



BILL 128 TESTIMONY

**to the Committee on Criminal Justice, Public Safety, Youth
and Foreign Affairs of *Mina'Bente Ocho Na Liheslaturan Guåhan***

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June 3, 2005

Honorable Ray Tenorio

Chairman

Committee on Criminal Justice, Public Safety,

Youth and Foreign Affairs

Mina'Bente Ocho Na Liheslaturan Guåhan

167 South Marine Drive, Suite 104

Hagåtña, Guam 96910

**SUBJECT: SUPPORTING TESTIMONY, BILL 128; REVISED &
UPDATED CHILD SUPPORT GUIDELINES**

Dear Senator Tenorio:

This Office is in support of the passage of Bill Number 128, which seeks to revise and update the Guam Child Support Guidelines ("Guidelines"). The proposed Guidelines in the Bill are what was transmitted to *I Liheslaturan Guåhan*.

Please find attached the following documents in support of passage of the proposed Guidelines:

1. Articles Generally on Reform of Child Support Guidelines on Mainland.
2. Guam Economic Basis for Updated Child Support Schedule, Prepared by Policy Studies Inc. (dated August 9, 2004).
3. Local Authority (5 G.C.A. § 34118) and Federal Authority (45 C.F.R. § 302.56) for updating the Guidelines.
4. 2004 Federal Poverty Guideline.
5. Massachusetts Child Support Guidelines.
6. *Flores v. Cruz*, 1998 Guam 30.
7. Suggested Modified Language from the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement (Region 9)

Upon review by Guam's Federal Child Support Office, Region 9, they have recommended the language as contained within the attached "Exhibit 7." The Office of the Attorney General supports the suggested revision.

The Guidelines take into consideration the "*best interest of the child.*" At the same time, child Support Guidelines should *not* be used as an income redistribution tool or a substitute for alimony. Resources must follow the parent which exercises the expenses associated with custody.

The Attorney General's Office encourages joint custody in line with the Legislative mandate of 19 G.C.A. § 8404(h), *Flores v. Cruz*, 1998 Guam 30, and the Federally-sanctioned Access & Visitation Program, which encourages joint custody. Studies have shown that a child is better adjusted when both parents play a role in their upbringing and exercise custody.

The proposed Guidelines seek to bring current the old guidelines last updated in 1996. The proposed Guidelines also seek to encourage non-custodial parents to spend more time with their children by giving a visitation credit, which currently does not exist. Further, it brings into line case authority from the Supreme Court of Guam which has held that the Guidelines are not binding upon joint and equal custody situations.

Finally, because the Guidelines have not been updated in about a decade, about 8 years past when they should have been updated, the Office has decided to keep the Guidelines' tables at the current \$7,500.00 limit due to the projected substantial hardship which this sudden cost of living adjustment will likely create to non-custodial parents ("sticker shock").

Please feel free to contact the undersigned if you have any questions. Thank you.

Respectfully submitted,



BARBARA P. CEPEDA

Deputy Attorney General & IV-D Director
Child Support Enforcement Division



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Exhibit	Description
1.	2 Articles Generally on Reform of Child Support Guidelines on Mainland.
2.	Guam Economic Basis for Updated Child Support Schedule, Prepared by Policy Studies Inc. (dated August 9, 2004).
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New study shows child support guidelines in need of reform

By Jeffery M. Leving and Glenn Sacks

web posted July 5, 2004

A new study of child support has concluded that most states' child support guidelines are poorly designed, inequitable, and in need of reform. California's guidelines, which are among the highest in the nation, exemplify this inequity, and often place such privations on noncustodial parents that they are unable to remain a meaningful part of their children's lives.

The study, "Child Support Guidelines and the Equalization of Living Standards," was conducted by psychology professors Sanford Braver and David Stockburger, and will appear in the soon-to-be-released book *The Law and Economics of Child Support Payments*.

The researchers conclude that nationwide "under current child support guidelines, the majority of custodial parents currently have higher standards of living than their matched noncustodial parents," and that in some situations this inequity is "dramatic."

A recent study of California child support obligors conducted by the Urban Institute reflects the effects of these high guidelines, particularly as they impact low-income and minority men. According to the report, only 25 per cent of California's \$14.4 billion child support arrearage will be collected over the next decade, not because the debt is owed by high living divorced dads who won't pay, but because the support amounts demanded of noncustodial parents are often wildly unrealistic. The average arrears amount owed is \$3,000 higher than the median annual earnings of employed child support debtors. Those in the poorest category have a child support debt amounting to their full net income for seven and a half years. Over a quarter of the arrears total represents interest due on principal.

Braver and Stockburger conclude that the guidelines have become tilted against noncustodial parents in large part because they fail to consider the significant tax benefits accorded only to custodial parents. Whereas child support income is tax-free to the custodial parent, noncustodial parents must pay federal, state, and local income tax, as well as social security or FICA, on the money they pay in support. Also, in most cases only the

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custodial parent can claim the \$3,050 per child tax exemption. Additional custodial parent tax advantages include: the Child Tax Credit (worth up to \$1,000 per child); the Earned Income Credit (up to \$4,204, with two children); deductions for school tuition and fees (up to \$3,000 per return); the Child Care Credit (worth up to \$1,050 per child); and a lower tax rate for "head of household" filing status.

Conversely, the federal tax code treats divorced and unwed fathers--who are often paying 40 or 50 percent of their net income in child support--as if they are childless bachelors.

Also, Braver and Stockburger point out that the current guidelines and the studies upon which they were based ignore the many child-related costs borne by noncustodial parents, including transportation, entertainment, and food during visitation, as well as money spent on clothes and out-of-pocket medical and dental expenses. And because California has been extremely permissive in allowing custodial parent move-aways, noncustodial parents often shoulder sizable burdens in travel expenses.

If fact, the researchers probably understate the child support inequities noncustodial fathers face. Because the child support system is so inflexible, most fathers who lose their jobs or suffer wage cuts are not able to get downward modifications on their child support. These fathers end up paying support based on past wage levels which do not reflect their current, diminished earnings.

In addition, while California is generally enthusiastic about enforcing child support orders, its courts are indifferent at best to enforcing noncustodial parents' visitation rights--rights which studies show are frequently violated. Noncustodial parents must pay out of pocket for legal representation to enforce these rights. Few family issues are as heartbreaking as the common scenario of a noncustodial father paying so much of his income in child support that he cannot even afford to go to court to fight for his right to see his children.

Many California fathers who fall in arrears on their child support suffer punitive measures, such as suspension or loss of driver's licenses, passports, and business licenses. Others struggle to stay out of jail or feel it's hopeless and disappear. Most of these men aren't deadbeats, but instead fathers who worked hard to support their children both before and after their breakups with their children's mothers.

Children need financial support, but they also need their parents' love and emotional support. What rationale is there for California's child support guidelines if they serve to harm or drive away one of the two people who most love a child?

Jeffery M. Leving is one of America's most prominent family law attorneys.



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He is the author of the book [Fathers' Rights: Hard-hitting and Fair Advice for Every Father Involved in a Custody Dispute](#). His website is [DadsRights.com](#). Glenn Sacks is a men's and fathers' issues columnist and a talk show host on KMPC AM 1540 in Los Angeles. His columns have appeared in dozens of America's largest newspapers. Glenn can be reached via his website, at www.GlennSacks.com or by email at Glenn@GlennSacks.com. This column first appeared in the Daily Breeze (6/20/04).



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Child support commission: Split custody, costs

By KATHARINE WEBSTER
The Associated Press

CONCORD — Divorced fathers are backing bills at the Legislature that would give them more time with their children and trim child support payments.

They're getting help from a legislative commission that wants to cut court-ordered child support to the bone, making each parent responsible for only half the actual cost of their children's "basic needs" — food, shelter, clothing and medical care — regardless of each parent's income.

The commission also wants judges to presume custody will be shared, and that if it is, no money will change hands.

The Commission to Study Child Support and Related Custody Issues estimates actual cost of basic needs for one child at \$400 to \$600 a month, based on several older studies. It wants lawmakers to spend \$80,000 for an economist to update and refine that figure.

Under state child support guidelines, most non-custodial parents pay a flat percentage of their income in child support to parents with primary custody — 25 percent for one child, 33 percent for two children, 40 percent for three and 45 percent for four — although judges can make exceptions for hardship or special circumstances.

That leads to unfair results in some cases and promotes litigation, David Amico told a state Senate committee last week.

"The formula for child support has penalized me so heavily that I'm forced to live in a two-room basement apartment," said Amico, a self-employed information technology consultant from Kingston who earns about \$175,000 annually and has two children, 8 and 5.

Amico said he is paying \$4,000 in child support and \$2,000 in alimony monthly, more than \$1,000 a month in medical and dental insurance for the whole family and \$14,000 a year in preschool and private school

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That leaves him with about \$2,700 each month after taxes. But because his income is variable, he sometimes has a hard time covering his \$850 rent, food and utilities and often has no money to take his children to the aquarium or a museum, he said.

Still, he offered to settle on similar terms, except that instead of paying alimony he would pay his wife's mortgage for three years and half of it for another two, as long as he could get joint custody. She agreed at first, but then rejected the offer because she thought she could get more money if she sought primary custody, he said.

"We need to remove this prize of child support. If it were more equitable and fair, there would be more incentive for the parents to work together in the best interests of the children," he said.

Shared custody, cost

Stories like Amico's inspired the majority of the commission to recommend scrapping current child support guidelines altogether and move to a shared custody and shared costs model, said Rep. David Bickford, R-New London.

"We need to do a major overhaul to our system," Bickford said.

Paying for anything more than half of a child's basic needs should be optional for divorced parents, just as it is for married ones, he said. Otherwise, deciding what extras must be covered becomes a "slippery slope."

"I'm not necessarily opposed to some, but it can't go all the way from an after-school activity to a trip to Europe. The parents have some rights here. It's their money, they earned it and they need to have the right to say no," he said.

However, a minority on the commission, which issued its recommendations late last year, supported a so-called "standard of living adjustment" based on parents' incomes. The minority also said judges should start with no presumptions about custody except what's in the children's best interests.

Tom Cooper, a lawyer on the panel, says divorcing parents should strive to keep their children's situation as stable as possible after divorce.

Telling children who played sports or took music lessons when their parents were married, "'We're just going to have broth and bread as your diet from here on in' — that's just flat-out wrong," he said.

"I think the parents just have to suck it up and, if they have to, get extra

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jobs for the kids," he said. "Why should the kids suffer for the decision of two adults?"

Hitting high and low

Everyone on the panel agreed the child support formula can be disastrous for low-income parents and unfair to high-income ones. They also agreed the Legislature should devise child support guidelines for cases of shared physical custody.



FEENEY
moms not heard

"High-income people . . . have an incentive to litigate because the child support awards in some cases can be so high, beyond what a child reasonably needs," said panel member Catherine Feeney, a family law attorney.

At the same time, low-income parents often don't have enough money for their children when the family is intact, let alone when they live in separate households, she said. Non-custodial parents quickly fall behind on support payments and end up back in court or in jail, while custodial parents don't get the money they need, she said.

But Feeney also said the commission heard primarily from unhappy fathers paying child support and their second wives, possibly skewing its findings and the majority's recommendations.

"The mothers were not represented," she said.

Honey Hastings, a family practice attorney who served on a legislative Task Force on Family Law that also issued a report last year, said women who give up jobs or career advancement to spend more time with their children have a hard time recovering financially after a divorce.

"The economic cost of staying home with the kids is borne by the woman for the rest of her life," Hastings said. Also, state courts "are really stingy on alimony," leading panicked stay-at-home moms to fight for more child support, she said.

Reports spawn bills

Reports by the two panels have spawned a number of bills this session, but most would only tinker with child support. None encompass a radical overhaul, which is waiting on the economist's study.

