26%	
\$501 - \$750	9%	8%	15%	
\$751 or more	3%	1%	7%	
Average Weekly Net Income	\$195	\$177	\$301	
Noncustodial Parent's % of Combined Income^b				
0-30%	4%	4%	7%	<i>not available</i>
31-45%	14%	13%	12%	
46-60%	21%	21%	22%	
61-75%	12%	11%	27%	
76-90%	2%	2%	3%	
91-100%	47%	48%	29%	
Average % of Combined Income	74%	75%	67%	
Noncustodial Parent Income Relative to Custodial Parent Income^b				
• NCPs income is less than CP income	19%	19%	19%	<i>not available</i>
• NCP income and CP income are about equal ^d	8%	8%	15%	
• NCP income is more than CP income	73%	73%	66%	

^aCustodial Mothers and Fathers and Their Child Support: 1999" *Current Population Reports: Consumer Income*, P60-217, U.S. Census Bureau, Washington, D.C (October 2002).

^bNoncustodial parents refers to noncustodial parents in sole custody cases and the parent of the alternate residence in shared parenting cases. Custodial parent refers to custodial parent in sole custody cases and the parent of the primary residence in shared parenting cases.

^cThe docket type for the maximum of all cases is unknown.

^dNoncustodial parent's net income is 90 to 110% of custodial parent's net income

Although not shown in Exhibit 3, data were collected on the source of income. Most noncustodial and custodial parents (95 and 97%, respectively) have salary or wage income only. When a parent did have



income other than wage or salary income, it was typically from unemployment insurance. Other sources of income (albeit infrequent) included rents, taxable retirement income, disability income, and business income.

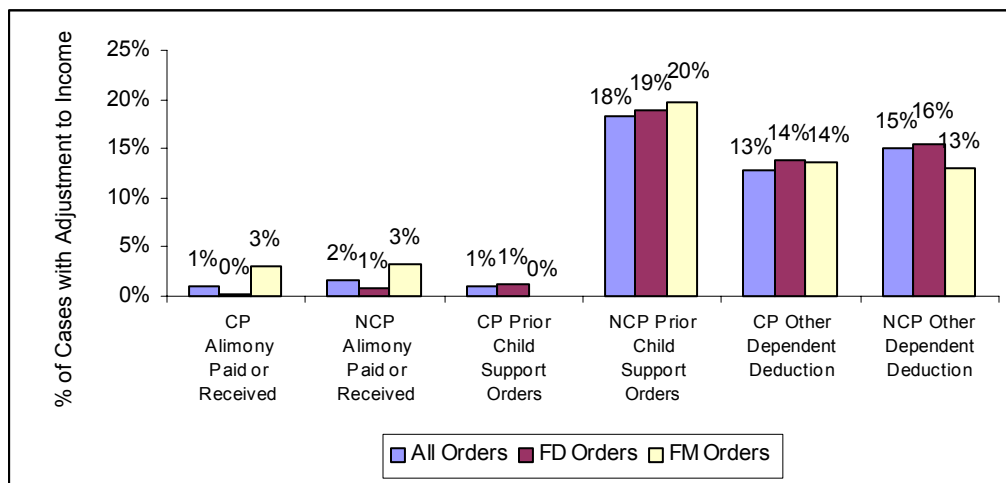
Adjustments for Special Factors

The Guidelines calculation provides adjustments for several special factors. Some of the factors result in subtractions from income prior to the calculation of support. Others are considered later in the calculation.

Adjustments to Income

Exhibit 4 shows the application of selected adjustments to income: alimony; prior child support orders; and theoretical support amounts for additional dependents.

Exhibit 4
Percent of Cases with Adjustments to Income for Selected Factors



Alimony

Alimony paid or received is to be subtracted or added from a parent's income. As evident in Exhibit 4, only a negligible percent of orders have an income adjustment for alimony. For example, 3 percent of custodial parents in FM (dissolution) orders receive alimony. The average amount of alimony received is \$92 per week. The minimum and maximum amounts of alimony received or paid are \$25 and \$850 per week, respectively.

Prior Child Support Orders

The amount of a prior child support order is to be subtracted from the income of the parent paying it. (There is no addition to income if a parent receives child support on behalf of other children for whom the parent is the custodian.) As evident in Exhibit 4, few (1%) of the custodial parents have a prior child support order, yet 18 percent of the noncustodial parents have a prior child support order.⁴ Prior support orders average \$68 and \$88 per week, respectively, among custodial and noncustodial parents. The maximum

⁴The percentages are higher among FD (non-dissolution) and FM (dissolution) orders because they have more noncustodial parents with prior orders than those orders that were missing docket numbers that were not analyzed separately but included in the total.

amounts subtracted for prior support orders were \$232 and \$369, respectively, among custodial and noncustodial parents.

