Differences in State Child Support Guidelines Amounts: Guidelines Models, Economic Basis, and Other Issues

by
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I. Introduction

Federal regulations require each state to establish one set of child support guidelines that courts and hearing officers should apply as a rebuttal presumption in any judicial or administrative proceeding for the award of child support.[1] Statewide guidelines encourage consistency in child support award amounts among similarly situated parties and provide predictable amounts to parents. Nonetheless, states have discretion in the guidelines models and the economic basis of their child support formulas and schedules. This article examines whether differences in state guidelines award amounts can be attributed to differences in guidelines models used by states. It also considers differences in the underlying economic data used by states on the costs of raising children. In addition, this article identifies and summarizes other factors that contribute to differences in state guidelines award amounts, and other guidelines issues emanating from the federal Office of Child Support Enforcement (OCSE)'s role in rulemaking and administering state and tribunal child support programs.

Part II provides background information; namely, an overview on the federal requirements imposed on states to have child support guidelines and the technical assistance that the federal government has provided in the development and periodic review of state guidelines. Prior to exploring federal requirements

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1 45 C.F.R. § 302.56 (2015).

and federal assistance, Part II explores the differences in the volume and characteristics of child support orders established or enforced under state child support programs and those established privately. (This is important because the federal agency overseeing state child support programs is the same agency that crafts federal regulations for statewide guidelines applicable to both case types.) Section III identifies and describes the three types of guidelines models currently used by states. Section IV summarizes the economic evidence on child-rearing expenditures underlying state guidelines. It also identifies variations among states in how they use the economic evidence and other considerations made by states in the development or revision of guidelines' schedules and formulas. Section V compares state guidelines amounts. It first uses a low-income scenario, then uses a high-income scenario. Section V also examines whether state guidelines amounts vary by guidelines models and a state's cost of living. Section VI provides a summary and conclusion.

II. Background Information

The U.S. Census Bureau estimates that, in 2013, over thirteen million parents lived with about twenty-two million children under twenty-one years of age while the other parent lived somewhere else.[2] In other words, more than one-quarter (26.6%) of children lived with only one of their parents while the other parent lived elsewhere. The same study estimates that about half (48.7%) of all custodial parents had either legal or informal child support agreements, about three-quarters (74.1%) of those due child support actually received either full or partial payments, and among those due support, the median amount due was $5,770 per year ($480 per month), while the mean annual amount of child support received was $3,950 ($330 per month).

A. *Child Support Guidelines and the IV-D/Non-IV-D Caseload*

Many custodial parents and their children are in the IV-D caseload: that is, state or local child support enforcement programs that are funded through Title IV-D of the Social Security

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[2] Timothy Grall, U.S. Census Bureau, Custodial Mothers and Fathers and Their Child Support: 2013, Current Population Reports (Jan. 2016).

Act. The IV-D program is charged with establishing and enforcing child support orders for public assistance cases—specifically, Temporary Assistance to Needy Families (TANF) cases. Non-TANF families may also use IV-D services for a fee of $25 per year.[3]

The child support guidelines apply to both IV-D and non-IV-D cases. In many states, the tribunal establishing the child support award may differ between IV-D and non-IV-D cases. For example, Missouri has an administrative process within its IV-D program that can establish a child support order for a IV-D case, while a Missouri Family Court will typically establish a child support award for divorcing and separating parents as part of a judgment on a divorce action. Many factors contribute to this. Federal regulation requires states to implement administrative or judicial expedited processes for establishing child support orders among IV-D cases.[4] To this end, the federal regulation gives authority to a "judge surrogate" to take testimony, evaluate and make initial decisions, enter default orders, and approve stipulated agreements in IV-D cases.[5] In most states, the authority of the IV-D judge surrogate is often limited to establishing paternity and support awards and order modification, and does not give the IV-D judge surrogate authority to hear legal actions on custody, a parenting-time action, or dissolution of marriage. When divorced parents do indeed apply for IV-D services, many already have a support award established at the time of the divorce, so they are now seeking IV-D child support enforcement services.

Never-married parents comprised 40% of the IV-D caseload and 27% of the non-IV-D caseload in 2010.[6] Data trends suggest

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3 The fee is a federal requirement. More information about the fee can be found at Office of Child Support Enforcement, U.S. Dep't of Health & Human Servs., Implementation of the $25 Annual Fee in the Deficit Reduction Act of 2005: DCL-06-16 (2006).

4 45 C.F.R. § 302.70(2) (2015).

5 Karen Gardiner, John Tapogna, & Michael Fishman, The Lewin Group, Administrative and Judicial Processes for Establishing Child Support Orders (2002).

6 Kye Lippold & Elaine Sorensen, Urban Inst., Characteristics of Families Served by the Child Support (IV-D) Program: 2010 Census Survey Results 8 (2013).

the percentage of never-married parents is increasing.[7] There were 1.6 million births to unmarried mothers in 2014.[8] Not all unmarried mothers seek child support for various reasons: they may eventually marry or do not want child support. The latest data about the number children of divorcing parent per year is from 2009: there were essentially 1.1 million children whose parents divorced within a twelve-month period.[9]

There are no available data on the total numbers of child support awards established or modified nationally within a given year. Nationally, the IV-D program established just over one million support awards in 2015.[10] The number of child support orders established among non-IV-D orders is unknown, and the numbers of child support orders that were modified for either group are also unknown. Data inconsistencies between the IV-D program and Census data add to the confusion. According to the federal Office of Child Support Enforcement (OCSE), there were 14.7 million IV-D cases in 2015,[11] while the Census reports only 6.5 million custodial parents with child support agreements in 2013.[12] There are also conflicting data on the percentage of child support cases that are in the IV-D caseload. One study analyzing 2010 data found that 62% of custodial families are in the IV-D program, while 38% are not.[13] The analysis of the 2014 Census data, however, finds that only about one-quarter (22.4%) of all custodial parents had ever contacted a IV-D child support program, state department of social services, or other welfare or TANF office for child support-related assistance.[14] Some of the differences between IV-D data and the Census data may be attributed to IV-D data including arrears-only orders, while the

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7 For example, see ELAINE SORENSEN, CENSUS DECLINE VS. IV-D INCREASE IN CHILD SUPPORT ORDERS (Dep't of Health and Human Services, Office of Child Support Enforcement) (2016).

8 B.E. HAMILTON, ET AL., BIRTHS: FINAL DATA FOR 2014, NATIONAL VITAL STATISTICS REPORTS 59 (2015).

9 DIANE R. ELLIOTT & TAVIA SIMMONS, *Marital Events of Americans: 2009*, U.S. CENSUS AMERICAN COMMUNITY SURVEY REPORTS, ACS-13 (2011).

10 OFFICE OF CHILD SUPPORT ENFORCEMENT, U.S. DEP'T OF HEALTH & HUMAN SERVS., PRELIMINARY REPORT: 2015 at 79 (2016).

11 *Id.* at 57.