House Bill 529 would require judges to start with a presumption of shared physical custody, but it has been shelved in favor of House Bill 640, which requires judges to make the best interests of the children paramount.

Both would change the term "custody" to "parental rights and responsibilities," require parents to come up with parenting plans addressing their children's needs and allow courts to order parents into mediation.

Steve Varnum, spokesman for the New Hampshire Children's Alliance, says linking child support to custodial time instead of income could hurt children and spur more litigation.

"We agree with the dads that in most cases, the children should spend as much time as possible with both parents," he said. "Where we get off is using that as a means to pay less child support."

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GUAM Economic Basis for Updated Child Support Schedule

August 9, 2004

Submitted to:

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Child Support Enforcement Division
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Submitted by:

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EXHIBIT 2



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Chapter I

Introduction

The Guam Child Support Guidelines are being reviewed in accordance with federal and Guam requirements [45 CFR 302.56 and 5 GCA 34118(a), respectively]. The purpose of the review is to ensure that the guidelines result in the determination of appropriate child support award amounts. The federal requirement also specifies that the review must include an assessment of the most recent economic data on child-rearing costs and a review of case data to ensure that deviations from guidelines are limited.

This report focuses on the economic data on child-rearing costs and other economic factors used to develop the schedule. As evident in this report, there are several measurements of child-rearing costs. This report focuses on those developed by or for government agencies with the intention that they could be used to review and update state child support guidelines.

This report develops an updated schedule using recent economic estimates of child-rearing expenditures. Since estimates of child-rearing expenditures are expressed as a proportion of total household expenditures, additional assumptions are necessary to build a child support schedule based on gross income. Specifically, current federal tax rates and FICA are considered in the updated schedule. The updated schedule also considers 2004 price levels.

HISTORICAL OVERVIEW OF THE GUIDELINES

Prior to federal requirements imposed in 1987 and 1989, few states had promulgated statewide child support guidelines. In 1987, states were required to have statewide, advisory guidelines. In 1989, presumptive guidelines that could be rebutted in cases where the guidelines resulted in inappropriate or unjust awards based on state-determined deviation criteria were required.

Statewide guidelines are to be made available to all judicial and administrative officials whose duty is to set child support award amounts. States have discretion in the guidelines models that they use; yet, the guidelines must:

- Be based on specific descriptive and numeric criteria;
- Take into consideration all earnings and income of the noncustodial parent; and
- Provide for the child(ren)'s health care needs.

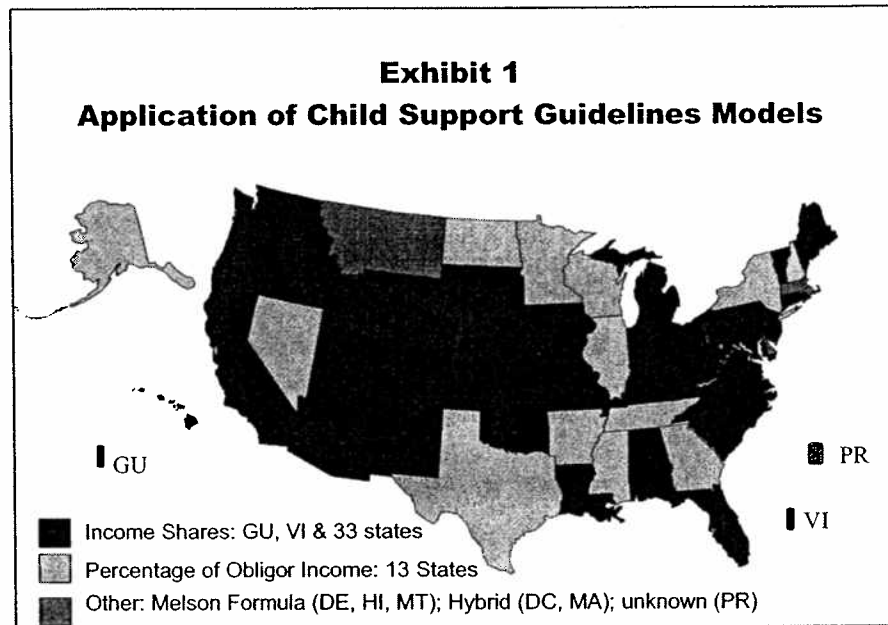
In order to assist states in developing child support guidelines, the 1984 House Ways and Means Committee directed the federal Office of Child Support Enforcement (OCSE) to convene the National Child Support Guidelines Panel. Comprising judicial and legislative officials, representatives of custodial and noncustodial parents, and legal and economic scholars, the Panel recommended that states adopt either the Income Shares



model or the Melson formula for usage.¹ These models consider both parents' incomes in the calculation of support and allow for consideration of specific case factors, such as additional children for whom a parent has a legal duty to support, shared-parenting time, parents with limited ability to pay due to poverty income, variable health care costs, and other factors.

Prototype Income Shares guidelines and schedules were also developed through the National Guidelines Project. Guam adapted the prototype schedule and extended it to consider 10 children. (The prototype only considered obligations up to six children.) In 1996, Guam made small changes to its schedule. It extended it to consider 15 children and decreased amounts at low incomes.

The Income Shares model presumes that the child should receive the same amount of expenditures the child would have received if the parents lived together and combined their incomes. In other words, the child is held harmless by the parents' decision to divorce, separate, or otherwise not live together. As shown in Exhibit 1, Guam, the Virgin Islands and 33 states



currently use the Income Shares model. The Income Shares model is the most commonly used guidelines model. Among the four states that switched child support guidelines models in the last ten years, all but one have switched from another guidelines model to the Income Shares model. In addition, another two states currently have proposals to switch to the Income Shares model.

ESTIMATES OF CHILD-REARING COSTS UNDERLYING GUIDELINES

Consistent with the premise that the child is entitled to the same expenditures the child would have received if the parents lived together, most Income Shares states base their guidelines schedule on measurements of child-rearing expenditures in intact families. In fact, most Income Shares states have a schedule similar in format to the Guam Schedule.

It shows the amount of child-rearing expenditures for a range of combined gross incomes and number of children. To determine support, the amount of the schedule corresponding to the parents' combined gross

¹National Center for State Courts, *Development of Guidelines for Child Support Orders, Part I, Final Report*, Report to U.S. Office of Child Support Enforcement, Williamsburg, Virginia (March 1987).



income and number of children for whom support is being determined is first found. This amount is prorated between the parents based on each parent's share of combined income. The custodial parent's share is presumed to be spent directly on the child. The noncustodial parent's share forms the basis of the child support award. Many Income Shares states, including Guam, add or adjust for work-related child care costs, the child's health insurance premium; and the child's extraordinary medical costs. These amounts are not included in the schedule.

The prototype Income Shares model— hence, most of the Guam schedule— is based on economic estimates of child-rearing expenditures as a proportion of household consumption developed by Dr. Thomas Espenshade. The Espenshade estimates, which are published in *Investing in Children* (Urban Institute Press: Washington, D.C., 1984), were derived from national data on household expenditures from the 1972-73 Consumer Expenditure Survey (CEX) conducted by the U.S. Bureau of Labor Statistics. They were the most current and most reliable economic estimates at the time.

NEW NATIONAL EVIDENCE ON CHILD-REARING COSTS

Since the prototype Income Shares schedule was developed, Espenshade's study on child-rearing costs has been updated. The first update was conducted by Dr. David Betson of the University of Notre Dame, through the University of Wisconsin Institute for Research on Poverty, to fulfill a requirement of The Family Support Act of 1988 [P.L. 100-485, §128] mandating that the U.S. Department of Health and Human Services "...conduct a study of the patterns of expenditures on children in 2-parent families, in single-parent families following divorce or separation, and in single-parent families in which the parents were never married... ." For his original research, Dr. Betson used data from the national 1980-86 Consumer Expenditure Survey to develop new estimates using five different estimating models.

Expenditures made on behalf of children are commingled with spending on behalf of adults for the largest expenditure categories (i.e., food, housing, and transportation). This commingling of household expenditures is the most important reason that equitable child support awards are so difficult to set on a case-by-case basis. Since the child's share of household consumption cannot be directly observed, it must be estimated based on the best available economic evidence on child-rearing expenditures. This evidence provides estimates of expenditures on children as proportions of parental income levels across a broad spectrum of family incomes.

Betson-Rothbarth Estimates

Of the models used by Dr. Betson for estimating child-rearing expenditures, the "Rothbarth estimator" seems to have the most economic validity and plausibility. As a consequence, most Income Shares states that have updated their schedules in the past ten years now rely on the Betson-Rothbarth estimates. Nonetheless, the Rothbarth estimator is generally believed to be the lower bound in the range of estimates of child-rearing expenditures.²

Using data from the national 1996-99 Consumer Expenditure Survey, Dr. Betson updated his economic estimates in 2001. For this study, he used three different estimating models, but still concluded that the

² Lewin/ICF, *Estimates of Expenditures on Children and Child Support Guidelines*, Report to U.S. Department of Health and Human Services (Office of the Assistant Secretary for Planning and Evaluation), Lewin/ICF (October 1990).



Rothbarth was the most theoretically and empirically sound. His updated estimates were published in 2001 in a review of California's Child Support Guideline.³ In the past few years, they have begun to be disseminated to other states for the consideration of child support guidelines reviews.

The Betson-Rothbarth measurements of child-rearing costs, as well as others, are discussed in greater detail in Chapter II.

Costs of Child-Rearing in Guam

Guam-specific data on child-rearing costs are limited. As part of the 1996 guidelines, Guam identified the costs of the basic needs to raise a child. It average \$746 per month for one child and 40 to 10 percent more for each additional child. Updated for inflation, this would be equivalent to about \$800 to \$900 per month today, depending on whether it is updated using the Guam or U.S. consumer price index. This exceeds the current (2004) U.S. federal poverty guidelines level, which is \$776 per month for the first person and \$265 per month for each additional person.⁴ If the first person is the custodial parent, the poverty level for a child is \$265 per month.

There is no Guam-specific data on average expenditures for child rearing for a range of incomes. The CEX, which is the major source of household expenditures data, does not include Guam, but the Census, which includes data only tangentially related to household expenditures, does. Exhibit 2 compares some of the socio-economic factors relevant to differences in child-rearing costs and child support between Guam and the U.S. All of the data are from the 2000 Census. As can be deduced from Exhibit 2, although Guam families generally face lower incomes and more poverty than U.S. families, Guam housing costs are not lower. For example, Exhibit 2 shows that 20 percent of Guam families are impoverished; whereas, only 9 percent of US families are impoverished; and, that the median gross rent is more in Guam (\$774 per month) than it is in the United States (\$602 per month).

Relative housing prices is of particular interest because it consumes a large share of total family expenditures. Food and transportation also consume large shares. Guam imports much of its food, gasoline and other transportation-related consumption items. In all, there is no evidence to suggest that the cost of living in Guam is significantly less than the U.S. average.

Exhibit 2 Selected Socio-Economic Characteristics of Guam and the United States (from 2000 Census)		
	Guam	United States
Total Population	154,805	281,421,906
Population Born outside of Guam	74,068	Not applicable
Population Moving to Guam Due to Military	7,683	
Number of Families	32,367	71,787,347
Number of Female-Headed Families with Children	3,753	7,561,874
Average Family Size	4.27	3.14

³Judicial Council of California, "Chapter 5, Parental Expenditures on Children," *A Review of Statewide Uniform Child Support Guideline, 2001*. San Francisco, California.

⁴ *Federal Register*, Vol. 69, No. 30, February 13, 2004, pp. 7336-7338.