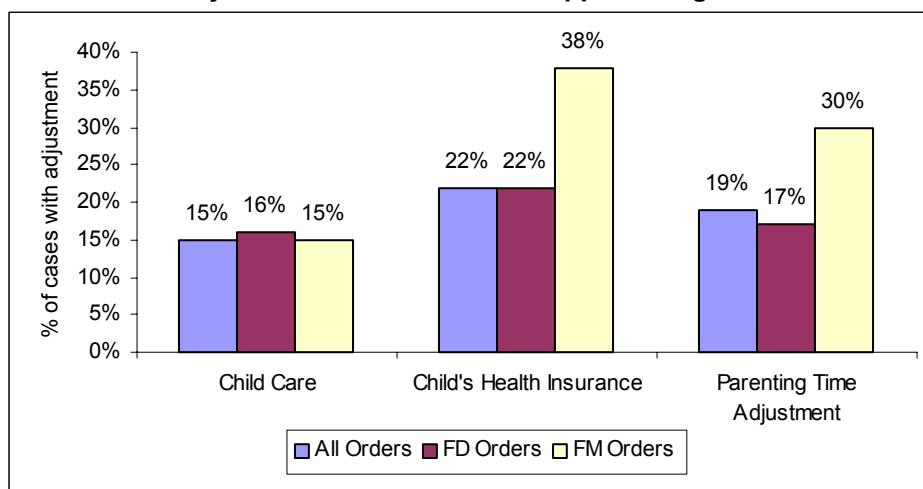
Adjustment for Additional Dependents

The theoretical support order amounts may be subtracted from the parent’s income provided that income from the other parent to the additional dependent is disclosed. An adjustment for additional dependents was granted among few custodial and noncustodial parents (13 and 15 percent, respectively). The average adjustment to weekly income for additional dependents was \$108 among custodial parents and \$124 among noncustodial parents. The maximum amounts subtracted for additional dependents were \$296 and \$401, respectively, among custodial and noncustodial parents.

Other Adjustments

Exhibit 5 shows the percent of orders adjusted for other selected factors. Eligible child care expenses, the child’s share of the health insurance premium, unreimbursed health care expense for the child, and additional extraordinary expenses (e.g., private school tuition) are prorated between the parents and added to base support. Unreimbursed health care expenses and additional expenses are not shown in Exhibit 5 because they were none or only in a few orders. There were no unreimbursed health care expenses in any of the orders. Only a few (14 orders) had additional expenses.

Exhibit 5
Adjustments to Basic Child Support Obligation



Child Care Expenses

Child care expenses were considered in 16 percent of FD (non-dissolution) orders and 15 percent of FM (dissolution) orders. Child care expenses averaged \$54 per week in FD (non-dissolution) orders and \$84 per week in FM (dissolution) orders. The maximum amounts of child care considered were \$329 per week in FD (non-dissolution) orders and \$202 per week in FM (dissolution) orders.



Child's Share of Health Insurance Premium

The child's share of the health insurance premium was considered in almost a quarter (22%) of FD (non-dissolution) orders and over a third (38%) of FM (dissolution) orders. The average health insurance premium for the child was \$16 per week in FD (non-dissolution) orders and \$22 per week in FM (dissolution) orders. The maximum amounts of health insurance premiums considered were \$180 per week in FD (non-dissolution) orders and \$186 per week in FM (dissolution) orders. The noncustodial parent carries the health insurance in 49 percent of the orders with an adjustment.

As an aside, the percentages of orders with an adjustment for health insurance premium do not reflect the percentages of orders with a provision for a parent or parents to carry health insurance for the children. These are separate issues. A parent may be ordered to carry health insurance, but if there is no additional costs of including the child on the insurance policy or the parent does not currently have health insurance, there would not be an adjustment to the order amount.