12 GRALL, *supra* note 2, at 7.

13 LIPPOLD & SORENSEN, *supra* note 6, at 3.

14 GRALL, *supra* note 2, at 12.

Census data may only consider those eligible for current support; IV-D data includes non-parent custodians such as grandparents and other relatives, while the Census is limited to children living with at least one parent; the Census data includes children under age twenty-one, while the children's age in the IV-D data will vary with the state's emancipation age for current support orders (which is typically eighteen or nineteen years old) and children could be more than twenty-one years of age in IV-D arrears-only cases.

There are many reasons that differences between IV-D and non-IV-D are relevant to a discussion about state child support guidelines. OCSE administers and monitors state and tribunal IV-D programs and drafts the federal rules based on federal statutes, including the requirement for statewide child support guidelines. OCSE proposed recent rule changes that affect federal requirements of state child support guidelines[15] that were finalized in December 2016.[16] With the intent of modernizing the existing rule and increasing its efficiency, OCSE's proposed changes focus on the needs and concerns of the IV-D caseload. Research finds that 23% of obligated parents are poor.[17] Research, as documented in the proposed OCSE rule changes, finds that support awards are set beyond what low-income, obligated parents can and will reasonably pay. OCSE's proposed changes to the federal requirements for state child support guidelines essentially would result in lower support awards for very low-income, obligated parents by requiring consideration of the obligated parent's subsistence needs and limiting income imputation. In all, the rule changes reflect a major paradigm shift of the IV-D program from its original mission to recover costs in public assistance cases to family-centered policies.

B. *Federal Requirements and Technical Assistance to States*

Most states initially adopted child support guidelines in the late 1980s to fulfill the federal requirement set by the Child Support Amendments of 1984 (Pub. L. No. 98-378) for statewide ad-

15 79 FED. REG. 68553–56 (2014).

16 81 FED. REG. 93562–63 (2016).

17 Elaine Sorensen, *Employment and Family Structure Changes: Implications for Child Support*. Presentation to the National Child Support Enforcement Association Policy Forum (Feb. 2014).

visory guidelines by 1987. The Family Support Act of 1988 (Pub. L. No. 100-485) expanded the requirement from advisory guidelines to presumptive guidelines by 1989. Most states promulgated guidelines through state statute or court rule, but a few states set the guidelines in administrative rules.[18]

In addition to providing statewide presumptive guidelines and making them available to all decision makers, state guidelines meet other current federal requirements.[19] A state must provide deviation factors that consider the best interest of the child and the appropriateness of the guidelines, produce a specific dollar amount, take into consideration all earnings and income of the obligated parent, and address how the parents will provide for children's health-care needs through health insurance or another means. State guidelines typically fulfill the last requirement by providing that either or both parties enroll their children in health insurance plans available to the respective parent at a reasonable cost.[20]

Federal regulation also requires states to review their child support guidelines at least once every four years. As part of that review, states must consider economic evidence on the cost of raising children and collect and analyze case file data to examine how the guidelines are applied and the extent and reasons for any guidelines deviations.[21] The intent of the first requirement is to keep guidelines up to date and in line with the current cost of raising children. The intent of the second requirement is to obtain information that can be used to develop additional provisions that will keep guidelines deviations at a minimum.

As states were adopting guidelines and launching their first quadrennial guidelines review, the federal government provided technical assistance through two avenues. The 1984 House Ways and Means Committee directed OCSE to provide technical assistance on the development of state guidelines. OCSE fulfilled this charge through the 1984–1987 National Child Support Guidelines Project. A national advisory panel of diverse stakeholders

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[18] Jane Venohr & Robert G. Williams, *The Implementation and Periodic Review of State Child Support Guidelines*, 33 FAM. L.Q. 7, 11 (1999).

[19] *See* 45 C.F.R. § 302.56(c) (2015).

[20] *See* Jane C. Venohr, *Child Support Guidelines and Guidelines Reviews: State Differences and Common Issues*, 47 FAM. L.Q. 327, 344 (2013).

[21] 45 C.F.R. § 302.56(c) (2015).

including judicial and legislative officials, a IV-D agency administrator, parental representatives, and legal and economic scholars provided direction and vision to the project. They analyzed economic and legal factors to recommend eight principles for the development of statewide guidelines.[22] One of the eight principles is that the parents should share the financial responsibility of their children on a prorated basis.[23] Another principle is that child support should cover and prioritize the child's basic needs, but that child support should also allow the child to share a higher standard of living if the obligated parent enjoys a higher standard of living.[24] Still another principle recommended that the subsistence needs of each parent be taken into consideration.[25] That same principle recommended against setting an award at zero; rather the recommendation is to establish a minimum order amount, even if a token amount, to establish a precedent of financial responsibility for the children. Other principles addressed the subsistence needs of each parent, the parent's children from other relationships, and shared physical custody or parenting-time arrangements.[26] In addition, the guidelines should not discriminate based on the gender of the custodial parent and the guidelines calculation should not differ based on whether the parents were ever married.[27] The project also identified two guidelines models that met these principles: the Melson formula and the income-shares model, which are discussed more in the next section. With the exception of the recommendation of the zero award, most of the principles are applicable to today's state guidelines. Many states, particularly in IV-D cases, will currently set zero awards when there is no evidence of ability to pay (e.g., the obligated parent is institutionalized or incarcerated and does not have a re-occurring source of income).

The other form of technical assistance consisted of developing measurements of child-rearing expenditures and analyzing

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22 *See* Robert G. Williams, Development of Guidelines for Child Support Orders, Final Report to U.S. Office of Child Support Enforcement I-4 (1987).

23 *Id.*

24 *Id.*

25 *Id.*

26 *Id.*

27 *Id.*

the methodologies used to develop the measurements. Most state child support guidelines formulas and schedules relate to economic evidence on the cost of raising children. The U.S. Department of Health and Human Services (DHHS), Office of the Assistant Secretary for Planning and Evaluation, as required by the Family Support Act of 1988, sponsored two studies on child-rearing expenditures that were completed in 1990. The first study explored five different methodologies to measuring child-rearing expenditures.[28] An economic methodology is necessary to separate the child's share of expenditures in a household because many household expenditures items (e.g., electricity) are consumed by both the children and adults living in the same household. The second study reviews the results of the first study and other economic evidence relevant to child support guidelines.[29] It also compares state guidelines amounts to measurements of child-rearing expenditures. These studies provided a baseline for many subsequent studies on child-rearing expenditures.[30]

Since 1990, however, Congress and DHHS have not conducted or sponsored additional research on child support guidelines models or adjustments for special factors such as shared physical custody or timesharing, and have not conducted or sponsored new studies measuring child-rearing expenditures. The latter is important to states conducting their quadrennial guidelines review because the requirement mandates the consideration of economic evidence on the cost of raising children.