Exhibit 2		
Selected Socio-Economic Characteristics of Guam and the United States		
(from 2000 Census)		
Median Family Income	\$41,229	\$50,046
Percent of Families by Family Income		
• Less than \$10,000	12%	6%
• \$10,000- \$29,999	24%	21%
• \$30,000-\$59,999	32%	33%
• \$60,000-\$99,999	21%	24%
• \$100,000 or more	11%	15%
Percent of Female-Headed Families with Children by Family Income		
• Less than \$10,000	35%	25%
• \$10,000- \$29,999	36%	44%
• \$30,000-\$59,999	21%	24%
• \$60,000-\$99,999	6%	5%
• \$100,000 or more	2%	2%
Percent of Families with Poverty Income or Less		
• All Families	20%	9%
• Married-Couple family	13%	5%
• Female householder, no spouse present	39%	27%
• Male householder, no spouse present	29%	23%
Median Gross Rent	\$774	\$602
Median Value of Owner-Occupied Housing	\$171,900	\$119,600
Median Number of Rooms	4.1	5.3

UPDATE OF THE GUAM SCHEDULE

This report develops an updated schedule considering four factors:

- Dr. Betson's new measurements of child-rearing costs based on more recent data (1996-99);
- 2000 Census data used to recalibrate the U.S. measurements of child-rearing costs to Guam income;
- 2004 price levels; and
- 2004 federal personal income tax rates.

Steps Used to Update the Guam Schedule

Starting with the new Betson-Rothbarth measurements of child-rearing costs from 1996-99 data, the following steps were taken to arrive at an updated schedule.

- The measurements of child-rearing costs were converted to 2004 price levels.
- The national measurements of child-rearing costs are recalibrated to consider differences between Guam and average U.S. income.
- Average expenditures on child care, estimated health insurance, and estimated children's extraordinary medical expenses are subtracted from the total proportion of household expenditures devoted to child-rearing costs. (In the Income Shares model, these child-rearing costs are added to the basic child support calculation as actually incurred.)
- The measurements, which are originally calculated as percent of total household expenditures, are converted to *net* income using household expenditures and income information from the same families in the dataset Dr. Betson used to measure child-rearing costs.



- The updated schedule was finally developed by converting it from net income to gross income using withholding tables for a single obligor.

These steps are elaborated in Chapter III.

REPORT ORGANIZATION

In Chapter II, we discuss the Betson-Rothbarth estimates and assess other estimates of child-rearing expenditures. Other new and old estimates of child-rearing expenditures are also discussed in greater detail in Chapter II.

In Chapter III, we describe the steps involved in updating the schedule based on relevant economic evidence, as well as the specific assumptions made in the course of that development. Further detail is provided in Appendix I, Technical Computations.

In Chapter IV, we summarize the key assumptions implicit in the development of the updated schedule that are likely to have the most impact on how the tables are used.

In Chapter V, we compare the existing and updated schedules.

In Chapter VI, we present a brief summary and conclusions.



Chapter II

Measurements of Child-Rearing Costs

As discussed in the previous Chapter, federal regulations [45 CFR 302.56] require that a state's child support guidelines review must consider the most recent economic data on child-rearing costs. Also discussed in the previous Chapter, there is limited information on child-rearing expenditures in Guam. Therefore, what information exists is supplemented with information from national studies.

US STUDIES ON CHILD-REARING COSTS

The most authoritative national studies of child-rearing costs that are being used (or have been used) to develop or review child support guidelines include the following.

- Thomas J. Espenshade, *Investing in Children: New Estimates of Parental Expenditures*, Urban Institute Press: Washington, D.C. (1984).
- David M. Betson, *Alternative Estimates of the Cost of Children from the 1980-86 Consumer Expenditure Survey*, Report to U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, University of Wisconsin Institute for Research on Poverty (1990).
- David M. Betson, "Chapter 5: Parental Expenditures on Children," in Judicial Council of California, *Review of Statewide Uniform Child Support Guidelines*, San Francisco, California, (2001).
- Mark Lino, *Expenditures on Children by Families: 2003 Annual Report*, U.S. Department of Agriculture, Center for Nutrition and Policy Promotion. Miscellaneous Publication No. 1528-2003 (2004).

Dr. Betson's first study was commissioned by the U.S. Department of Health and Human Services (DHHS) for the explicit purpose of assisting states by providing information that could be used to develop or update child support guidelines. DHHS also commissioned an independent group to review Dr. Betson's work.

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

Most state guidelines schedules— including the prototype Income Shares schedule developed by the National Child Support Guidelines project in the late 1980s and adapted by Guam— relied on Dr. Espenshade's measurements when they first developed child support guidelines because it was the most authoritative study available at the time statewide guidelines were first required. Since 1993, most states that have updated their guidelines have used Dr. Betson's measurements.

Data Source

The data source for all of the national studies listed above is the Consumer Expenditure Survey (CEX), which is conducted by the Bureau of Labor Statistics.⁵ Spanning over 100 counties to obtain a geographically representative sample of the nation and four regions (Midwest, Northeast, South, and West), the CEX

⁵Detailed information about the CEX can be found at the BLS website: <http://www.bls.gov>.



includes two surveys: a quarterly interview survey of about 7,600 households and a diary survey of about 7,800 households. Households in the interview survey participate for five consecutive quarters with new households rotating in and out of the survey each quarter. Households in the diary survey participate for two weeks.

The CEX is the most comprehensive and detailed survey conducted on expenditures. The BLS applies rigorous procedures to ensure data quality and reliability. It also engages in a continuous improvement process aimed at increasing response rates and enhancing the overall quality and utility of the survey data. The BLS does not produce data at the state level, nor does any state attempt to replicate the CEX because it is beyond the scope, capacity, or resources of any state to do. Yet, a few states with incomes that differ substantially from the national average realign national child-rearing estimates to account for the income differences. Most of these states have incomes that are lower than the national average (e.g., Alabama, Arkansas, New Mexico, South Dakota, and South Carolina), so realign the national measurements downward. On the other hand, high income states like Connecticut and New Jersey have realigned the national measurements upward.

The following CEX survey years form the basis of the respective studies:

- Dr. Espenshade used 1972-73 CEX interview and diary data;
- Dr. Betson's first study used 1980-86 CEX interview data;
- Dr. Betson's second study used 1996-99 CEX interview data; and
- Dr. Lino used 1990-92 CEX interview data.

The BLS made substantive changes to the survey in the early 1980s including changes in sampling. This limits the comparability of data collected between the two time periods. The BLS has also made several other changes over the years, but not in magnitude to those in the early 1980s.

Households Selected for the Analysis

All of the measurements of child-rearing costs focus on expenditures in intact families. Dr. Lino's and Dr. Betson's first studies include measurements in single-parent families, but the information is not useful to the formulation of guidelines due to the fact that single-parent families generally face higher incidences of poverty and lower incomes than intact families. Since a principle of most guidelines is that the child should share in the lifestyle afforded by each parent, it would be inappropriate to set amounts at poverty levels and amounts expended by single-parent families on children.

Expenditures Data

The CEX gathers detailed data on several hundred different items purchased by a household. When aggregating the CEX data, the BLS organizes the items into major categories (e.g., food, housing, clothing, transportation, health care). Since the CEX focuses on expenditures for current consumption, mortgage principal payments are excluded because they are considered a form of savings. Current consumption, however, does include other expenditures for housing such as mortgage interest payments and taxes among those living in their own home and rent payments among renters. Personal insurance, pensions and cash contributions are also excluded by Drs. Lino and Betson because they are not part of current consumption

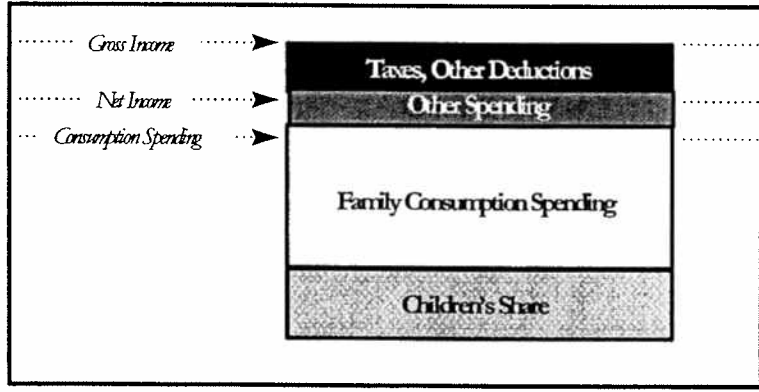
either or are expended on someone outside the immediate household. In addition, Dr. Betson excludes the net purchase price of vehicles since vehicles are typically kept for more than a year. If the data were available, he would only include the amount of the vehicle consumed in that year (e.g., depreciation of the vehicle), but the CEX does not capture that information.

The CEX also gathers information about household income. Yet, the BLS is concerned that income may be under-reported. Although underreporting of income is a problem inherent to most surveys, the BLS is particularly concerned because expenditures exceed income among low-income households participating in the CEX. The BLS is unclear whether these households are actually spending more than their incomes because of an unemployment spell, being a student, or otherwise withdrawing from their savings; or, there is truly a reporting error. In an effort to improve income information, the BLS added and revised income questions in 2001. It is still too early to determine if the revised questions have resulted in improved income data and whether income was actually underreported.

Measurement Methodologies

Most goods purchased for a family are consumed by both adults and children residing in the household. For example, both adults and children consume electricity that was purchased for the household and both adults and children consume a loaf of bread that was purchased for the household. The children’s share and adults’ share of these goods is not readily distinguishable, so an economic methodology is necessary to separate the children’s and adults’ shares to measure child-rearing costs. Exhibit 3 provides an illustration of the issue.

Exhibit 3
Family Consumption Expenditures and Income



Per Capita Methodology

The simplest methodology is a per capita approach. This approach simply divides the amount of expenditures by the number of family members. For example, if a family spends \$1,000 per month and there are four family members, the per capita amount is \$250 per month. If there are two children and two adults in the family, the children’s share of total family expenditures is 50 percent. This approach is used by the USDA for major expenditures categories (i.e., housing and transportation). A criticism of this approach is



that it assumes that a child costs the same as an adult, whereas the common belief is that a child costs less than an adult. The Lewin Group independently evaluated measurements of child-rearing costs and concludes that the per capita approach overstates actual child-rearing costs.

Marginal Cost Methodology

Economists generally predict expenditure decisions based on the margin; that is, how much more is spent due to a change in one particular factor compared to what is currently being spent, all other things being held constant. In measuring child-rearing expenditures, the marginal cost methodology compares two households that are equally well off economically: a childless, married couple; and, a married couple with children. In other words, all other things are constant except the presence of children. The difference in expenditures between these households is assumed to be the amount spent on children.

The challenge when applying the marginal cost approach to child-rearing costs is identifying a standard of economic well-being; that is, the measurement used to determine that the childless couple and the couple with children are equally well off. The two most common approaches are the Engel and the Rothbarth methodologies. The Engel methodology relies on the percentage of household expenditures devoted to food and the Rothbarth methodology relies on the percentage of household expenditures devoted to adult goods.

Over 100 years ago, Ernst Engel's research found that as total household expenditures increased—and holding all else constant including family size—the percent of total expenditures devoted to food decreased.⁶ Engel also found that as family size increased—and holding all else constant including total expenditures—the percent of total expenditures devoted to food increased. Engel combined these empirical findings to develop a supposition, which is known as Engel's law in economics, that the percentage of total expenditures devoted to food could be used as a standard of economic well-being to measure child-rearing expenditures.

Another economist, Erwin Rothbarth, later argued that a more appropriate approach would be to measure how adults reduced their expenditures on "luxuries" (alcohol, tobacco, entertainment, and sweets) once all necessary expenditures for all family members including children were made.⁷ Most economists applying the Rothbarth methodology define luxuries to be expenditures on adult goods such as adult clothing or a combination of adult clothing, tobacco and alcohol.⁸

Dr. Betson also applied two less commonly used marginal cost methodologies: The Iso-Prop and the Barten-Gorman methodologies. The Iso-Prop defines the standard of economic well-being as the budget share spent on necessities (e.g., food, clothing, housing, utilities, health care). The Barten-Gorman methodology

⁶ Ernst Engel, "Die Productions and Consumtionsverhaltnisse des Konigsreichs Sachsen, *Zeitschrift des Statisticshen Bureaus des Koniglich Sachischen Ministeriums des Innern*, 3 (1857).

