

**ARIZONA CHILD SUPPORT GUIDELINES:
FINDINGS FROM A CASE FILE REVIEW**

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Supreme Court
State of Arizona
Administrative Office of the Courts
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INTRODUCTION

This report discusses the application of the Arizona Child Support Guidelines to new orders. It considers a sample of Arizona orders established during state fiscal year 1997-98. The study is part of the 1999 review of the Arizona Guidelines being conducted by the State of Arizona Administrative Office of the Courts. In large part, the review has been initiated to fulfill federal requirements that states periodically review their guidelines and that states conduct a case file review to ensure that deviations from guidelines are limited.

There are several objectives of this study.

- U The primary objective is to examine what proportion of new orders are deviations from the guidelines-determined amounts, and what is the direction and reason for the deviation;
- U General analysis of case demographics (e.g., number of children, parents' incomes and ages of the parents and children);
- U Analysis of when and how adjustments for special factors (listed in Exhibit 1) are applied, particularly the visitation adjustment which was just adopted in 1996 as a result of the last guidelines review; and
- U Examine the impact mandatory parenting education has had on child support compliance.

Exhibit 1	
Additional Factors Considered in Arizona Guidelines	
✓	spousal maintenance and prior support orders
✓	either parent's additional dependents
✓	child care costs
✓	expenditures for the child's health care
✓	child's education expenses
✓	the additional costs of older children
✓	visitation/shared-parenting time
✓	divided custody
✓	a self support reserve for low-income obligors

More detailed information about how adjustments for special factors are considered in the guidelines calculation and mandatory parenting education are discussed later in this report.

OVERVIEW OF ARIZONA CHILD SUPPORT GUIDELINES

Federal law requires states to have numeric guidelines to determine appropriate amounts of child support and that these guidelines be reviewed every four years [P.L. 98-378 and P.L. 100-485]. Federal law further requires that:

There shall be a rebuttable presumption, in any judicial or administrative proceeding for the award of child support, that the amount of the award which



would result from the application of such guidelines is the correct amount of child support to be awarded.¹

Arizona and 32 other states base their child support guidelines on the Income Shares model, which considers both parents' incomes in the determination of the child support order amount. The precept of the Income Shares model is that the child should receive the same proportion of parental income that the child would have received if the parents lived together.² As shown in Exhibit 1, Arizona's version of the model also considers several other factors in the computation of the child support order amount.

The Arizona Guidelines allows deviations from the guidelines schedule if:

" application of the guidelines would be inappropriate or unjust.

This year, Arizona is conducting its quadrennial review of its guidelines. An examination of the most current estimates of child-rearing costs and how they relate to the existing Arizona Child Support Schedule is provided in another report.³ The review is also examining case data to ensure that deviations from guidelines are limited per federal mandate [45 CFR 302.56]. This report concentrates on the findings from the case file review.

Previous Studies

During Arizona's last quadrennial review, which was conducted in 1995, about 2,000 cases were reviewed. The deviation rate was 17 percent. Since this study, however, the Arizona child support guidelines have been revised. The most striking change in the new guidelines is the inclusion of a shared-parenting adjustment that adjusts for both routine visitation (starting with the child spending 1 percent of the child's time with the noncustodial parent) to shared physical custody.

A recent federal Office of Child Support Enforcement (OCSE) study included a case file review of about 4,000 child support orders in 21 counties spanning 11 states.⁴ This national study found that the average deviation rate among the cases reviewed is 17 percent. The study also summarizes the results from state-specific case file reviews. The deviation rates from these reviews ranged from a low of five percent in Iowa to a high of

¹ 42 U.S.C § 667(b).

² A more detailed discussion of the Income Shares Model is provided by Robert G. Williams, *Development of Child Support Guidelines for Child Support Orders, Part II, Final Report*, Report to U.S. Office of Child Support Enforcement, Policy Studies Inc., Denver, Colorado (March 1987).

³ Jane Venohr, Robert Williams and David Price, *Review of the Arizona Child Support Schedule*, Report to the State of Arizona Administrative Office of the Courts, Policy Studies Inc., Denver, Colorado (June 1999).

⁴ CSR, Incorporated with American Bar Association, *Evaluation of Child Support Guidelines: Volume 1: Findings and Conclusions*, Report to the federal Office of Child Support Enforcement, Washington D.C. (March 1996).