Shared-Parenting Time Adjustments

There are two types of shared-parenting time adjustments. At low levels of visitation, a noncustodial parent may be eligible for an adjustment to his/her obligation to cover direct expenditures on the child for food and other variable costs while the child is in the care of the noncustodial parent. When there is substantial timesharing and both parents incur duplicated child-rearing expenses (e.g., housing) another formula may apply. The second adjustment is applicable when the noncustodial parent or the parent of the alternate residence has the child more than 28 percent of the time (i.e., two overnights per week). The guidelines include several criteria for applying this adjustment (e.g., there must be a parenting time plan, timesharing must be exercised, the custodial parent's spendable income can not be less than 200% of the poverty guidelines).

As shown in Exhibit 5, 17 percent of the FD (non-dissolution) orders had an adjustment for shared-parenting time and 30 percent of the FM (dissolution) orders had an adjustment. Most (87%) of the adjustments were for ordinary visitation; that is, timesharing did not exceed the threshold for the second adjustment to apply.

As evident in Exhibit 6, the shared-parenting time adjustment averaged \$12 per week in FD (non-dissolution) orders and \$14 per week in (dissolution orders). Exhibit 6 also shows visitation time norm was in the range of 14 to 18 percent of the child's time being spent with the noncustodial parent. Somewhat more than a third of the cases (39%) fell into this range. This would be more than a visitation schedule of every other weekend but less than a visitation schedule of every other weekend, two weeks the summer, and every other holiday. The average adjustment for shared-parenting time for this amount of timesharing was \$25 per week.

Exhibit 6 Application of Shared-Parenting Time Adjustment						
	All Orders Reviewed (n =395)		FD: Non-Dissolution Order (n = 326)		FM Dissolution orders (n =40)	
Percent of time spent with the noncustodial parent or parent with alternate residence	% of cases with adjustment	Average Adjustment Amount	% of cases with adjustment	Average Adjustment Amount	% of cases with adjustment	Average Adjustment Amount
ALL	100%	\$13	100%	\$12	100%	\$14
13% or less (2 weekends/mo or less)	19%	\$10	20%	\$9	28%	\$8
14-18% (2 weekends/mo, 2-week vacation & every other holiday is 18%)	39%	\$25	37%	\$21	42%	\$16
19-28%	11%	\$26	10%	\$22	13%	\$17
28% or more (additional adjustment may be applied when timesharing exceeds 28%)	31%	\$61	33%	\$58	16%	\$31

Adjustment for Low-Income (Self Support Reserve)

A noncustodial parent is entitled to a self support reserve to ensure that his or her net income after child support is sufficient to maintain at least a subsistence level of living. New Jersey sets its self support reserve at 105 percent of the federal poverty guidelines for one person (\$181 per week in 2003). If the noncustodial parent's net weekly income less his/child support order is less than the self support reserve, the order amount may be reduced only if the custodial parent's income is above the self support reserve.

Exhibit 7 shows:

- the percent of noncustodial parents in FD (non-dissolution cases) that met the first eligibility criterion for the low-income adjustment — that is, their net income minus child support is less than the self support reserve; and,
- the percent of noncustodial parents who met the second eligibility requirement— that is, the custodial parent has income above the self support reserve.

As evident in Exhibit 7, about half (49%) of the noncustodial parents in FD (non-dissolution cases) have incomes sufficiently low to meet the first criterion for applying the self support reserve. Also, shown in Exhibit 7 is that the adjustment is applied in two thirds (66%) of these orders. In more than a quarter (27%) of these orders, the adjustment was not applied because the custodial parent had income below the self support reserve.

Exhibit 8 is analogous to Exhibit 7 except it considers FM (dissolution cases). It also shows that about a quarter (24%) of the noncustodial parents have incomes sufficiently low enough to meet the first criterion. Among those, about half (51%) actually receive the adjustment. The other noncustodial parents do not



receive it because the custodial parent's income is below the self support reserve (42% of the FM orders) or the court or hearing officer did not apply the adjustment (8% of the FM orders).

Exhibit 7
Eligibility and Application of Self Support Reserve
FD (Non-Dissolution orders)