⁷ Erwin Rothbarth, "Notes on a Method of Determining Equivalent Income for Families of Different Composition," Appendix 4 in Charles Madge (editor), *War-Time Pattern of Spending and Saving*, National Institute for Economic and Social Research, Cambridge, Cambridge University Press (1943).

⁸ For example, see Betson (1990 and 2001) and Edward P. Lazear and Robert T. Michael, *Allocation of Income within the Household*, The University of Chicago Press, Chicago (1988). Betson (1990) also uses alternative definitions of adult goods and found no difference between when the definition was limited to adult clothing and when it included tobacco and alcohol expenditures. The measurements reported in this study are based on the definition limited to adult clothing.

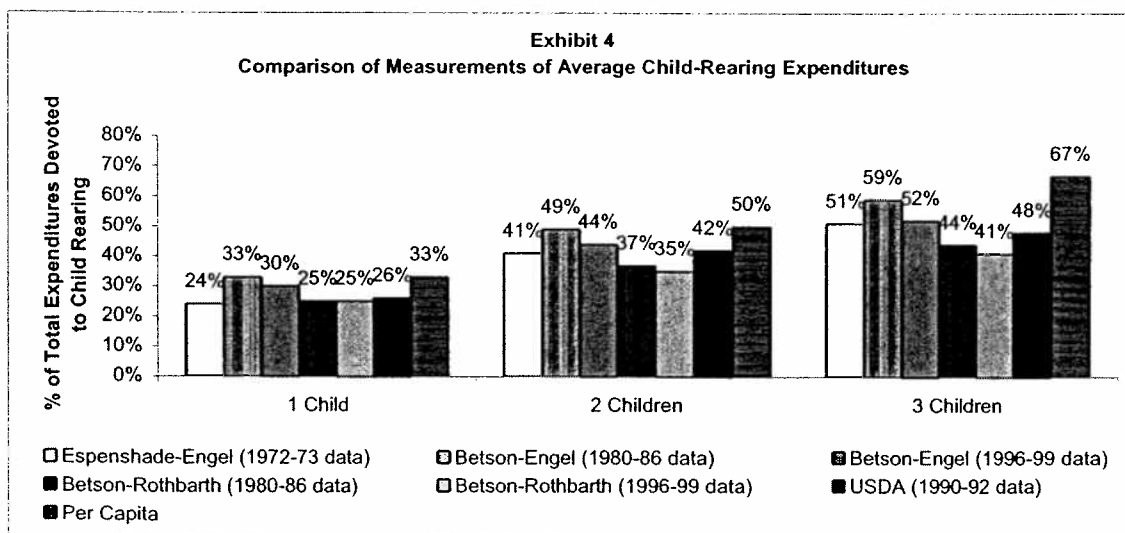


Estimates of Child-Rearing Costs

Exhibit 4 compares the results from the different methodologies and studies for one, two, and three children. Measurements based on the Iso-Prop and Barten-Gorman methodologies are not included because they are less commonly used and did not yield robust results.⁹

The measurements are expressed as a percentage of total expenditures and represent the average for all income ranges. Exhibit 4 shows that the Rothbarth measurements of child-rearing costs are lower than those from the Engel and USDA methodologies. As discussed by the Lewin Group in an independent evaluation conducted for DHHS, the Engel methodology overstates actual child-rearing costs and the Rothbarth methodology understates actual child-rearing costs. The Lewin report also suggests that the USDA methodology overstates actual child-rearing costs. In his 1990 report, Dr. Betson concludes that the measurements based on the Rothbarth methodology are more plausible than those based on the Engel methodology because those based on the Engel methodology approach per capita amounts. (Recall that per capita amounts assume that children cost the same as adults, while the common perception is that a child costs less than an adult.)

In recommending which estimates are the most appropriate for states to use in child support guidelines, the Lewin Report recommends a range where the Rothbarth estimator is the lower bound and the Engel estimator is the upper bound. Dr. Betson, on the other hand, recommends the Rothbarth estimator. Dr. Betson arrived at this recommendation through deducing the other four methodologies he applied were unreasonable because of empirical issues with the modeling, lack of statistical significance, or implausible results.



⁹The Iso-Prop results varied according to model specification. In some specifications, they resulted in amounts as high as the Engel methodology; whereas, in other specifications, they resulted in much lower amounts. The Barten-Gorman model did not produce as good of a fit to the expenditures data as the Engel and Rothbath methodologies.



Differences over Time

The Lewin report could not discern whether differences in the Espenshade-Engel measurements and Dr. Betson's measurements (based on the Engel methodology) resulted from actual changes in child-rearing costs over time, or from differences in specification and modeling between Drs. Espenshade and Betson. Further, substantive changes to the CEX from 1972-73 (the data years Espenshade used) and 1980-86 (the data years Betson used) may also contribute to the difference.

Neither did Dr. Betson find statistical differences between his estimates over time; that is, from his first set of estimates based on 1980-86 data; and, his second set of estimates based on 1996-99 data. The only exception was a statistically significant decrease in expenditures for three children over time using the Engel methodology. The difference for three children was not statistically significant using the Rothbarth methodology.

Estimates by Income Range

The USDA study and Dr. Betson find evidence that the percentage of total expenditures devoted to child-rearing decreases as income increases, although the actual dollar amount devoted to child-rearing expenditures increases. Exhibit 5 compares the percentages for one child based on Dr. Betson's most recent study using the Engel and Rothbarth methodologies and the USDA measurements. Since each of these studies report measurements across income ranges differently, they were all converted to a percentage of 2003 net income. This is a slightly different measurement than what was used in Exhibit 4 (which compared the percent of total expenditures devoted to child rearing) if the family spends less or more than their net income. The USDA measurements that are based on three different gross income ranges were converted to net income assuming 2003 federal tax rates and FICA for a married couple with one child. A state tax rate of six percent was also assumed.

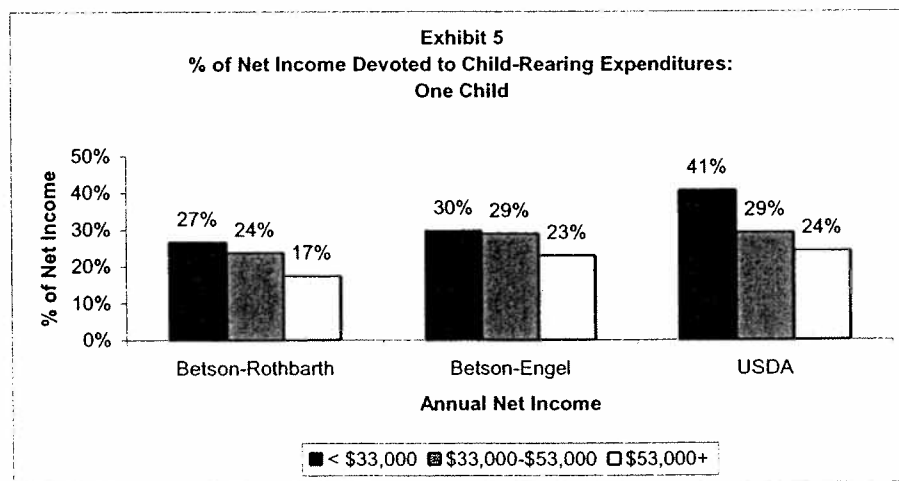
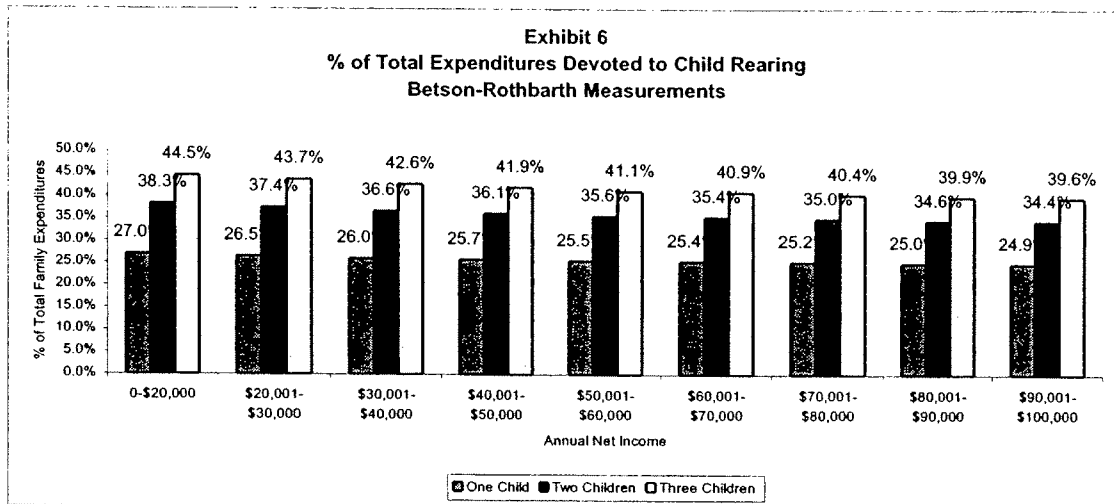


Exhibit 6 compares the most recent Betson-Rothbarth measurements over a larger range of incomes. This shows the percentages as a proportion of total family expenditures, which is the measurement used in Exhibit 4. It shows that the percent of total expenditures devoted to child rearing gradually decreases as income increases. The decrease would become more pronounced if child care costs were subtracted because higher



incomes spend higher proportions on child care than lower incomes, which tend to use more subsidized child care or relative care. Child care costs are an important consideration because they are subtracted from total child-rearing costs to develop a schedule since the amount of actual child care costs are added to the guidelines calculation on a case by case basis.



CHILD-REARING COSTS IN GUAM

The 1996 Guam Guidelines list the costs of basic needs for one child. It is based on a market basket of goods constructed in 1992 that considers:

- the average rental costs for a two bedroom apartment in Guam (\$650 per month);
- food (\$3,552 per year in 1992 or 1996 dollars);
- basic children's clothing;
- transportation costs based on car payments for and insurance on a three-year old car, the costs of 15 gallons of gasoline per week, and costs of regular tune-ups and oil changes (about \$3,000 per year);
- average health insurance premiums based on a survey of local providers;
- basic education expenses (about \$100 per year);
- entertainment, specifically movies, videos and toys; and
- miscellaneous hygiene and routine health care goods such as toilet paper, haircuts, and aspirin.

This totals to \$746 per month. It is not clear whether this amount is in 1992 or 1996 dollars. Unfortunately, there is limited information that can be used to update it to today's price levels in Guam. The Guam Department of Labor publishes consumer price indexes for Guam from 1996 to 2003 and 2001 to 2003 for specific expenditures item (e.g., food, housing, apparel, transportation).¹⁰ It shows that overall prices in Guam have increased by six percent from 1996 to 2003, food prices have increased by 33 percent from 1996 to 2003, prices of medical care have increased from 2001 to 2003; and, that prices for housing, apparel and transportation and entertainment have decreased from 2001 to 2003. Information prior to 1996 is not readily available; nonetheless, its utility is questionable, since Guam revised the market basket used to measure changes in price levels in 1996.

¹⁰Economic Research Center, Department of Labor *Guam Consumer Price Index and Guam Annual Economic Review*. Available at: <http://www.spc.int/prism/country/gu/stats/statistics/economics/CPI.htm>.