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28 David M. Betson, Alternative Estimates of the Cost of Children from the 1980–86 Consumer Expenditure Survey, Report to the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (1990).

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

30 *See* David M. Betson, *Appendix A: Parental Expenditures on Children*, *in* Judicial Council of California, Review of Statewide Uniform Child Support Guideline (2010); David M. Betson, *Appendix I: New Estimates of Child-Rearing Costs*, *in* State of Oregon Child Support Guidelines Review: Updated Obligation Scales and Other Considerations, Report to State of Oregon, Prepared by Policy Studies Inc., Denver Colorado (2006); David M. Betson, *Chapter 5: Parental Expenditures on Children*, *in* Judicial Council of California, Review of Statewide Uniform Child Support Guideline, San Francisco, California (2001); *see* Mark Lino, Expenditures on Children by Families: 2015 Annual Report (2017).

III. Child Support Guidelines Models

Most states rely on the income-shares model. Many states (e.g., Missouri, New Mexico, and North Carolina) adopted the prototype incomes shares model developed by the National Child Support Guidelines Project, but many income-shares states (e.g., California, Idaho, and New Hampshire) also developed their own unique versions of income-shares.[31] As a consequence, not all income-shares guidelines are alike. Table 1 shows the thirty-nine states that currently use the income-shares model.

After five years of deliberation, planning, and policy making, Illinois will begin using the income-shares model in 2017.[32] In the last decade, several other states (i.e., District of Columbia, Georgia, Massachusetts, and Minnesota) have also switched to an income-shares approach. One reason for Illinois's switch away from a percentage-of-obligor guidelines model is that Illinois perceived that the income-shares model is more fair because it considers both parents' incomes in the calculation of support, while the percentage-of-obligor income guidelines model considers only the obligated parent's income. The income-shares model provides that each parent is responsible for his or her prorated share of child-rearing expenditures. The obligated parent's prorated share forms the basis of the child support award. An income-shares guidelines may also make other adjustments for shared physical custody and other factors.

The income-shares model and the percentage-of-obligor income guidelines model are both classified as continuity-of-expenditures models because of their common premise: children should receive the same level of expenditures had the children and both parents lived together.[33] The continuity-of-expenditures model relies on measurements of child-rearing expenditures in intact families because the underlying premise treats children of divorce and children of unmarried parents equally. Most states using a continuity-of-expenditures model believe that children

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31 *See* Venohr, *supra* note 20, at 333.

32 Ill. Pub. Act 99-0765 (2016).

33 Ingrid Rothe & Lawrence Berger, University of Wisconsin Institute for Research on Poverty, Estimating the Costs of Children: Theoretical Considerations Related to Transitions to Adulthood and the Valuation of Parental Time for Developing Child Support Guidelines (2007).

should not be the economic victims of their parents' decisions to live apart. Critics have concern that the continuity-of-expenditures model, particularly among the IV-D caseload, is not appropriate for never-married parents and maintaining a standard of living equivalent to what the children would enjoy had the parents lived together and shared financial resources is not feasible without making the obligated parent or custodial parent worse off.[34] The issue of never-married parents, however, is often confounded with the issue of parents with very low incomes.

No state uses measurements of child-rearing expenditures from single-parent families as the basis of its guidelines. One plausible reason for this is a substantial proportion of single-parent families live in poverty, while most state guidelines are based on the premise that the children should share in the lifestyle afforded by the obligated parent.

Nine states rely on the percentage-of-obligor income model. Some percentage-of-obligor income states rely on a flat percentage (e.g., New York), while others impose a cap (e.g., Nevada) or use a sliding percentage (e.g., North Dakota). The third guidelines model used by states is called the Melson formula, and is named after a Delaware judge. Used by three states (i.e., Delaware, Montana, and Hawaii), the Melson formula is not a continuity-of-expenditures model.[35] The Melson calculation starts with the basic needs of the child and each parent that typically relate to measurements of subsistence or poverty levels. If the obligated parent's income is more than sufficient to cover his or her prorated share of the child's basic needs and the parent's own basic needs, an additional percentage of the obligated parent's remaining income is assigned to child support. This last step allows the child to share in the standard of living afforded by the obligated parent.[36]

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34 For example, see Steven Elred, *The Next Generation of Child Support Guidelines: A Lively Debate.* Presentation to the National Child Support Enforcement Association Policy Forum (Feb. 2014); Jo Michelle Beld & Len Biernat, *Federal Intent for State Child Support Guidelines: Income Shares, Cost Shares, and the Realities of Shared Parenting*, 27 FAM. L.Q. 165 (2003).

35 Charles J. Meyer, Justin W. Soulen, & Ellen Goldberg Weiner, *Child Support Determinations in High Income Families - A Survey of the Fifty States*, 28 J. AM. ACAD. MATRIM. LAW. 483, 509-10 (2016).

36 Margaret Ryznar, *The Obligations of High-Income Parents*, 43 HOFSTRA L. REV. 481, 488 (2014).

IV. Economic Evidence on Child-Rearing Costs Underlying State Guidelines

There are nine studies of child-rearing expenditures that underlie state child support guidelines.[37] The studies vary in the age of the study, as well as the age of the expenditures data that were used and the methodology used to isolate child-rearing expenditures from total household expenditures. The most common data source is the Consumer Expenditure Survey (CES) that is conducted by the U.S. Bureau of Labor Statistics.[38] The CES is an ongoing survey of households for which details on hundreds of items of expenditures is captured for five quarters for each household with households rotating in and out each quarter. In all, about 6,000 households are surveyed per year. Most economists combine about five years of CES data when measuring child-rearing expenditures to average out expenditures patterns over time, and use the most current year for which CES data are available. The CES is a nationally representative sample and does not use a sampling strategy that allows expenditures data to be reported at an individual state level.

All of the economic studies underlying income-shares guidelines and percentage-of-obligor income guidelines consist of measurements of child-rearing expenditures in intact families. This comports with their underlying premise discussed earlier. The basic-needs component of the Melson formula essentially requires Melson states to consider economic studies that measure the cost of the child's basic needs. (Melson states also consider other economic studies of child-rearing expenditures when developing the component of the Melson formula aimed at ensuring the child shares in the standard of living afforded by the obligated parent.) The most commonly used measure of the child's basic needs is the federal poverty level (FPL). There are numer-

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37 Betson, *supra* note 28; Thomas J. Espenshade, Investing in Children: New Estimates of Parental Expenditures (1984); Mark Lino, Expenditures on Children by Families: 2001 Annual Report (2002); New Jersey Child Support Institute; Betson, Appendix A; *supra* note 30; Jacques van der Gaag, On Measuring the Cost of Children (1981); Betson, Appendix I, *supra* note 30; Betson chapter 5, *supra* note 30 contains two different measurements used by states.