81 percent in New York, but most state specific studies estimate that deviations are made in 25 percent or fewer cases.⁵

We know of no study providing conclusive results relating parenting education to compliance with the child support order. Nonetheless, several states (Connecticut, Utah and Vermont) and 541 counties throughout the U.S. have parent education programs for separated and divorcing parents.⁶

REPORT ORGANIZATION

The remainder of this report is organized into three sections. The next section summarizes sampling strategy and how information from case files was collected. The third section analyzes the results from the case file review. The final section provides conclusions.

SAMPLING AND DATA COLLECTION

Sampling strategy was developed to answer the following research question.

- ❖ Is the child support guidelines deviation rate in Arizona significantly different from that of national studies (i.e., 17 percent)?

Based on statistical theory, the sample size necessary to detect whether the deviation rate in Arizona is significantly different from 17 percent is 224 cases. To account for missing case files or other potential data problems, a random sample of 250 was targeted. To expedite data collection, case sampling was limited to four of Arizona's 15 counties: Maricopa; Pima; Santa Cruz and Yavapai. The sampling was stratified based on county size as shown in Exhibit II.

Lists of new orders entered from July 1, 1997 through June 30, 1998 were obtained from these counties through the assistance of the Administrative Office of the Courts and each of the County's Clerk of the Court's office. From these lists, a random sample of cases was generated for each County. The random samples included 10 percent more than the targeted amount to allow for oversampling in the event that case files could not be located or were misidentified. An additional random selection was added to Yavapai County as a back-up because there were some delays and initial problems distinguishing between family law cases with and without child support orders in some of the other counties. However, these issues were resolved after Yavapai had collected information from the additional cases.

⁵ The researcher estimating the deviation rate in New York assumed a deviation occurred if it appeared that the child care adjustment or the low-income adjustment or other special factor should have been applied but was not. Yet, only 19 percent of the total cases sampled for the New York study were classified as a deviation in the case file itself

⁶ Jessica Pearson, et al. *Evaluation of the Child Access Demonstration Projects: Report to Congress* Center for Policy Research and Policy Studies Inc., Denver, Colorado (July 1996).



Exhibit II Random Sample Strategy			
	Approximate Percent of New Orders	Targeted Random Sample	Actual Random Sample
Maricopa County	60%	150 cases	145 cases
Pima County	20%	50 cases	54 cases
Santa Cruz County		25 cases	25 cases
Yavapai County	20%	25 cases	43 cases
Other Counties		none	none
TOTAL	100%	250 cases	267 cases

Staff from each of the County Clerk's Offices pulled the worksheets, orders, court form indicating parenting education attendance and payment records for cases identified on the list; photocopied them; and sent them to project staff for data entry.

As shown in Exhibit II, the target was met or exceeded in all of the sites except Maricopa County, which fell short five cases of the targeted amount. We do not believe this minor shortage affected the randomness of the study.

DATA LIMITATIONS

The sample was drawn to answer whether the guidelines deviation rate in Arizona significantly differs from that of national studies. It was not drawn to detect significant differences in county guidelines applications. A larger sample would be necessary to determine county differences.

The data are limited to information contained on the worksheet, order and court record. These sources of information do not contain information on whether the child was born to an unmarried mother or ever received public assistance. It also does not distinguish between IV-D and non-IV-D cases. Such information would be useful in future analysis, particularly in understanding the impact of parenting education requirements on unmarried parents seeking shared-parenting time provisions, and differences between the IV-D and non-IV-D child support population.

FINDINGS FROM THE CASE FILE REVIEW

SAMPLE CHARACTERISTICS

Exhibit III shows some of the general characteristics of the obligee, obligor and the children among the cases reviewed. We use the terms "obligee" and "obligor" to refer to the parent whom is the recipient of the child support order and the parent whom is the payor of the child support order, respectively. Exhibit III includes gender of the obligee,

obligee age at the time the order was established, children's age, number of children, and obligee and obligor's gross income.