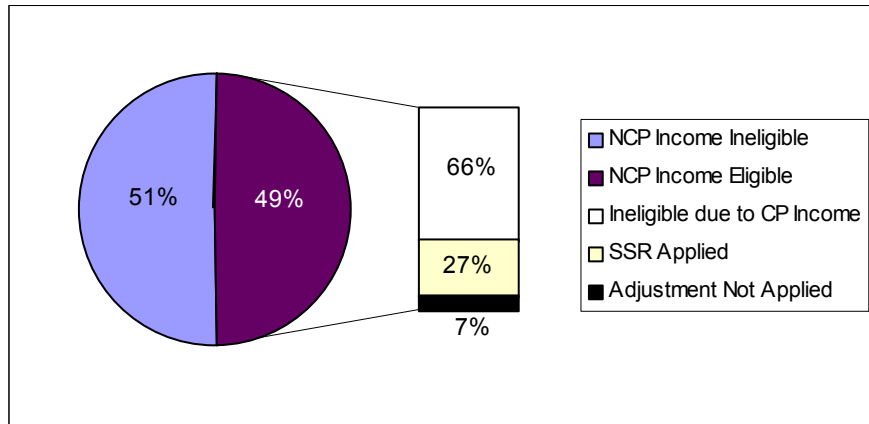
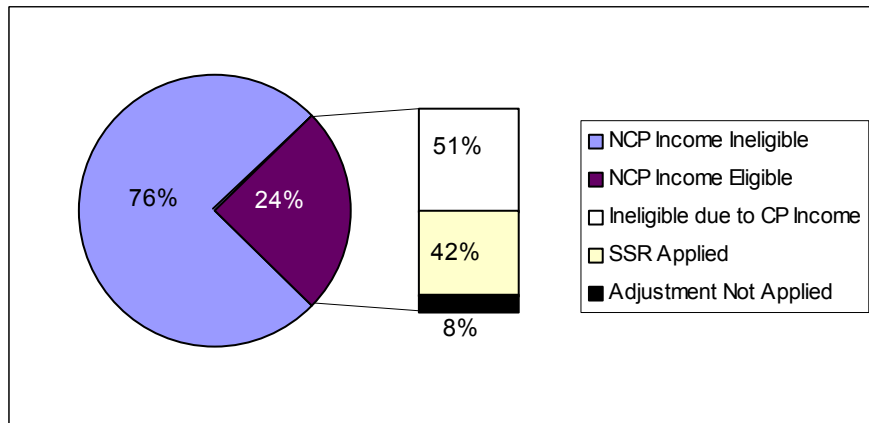


Exhibit 8
Eligibility and Application of Self Support Reserve
FM (Dissolution orders)



Guidelines Deviations

Exhibit 9 shows that the guidelines were applied in most (97%) of the orders reviewed and the guidelines were deviated from in only a small percentage (3%) of orders. Exhibit 9 shows that the guidelines application and deviation rate did not vary according to whether the order was issued by the FD (non-dissolution) or FM (dissolution) unit.

Exhibit 9
Application of the New Jersey Guidelines

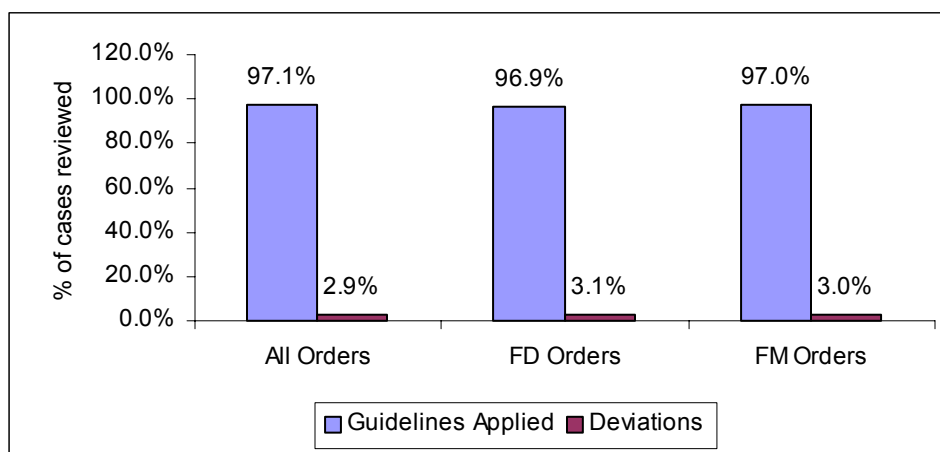
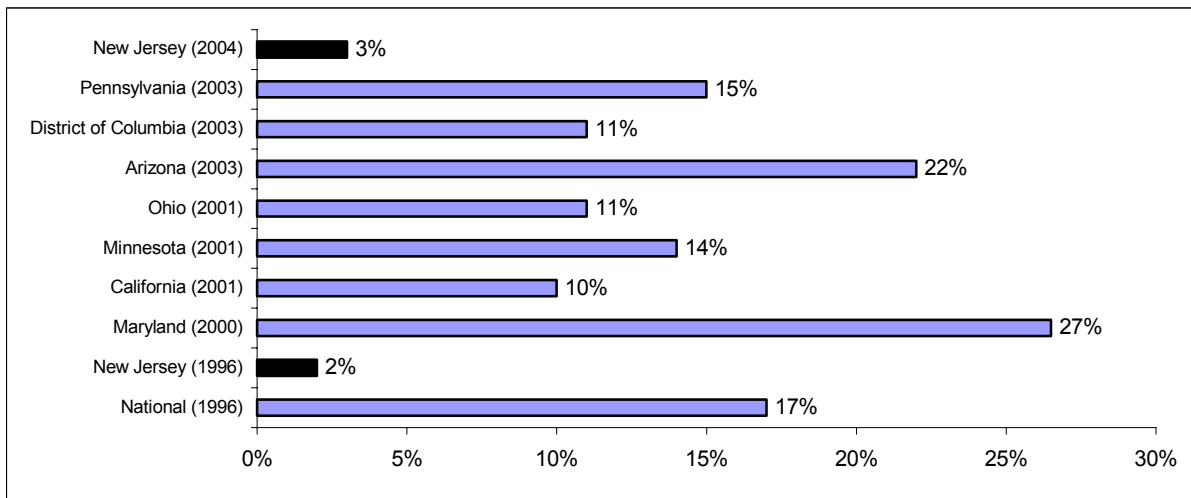