38 *See* U.S. Bureau of Labor Statistics, http://www.bls.gov. (last vistied Mar. 2, 2017).

ous other studies of the child's basic needs. Many suggest that the FPL is inadequate in meeting the basic needs of the child in a low-income family.[39]

Not all states' guidelines formulas and schedules clearly link to any economic study, and some states have made modifications or tweaks to a measurement that sometimes obscures the relationship between a state guidelines formula or schedule and a measurement. For example, New Mexico went more than ten years without a schedule update. Due to changes in price levels alone over that time, the differences between the existing schedule and a proposed schedule based on current economic evidence were substantial. Concerned about sticker shock, New Mexico opted to update the schedule to a level in between the existing schedule at the time and a schedule based on current economic evidence.

A. *Overview of the Underlying Studies: Application and Methodological Differences*

Economists have not reached a consensus on which methodology best reflects actual child-rearing expenditures, but economists and policymakers generally agree that any amount between the lowest of the credible measurements and the highest of credible measurements is appropriate for a state's guidelines.[40] As mentioned earlier, an economic methodology is necessary to separate expenditures for the child from expenditures for adults living in the same household. Measurements estimated using the Rothbarth measurement are often used as the lower bound.[41] The U.S. Department of Agriculture (USDA) measurements are often used currently as the upper bound.[42]

States that developed child support guidelines in the 1980s generally had two options for their economic basis: a 1981 study conducted by Jacque van der Gaag[43] or a 1984 study by Thomas Espenshade.[44] The van der Gaag study, which was conducted

39 For example, see The Self-Sufficiency Standard, http://selfsufficiency standard.org/measuring-poverty (last visited Feb. 21, 2017).

40 *See* Venohr, *supra* note 20, at 337.

41 Betson, *Appendix A*, *supra* note 30.

42 Lino, *supra* note 30.

43 Jacques van der Gaag, *supra* note 37.

44 Thomas J. Espenshade, *supra* note 37..

through the University of Wisconsin Institute for Research on Poverty, responded to a request from Wisconsin policymakers to determine the cost of child raising. In developing a guidelines formula, Wisconsin policymakers reduced the van der Gaag percentages to account for a variety of factors, including the presumptions that the nonresidential parent would incur the additional expense of the child's health insurance and that the nonresidential parent would incur some costs of normal visitation with the child.[45] A few states (e.g., New York and Nevada) simply adapted Wisconsin's percentage, with a few modifications.[46]

The Espenshade study, which was published in 1984, formed the basis of the prototype income-shares model, and many other state guidelines promulgated in the 1980s. In addition to Espenshade's study, the developers of the prototype considered many other economic factors when translating Espenshade's measurements of child-rearing expenditures. For example, the developers updated Espenshade's measurements for changes in price levels from the year in which Espenshade reported his measurements to current price levels. Developers also considered effective federal and state income tax rates and FICA when converting Espenshade's measurements to a gross-income base guidelines schedule. For similar reasons, developers considered expenditures-to-net income ratios of households because the measurements of child-rearing expenditures are often viewed as a percentage of total expenditures.

Espenshade used the Engel methodology to separate the child's share of expenditures from adult's expenditures. Named after the economist who developed it, the Engel methodology is a specific type of marginal cost approach.[47] Conventional economists tend to favor marginal cost approaches because they con-

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45 INGRID ROTHE, JUDITH CASSETTY & ELISABETH BOEHNEN, ESTIMATES OF FAMILY EXPENDITURES FOR CHILDREN: A REVIEW OF THE LITERATURE (2001).

46 NEVADA CHILD SUPPORT STATUTE REVIEW COMMITTEE, REPORT OF THE CHILD SUPPORT STATUTE REVIEW COMMITTEE AT 6 (1992); New York State Commission on Child Support and Association of the Bar of the City of New York, *What Are the Child Support Guidelines? The Child Support Standards Act*, Presentation to the Association of the Bar of the City of New York (Oct. 21, 1989).

47 ENRST ENGEL, DIE PRODUCTIONS AND CONSUMTIONSVERHALTNISSE DES KONIGSREICHS SACHSEN. (1857).

sider the additional cost. In the case of child-rearing expenditures, the marginal cost is the difference between how much a couple with children spends and how much a childless couple spends assuming that the two couples are equally well off. The Engel methodology uses the percentage of expenditure devoted to food as a proxy for equally well-off households. Most conventional economists believe this approach overstates actual child-rearing expenditures.[48]

As mentioned earlier, in 1990, DHHS sponsored research that explored several methodologies for measuring child-rearing expenditures, including the Engel methodology. Specifically, Professor David Betson, explored five different methodologies theoretically and empirically using 1980–1986 CES data. He concluded that the Rothbarth methodology produced the most robust results.[49] Like the Engel methodology, the Rothbarth methodology is also a marginal cost approach and is named after the economist who developed it. Instead of food shares, however, the Rothbarth measurement relies on expenditures on adult goods to determine equally well-off households. Historically, that has included expenditures on alcohol, tobacco, and adult clothing. Betson, however, relies on adult clothing only. He conducted sensitivity analysis to ensure it did not bias the results.

Conventional economists generally believe the Rothbarth estimator understates actual child-rearing expenditures.[50] Nonetheless, Ohio, the first state to carefully analyze the results of Betson's 1990 study, updated its child support schedule using the Betson-Rothbarth measurements (which are called BR1 to note the first set of Betson-Rothbarth measurements). Several factors influenced Ohio's decision. Ohio sought to use current economic data, and using the BR1 measurements mitigated the impact of schedule changes. In contrast, updating the schedule for the Betson-Engel measurements would have produced substantial increases because the Betson-Engel measurements were considerably more than both the BR1 measurements and the Espenshade-Engel measurements.

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48 LEWIN/ICF, *supra* note 29, at 2–28.
49 BETSON, *supra* note 28, at 57.
50 LEWIN/ICF, *supra* note 29, at 2–29.

Since 1990, Betson has produced three more sets of BR measurement. Each set uses more current data from the CES. For his second set (which is called BR2 in Table 1), he relied on 1996–1999 CES data;[51] for his third set (which is called BR3 in Table 1), he relied on 1998–2004 CES data;[52] and for his fourth set (which is called BR4 in Table 1), he relied on 2004–2009 CES data. In all, twenty-seven states (as shown in Table 1) and Guam base their core guidelines formula or schedule on a BR measurement. For some states, as illustrated by the example of New Mexico described earlier, they are only partially based on a BR measurement.[53] New Jersey conducted its own Rothbarth study in 2013 and now uses it as the basis of its guidelines.[54]

Minnesota is the only state to base its core guidelines schedule on the USDA measurements of child-rearing expenditures. The USDA has produced annual or biannual measurements of child-rearing expenditures for several decades.[55] The USDA measurements are frequently quoted by many media sources.[56] In the early days of guidelines development and quadrennial reviews, many economists and states often dismissed the USDA measurements as a viable basis for guidelines formulas and schedules because the USDA measurements relied on a per-capita approach that overstates actual child-rearing expenditures.[57] Per-capita approaches are generally believed to overstate actual expenditures. The USDA measurements, however, have gained more acceptance since the USDA changed its methodology almost a decade ago.