Although this Guam-specific information does not measure the current costs of child rearing for a range of incomes in Guam, it does provide some insights on whether using U.S. data are appropriate for updating the Guam schedule. The costs of basic needs in Guam are insightful because they provide evidence that the costs of basic needs in Guam are not significantly less than in the U.S. As discussed in Chapter I, the current (2004) U.S. poverty guidelines are \$776 per month for one person and \$265 for each additional person. When updated for inflation, this is fairly close to the costs of basic needs in Guam. In addition, Guam food costs (\$3,552 per year in 1992 or 1996 dollars) are more than what the USDA estimates is spent on a child per year on food (about \$1,000 to \$2,500 per year depending on the age of the child). As shown in Exhibit 2 in the previous chapter, housing is also more expensive in Guam than the U.S. Food and housing are two of the three major expenditures categories. The third is transportation, which is not likely to be cheaper in Guam since Guam imports most of its oil and vehicles. In all, this suggests that the cost of living in Guam is not lower than the U.S. In fact, it suggests the converse; that is, the cost of living may be somewhat higher in Guam than the U.S.

Due to how price indices are constructed, the Guam price index does not provide much information that can be used to update the schedule. Price indexes are measured by tracking prices of selected goods (e.g., food, gasoline prices). The goods are weighted to reflect a typical market basket of a consumer. From year to year, the prices of the selected goods are tracked and used to update the index, but the market basket is kept the same. The market basket may be different for geographical region, consumer type (urban consumer, wage earner, white-collar business person), or another factor. Consequently, the price index is only useful for measuring changes in prices but not relative prices between two geographical areas.

As discussed earlier, price levels have increased by about six percent since the schedule was last revised. At first blush, this would suggest that a six-percent increase would update the schedule. Yet, there are several reasons why this is inappropriate. First and foremost, the schedule is actually based on measurements of child-rearing costs developed in 1984 from 1972-73 U.S. data and updated to 1986 price levels. The six-percent inflation rate only covers changes in price levels since 1996. As a result, the six-percent is too low. Of even greater concern is that the composition of items (e.g., food, health care, entertainment) consumed by households have changed significantly since then along with relative price levels; that is, some goods have increased more in price than others. In fact, as discussed earlier, recent Guam price indexes corroborate that prices of specific goods (e.g., food and housing) have not kept pace with each other. Another issue is that the survey used to collect the 1972-73 data has been vastly improved and results in more accurate data. In addition, family income of the 1970s is not the same today. It has become more polarized, particularly in Guam, where there are higher numbers of households with low and high income, but the numbers of households with middle incomes have shrunk.¹¹ In all, there is no justification for keeping the old schedule when new and better measurements of child-rearing costs exist.

¹¹Guam Bureau of Statistics and Plans, *Guam Annual Economic Review 2000-01*, Hagåtña, Guam (2003).



Chapter III

Updating the Support Schedule

In this Chapter, we develop an updated schedule using most of the same assumptions and steps used to develop the prototype Income Shares schedule that forms the basis the existing Guam Schedule, but use more current economic data. Specifically, the schedule is updated for the new measurements of child-rearing costs; current price levels; and current federal tax rates and FICA. The only assumptions and steps that are modified are as follows.

- The schedule is adjusted for Guam income, whereas the current schedule was not. As discussed in Chapter I, Guam has relatively lower income than the U.S. Since the measurements of child-rearing costs are based on U.S. data, they are realigned for Guam income. Nonetheless, as discussed in the previous chapter, there is no compelling evidence to suggest that Guam's cost of living is significantly lower than that of the U.S.
- The amount of ordinary medical expenses included in the schedule has been increased to reflect more current levels. The prototype schedule includes ordinary medical expenses to cover band-aids, over-the-counter medicines and other health care expenses common to most children. The prototype schedule included ordinary medical expenses of \$100 per child per year; whereas, the proposed schedule includes ordinary medical expenses of \$250 per child per year, which approximates average out-of-pocket medical expenses for children.
- We use alternative multipliers to develop schedule amounts for four and more children. Most economists only measure child-rearing costs up to three children because the data set has an insufficient number of families with four or more children. The prototype schedule used equivalence scales from Dr. Espenshade to extend the schedule to four-, five- and six-child families. In turn, the table of basic needs published at the end of the 1996 Guam Guidelines was used to extend the schedule up to 15 children. In 1996, the National Research Council developed a formula to adjust for larger number of children. Their equivalence scale formula is used to develop the schedule shown at the end of this chapter. An alternative, updated schedule using the equivalence scales from the Guam Table of Basic Needs is also appended to this report.

The updated schedule is developed in three stages. The first stage starts from the new Betson-Rothbarth measurements shown in Exhibit 6 of the previous chapter and involves realigning the national Rothbarth estimates to reflect Guam's lower income distribution. We do this by assuming that child-rearing expenditures are equivalent between U.S. and Guam families that have the same rank in their respective income distribution scales. For example, we assume that child-rearing expenditures are the same for a Guam family that is at the 25th percentile in Guam's income distribution as they are for a U.S. family at the 25th percentile in the U.S. income distribution.

The second stage is the development of a table of support proportions that relates child expenditures in different household sizes to net income. The Betson-Rothbarth estimates shown in Exhibit 6 are adjusted to (1) exclude the portion of expenditures accounted for by child care and the child's health care costs including



insurance premiums; (2) extend the proportions to households with four through fifteen children; and (3) develop a method of smoothing the proportions between income ranges to eliminate the gaps in support obligations that would otherwise exist. The final stage is to convert the schedule to gross-income amounts.

A more technical discussion of the material in this chapter is presented in Appendix I.

REALIGNING NATIONAL ESTIMATES ON CHILD-REARING COSTS

The Rothbarth estimates shown in Exhibit 6 in the previous chapter are realigned to account for Guam's lower income distribution relative to that of the United States. The realigned Betson-Rothbarth estimates that take into account Guam's lower income distribution are shown in Exhibit 7. The method used to realign the Rothbarth estimates to account for Guam's lower income distribution is detailed in Appendix I. The method has been used in several states with relatively low incomes to reduce the national measurements of child-rearing costs (e.g., Arkansas, South Carolina, West Virginia). Essentially, the realignment matches Guam and U.S. families according to income distribution. For example, a Guam family that is at the 25th percentile in the income distribution is matched to the equivalent income for a U.S. family at the 25th percentile in the income distribution. Data on expenditures are captured for this U.S. family using the Rothbarth estimates and applied to its Guam family equivalent. For example, if the U.S. household at the 25th percentile in the income distribution spends 20 percent of its income on child rearing, it is assumed that a Guam household at the 25th percentile will also spend 20 percent.

BUILDING A TABLE OF SUPPORT PROPORTIONS

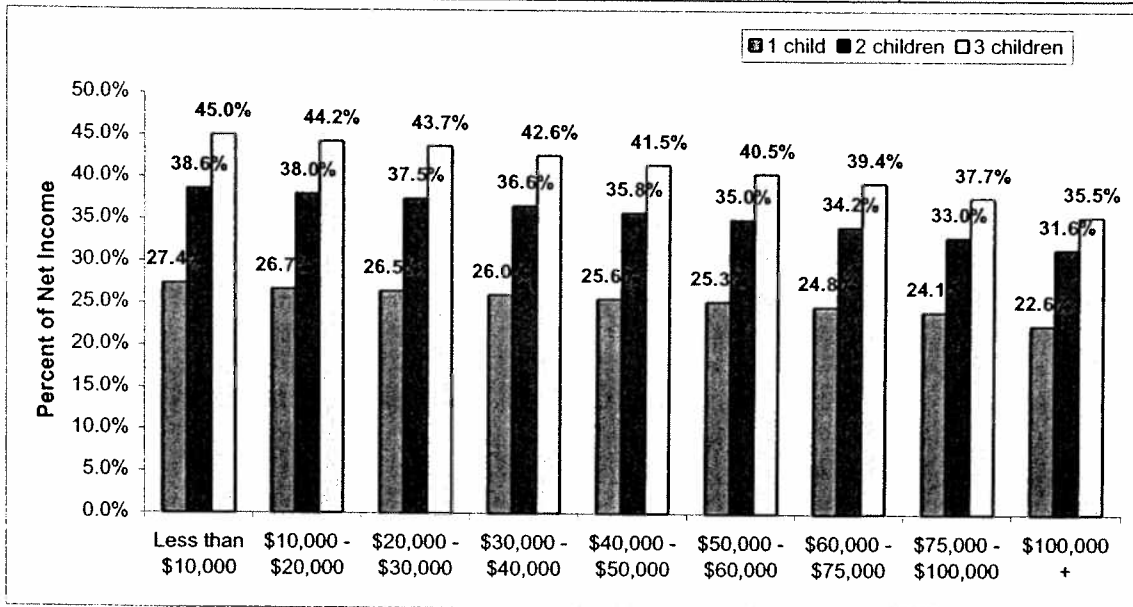
There are six steps in developing a table of support proportions from the Rothbarth estimates of child expenditures. These steps include:

1. Updating the net income brackets for changes in the cost of living since the time the data were collected;
2. Deducting from child expenditures the portion attributable to child care;
3. Deducting from child expenditures the child's portion of medical expenses (i.e., health insurance premiums and extraordinary medical expenses);
4. Computing child expenditures as a proportion of net income;
5. Extending the estimates for one, two, and three-child households to households with four through fifteen children; and
6. Computing marginal proportions between income ranges to avoid notches in support obligations.



Exhibit 7

Proportion of Net Income Spent on Children (based on Betson-Rothbarth Estimates)			
Guam Net Annual Income (2004 dollars)	Percent of Net Income Spent on...		
	One Child	Two Children	Three Children
Less than \$10,000	27.40%	38.60%	45.00%
\$10,000 - \$15,000	26.75%	38.09%	44.37%
\$15,000 - \$20,000	26.65%	37.88%	44.05%
\$20,000 - \$25,000	26.54%	37.62%	43.84%
\$25,000 - \$30,000	26.39%	37.31%	43.54%
\$30,000 - \$40,000	26.04%	36.62%	42.61%
\$40,000 - \$50,000	25.57%	35.83%	41.50%
\$50,000 - \$60,000	25.27%	35.04%	40.46%
\$60,000 - \$75,000	24.76%	34.22%	39.37%
\$75,000 - \$100,000	24.13%	33.01%	37.66%
\$100,000 +	22.55%	31.57%	35.45%



1. Updating the Net Income Brackets

The Rothbarth estimates are based on annual Consumer Expenditure Survey (CEX) data from 1996 through 1999 compiled by the Bureau of Labor Statistics. The CEX income data specified in constant 1997 dollars were updated to May 2004 dollars for the schedule using changes in the consumer price index (CPI) since the time the data were collected.

2. Deducting Costs of Child Care

The Income Shares model used in Guam is meant to be a basic support obligation to which are added the costs of work-related child care and extraordinary medical expenses. The table of support proportions



specifically excludes the child's share of expenditures related to these items. Adjustments for these expenditures can be accommodated because the CEX database identifies expenditures for each commodity. To make the adjustment, child care expenses are computed as a proportion of consumption spending and then subtracted from the Rothbarth estimates of child expenditures as a proportion of consumption spending. Child care costs per child ranged from 0.29 percent of consumption spending in households with annual net incomes below \$10,000 to 1.67 percent of consumption spending in households with annual net incomes between \$60,000 and \$75,000.

3. Deducting the Child's Share of Unreimbursed Medical Expenses

The adjustment for unreimbursed medical expenses is similar to the adjustment for child care costs, although not as easily computed since medical expenses are not itemized for each household member. Therefore, to compute an adjustment for medical expenses, we assumed that the child's share of those expenditures was the same as the child's share of all consumption spending. Once this share was computed and defined as a proportion of consumption, it was subtracted from the Rothbarth estimates of child expenditures as a proportion of consumption spending. The children's share of extraordinary medical expenses in two-child households ranged from 0.74 percent of consumption spending for households with annual net incomes between \$10,000 and \$15,000 to 1.23 percent in households with annual net incomes between \$40,000 and \$50,000. The schedule at the end of this chapter includes \$250 per child per year in ordinary medical expenses (e.g., co-pays for doctor well visits, over-the-counter medicine).¹²

4. Computing Child Expenditures as a Proportion of Net Income

Once the previous steps have been completed, the computation of child expenditures as a proportion of net income is straightforward. That is, the costs of child care and extraordinary medical expenses are subtracted from the Rothbarth estimates of child expenditures as a proportion of consumption. The resulting proportion relates child expenditures to net income.