Exhibit III General Characteristics of the Cases		
	1999 Sample or Arizona Cases	Current Population Survey from 1991 or 1995 ¹
	% of cases	% of cases
Obligee's Gender ¹		
❖ Female	93%	85%
❖ Male	7%	15%
Obligee's Age at Time of Award ²		
❖ Younger than 24	10%	25%
❖ 25-30	25%	32%
❖ 31-35	19%	22%
❖ Over 35	46%	21%
Average Age of the Child		
❖ youngest child	7.5 years old	not available
❖ oldest child	9.5 years old	
Number of Children Covered by the Child Support Order		
❖ 1 child	50%	60%
❖ 2 children	37%	32%
❖ three children	10%	7%
❖ four or more children	3%	1%
Obligee's Monthly Gross Income		
❖ below \$1,000	30%	percentages not available (average = \$1,879)
❖ \$1,001 - \$2,000	43%	
❖ \$2,001 - \$3,000	20%	
❖ \$3,001 or more	7%	
	(average = \$1,640)	
Obligor's Monthly Gross Income		
❖ below \$1,000	12%	Not available
❖ \$1,001 - \$2,000	34%	
❖ \$2,001 - \$3,000	26%	
❖ \$3,001 or more	28%	
	(average = \$2,696)	

¹National data on gender and custodial parent income are from Scoon-Rogers, Lydia. "Child Support for Custodial Mothers and Fathers: 1995" *Current Population Reports: Consumer Incomes*, P60-196, Census Bureau, Washington, D.C. The remaining national statistics are from the 1991 Current Population Survey conducted by CSR Inc. (Exhibit F-2). Percentages of number of children were reweighted to eliminate unknown.

When available, Exhibit III also provides comparable characteristics at the national level. However, most of the parental characteristics in national data are presented in terms of whom has custody of the child rather than whom is the payor and recipient of the child



support order.⁷ In making comparisons, it should also be noted that the national data are generally older than the Arizona data. Due to these differences, we cannot definitively determine whether Arizona differs from the nation. Nonetheless, the national data provides a useful benchmark.

Gender

As shown in Exhibit III, most (93 percent) of the obligees in the Arizona sample are women. We were unable to find comparable data for obligees nationally. However, national statistics pertaining to the gender of custodial parents are available. They show that 85 percent of the custodial parents are women.

Age

Exhibit III shows that the Arizona sample of obligees is generally older when their orders are established than the comparable group in the 1991 Current Population Survey. The average age of the obligees in the Arizona sample is 35 years. In fact, almost half of the Arizona sample (46 percent) is over the age of 35 years old. Comparatively, only 21 percent of the custodial parents in the national data are over the age of 35 years when their orders were established. In part, the difference may reflect that the national sample is based on custodial parents whom had an order in effect in 1991. Hence, their orders were established in 1991 or before, when the average ages of first marriage and first birth were much younger than they are in 1998 when the Arizona sample was drawn.

Number of Children

The majority (87 percent) of the child support orders from the Arizona sample cover one or two children. Exhibit III displays a similar proportion nationally: 92 percent of the child support cases from the 1991 Current Population Survey involved one or two children.

Parent's Income

As shown in Exhibit III, the average monthly gross income of the Arizona obligee and obligor are \$1,640 and \$2,696, respectively. Comparable national statistics are only available for the custodial parent. Based on the 1995 Current Population Survey, the custodial parent's gross income averaged \$1,879 per month.

⁷ In most cases the terms "obligee" and "custodial parent" are interchangeable as well as the terms "obligor" and "noncustodial parent." The only exceptions are in split custody cases and 50-50 percent shared physical custody situations where the terms "custodial parent" and "noncustodial parent" do not always reflect which parent owes child support. Split custody and 50-50 percent shared physical custody situations are observed in less than 3 percent of the Arizona sample.

APPLICATION OF SPECIAL FACTOR ADJUSTMENTS

As discussed earlier, Arizona Guidelines consider several factors in the calculation of a child support order. Some of these adjustments are made to income, whereas others are made to the support obligation. These types of adjustments are discussed separately below.

Income Adjustments

Arizona Child Support Guidelines allow the following to be subtracted from each parent's income.

- a. the amount of court-ordered spousal maintenance actually paid.
- b. the amount of court-ordered child support of other children actually paid where "other children" means natural or adopted children who are not the subject of the order being determined.
- c. Support of natural or adopted children not covered by a court order may be considered. If it is factored in, it is to be set at an amount equivalent to what a hypothetical order amount (i.e., dummy order) would be using the guidelines.