Kansas, with the help of its university's professors, developed its own unique approach to measuring child-rearing expenditures when it first adopted statewide guidelines. Kansas has updated its guidelines several times, for more current studies

51 Betson, *Chapter 5*, *supra* note 30.

52 Betson, *Appendix I*, *supra* note 30.

53 *Id.*

54 New Jersey Child Support Institute, *supra* note 37.

55 *See* U.S. Department of Agriculture, https://www.cnpp.usda.gov/ExpendituresonChildrenbyFamilies.

56 Carolina Bologna, *The Most and Least Expensive Cities to Raise Children*. Huffington Post (Aug. 21, 2014).

57 *See* Lewin/ICF, *supra* note 29, at 2-33.

using that approach.[58] In addition to the studies mentioned above, there are several other studies measuring child-rearing expenditures that are available but not used as the basis of any state's guidelines formula or schedule.[59]

B. *The Cost of Raising Children: Summary of Each Study's Findings*

The van der Gaag study in 1981 actually consisted of a literature review of studies in which he could extrapolate an estimated cost of child rearing. He concluded that a couple who adds one child to their household needs 25% more income to maintain their standard of living, the second child costs about half as much as the first child, and the third child costs about the same as the second child.[60]

The purpose of Espenshade's research was to inform child support awards, foster care payments, and parents. Espenshade found that families spend about $151,165 to $359,669 (in 2016 dollars) to raise a child from birth through age seventeen years. The amount varied by socioeconomic status of the family, the age of the child, and the wife's employment status. Espenshade relied on 1972–1972 CES data.

The average percentage of total household expenditures devoted to children in intact families under BR studies varies among study years and ranges from 24% to 26% for one child, 35% to 37% for two children, and 40% to 44% for three children. The average percentage of total household expenditures devoted to children in intact families based on the Betson-Engel measurements, which were part of Betson's second study, is 32% for one child, 46% for two children, and 58% for three children.[61]

There is considerable variation by income range between earlier BR measurements and the BR4 measurement. Earlier

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58 *See* Kansas Judicial Branch, http://www.kscourts.org/Rules-procedures-forms/Child-Support-Guidelines/archives.asp. (last visited Mar. 2, 2017).

59 For example, see EDWARD P. LAZEAR & ROBERT T. MICHAEL. ALLOCATION OF INCOME WITH THE HOUSEHOLD (1988); T.S. MCCALEB, D.A. MACPHERSON, & S.C. NORRBIN, REVIEW AND UPDATE OF FLORIDA'S CHILD SUPPORT GUIDELINES (2008).

60 VAN DER GAAG, *supra* note 37, at 40.

61 *See* Betson, *Chapter 5*, *supra* note 37.

BR measurements consider "expenditures," while BR4 considers "outlays." Expenditures include the purchase price (and sales tax) on any item purchased within the survey year regardless of whether the item was purchased through installments. In contrast, outlays only capture what was actually paid toward that item during the survey period. Outlays also considers payment of mortgage principal and payments of second mortgages and home equity loans, while expenditures do not. Another difference between BR4 and earlier BR measurements is that BR4 is based on a newly available measure of income developed by the agency administering the CES. The underreporting of income is a problem inherent to most surveys. The new measure attempts to correct underreporting, particularly at low incomes. The consequence of these changes is that the BR4 measurements are generally lower than earlier BR measurements at low incomes and higher than the earlier BR studies at high incomes. For this reason, coupled with the fact that the Rothbarth estimator is known to theoretically understate actual child-rearing expenditures, several states have decided against updating their guidelines schedules using BR4.[62]

The most recent USDA study found that nationally in 2015 average child-rearing expenses were $9,330 to $23,380 per year for the youngest child in a two-child family.[63] The amount varies by income and the child's age. The USDA estimates child-rearing expenditures individually for several expenditure categories (e.g., food, transportation, housing), then sums them to develop a total.

The average percentage of total household expenditures devoted to children in intact families under the New Jersey-Rothbarth study is 20% for one child, 23% for two children, and 29% for three children.[64] In turn, these percentages were adjusted upward to reflect New Jersey's higher incomes in developing the New Jersey schedule. The New Jersey study considers expenditures data from a larger time period (2000 through 2011). The New Jersey study also considers single-parent families and

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62 Jane Venohr, 2015-2016 Pennsylvania Child Support Guidelines Review: Economic Review and Analysis of Case File Data (2016).

63 Lino, *supra* note 30, at 26.

64 New Jersey Child Support Institute, *supra* note 37, at 116.

families with more than two adults living in the household, while the BR studies consider dual-parent families only.

C. *Other Considerations in the Development of State Guidelines*

As explained earlier, some states do not strictly adhere to the economic evidence on the cost of raising children and some states make adjustments to them when devising their guidelines' formulas and schedules. Some states also use one source for one part of the schedule and then another source for another part of the schedule. For example, Indiana retained its original schedule for most incomes but used a more current study of child-rearing expenditures to extend its schedule to higher incomes.[65] A similar, yet different example is Georgia which uses the average of two different studies of child-rearing expenditures.[66]

Since most economists use data representative of the United States as a whole, some states with above or below average cost-of-living or income make adjustments to a national measurement of child-rearing expenditures. The District of Columbia, New Jersey, and a few other high-income states made upward adjustments. Arkansas, Alabama, Louisiana, and other low-income states have made downward adjustments.

States have made several other adjustments when devising their core guidelines' formulas and schedules. Most states exclude child-care expenses, the cost of the child's health insurance, and extraordinary out-of-pocket medical expenses incurred for the child (typically defined as $250 per child per year) from their child support schedules. Instead, most states consider the actual amount expended on these items on a case-by-case basis in the child support calculation because these expenses are highly variable among cases (e.g., there may be no childcare expenses for an older child).[67]

Most gross-income based guidelines schedules adjust for federal and state income taxes and FICA. Most of these states do not adjust annually for tax changes; rather, the update is typically done as part of a quadrennial guidelines review. Most

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65 Jane Venohr, Brief for the Quadrennial Review of the Indiana Child Support Guidelines: Costs of Raising Children & Recommended Schedule Changes (2009).

66 Georgia Child Support Commission, Final Report 6 (2006).

67 For example, see Oregon Child Support Rules 137-050-735.

states also provide a self-support reserve for low-income, obligated parents.[68] Guidelines developers often incorporate the self-support reserve into income-shares schedules. This yields schedule amounts lower than the economic evidence at low incomes.