Exhibit 10 indicates that the current New Jersey guidelines deviation rate is comparable to its previous rate. In addition, Exhibit 10 shows that New Jersey has a guidelines deviation rate lower than most states. The general premise is that a lower guidelines deviation rate indicates that the guidelines must be working. If the guidelines were unjust, inappropriate or found not to be in the best interest of the child, judges and hearing officers would be deviating from the guidelines more.



Exhibit 10 Guidelines Deviation Rates in New Jersey and Other State Case File Reviews⁵



Direction, Amount and Reasons for Deviations

About half (52%) of the deviations were upward, and the other half (48%) were downward. The average dollar differences between the guidelines-determined amount and the deviated-order amount were \$31 among orders with upward deviations and \$48 among orders with downward deviations. Some of the more common reasons for upward deviations were:

- agreement between the parties;
- the custodial or noncustodial parent has multiple orders or other dependents; and
- low-income adjustment was not applied because parent had reduced living expenses (e.g., noncustodial parent lives with mother).

Some of the common reasons for downward deviations were:

- agreement between the parties;
- child receives Social Security Disability benefits; and
- the custodial or noncustodial parent has multiple orders or other dependents.

The specific deviation reasons for all orders with noted deviations are listed in Appendix II.

⁵Ohio Department of Job and Family Services, *Report to the General Assembly, Ohio's Child Support Guidelines* (2001). Beld, Jo Michelle, *Child Support Enforcement Division, Child Support Guidelines Review: Case Data Analysis Final Report*, Prepared for the Minnesota Department of Human Services (2001). University of Maryland, School of Social Work, *Child Support Guidelines Review: Case-Level Report*, Prepared for the Maryland Department of Human Resources, Child Support Enforcement Administration (2000). Policy Studies Inc., *Preliminary Findings of a Case File Review*, Submitted to the District of Columbia Office of Corporation Counsel, Child Support Enforcement Division (2003). Judicial Council of California, *Review of Statewide Uniform Child Support Guideline* (2001). Policy Studies Inc., *Arizona Child Support Guidelines, Findings from a Case File Review*, Submitted to the Supreme Court of Arizona, Administrative Office of the Courts (2003). New Jersey 1996 figure is an average of the two counties participating in the study (see page 3 of this report).

Characteristics of Cases with Deviations

Exhibit 11 compares selected characteristics of cases with guidelines deviations to those where the guidelines are applied. It indicates that the guidelines are more likely to be deviated from when the noncustodial parent has low income and the custodial parent has more income than the noncustodial parent income. It also indicates that the deviations occur more frequently among orders when the noncustodial parent has a prior support order or additional dependents.