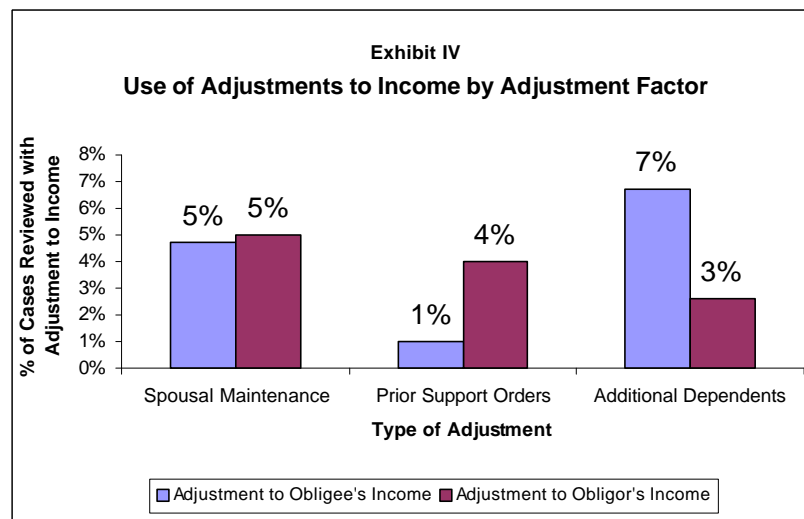


Exhibit IV shows that these adjustments to income are applied infrequently. Spousal maintenance was subtracted or added to 5 percent of the obligees as well as 5 percent of the obligors. In most of these cases, spousal maintenance was subtracted from the obligor's income and added to the obligee's income. In the few exceptions, spousal



maintenance appeared to have resulted from another relationship. The average monthly amounts of spousal maintenance were \$879 for obligees and \$850 for obligors.

Few cases involved adjustments for prior support orders or additional dependents. Prior support orders were subtracted from income for only 1 and 4 percent of the obligees and obligors, respectively. Dummy orders for additional dependents were subtracted from income for only 7 and 3 percent of the obligees and obligors, respectively. The national child support guidelines study (CSR, Inc. 1996) also found that these adjustments were used infrequently. Less than 10 percent of the cases reviewed had an adjustment for prior support orders or additional dependents in nine of the 21 counties examined for the national study. In the 12 other counties, the adjustment rate generally was between 10 and 20 percent. The only exceptions are in Delaware counties.

The average amounts subtracted from parent's income for other children included: \$550 for obligees with prior support orders; \$370 for obligors with prior support orders; \$369 for obligees with additional dependents and \$532 for obligors with additional dependents.

Adjustments to the Order Amount

The Arizona Guidelines allow several adjustments to the basic support obligation provided in the child support schedule. The cost of the children's insurance, child care and additional educational expenses (i.e., reasonable and necessary private or special schooling) are added to the basic child support obligation and apportioned between the parents according to income. (These child-rearing costs are not included in the schedule.) In addition, Arizona allows up to 10 percent of the basic support obligation to be added to the basic obligation for children 12 years old and older because studies of child-rearing costs indicate that older children cost more. The Arizona Guidelines also provide an adjustment for the noncustodial parent's time with the child. The adjustment is based on a sliding scale which considers the number of visitation days the noncustodial parent has with the child.