Most income-shares states end their schedule at the highest income for which a particular measurement of child-rearing expenditures had a sufficient sample size, and provide judicial discretion for incomes above that level. For the prototype income-shares schedule, developers extrapolated Espenshade's measurements to net incomes of about $10,000 per month. The highest income for more current measurements of child-rearing expenditures in which there is a sufficient sample size is about $25,000 net per month.[69] Nonetheless, a dozen states provide a presumptive or advisory guidelines formula for an infinite amount of income.[70] Many of these states develop the formula through extrapolation.

Besides the factors listed above, there are several other factors that cause variations in state award amounts. States vary in how they define income available for child support orders. Some states start from gross income (e.g., Alabama, Missouri, and Oregon) and other states (e.g., Arkansas, California, and Nebraska) start from net income.[71] Further, some states prescribe how federal and state income taxes should be calculated (e.g., it should be assumed that the custodial parent claims the children as dependents). The treatment of shared physical custody and parenting time, additional dependents, and the cost of the child's medical support in the guidelines calculation are factors that vary significantly among states. Most of these factors are considered, however, in the worksheet rather than the core guidelines' formula or schedule.

V. Comparison of State Support Award Amounts

State child support guideline are compared below using two case scenarios. Both scenarios consider one child and assume

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68 For example, see OREGON CHILD SUPPORT RULES 137-050-745.
69 VENOHR, *supra* note 65, at 59.
70 *Id*. at 60.
71 *See* Venohr, *supra* note 20, at 330.

that the mother is the custodial parent. The U.S. Census and other studies find that the majority of child support awards are for one child and that the custodial parent is the mother.[72] The case scenarios assume no additional factors that would require any calculation beyond the core guidelines' formula or schedule. Specifically, the case scenarios assume that there are no additional dependents, there is no shared parenting time, the cost of the child's health insurance premium is zero, there are no extraordinary medical expenses, and there are no child-care expenses. For the two states with guidelines schedules that vary with the child's age (i.e., Kansas and Washington), it is assumed the child is age ten.

Median earnings by gender and educational attainment for the U.S. population twenty-five years and over in 2015 are used for the parents' incomes.[73] Case A consists of a low-income case and Case B consists of a high-income case. For Case A, median earnings for a male and a female worker each with less than a high school diploma ($25,129 gross per year and $16,161 gross per year, respectively) are used for the obligated parent's gross income and the custodial parent's gross income. Assuming full-time employment, these incomes translate to wage rates of about $12 per hour and $7.77 per hour, respectively. Current federal minimum wage is $7.25 per hour, and many states and municipalities have minimum wages exceeding these levels. The obligated parent's income of $25,129 per year is more than twice the 2016 federal poverty level for one person. The custodial parent's income of $16,161 per year is almost equal to the federal poverty level for two persons (i.e., the parent and the child). Hence, the custodial household may be eligible for public assistance such as Supplemental Nutrition Assistance Program and Medicaid in this scenario. The incomes used for Case A are higher than the typical median incomes in state and local IV-D caseloads.

For Case B, median earnings for male and female workers with a graduate or professional degree ($85,202 gross per year

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72 GRALL, *supra* note 2, at 1.

73 U.S. CENSUS, AMERICAN FACT FINDER: MEDIAN EARNINGS IN THE PAST 12 MONTHS (IN 2015 INFLATION-ADJUSTED DOLLARS) BY SEX BY EDUCATIONAL ATTAINMENT FOR THE POPULATION 25 YEARS AND OVER, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk (last visited Oct. 26, 2016).

and $56,726 gross per year, respectively) are used for the obligated parent's gross income and the custodial parent's income. This yields a combined parental income of $141,928 gross per year. This is more than the median income of married couples living with children less than eighteen years old, which is $87,943 per year nationally.[74]

For states that rely on net income, the net equivalent to the gross incomes used in Case A and Case B are calculated using the 2016 employer withholding formula for federal income taxes and FICA, and assuming a state tax rate of 5% and that the custodial parent claims the tax exemption for the child. Table 2 shows the gross and net incomes used for the case examples on a monthly basis. Support awards are calculated from state- or court-issued websites, when available.

Table 3 lists the guidelines-calculated amount for Case A and Case B for each state. Several limitations to the analysis exists. It only considers two case scenarios with very limited circumstances, while the patterns may vary widely for other case circumstances (e.g., cases with more children or different incomes). Consideration of shared physical custody or timesharing arrangements could also alter the patterns significantly.

A. *State Comparisons for Case A (Low-Income Parents)*

For Case A, the state guidelines award ranges from $236 to $460 per month, and the average and median awards are $375 and $382 per month. These amounts exceed the 2016 poverty level for one additional person in a household ($347 per month).[75] In other words, payment of the average support award is sufficient to lift the child out of poverty. There are fourteen states with guidelines, however, that produce an award amount below the poverty level of $347 per month.[76] With the exception

74 U.S. CENSUS, AMERICAN FACT FINDER: MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS (IN 2015 INFLATION-ADJUSTED DOLLARS) BY FAMILY TYPE BY PRESENCE OF OWN CHILDREN UNDER 18 YEARS, http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml (last visited Nov. 23, 2016).

75 This is based on the poverty level for an additional person as reported in 81 FED. REG. 4036, 4036–4037 (Jan. 25, 2016).

76 The fourteen states are: Alaska, Idaho, Illinois, Indiana, Kentucky, Mississippi, New Mexico, New York, Ohio, Oklahoma, Texas, Utah, Washington, and West Virginia.

of New Mexico, all of these state guidelines are based on older studies of child-rearing expenditures (i.e., van der Gaag, Espenshade, and BR1) and income-shares or percentage-of-obligor income guidelines models.

B. *State Comparisons for Case B (High-Income Parents)*

For Case B, the state guidelines award ranges from $651 to $1,358 per month, and the average and median awards are $837 and $777 per month. Three of the four state guidelines that produce an award amount below $700 per month for Case B also produced a low support award amount for Case A. However, there are no other notable similarities among the states that produce lower support awards for Case B.

In fact, the observation from Case A that state guidelines relying on older measurements of child-rearing expenditures yielded lower amounts no longer holds for the high-income scenario in Case B. For example, New York and Wisconsin (which are both based on the percentage-of-obligor income model and the van der Gaag measurements) yield support awards that are lower than the average for Case A and yield support awards that are higher than the average for Case B. This is because both New York and Wisconsin essentially set the award amount for one child at a flat percentage of the obligated parent's gross income (i.e., 17%) in Case B and for lower incomes. In contrast, other states essentially set the award amount as a declining percentage of gross income as income increases. These other states account for progressive federal tax rates that result in a smaller proportion of after-tax income available for expenditures as income increases. With that said, both New York and Wisconsin have provisions that limit or lower the presumptive application of the flat percentage at very high incomes. These provisions affect incomes higher than the obligor's gross income in Case B.