5. Extending the Rothbarth Estimates to Larger Household Sizes

There are an insufficient number of large families in the CEX data from which to develop measurements of child-rearing costs for four or more children. In developing the updated schedule for this report, we use equivalence scales recommended by the Panel on Poverty and Family Assistance, a panel assembled by the National Research Council to review how poverty is measured and make recommendations for improving those measurements.¹³ As part of this investigation, the Panel extensively reviewed equivalence scales; that is, formulas that adjust the costs of living relative to family size. In turn, the Panel recommended a formula, which we use for the purposes of extending the Betson-Rothbarth estimates to households with four to fifteen children. The formula is displayed and discussed in greater detail in the technical appendix of this report. An alternative updated schedule based on the same multipliers used to develop the existing Guam Schedule is provided in Appendix III.

¹² \$250 per child per year approximates out-of-pocket medical expenses. [M. McCormick, R. Weinick, A. Elixhauser, et al., "Annual Report on Access to and Utilization of Health Care for Children and Youth in the United States—2000." *Ambulatory Pediatrics*, 1(1): January-February 2001. (Agency for Healthcare Research and Quality 01-R036).]

¹³ Constance F. Citro and Robert T. Michael, Editors. *Measuring Poverty: A New Approach*, National Academy Press, Washington, D.C. (1995).



6. Computing Marginal Proportions Between Income Ranges

The above steps result in a table that relates levels of net income to the proportion of income spent on children in one to six-child households. One further adjustment, however, is needed before the table can be used to prepare a Schedule of Support Obligations that will not result in "notches" in obligation amounts as income increases. That is, the Rothbarth estimates are assumed to apply at the midpoint of each net income range. For net incomes that lie between these midpoints, marginal proportions were computed so that obligations would increase gradually as income increases.

An example will illustrate why this method of smoothing the support schedule is needed. Assume we have two, two-child households, one earning between \$30,000 and \$40,000 per year (\$2,500 to \$3,333 per month) and the other earning between \$40,000 and \$50,000 per year (\$3,333 to \$4,167 per month). The proportion of net income spent on the two children in the lower income household is estimated to be 33.19 percent. The comparable proportion in the higher income household is estimated to be 31.26 percent. If actual income in the first household were \$3,300 per month, the total support obligation would be \$1,095 monthly ($\$3,300 \times .3319$). If actual income in the second household were \$3,400, the total monthly support obligation would be \$1,063 ($\$3,400 \times .3126$); \$32 less per month than the support obligation in the lower income household. The use of marginal proportions between the midpoints of income ranges eliminates this effect and creates a smooth increase in the total support obligation as household income increases.

Summary

After this last adjustment, the table of support proportions, shown below in Exhibit 8, can be prepared. (Exhibit 8 is derived from Exhibit 7.) This table of support proportions is analogous to a tax rate schedule. Each net income midpoint in the table is associated with two proportions for each number of children being supported. The first proportion is applied to the income midpoint and the proportion just below it is applied to income between that midpoint and the next highest midpoint. An example best illustrates how this procedure results in a basic support obligation if the net income and the number of children are known.

Assume that the noncustodial parent has monthly net income of \$1,500 and the custodial parent has \$1,000. The computation of a child support obligation for two children using the information in Exhibit 8 involves the following three basic steps.

Step 1: Add the monthly net incomes of both parents ($\$1,500 + \$1,000 = \$2,500$) and compute their proportionate share of combined income. Custodial parent earns 40 percent of combined net ($\$1000/\$2,500$), while noncustodial parent's share is 60 percent.

Step 2: Use the combined income from Step 1 to compute a basic support obligation using the proportions in Exhibit 8.

- Find the income midpoint just below the combined net income (i.e., \$2,292 per month) and multiply the amount by the proportional support for two children: [$\$2,292 \times .3473$] = \$796.



- Subtract the midpoint from the combined net income of the parents and multiply by the marginal proportion: $[(\$2,500 - \$2,292) \times .2756] = \$57$.
- Add the two obligation amounts: $\$796 + \$57 = \$853$. This obligation represents the monthly amount estimated to have been spent on the children jointly by the parents if the household had remained intact.

Step 3: Pro-rate the basic support obligation between the parents based on their proportionate shares of net income: (1) noncustodial parent's share is $\$853 \times .60 = \512 , (2) custodial parent's share is $\$853 \times .40 = \341 . The noncustodial parent's computed obligation is payable as child support. The custodial parent's computed obligation is retained and is presumed to be spent directly on the child. This procedure simulates spending patterns in an intact household in which the proportion of income allocated to the children depends on total family income.



**Exhibit 8
UPDATED TABLE OF SUPPORT PROPORTIONS**

Monthly Income	One Child	Two Children	Three Children	Four Children	Five Children	Six Children	Seven Children	Eight Children
\$ 417	26.52%	37.19%	43.16%	48.12%	52.93%	57.59%	62.08%	66.43%
	24.84%	35.07%	40.15%	44.77%	49.24%	53.58%	57.76%	61.80%
\$ 1,042	25.51%	35.91%	41.35%	46.11%	50.72%	55.18%	59.49%	63.65%
	24.47%	34.18%	39.06%	43.55%	47.90%	52.12%	56.18%	60.11%
\$ 1,458	25.22%	35.42%	40.70%	45.38%	49.91%	54.31%	58.54%	62.64%
	24.91%	34.64%	40.32%	44.95%	49.45%	53.80%	58.00%	62.06%
\$ 1,875	25.15%	35.25%	40.61%	45.28%	49.81%	54.19%	58.42%	62.51%
	23.55%	32.40%	37.55%	41.87%	46.06%	50.11%	54.02%	57.80%
\$ 2,292	24.86%	34.73%	40.06%	44.66%	49.13%	53.45%	57.62%	61.65%
	21.34%	27.56%	29.63%	33.04%	36.34%	39.54%	42.62%	45.60%
\$ 2,917	24.11%	33.19%	37.82%	42.17%	46.39%	50.47%	54.41%	58.22%
	19.23%	24.50%	25.42%	28.35%	31.18%	33.93%	36.57%	39.13%
\$ 3,750	23.02%	31.26%	35.07%	39.10%	43.01%	46.79%	50.44%	53.97%
	22.77%	29.40%	32.77%	36.53%	40.19%	43.72%	47.13%	50.43%
\$ 4,583	22.98%	30.92%	34.65%	38.63%	42.50%	46.24%	49.84%	53.33%
	19.59%	25.17%	26.74%	29.81%	32.79%	35.68%	38.46%	41.15%
\$ 5,625	22.35%	29.86%	33.18%	37.00%	40.70%	44.28%	47.73%	51.08%
	20.21%	25.59%	27.08%	30.19%	33.21%	36.13%	38.95%	41.68%
\$ 7,292	21.86%	28.88%	31.79%	35.44%	38.99%	42.42%	45.73%	48.93%
	17.73%	24.95%	25.83%	28.80%	31.68%	34.47%	37.16%	39.76%
\$ 12,013	20.24%	27.34%	29.45%	32.83%	36.11%	39.29%	42.36%	45.32%

Monthly Income	Nine Children	Ten Children	Eleven Children	Twelve Children	Thirteen Children	Fourteen Children	Fifteen Children
\$ 417	70.61%	74.78%	78.82%	82.68%	86.57%	90.46%	94.17%
	65.69%	69.57%	73.33%	76.92%	80.54%	84.16%	87.61%
\$ 1,042	67.66%	71.65%	75.52%	79.22%	82.95%	86.68%	90.23%
	63.90%	67.67%	71.33%	74.82%	78.34%	81.86%	85.22%
\$ 1,458	66.59%	70.52%	74.32%	77.97%	81.63%	85.30%	88.80%
	65.97%	69.86%	73.63%	77.24%	80.87%	84.51%	87.97%
\$ 1,875	66.45%	70.37%	74.17%	77.80%	81.46%	85.13%	88.62%
	61.44%	65.06%	68.58%	71.94%	75.32%	78.71%	81.94%
\$ 2,292	65.54%	69.41%	73.15%	76.74%	80.34%	83.96%	87.40%
	48.48%	51.34%	54.11%	56.76%	59.43%	62.10%	64.65%
\$ 2,917	61.88%	65.53%	69.07%	72.46%	75.86%	79.28%	82.53%
	41.60%	44.05%	46.43%	48.71%	51.00%	53.29%	55.48%
\$ 3,750	57.38%	60.76%	64.04%	67.18%	70.34%	73.50%	76.52%
	53.61%	56.77%	59.84%	62.77%	65.72%	68.68%	71.49%
\$ 4,583	56.69%	60.04%	63.28%	66.38%	69.50%	72.63%	75.60%
	43.74%	46.33%	48.83%	51.22%	53.63%	56.04%	58.34%
\$ 5,625	54.29%	57.50%	60.60%	63.57%	66.56%	69.55%	72.41%
	44.30%	46.91%	49.45%	51.87%	54.31%	56.75%	59.08%
\$ 7,292	52.01%	55.08%	58.05%	60.90%	63.76%	66.63%	69.36%
	42.26%	44.75%	47.17%	49.48%	51.81%	54.14%	56.36%
\$ 12,013	48.18%	51.02%	53.78%	56.41%	59.06%	61.72%	64.25%



BUILDING A SCHEDULE OF BASIC CHILD SUPPORT OBLIGATIONS

The final step involved in building a schedule is converting net to gross income. The updated schedule of Basic Child Support Obligations is displayed in Exhibit 9 at the conclusion of this chapter.

Converting Net to Gross Income

The Schedule of Basic Child Support Obligations is specified in terms of gross monthly income. Yet, the support obligations using the table of proportions are computed for the equivalent net income. Thus, some method must be defined for converting net to gross income. The method could be made complex by treating earned and unearned income differently and attempting to simulate the tax effects for alternative assumptions about the noncustodial parent's share of income and alternative household circumstances. Such an approach, however, is likely to be cumbersome to administer. The approach used to build the Schedule of Basic Child Support Obligations shown in this report makes the following assumptions to simplify the conversion process:

- All income is treated as earned income subject to taxes;
- All income is assumed to be earned by a noncustodial parent with no dependents; and,
- Only adjustments for federal taxes and FICA are considered. For federal taxes, two federal withholdings are assumed. (The employer withholding guide for federal taxes does not separate standard deductions from exemptions, each is considered one withholding.) Tax rates are based on tax formulas for employer withholding effective 2004. Federal taxes do not incorporate the Earned Income Tax Credit (EITC) since it is not advanced to single taxpayers through employer withholdings and is a negligible amount.

A table showing these gross to net income conversions is provided in Appendix II. Essentially, the gross incomes shown in Exhibit 9 are backed out to net income using the conversions in Appendix II. In turn, the percentages shown in Exhibit 8 are applied to the net-income equivalent to arrive at the amounts shown in Exhibit 9.

OTHER ADJUSTMENTS

The support obligation computed using the Rothbarth parameters is meant to be a basic obligation. To that obligation should be added the costs of other necessary expenditures, such as work-related child care costs and extraordinary medical expenses in excess of \$250 per year per child. As mentioned above, these additional costs of child rearing are not factored into the table of support proportions (Exhibit 8).

Some states and the prototype Income Shares schedule incorporate an adjustment for low-income into the schedule. Such an adjustment is not done in the updated schedule because both parents are allowed a deduction from income in the worksheet to provide for basic needs.