Exhibit 11		
Case Characteristics by Deviation/Guidelines Application		
	Cases with Guidelines Deviations (n=76)	Cases where Guidelines were Applied (2,358)
Number of Children		
1 child	73%	73%
2 children	21%	20%
3 or more children	6%	7%
Average Weekly Net Income		
Noncustodial Parent	\$205*	\$335*
Custodial Parent	\$245*	\$193*
Noncustodial Parent's Relative to Custodial Parent's Income		
• NCP's income is less than CP's income	59%*	18%*
• NCP's income and CP's income are about equal ^a	4%	8%
• NCP's income is more than CP's income	36%*	74%*
Adjustments to Income		
• CP Prior Child Support	4%	1%
• NCP Prior Child Support	37%*	18%*
• CP Other Dependent Deduction	20%	13%
• NCP Other Dependent Deduction	31%*	15%*
Adjustments to Basic Child Support Obligation		
• Child Care	24%	15%
• Child's Health Insurance Premium	27%	22%
• Parenting Time Expenses	12%	19%

*Statistically different at a 95% level of significance.

^aNoncustodial parent's net income is 90 to 110% of custodial parent's net income



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Appendix I Child Support Worksheets

CHILD SUPPORT GUIDELINES - SOLE PARENTING WORKSHEET

Case Name:

County:

vs.

Plaintiff

Defendant

Docket No.:

Number of Children:

Custodial Parent is the **G** Plaintiff **G** Defendant

<i>All amounts must be weekly.</i>	CUSTODIAL	NON-CUSTODIAL	COMBINED
1. Gross Taxable Income	\$	\$	
1a. Mandatory Retirement Contributions (<i>non-taxable</i>)	-\$	-\$	
1b. Alimony Paid (<i>Current and/or Past Relationships</i>)	-\$	-\$	
1c. Alimony Received (<i>Current and/or Past Relationships</i>)	+\$	+\$	
2. Adjusted Gross Taxable Income ((L1-L1a-L1b)+L1c)	\$	\$	
2a. Federal, State and Local Income Tax Withholding	-\$	-\$	
2b. Prior Child Support Orders (<i>Past Relationships</i>)	-\$	-\$	
2c. Mandatory Union Dues	-\$	-\$	
2d. Other Dependent Deduction (from separate worksheet)	-\$	-\$	
3. Net Taxable Income (L2-L2a-L2b-L2c-L2d)	\$	\$	
4. Non-Taxable Income (<i>source:</i>)	+\$	+\$	
5. Net Income (L3+L4)	\$	\$	\$
6. Percentage Share of Income (L5 Each Parent ÷ L5 Combined)			100%
7. Basic Child Support Amount (from Appendix IX-F Schedules)			\$
8. Net Work-Related Child Care (from Appendix IX-E Worksheet)			+\$
9. Child's Share of Health Insurance Premium			+\$
10. Unreimbursed Health Care Expenses over \$250 per child per year			+\$
11. Court-Approved Extraordinary Expenses			+\$
12. Government Benefits for the Child			-\$
13. Total Child Support Amount ((L7+L8+L9+L10+L11)-L12)			\$
→ IF LINE 13 TOTAL SUPPORT AMOUNT IS ZERO, STOP - BENEFIT APPORTIONMENT IS SUBSTITUTED FOR SUPPORT ORDER ←			
14. Each Parent's Share of the Support Obligation (L6 × L13)	\$	\$	
15. Net Work-Related Child Care Paid		-\$	
16. Health Insurance Premium for the Child Paid		-\$	
17. Unreimbursed Health Care Expenses Paid (>\$250/child/year)		-\$	
18. Court-Approved Extraordinary Expenses Paid		-\$	
19. Adjustment for Parenting Time Expenses (L7 × %time × 0.37). <i>Note: Not presumptive in some low income situations (see App. IX-A., ¶13).</i>		-\$	
20. Net Child Support Obligation (L14-L15-L16-L17-L18-L19)		\$	
→ IF NEITHER PARENT IS REQUESTING THE OTHER-DEPENDENT ADJUSTMENT, GO TO LINE 24 ←			
21. Line 20 CS Obligation WITH Other-Dependent Deduction		\$	
22. Line 20 CS Obligation WITHOUT Other-Dependent Deduction		\$	
23. Adjusted Child Support Obligation ((L21+L22)÷2)		\$	

CHILD SUPPORT GUIDELINES - SHARED PARENTING WORKSHEET

Case Name:

County:

vs.