Besides New York and Wisconsin, there are four other state guidelines (i.e., California, District of Columbia, New Hampshire, and Massachusetts) that produce support awards of more than $1,000 per month for Case B. As a comparison, the USDA study finds that expenditures for one child in a high-income household is about $2,200 per month.[77] When the child's health-

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[77] LINO, *supra* note 42, at 26.

care costs and extraordinary medical expenses are excluded from that amount, as they are in most core guidelines' formulas and schedules, the obligated parent's share (based on the incomes in Case B) would be about $1,000 per month. Both California and District of Columbia intentionally set their child support guidelines to reflect each of these state's higher cost of living.[78] Both New Hampshire and Massachusetts have ranked high in older studies comparing state guidelines, and have recently lowered their guidelines amounts at high incomes. Based on state comparisons for Case B, however, both Massachusetts and New Hampshire still rank high despite these recent changes.

C. *Do State Award Amounts Vary With Guidelines Model?*

Table 4 compares average award amounts by state guidelines models. The average award amounts are statistically different between income-shares states and percentage-of-obligor states, but there is no statistical difference between Melson states and states using other guidelines models. The average support award for Case A is higher among income-shares states ($381 per month) than it is for percentage-of-obligor states ($342 per month). The difference between the averages is arguably small (i.e., $39 per month). One reason for the difference is that percentage-of-obligor states tend to rely on older studies of child-rearing expenditures. As discussed earlier, guidelines based on these older studies tend to produce support awards below the federal poverty level for one child. For Case B, however, the converse is true: the average support award for Case B is lower among income-shares states ($812 per month) than it is for percentage-of-obligor states ($944 per month). One reason for this is that income-shares states tend to be based on measurements of child-rearing expenditures that reflect a declining percentage of income devoted to child rearing as income increases. As explained earlier, progressive federal tax rates and declining consumption rates as incomes increase contribute to this pattern.

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78 CALIFORNIA FAMILY CODE § 4053(l) and DISTRICT OF COLUMBIA CHILD SUPPORT GUIDELINES COMMISSION, REPORT OF THE COMMISSION, APPENDIX I at I-4 (2004).

D. *Do State Award Amounts Vary With a State's Cost of Living?*

One plausible reason for the variation in guidelines award amounts among states is variation in the cost of living among states. States with lower cost of living may have lower guidelines award amounts than average, and states with higher cost of living may have higher guidelines amounts than average. Chart 1 and Chart 2 explore this correlation by comparing award amounts under Case B to different indicators of cost of living. Chart 1 considers a state's median gross rent (which includes utilities).[79] Housing consumes the largest share of child-rearing expenditures on average. Chart 2 considers a state's price parity in 2014, which is the most recent year available.[80] The U.S. Bureau of Economic Analysis (BEA) developed and calculates the price parity to measure the differences in the price levels of goods and services across states for a given year. Price parities are expressed as a percentage of the overall national price level for each year, which is equal to 100%. If a state has a price parity of less than 100%, its price levels are below average; if a state has a price parity of more than 100%, its price levels are above average.

Chart 1 and Chart 2 share similar patterns. Many states cluster near the median award amount (i.e., $777 per month) and near the median gross rent ($868 per month) in Chart 1 and the median price parity (96.4) in Chart 2. Chart 1 and Chart 2 share many of the same outliers. For example, the Massachusetts award amount and the Wisconsin award amount appear high relative to each state's median gross rent and price parity. At the other extreme, Utah and Washington stand out for having relatively low award amounts, given each state's median gross rent and price parity. Washington last updated its core schedule over twenty years ago. Utah incurred some strong public outcry over a decade ago when it attempted to increase its core schedule.

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79 U.S. Census, American Fact Finder: Median Gross Rent (Dollars) Universe: Renter-occupied Housing Units Paying Cash Rent (in 2015 Inflation-Adjusted Dollars), http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml (last visited Nov. 23, 2016).

80 U.S. Bureau of Economic Analysis, Real Personal Income for States and Metropolitan Areas (2014), http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml.

Eventually, Utah did indeed update its core schedule but not to the levels that were originally proposed.

VI. Summary and Conclusions

Federal regulation requires statewide guidelines. States use three guidelines models: the income-shares model, the percentage-of-obligor income guidelines model, and the Melson formula. Most states use the income-shares model. States rely on nine different studies of child-rearing expenditures as the basis of their core guidelines' formula or schedule. These studies vary in study age, age of expenditures data, and methodology used to separate the child's share of expenditures from total expenditures for a household, specifically expenditures incurred for adults living in the household. States also make other adjustments to the measurements of child-rearing expenditures when developing their respective schedules. For a handful of states, the underlying economic source of the core guideline's schedule or formula is unknown.

This article used a low-income case example and a high-income case example to compare state guidelines amounts. The comparisons demonstrate many similarities and differences in guidelines amounts. Some are attributable to the underlying guidelines models and use of older measurements of child-rearing expenditures. The income-shares model and Melson formula yield similar amounts. There are significant differences between the income-shares model and percentage-of-obligor income guidelines model, but the difference appears to be indirectly attributable to use of an older economic study of child-rearing expenditures among percentage-of-obligor income states.

Most states base their guidelines on Betson-Rothbarth measurements and the last Betson-Rothbarth study was conducted in 2010.[81] Only one state relies on the USDA study and the USDA just released a new study in 2017. New studies of child-rearing expenditures are needed to help states keep their guidelines' formulas and schedules current. Trends suggest that the child support caseload will comprise a larger share of never-married parents in the future and there may be a growing number of low-income obligated parents in the state and tribunal child support

81 *See* VENOHR, *supra* note 62, at 29.

caseload who are eligible for the self-support reserve or another low-income adjustment. Nonetheless, it is still important to keep state child support guidelines' formula and schedules updated based on the most current economic evidence on the cost of raising children. This serves the best interest of children in general.

Table 1
Comparison of State Guidelines

State	Guidelines Model	Primary Source of Economic Evidence of Child-Rearing Expenditures
Alabama	Income Shares	BR3
Alaska	% of Obligor Income	Espenshade
Arizona	Income Shares	BR3
Arkansas	% of Obligor Income	BR3
California	Income Shares	van der Gaag
Colorado	Income Shares	BR4
Connecticut	Income Shares	BR4
District of Columbia	Income Shares	BR2
Delaware	Melson	FPL and Other
Florida	Income Shares	Espenshade
Georgia	Income Shares	Other (Average of BR2 & BE2)
Hawaii	Melson	Unknown
Idaho	Income Shares	Unknown
Illinois	% of Obligor Income	Espenshade
Indiana	Income Shares	Espenshade & BR3
Iowa	Income Shares	BR3
Kansas	Income Shares	Other
Kentucky	Income Shares	Espenshade
Louisiana	Income Shares	BR3
Maine	Income Shares	BR3
Maryland	Income Shares	BR3
Massachusetts	Income Shares	Other
Michigan	Income Shares	Espenshade
Minnesota	Income Shares	Other (USDA)
Mississippi	% of Obligor Income	Unknown
Missouri	Income Shares	BR3
Montana	Melson	FPL and Other
Nebraska	Income Shares	BR2
Nevada	% of Obligor Income	van der Gaag
New Hampshire	Income Shares	Espenshade
New Jersey	Income Shares	Other (NJ Rothbarth)
New Mexico	Income Shares	BR3
New York	% of Obligor Income	van der Gaag
North Carolina	Income Shares	BR4
North Dakota	% of Obligor Income	Unknown
Ohio	Income Shares	BR1
Oklahoma	Income Shares	BR1
Oregon	Income Shares	BR3
Pennsylvania	Income Shares	BR3
Rhode Island	Income Shares	BR4
South Carolina	Income Shares	BR2