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (One – Five Children)										
Combined Adjusted Gross Income	ONE CHILD		TWO CHILDREN		THREE CHILDREN		FOUR CHILDREN		FIVE CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
0-499	0.24		0.34		0.40		0.44		0.49	
500.00	0.24	122	0.34	171	0.40	198	0.44	221	0.49	243
600.00	0.24	145	0.34	203	0.39	235	0.44	262	0.48	288
700.00	0.24	168	0.34	236	0.39	272	0.43	303	0.48	334
800.00	0.24	189	0.33	266	0.38	307	0.43	342	0.47	376
900.00	0.23	209	0.33	295	0.38	340	0.42	379	0.46	417
1000.00	0.23	230	0.32	323	0.37	373	0.42	416	0.46	457
1100.00	0.23	250	0.32	352	0.37	406	0.41	453	0.45	498
1200.00	0.23	271	0.32	381	0.37	439	0.41	489	0.45	538
1300.00	0.22	291	0.31	409	0.36	471	0.40	525	0.44	578
1400.00	0.22	310	0.31	436	0.36	502	0.40	559	0.44	615
1500.00	0.22	329	0.31	463	0.35	532	0.40	593	0.43	652
1600.00	0.22	348	0.31	489	0.35	562	0.39	627	0.43	689
1700.00	0.22	367	0.30	515	0.35	592	0.39	660	0.43	726
1800.00	0.21	386	0.30	542	0.35	623	0.39	695	0.42	765
1900.00	0.21	405	0.30	569	0.34	655	0.38	730	0.42	803
2000.00	0.21	425	0.30	596	0.34	686	0.38	765	0.42	841
2100.00	0.21	444	0.30	623	0.34	717	0.38	799	0.42	879
2200.00	0.21	463	0.30	649	0.34	748	0.38	834	0.42	917
2300.00	0.21	482	0.29	675	0.34	778	0.38	868	0.41	954
2400.00	0.21	500	0.29	700	0.34	807	0.37	900	0.41	990
2500.00	0.21	518	0.29	725	0.33	836	0.37	932	0.41	1025
2600.00	0.21	537	0.29	750	0.33	865	0.37	965	0.41	1061
2700.00	0.21	555	0.29	775	0.33	894	0.37	997	0.41	1097
2800.00	0.20	573	0.29	800	0.33	922	0.37	1028	0.40	1131
2900.00	0.20	589	0.28	821	0.33	945	0.36	1054	0.40	1159
3000.00	0.20	606	0.28	842	0.32	968	0.36	1079	0.40	1187
3100.00	0.20	622	0.28	863	0.32	990	0.36	1104	0.39	1215
3200.00	0.20	636	0.28	882	0.32	1010	0.35	1127	0.39	1239
3300.00	0.20	651	0.27	900	0.31	1030	0.35	1149	0.38	1264
3400.00	0.20	665	0.27	919	0.31	1050	0.34	1171	0.38	1288
3500.00	0.19	679	0.27	938	0.31	1070	0.34	1193	0.38	1313
3600.00	0.19	694	0.27	956	0.30	1090	0.34	1216	0.37	1337
3700.00	0.19	708	0.26	974	0.30	1109	0.33	1237	0.37	1360
3800.00	0.19	721	0.26	990	0.30	1126	0.33	1256	0.36	1381
3900.00	0.19	734	0.26	1007	0.29	1143	0.33	1275	0.36	1402
4000.00	0.19	746	0.26	1023	0.29	1161	0.32	1294	0.36	1423
4100.00	0.19	759	0.25	1040	0.29	1178	0.32	1313	0.35	1444



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (One – Five Children)										
Combined Adjusted Gross Income	ONE CHILD		TWO CHILDREN		THREE CHILDREN		FOUR CHILDREN		FIVE CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
4200.00	0.18	772	0.25	1056	0.28	1195	0.32	1332	0.35	1465
4300.00	0.18	785	0.25	1073	0.28	1212	0.31	1351	0.35	1486
4400.00	0.18	798	0.25	1089	0.28	1229	0.31	1370	0.34	1507
4500.00	0.18	811	0.25	1106	0.28	1246	0.31	1389	0.34	1528
4600.00	0.18	824	0.24	1122	0.27	1263	0.31	1409	0.34	1549
4700.00	0.18	837	0.24	1139	0.27	1280	0.30	1428	0.33	1570
4800.00	0.18	850	0.24	1155	0.27	1297	0.30	1447	0.33	1591
4900.00	0.18	863	0.24	1172	0.27	1315	0.30	1466	0.33	1612
5000.00	0.18	878	0.24	1192	0.27	1337	0.30	1490	0.33	1639
5250.00	0.17	917	0.24	1241	0.27	1392	0.30	1552	0.33	1707
5500.00	0.17	955	0.23	1291	0.26	1447	0.29	1613	0.32	1775
5750.00	0.17	993	0.23	1340	0.26	1502	0.29	1675	0.32	1842
6000.00	0.17	1032	0.23	1390	0.26	1557	0.29	1736	0.32	1910
6250.00	0.17	1068	0.23	1436	0.26	1608	0.29	1793	0.32	1972
6500.00	0.17	1099	0.23	1476	0.25	1651	0.28	1841	0.31	2025
6750.00	0.17	1131	0.22	1517	0.25	1694	0.28	1889	0.31	2077
7000.00	0.17	1162	0.22	1557	0.25	1737	0.28	1936	0.30	2130
7250.00	0.16	1194	0.22	1598	0.25	1780	0.27	1984	0.30	2183
7500.00	0.16	1227	0.22	1641	0.24	1826	0.27	2036	0.30	2239
7750.00	0.16	1262	0.22	1685	0.24	1873	0.27	2088	0.30	2297
8000.00	0.16	1298	0.22	1731	0.24	1921	0.27	2142	0.29	2356
8250.00	0.16	1333	0.22	1776	0.24	1968	0.27	2195	0.29	2414
8500.00	0.16	1369	0.21	1821	0.24	2016	0.26	2248	0.29	2473
8750.00	0.16	1405	0.21	1866	0.24	2064	0.26	2301	0.29	2531
9000.00	0.16	1440	0.21	1911	0.23	2112	0.26	2355	0.29	2590
9250.00	0.16	1476	0.21	1956	0.23	2159	0.26	2408	0.29	2649
9500.00	0.16	1511	0.21	2001	0.23	2207	0.26	2461	0.28	2707
9750.00	0.16	1547	0.21	2047	0.23	2255	0.26	2514	0.28	2766
10000.00	0.16	1583	0.21	2092	0.23	2303	0.26	2568	0.28	2824
10250.00	0.16	1615	0.21	2136	0.23	2349	0.26	2619	0.28	2881
10500.00	0.16	1647	0.21	2180	0.23	2395	0.25	2670	0.28	2937
10750.00	0.16	1678	0.21	2224	0.23	2440	0.25	2721	0.28	2993
11000.00	0.16	1709	0.21	2268	0.23	2486	0.25	2771	0.28	3049
11250.00	0.15	1741	0.21	2312	0.22	2531	0.25	2822	0.28	3105
11500.00	0.15	1772	0.20	2356	0.22	2577	0.25	2873	0.27	3160
11750.00	0.15	1803	0.20	2400	0.22	2622	0.25	2924	0.27	3216
12000.00	0.15	1834	0.20	2444	0.22	2668	0.25	2975	0.27	3272
12250.00	0.15	1866	0.20	2488	0.22	2713	0.25	3025	0.27	3328
12500.00	0.15	1897	0.20	2532	0.22	2759	0.25	3076	0.27	3384
12750.00	0.15	1928	0.20	2576	0.22	2805	0.25	3127	0.27	3440



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (One – Five Children)										
Combined Adjusted Gross Income	ONE CHILD		TWO CHILDREN		THREE CHILDREN		FOUR CHILDREN		FIVE CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
13000.00	0.15	1959	0.20	2619	0.22	2849	0.24	3177	0.27	3494
13250.00	0.15	1988	0.20	2660	0.22	2891	0.24	3224	0.27	3546
13500.00	0.15	2017	0.20	2701	0.22	2934	0.24	3271	0.27	3598
13750.00	0.15	2046	0.20	2742	0.22	2976	0.24	3318	0.27	3650
14000.00	0.15	2075	0.20	2783	0.22	3018	0.24	3365	0.26	3702
14250.00	0.15	2104	0.20	2824	0.21	3061	0.24	3412	0.26	3754
14500.00	0.15	2133	0.20	2864	0.21	3103	0.24	3460	0.26	3806
14750.00	0.15	2162	0.20	2905	0.21	3145	0.24	3507	0.26	3858
15000.00	0.15	2191	0.20	2946	0.21	3188	0.24	3554	0.26	3909



Exhibit 9
Updated Schedule of Basic Child Support Obligations (Six – Ten Children)

Combined Adjusted Gross Income	SIX CHILDREN		SEVEN CHILDREN		EIGHT CHILDREN		NINE CHILDREN		TEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
0-499	0.53		0.57		0.61		0.65		0.69	
500.00	0.53	264	0.57	285	0.61	305	0.65	324	0.69	343
600.00	0.52	314	0.56	338	0.60	362	0.64	385	0.68	407
700.00	0.52	363	0.56	391	0.60	419	0.64	445	0.67	471
800.00	0.51	409	0.55	441	0.59	472	0.63	502	0.66	531
900.00	0.50	453	0.54	489	0.58	523	0.62	556	0.65	589
1000.00	0.50	497	0.54	536	0.57	574	0.61	610	0.65	646
1100.00	0.49	542	0.53	584	0.57	625	0.60	664	0.64	703
1200.00	0.49	585	0.53	631	0.56	675	0.60	718	0.63	760
1300.00	0.48	628	0.52	677	0.56	725	0.59	770	0.63	816
1400.00	0.48	669	0.52	721	0.55	772	0.59	821	0.62	869
1500.00	0.47	710	0.51	765	0.55	818	0.58	870	0.61	921
1600.00	0.47	750	0.51	808	0.54	865	0.57	919	0.61	974
1700.00	0.46	790	0.50	852	0.54	911	0.57	969	0.60	1026
1800.00	0.46	832	0.50	897	0.53	959	0.57	1020	0.60	1080
1900.00	0.46	873	0.50	942	0.53	1007	0.56	1071	0.60	1134
2000.00	0.46	915	0.49	986	0.53	1055	0.56	1122	0.59	1188
2100.00	0.46	957	0.49	1031	0.53	1103	0.56	1173	0.59	1242
2200.00	0.45	998	0.49	1076	0.52	1151	0.56	1224	0.59	1296
2300.00	0.45	1038	0.49	1119	0.52	1198	0.55	1273	0.59	1348
2400.00	0.45	1077	0.48	1161	0.52	1242	0.55	1321	0.58	1398
2500.00	0.45	1116	0.48	1203	0.51	1287	0.55	1368	0.58	1449
2600.00	0.44	1155	0.48	1245	0.51	1332	0.54	1416	0.58	1499
2700.00	0.44	1193	0.48	1286	0.51	1376	0.54	1463	0.57	1549
2800.00	0.44	1231	0.47	1327	0.51	1419	0.54	1509	0.57	1598
2900.00	0.43	1261	0.47	1359	0.50	1455	0.53	1546	0.56	1638
3000.00	0.43	1292	0.46	1392	0.50	1490	0.53	1584	0.56	1677
3100.00	0.43	1322	0.46	1425	0.49	1524	0.52	1620	0.55	1716
3200.00	0.42	1348	0.45	1453	0.49	1555	0.52	1653	0.55	1751
3300.00	0.42	1375	0.45	1482	0.48	1586	0.51	1686	0.54	1785
3400.00	0.41	1402	0.44	1511	0.48	1617	0.51	1718	0.54	1820
3500.00	0.41	1428	0.44	1540	0.47	1647	0.50	1751	0.53	1854
3600.00	0.40	1455	0.44	1568	0.47	1678	0.50	1784	0.52	1889
3700.00	0.40	1480	0.43	1596	0.46	1707	0.49	1815	0.52	1922
3800.00	0.40	1503	0.43	1620	0.46	1734	0.48	1843	0.51	1951
3900.00	0.39	1526	0.42	1645	0.45	1760	0.48	1871	0.51	1981
4000.00	0.39	1549	0.42	1669	0.45	1786	0.47	1899	0.50	2011
4100.00	0.38	1571	0.41	1694	0.44	1813	0.47	1927	0.50	2041
4200.00	0.38	1594	0.41	1719	0.44	1839	0.47	1955	0.49	2070