Plaintiff

Defendant

Docket No.:

Number of Children:

PPR is the Plaintiff Defendant

<i>All amounts must be weekly.</i>	PARENT OF PRIMARY RESIDENCE (PPR)	PARENT OF ALTERNATE RESIDENCE (PAR)	COMBINED
1. Gross Taxable Income	\$	\$	
1a. Mandatory Retirement Contributions (<i>non-taxable</i>)	-\$	-\$	
1b. Alimony Paid (<i>Current and/or Past Relationships</i>)	-\$	-\$	
1c. Alimony Received (<i>Current and/or Past Relationships</i>)	+\$	+\$	
2. Adjusted Gross Taxable Income ((L1 - L1a-L1b)+L1c)	\$	\$	
2a. Federal, State and Local Income Tax Withholding	-\$	-\$	
2b. Prior Child Support Orders (<i>Past Relationships</i>)	-\$	-\$	
2c. Mandatory Union Dues	-\$	-\$	
2d. Other Dependent Deduction (from separate worksheet)	-\$	-\$	
3. Net Taxable Income (L2-L2a-L2b-L2c-L2d)	\$	\$	
4. Non-Taxable Income (<i>source:</i>)	+\$	+\$	
5. Net Income (L3+L4)	\$	\$	\$
6. Percent Share of Income (L5 Each Parent ÷ L5 Combined)			1.00
7. Number of Overnights With Each Parent			
8. Percent of Overnights With Parent (L7 Parent ÷ L7 Combined)			1.00
→ If PAR time sharing is less than the equivalent of two overnights per week (28%), use Sole Custody Worksheet ←			
9. Basic Child Support Amount (from Appendix IX-F Schedules)			\$
10. PAR Shared Parenting Fixed Expenses (PAR L8×L9×0.38 ×2)		\$	
11. Government Benefits for the Child			\$
12. Shared Parenting Basic Child Support Amount ((L9 + L10) - L11)			\$
13. PAR Share of SP Basic Child Support Amount (PAR L6 × L12)		\$	
14. PAR Shared Parenting Variable Expenses (PAR L8 × L9 × 0.37)		\$	
15. PAR Adjusted SP Basic Child Support Amount (L13 - L10 - L14)		\$	
16. Net Work-Related Child Care (from Appendix IX-E Worksheet)			\$
17. Child's Share of Health Insurance Premium			+\$
18. Unreimbursed Health Care Expenses over \$250 per child per year			+\$
19. Court-Approved Extraordinary Expenses			+\$
20. Total Supplemental Expenses (L16+L17+L18+L19)			\$

↩ Continued on Page 2 ↪



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Appendix II Deviation Reasons



Appendix II

Deviation Reasons
Based on fact defendant is a junior in high school.
Based upon defendant consent as to his willingness and ability to pay.
By consent – the plaintiff agrees to accept \$45 per week.
Child is in DYFS placement. NCP in halfway house – permitted to work only part-time and also contribute to house and pay fines.
Consent notwithstanding guidelines and without prejudice on the condition that Defendant be responsible for 100% of the non-covered medical and dental expenses for this child. This order is without prejudice to plaintiff without the necessity to prove "Lepis" change in circumstances in order to qualify for an increase.
Consent notwithstanding guidelines and without prejudice to Plaintiff. No "Lepis" Change in circumstances will be needed for increase to \$111 per week.
Consent of the parties notwithstanding guidelines and without prejudice to either party. Plaintiff may request child care credit when she returns to work.
Consent of the parties, notwithstanding guidelines and without prejudice to plaintiff. No "Lepis" change in circumstances will be necessary to increase the order to \$77 per week.
CP income = \$360 per week. NCP income from UIB = \$524 biweekly.
CP receives UIB = \$656 biweekly. NCP income from UIB = \$622 biweekly.
Defendant has 5 other minor children at home with her to support.
Defendant is not working and pending Social Security. This is based on imputed income.
Defendant is receiving full credit for a child who lives at home with him and his fiancée. She is claiming that she is disabled and is suffering from depression. Her disability income (\$692 every 2 weeks) will run out on May 15, 2002 and therefore full credit was given for this child. However, the self support reserve test will not overcome defendant's obligation to the child on this order under these circumstances.
Defendant is receiving social security disability.
Defendant is underemployed.
Defendant mother has custody of 2 other children and qualifies for the self support reserve test. However, Plaintiff, father also has 1 other child living with him and has a court order for support for another child and pays voluntary support for one child living in North Carolina.
Defendant sold lottery winnings for \$400,000. Child is 10 years old. Divide 400,000/13 years = \$30,769.
Defendant has exceptional medical costs of \$400 every three months necessary to treat disability.
Defendant lives with parents who provide housing and household costs. Self support reserve therefore not applicable.
Defendant shares living expenses – self support reserve not applied.
Defendant has three cases that were considered. County counsel deviated from the guidelines, requested support at \$48 per week.
Defendant consents to \$80.00 per week notwithstanding Guidelines. This order is without prejudice to Defendant. No "Lepis" change in circumstances will be required for defendant to request a reduction to the \$76.00 per week.
Discretionary amount.
Discretionary amount of child support based on income of the parties.
Discretionary amount recommended per guidelines and with the consent of the defendant.
Discretionary amount recommended should be between \$5-\$44 per week.