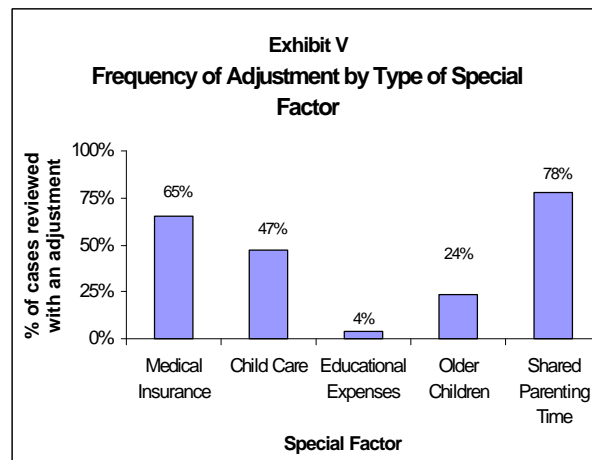
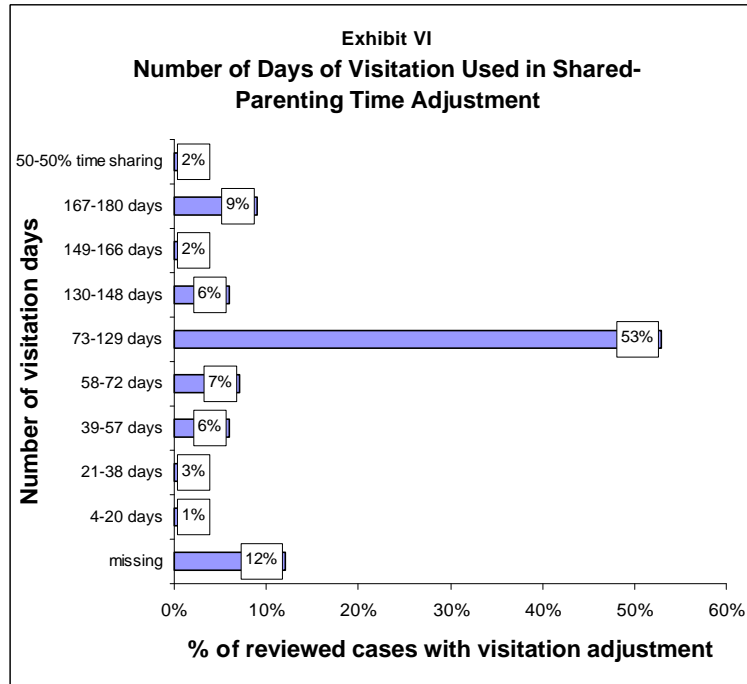


Exhibit V shows the frequency that adjustments for special factors are made. More than half (65 percent) of the cases reviewed considered the cost of the children's medical insurance in the guidelines calculation. The average amount of the medical insurance considered in the guidelines calculations is \$91 per month.

Also shown in Exhibit V is that 47 percent of the cases reviewed factored in an adjustment for child care costs. The average amount of child care in these cases is \$320 per month. Few (4 percent) of the reviewed cases have an adjustment for educational expenses. When the educational adjustment is applied, it averages \$197 per month. Almost one quarter (24 percent) of the cases reviewed have an adjustment for older children. The average amount of the adjustment for older children is \$77 per month.

The visitation adjustment is applied in the majority (78 percent) of the cases reviewed. The average adjustment amount is \$144 per month. As shown in Exhibit VI, over half (53 percent) of the adjustments for shared-parenting time are based on 73-129 days of visitation. For this range of visitation, 18.7 percent of the basic obligation is subtracted from the noncustodial parent's income.



DEVIATIONS

Exhibit VII shows that the deviation rate among the sample of Arizona case files (15 percent) is somewhat less than the deviation rate found in the national study (17 percent). However, the difference is not statistically different. In the Arizona cases with a deviation, somewhat more than half (58 percent) have upward deviations and somewhat



less than half (42 percent) have downward deviations. This is statistically different than the finding of the national study that deviations are more likely to be downward (83 percent) than upward (17 percent).

Exhibit VII		
Deviations from Child Support Guidelines		
	1999 Arizona Sample (n = 266)	federal OCSE study (n = 4,210)
Percent of cases with a deviation	15%	17%
Direction of the Deviation		
❖ Downward	42% **	83% **
❖ Upward	58% **	17% **
Average Amount of the Deviation (% of guidelines amount)		
❖ Downward	-24%	-33%
❖ Upward	22%	33%
Reasons for the Deviation		
❖ Agreement between the parties	56% **	21% **
❖ Unjust or inappropriate	44%	Unknown

** statistically significant, D <0.05

The average dollar amounts of the Arizona deviations are \$144 in downward deviations and \$116 in upward deviations. Exhibit VII shows these as percentages of the guidelines-determined amounts. In Arizona, the percentage differences are 24 percent in downward deviations and 22 percent in upward deviations. The comparable percentages from the national study are 33 percent of the guidelines-determined amount in downward deviations and 33 percent of the guidelines-determined amount in upward deviations. Although the percentage differences are smaller in Arizona than they are nationally, the differences are not statistically significant.