State	Guidelines Model	Primary Source of Economic Evidence of Child-Rearing Expenditures
South Dakota	Income Shares	BR3
Tennessee	Income Shares	BR2
Texas	% of Obligor Income	Espenshade
Utah	Income Shares	Unknown
Vermont	Income Shares	BR4
Virginia	Income Shares	BR4
Washington	Income Shares	Espenshade
West Virginia	Income Shares	BR1
Wisconsin	% of Obligor Income	van der Gaag
Wyoming	Income Shares	BR4
Total	Income Shares = 39 % of Obligor Income = 9 Melson = 3	van der Gaag = 4 Espenshade = 8 BR1 = 3 BR2 = 5 BR3 = 12 BR4 = 7 Other or Multiple = 7 Unknown = 5

Table 2
Incomes Used in Case Examples

	Case A		Case B	
	Obligated Parent	**Custodial Parent**	**Obligated Parent**	**Custodial Parent**
Monthly Gross Income	$2,097	$1,346	$7,100	$4,727
Monthly Net Income	$1,685	$1,161	$4,996	$3,601

Table 3
Comparison of State Guidelines Amounts, Housing Costs, and Price Parities

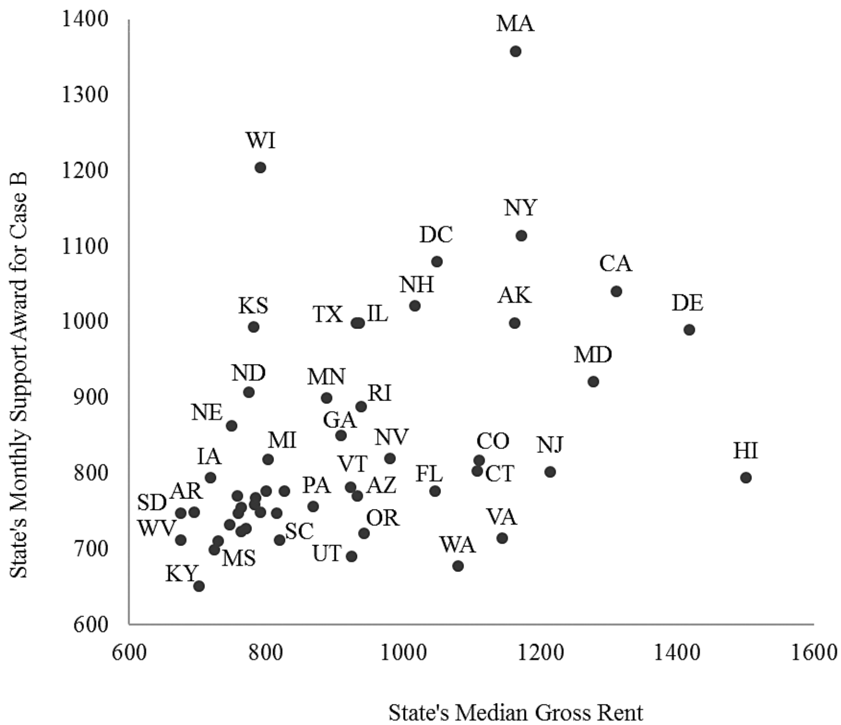
State	Case A	Case B	Median Gross Rent	Price Parity
Alabama	$388	$711	$729	87.8
Alaska	$337	$999	$1,163	105.7
Arizona	$409	$770	$933	96.4
Arkansas	$385	$749	$695	87.5
California	$438	$1,041	$1,311	112.4
Colorado	$368	$818	$1,111	101.9
Connecticut	$408	$803	$1,108	108.8
District of Columbia	$408	$1,080	$1,049	118.1
Delaware	$407	$990	$1,417	101.2

State	Case A	Case B	Median Gross Rent	Price Parity
Florida	$365	$777	$1,046	99.1
Georgia	$423	$851	$909	92.0
Hawaii	$383	$794	$1,500	116.8
Idaho	$292	$727	$770	93.4
Illinois	$337	$999	$936	100.7
Indiana	$338	$770	$758	91.4
Iowa	$412	$794	$718	90.3
Kansas	$372	$994	$782	90.7
Kentucky	$311	$651	$702	88.7
Louisiana	$369	$776	$800	91.4
Maine	$412	$749	$792	97.1
Maryland	$387	$921	$1,278	110.3
Massachusetts	$460	$1,358	$1,164	107.1
Michigan	$381	$819	$803	94.1
Minnesota	$396	$900	$888	97.6
Mississippi	$236	$699	$724	86.7
Missouri	$412	$755	$763	89.4
Montana	$388	$724	$763	94.2
Nebraska	$432	$864	$750	90.6
Nevada	$378	$820	$980	97.7
New Hampshire	$416	$1,021	$1,017	105.2
New Jersey	$425	$802	$1,214	114.5
New Mexico	$328	$759	$783	95.0
New York	$329	$1,115	$1,173	115.7
North Carolina	$362	$777	$827	91.7
North Dakota	$384	$907	$775	91.5
Ohio	$338	$732	$746	89.3
Oklahoma	$331	$747	$759	90.1
Oregon	$382	$720	$943	99.0
Pennsylvania	$396	$757	$868	98.2
Rhode Island	$374	$888	$938	98.7
South Carolina	$394	$712	$819	90.5
South Dakota	$424	$748	$675	88.0
Tennessee	$404	$768	$785	90.2
Texas	$337	$999	$932	96.6
Utah	$328	$690	$925	97.0
Vermont	$394	$782	$923	100.7
Virginia	$358	$714	$1,144	102.0
Washington	$340	$678	$1,080	103.8
West Virginia	$323	$713	$675	88.9
Wisconsin	$357	$1,204	$792	93.4
Wyoming	$362	$747	$815	96.2
State Average	$375	$837	$931	97.6
State Median	$382	$777	$868	96.4
Range	$236–$460	$651–$1,358	$675–$1,500	86.7–118.1

Table 4
Average Award Amounts by State Guidelines Model

	Case A	Case B
Income Shares (39 states)	$381	$812
Melson Formula (3 states)	$393	$836
% of Obligor Income (9 states)	$342	$944

Comparison of State Award Amounts for Case B and State Median Rents



Comparison of State Award Amounts for Case B and Purchase Parity by State