Deviation Reasons
Discretionary amount recommended.
Discretionary amount recommended.
Discretionary amount recommended.
Discretionary amount recommended should be between \$5-\$44 per week.
Discretionary amount recommended should be between \$5-\$44 per week.
Discretionary amount recommended with the consent of ECBSS.
Discretionary amount recommended with the consent of the parties.
Discretionary order of child support based on income of the parties.
ECDW agrees to amount outside guidelines - based on defendant payment history
Income imputed. Defendant did not appear. Support based on the net support obligation (see line 20).
Minimal obligation to establish support.
No self support to defendant as plaintiff's share of child support would put her below poverty level. Therefore, court entered minimum wage order.
One of these 3 children is living with defendant. Therefore, she is responsible for 2/3 or 66% of the \$108 in this calculation.
One of these children is living with another natural mother of this child. One of the children is living with Defendant's mother (this Plaintiff). If the mother of the child or the Cumberland County Welfare Agency files a complaint against defendant for the other child, the support order for him should also be \$31 per week.
Order was entered in default. Therefore no evidence presented as to applicability of the self support reserve. Petitioner does however attest that defendant has two additional dependents. The ODD credit for defendant not calculated as requisite proof not submitted. However, in the discretionary range of support calculation this obligation was considered. Note – no proof of plaintiff's income provided other than testimony.
Parties agree to \$25 per week / waive guidelines.
Plaintiff indicates she can not care for two children on 23/wk. She also believes defendant has additional income. Guidelines amount doubled - defendant does not object to higher amount. Plaintiff still appeals.
Plaintiff, obligor, has custody of one of the parties 2 children and Defendant, Obligee has the other child. The support order, per capita will be 1/2 of the calculated amount.
Recommend \$40 per week (equal to per child amount on other case).
Self support reserve not applied. Defendant resides with his wife with whom he shares his living expenses.
Self support reserve not fully applied as this order was entered in default and defendant failed to testify as to self support and in consideration of the needs of the child.
SSD benefits received by child exceed child support amount. Order through the court is vacated effective 4/4/03.
Temporary order entered at nominal amount as defendant receives municipal welfare and attends methadone program.
The child will receive \$215.00 per week from social security administration due to Obligor's disability. Pursuant to the Guidelines the benefit given to the child per week should be deducted from the total support amount (See line #13) after deducting the child's benefit from the \$226.00 per week total support amount, there is a residual amount remaining since the benefit is less than the total support amount. Therefore, the residual support amount of \$11.00 per week shall be paid to the Defendant by the Plaintiff. The Plaintiff's weekly obligation shall therefore be \$11.00 per week.
The defendant testified that he has a chronic health issue that he must pay \$80 per month for medication and doctors visits. He was given credit of \$18 per week on this support obligation.
The parties have reconciled and by consent of the plaintiff, she has agreed to accept \$5 per week as support for the two children. The guidelines recommended child support award would have placed the defendant below the



Deviation Reasons

self support reserve.

This \$124 per week represents the separate support obligation of \$60 & \$64 per week when the cases were separate and when defendant was paying a total of \$124 per week (\$60 per week on one case and \$64 per week on the other case). This was not listed for an increase but for defendant's application for decrease, which is being denied due to no involuntary change in his circumstances since he was fired from his job.

This is a default order based on imputed minimum wage for obligor. Obligee income = \$740 biweekly salary.

This is a default order – CP income = \$8.40 per hour X 40. NCP income imputed at minimum wage as actual income is unknown. Self support reserve not applied as actual income is unknown for obligor.

This is a default order – CP income = \$21,840 per year salary. NCP income imputed minimum wage as actual income is unknown. No self support reserve test applied here.

This is by consent of the Plaintiff without Prejudice

This order is for 2 children and defendant has 2 other orders.

To avoid an unjust result, recommend \$65 per week.

To avoid an unjust result, recommend that this order be equal to defendant's order in his other case.

Under threshold.