General reasons for deviations rather than detailed reasons are provided in most Arizona case files. General reasons for deviation typically involve three categories:

1. Application of the guidelines is inappropriate
2. Application of the guidelines is unjust
3. The parties agreed to another amount.

Over half (56 percent) of the deviations in Arizona involved a written agreement between the parties. The comparable proportion nationally is 21 percent, this is statistically less than that of Arizona. The national study shows that written agreements between the parties are more likely to result in upward deviations, however, this correlation between written agreements and upward deviations is not evident in Arizona. About half of the

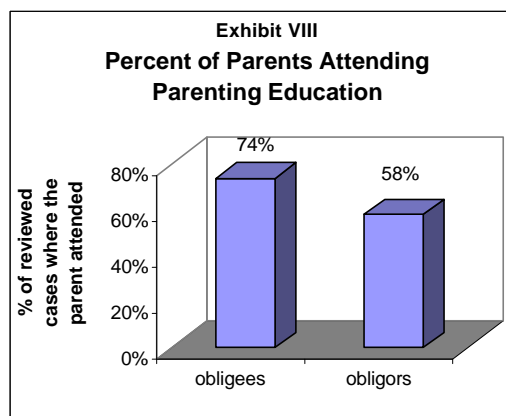
written agreements are downward deviations and the other half are upward deviations in Arizona.

The basis of the written agreements are not elaborated on in most of the case files reviewed. In the few cases where there is more narrative, it typically states the reason for the deviation as, “best interest of the child.”

In cases where the reason for deviation is not “agreement between the parties,” the reason is “Unjust” or “Inappropriate.” When more narrative for the reasons for deviation are provided, the written explanations of unjust and inappropriate vary from the “father being in school” to “property settlement” to “additional insurance for the children.”

PARENTING EDUCATION

In Arizona, all divorcing parents are mandated to attend parenting education classes before a final divorce decree will be signed. There are some exceptions to allow for a divorce to occur in the event that one parent refuses parenting education or a similar circumstance occurs. In establishing child support orders in never-married cases, the parenting education class is mandated for all parents wanting visitation.



The data collected for this study do not indicate whether the parenting education was mandated or whether the parents were divorcing or never married. The only data relating to parenting education that could be collected was whether the parent attended or not. Nonetheless, Exhibit VIII shows that the majority of parents attended parenting education. Over half (58 percent) of the obligors and 74 percent of the obligees attended parenting education.

Exhibit IX shows the relationship between parenting education and child support payments in state fiscal year 1998-99. Obligors attending parenting education paid more of their child support order (87 percent of the amount due) than obligors not attending parenting education. Those obligors not attending parenting education paid 55 percent of the amount due. Similarly, payment is higher for obligees attending parenting education than those that did not (the proportion of the amount due that was paid is 76 percent for obligees attending parenting education and 68 percent for those that did not attend). The differences in payment between those attending parenting education and those not attending are statistically greater for obligors and statistically insignificant for obligees.



However, whether obligor's attendance to parenting education is the cause of greater compliance with the child support order cannot be determined from the information gathered for this study. Further research on this issue is recommended and is discussed more in the conclusions of this paper.

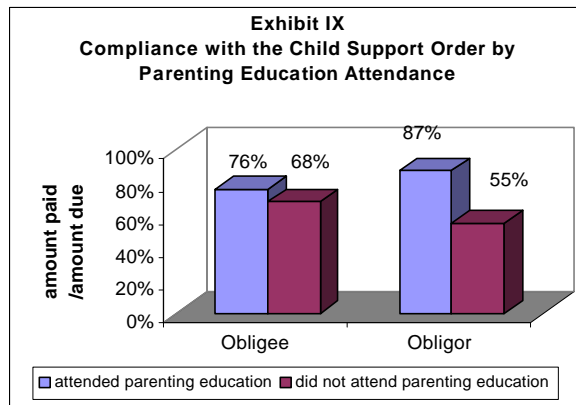
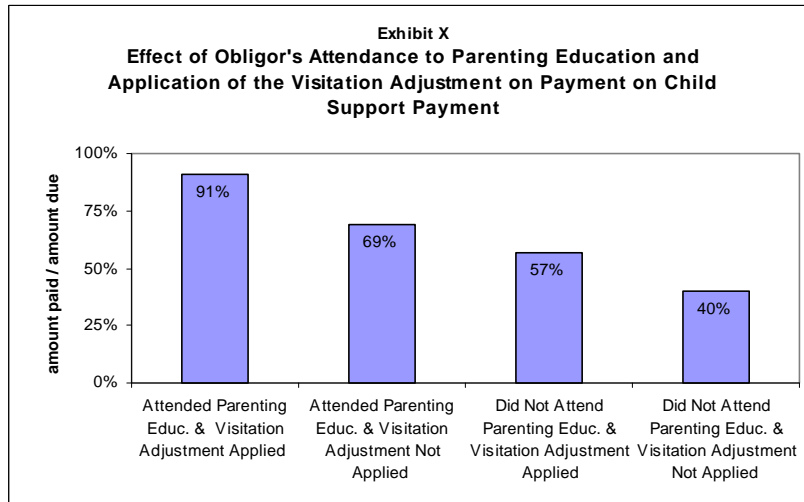


Exhibit X shows how the obligor's attendance to parenting education interacts with whether visitation is factored into the order amount. Obligor's who attended parenting education and received the visitation adjustment have the highest average compliance rate with their child support order (91 percent). The second highest compliance rate (69 percent) is among obligors who attended parenting education but did not receive the visitation adjustment. The third and fourth highest compliance rates (57 and 40 percent, respectively) are among obligors who did not attend parenting education bifurcated by those receiving and not receiving the visitation adjustment.



The trends displayed in Exhibit X suggest that obligor's attendance to parenting education is more strongly correlated with child support compliance than application of the visitation adjustment. This is also corroborated by statistical significant differences between some of the groups. Nonetheless, this study cannot determine whether attendance or application of the visitation adjustment is the cause of higher payment of child support. As found in academic studies examining the relationship between child support payments and visitation, it is difficult to determine which factor is the cause and which factor is the effect or whether a third factor, such as a sense of parental responsibility and commitment to the child, causes both a higher level of payment and visitation.

SUMMARY AND CONCLUSIONS

The findings of the Arizona case file review provide several interesting findings.

- ❖ Characteristics of Arizona child support cases appear to be similar to those nationally. That is, most obligees are female (93 percent in Arizona cases reviewed), most involve one or two children (87 percent of the Arizona cases reviewed) and the obligee's average gross income is \$1,640 per month. These findings are comparable to national statistics.
- ❖ Adjustments to income allowable under the Arizona Guidelines are applied infrequently. These adjustments may consider spousal maintenance, prior support orders and additional dependents. None of these adjustments were applied to obligee or obligor's income in more than 7 percent of the cases reviewed.
- ❖ Adjustments made to the order amount are made frequently for medical insurance (65 percent of the cases reviewed); child care (47 percent of the cases reviewed) and shared-parenting time (78 percent of the cases reviewed). The average amount of the shared-parenting time adjustment is \$144 per month.
- ❖ The deviation rate from child support guidelines in Arizona (15 percent) is not significantly different than that of national studies (17 percent). However, higher proportions of Arizona deviations are likely to involve upwardly deviations (58 percent in Arizona compared to 17 percent nationally) and be based on agreement between the parties (56 percent in Arizona and 21 percent nationally).
- ❖ Obligor's attending parenting education pay more child support (87 percent of the amount due) compared to those that do not attend (they pay 55 percent of the amount due). Furthermore, the obligor's attendance to the parenting education class is more positively correlated with child support payment than the application of the visitation adjustment to the child support order.

One of the most interesting results of this study is the high correlation between the obligor's attendance to parenting education class and payment of the child support order. Due to data limitations, however, the study could not determine whether parenting



education is the cause of child support payment or if obligors attending parenting education are just more responsible, hence also more likely to pay child support. This is a topic we would like to explore in future research. Furthermore, we would also like to explore whether parenting education affects divorced and never-married cases and IV-D and non-IV-D cases differently.

Similarly, in future research we would also like to explore how the application of Arizona's visitation adjustment affects child support payments. The findings in this study show that obligors receiving the visitation adjustment pay more child support than those that do not receive the adjustment, but the correlation with payment is stronger for parenting education. The relationship between child support payment and application of the visitation adjustment is as complicated as the relationship between child support payment and attendance to parenting education class. With further research, we hope to determine whether both of these relationships are causal.