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (Six – Ten Children)										
Combined Adjusted Gross Income	SIX CHILDREN		SEVEN CHILDREN		EIGHT CHILDREN		NINE CHILDREN		TEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
4300.00	0.38	1617	0.41	1743	0.43	1865	0.46	1983	0.49	2100
4400.00	0.37	1640	0.40	1768	0.43	1892	0.46	2011	0.48	2130
4500.00	0.37	1663	0.40	1793	0.43	1918	0.45	2039	0.48	2159
4600.00	0.37	1686	0.40	1817	0.42	1944	0.45	2067	0.48	2189
4700.00	0.36	1709	0.39	1842	0.42	1971	0.45	2095	0.47	2219
4800.00	0.36	1731	0.39	1866	0.42	1997	0.44	2123	0.47	2248
4900.00	0.36	1754	0.39	1891	0.41	2023	0.44	2151	0.46	2278
5000.00	0.36	1784	0.38	1923	0.41	2057	0.44	2187	0.46	2316
5250.00	0.35	1857	0.38	2002	0.41	2142	0.43	2277	0.46	2412
5500.00	0.35	1931	0.38	2081	0.40	2227	0.43	2367	0.46	2507
5750.00	0.35	2004	0.38	2161	0.40	2312	0.43	2458	0.45	2603
6000.00	0.35	2078	0.37	2240	0.40	2397	0.42	2548	0.45	2698
6250.00	0.34	2145	0.37	2313	0.40	2475	0.42	2631	0.45	2786
6500.00	0.34	2203	0.37	2375	0.39	2541	0.42	2701	0.44	2860
6750.00	0.33	2260	0.36	2436	0.39	2607	0.41	2771	0.43	2935
7000.00	0.33	2318	0.36	2498	0.38	2673	0.41	2842	0.43	3009
7250.00	0.33	2375	0.35	2560	0.38	2739	0.40	2912	0.43	3084
7500.00	0.32	2436	0.35	2626	0.37	2810	0.40	2987	0.42	3163
7750.00	0.32	2499	0.35	2694	0.37	2883	0.40	3064	0.42	3245
8000.00	0.32	2563	0.35	2763	0.37	2956	0.39	3143	0.42	3328
8250.00	0.32	2627	0.34	2832	0.37	3030	0.39	3221	0.41	3411
8500.00	0.32	2690	0.34	2900	0.37	3103	0.39	3299	0.41	3493
8750.00	0.31	2754	0.34	2969	0.36	3177	0.39	3377	0.41	3576
9000.00	0.31	2818	0.34	3038	0.36	3250	0.38	3455	0.41	3659
9250.00	0.31	2882	0.34	3106	0.36	3324	0.38	3533	0.40	3742
9500.00	0.31	2945	0.33	3175	0.36	3397	0.38	3611	0.40	3824
9750.00	0.31	3009	0.33	3244	0.36	3471	0.38	3690	0.40	3907
10000.00	0.31	3073	0.33	3312	0.35	3544	0.38	3768	0.40	3990
10250.00	0.31	3135	0.33	3379	0.35	3616	0.37	3843	0.40	4070
10500.00	0.30	3195	0.33	3445	0.35	3686	0.37	3918	0.40	4149
10750.00	0.30	3256	0.33	3510	0.35	3756	0.37	3992	0.39	4228
11000.00	0.30	3317	0.33	3576	0.35	3826	0.37	4067	0.39	4307
11250.00	0.30	3378	0.32	3641	0.35	3896	0.37	4141	0.39	4386
11500.00	0.30	3438	0.32	3707	0.34	3966	0.37	4216	0.39	4465
11750.00	0.30	3499	0.32	3772	0.34	4036	0.37	4291	0.39	4544
12000.00	0.30	3560	0.32	3838	0.34	4106	0.36	4365	0.39	4623
12250.00	0.30	3621	0.32	3903	0.34	4177	0.36	4440	0.38	4702
12500.00	0.29	3682	0.32	3969	0.34	4247	0.36	4514	0.38	4781
12750.00	0.29	3742	0.32	4034	0.34	4317	0.36	4589	0.38	4859
13000.00	0.29	3802	0.32	4098	0.34	4385	0.36	4661	0.38	4936



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (Six – Ten Children)										
Combined Adjusted Gross Income	SIX CHILDREN		SEVEN CHILDREN		EIGHT CHILDREN		NINE CHILDREN		TEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
13250.00	0.29	3858	0.31	4159	0.34	4450	0.36	4731	0.38	5010
13500.00	0.29	3915	0.31	4220	0.33	4515	0.36	4800	0.38	5083
13750.00	0.29	3971	0.31	4281	0.33	4581	0.35	4869	0.38	5156
14000.00	0.29	4028	0.31	4342	0.33	4646	0.35	4938	0.37	5230
14250.00	0.29	4084	0.31	4403	0.33	4711	0.35	5008	0.37	5303
14500.00	0.29	4141	0.31	4464	0.33	4776	0.35	5077	0.37	5376
14750.00	0.28	4197	0.31	4524	0.33	4841	0.35	5146	0.37	5450
15000.00	0.28	4254	0.31	4585	0.33	4906	0.35	5215	0.37	5523



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (Eleven – Fifteen Children)										
Combined Adjusted Gross Income	ELEVEN CHILDREN		TWELVE CHILDREN		THIRTEEN CHILDREN		FOURTEEN CHILDREN		FIFTEEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
0-499	0.72		0.76		0.80		0.83		0.87	
500.00	0.72	361	0.76	379	0.79	397	0.83	415	0.86	432
600.00	0.72	429	0.75	450	0.79	471	0.82	493	0.85	513
700.00	0.71	497	0.74	521	0.78	546	0.81	570	0.85	594
800.00	0.70	560	0.73	587	0.77	615	0.80	643	0.84	669
900.00	0.69	620	0.72	651	0.76	681	0.79	712	0.82	741
1000.00	0.68	681	0.71	714	0.75	748	0.78	781	0.81	813
1100.00	0.67	741	0.71	778	0.74	814	0.77	851	0.81	886
1200.00	0.67	801	0.70	840	0.73	880	0.77	920	0.80	957
1300.00	0.66	860	0.69	902	0.73	944	0.76	987	0.79	1027
1400.00	0.65	916	0.69	961	0.72	1006	0.75	1051	0.78	1094
1500.00	0.65	971	0.68	1019	0.71	1067	0.74	1115	0.77	1160
1600.00	0.64	1026	0.67	1077	0.70	1127	0.74	1178	0.77	1226
1700.00	0.64	1081	0.67	1134	0.70	1188	0.73	1241	0.76	1292
1800.00	0.63	1138	0.66	1194	0.69	1250	0.73	1307	0.76	1360
1900.00	0.63	1195	0.66	1254	0.69	1313	0.72	1372	0.75	1428
2000.00	0.63	1252	0.66	1314	0.69	1375	0.72	1437	0.75	1496
2100.00	0.62	1309	0.65	1373	0.68	1438	0.72	1503	0.74	1564
2200.00	0.62	1366	0.65	1433	0.68	1500	0.71	1568	0.74	1632
2300.00	0.62	1421	0.65	1491	0.68	1561	0.71	1631	0.74	1698
2400.00	0.61	1474	0.64	1546	0.67	1619	0.70	1692	0.73	1761
2500.00	0.61	1527	0.64	1602	0.67	1677	0.70	1753	0.73	1824
2600.00	0.61	1580	0.64	1657	0.67	1735	0.70	1813	0.73	1888
2700.00	0.60	1633	0.63	1713	0.66	1794	0.69	1874	0.72	1951
2800.00	0.60	1684	0.63	1767	0.66	1850	0.69	1933	0.72	2012
2900.00	0.60	1726	0.62	1811	0.65	1896	0.68	1981	0.71	2062
3000.00	0.59	1768	0.62	1854	0.65	1942	0.68	2029	0.70	2112
3100.00	0.58	1809	0.61	1897	0.64	1987	0.67	2076	0.70	2161
3200.00	0.58	1845	0.60	1936	0.63	2027	0.66	2118	0.69	2205
3300.00	0.57	1882	0.60	1974	0.63	2067	0.65	2160	0.68	2248
3400.00	0.56	1918	0.59	2012	0.62	2107	0.65	2201	0.67	2292
3500.00	0.56	1955	0.59	2050	0.61	2147	0.64	2243	0.67	2335
3600.00	0.55	1991	0.58	2089	0.61	2187	0.63	2285	0.66	2379
3700.00	0.55	2026	0.57	2125	0.60	2225	0.63	2325	0.65	2420
3800.00	0.54	2057	0.57	2158	0.59	2259	0.62	2361	0.65	2458
3900.00	0.54	2088	0.56	2190	0.59	2293	0.61	2397	0.64	2495
4000.00	0.53	2119	0.56	2223	0.58	2328	0.61	2433	0.63	2532
4100.00	0.52	2151	0.55	2256	0.58	2362	0.60	2468	0.63	2570
4200.00	0.52	2182	0.54	2289	0.57	2396	0.60	2504	0.62	2607



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (Eleven – Fifteen Children)										
Combined Adjusted Gross Income	ELEVEN CHILDREN		TWELVE CHILDREN		THIRTEEN CHILDREN		FOURTEEN CHILDREN		FIFTEEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
4300.00	0.51	2213	0.54	2322	0.57	2431	0.59	2540	0.61	2644
4400.00	0.51	2245	0.54	2354	0.56	2465	0.59	2576	0.61	2682
4500.00	0.51	2276	0.53	2387	0.56	2499	0.58	2612	0.60	2719
4600.00	0.50	2307	0.53	2420	0.55	2534	0.58	2648	0.60	2756
4700.00	0.50	2338	0.52	2453	0.55	2568	0.57	2684	0.59	2794
4800.00	0.49	2370	0.52	2486	0.54	2603	0.57	2720	0.59	2831
4900.00	0.49	2401	0.51	2519	0.54	2637	0.56	2756	0.59	2869
5000.00	0.49	2441	0.51	2561	0.54	2681	0.56	2802	0.58	2916
5250.00	0.48	2542	0.51	2666	0.53	2792	0.56	2917	0.58	3037
5500.00	0.48	2642	0.50	2772	0.53	2902	0.55	3033	0.57	3157
5750.00	0.48	2743	0.50	2878	0.52	3013	0.55	3148	0.57	3278
6000.00	0.47	2844	0.50	2983	0.52	3124	0.54	3264	0.57	3398
6250.00	0.47	2936	0.49	3080	0.52	3225	0.54	3370	0.56	3508
6500.00	0.46	3015	0.49	3162	0.51	3311	0.53	3460	0.55	3602
6750.00	0.46	3093	0.48	3245	0.50	3397	0.53	3550	0.55	3696
7000.00	0.45	3172	0.48	3327	0.50	3484	0.52	3640	0.54	3790
7250.00	0.45	3250	0.47	3410	0.49	3570	0.51	3731	0.54	3883
7500.00	0.44	3334	0.47	3498	0.49	3662	0.51	3827	0.53	3984
7750.00	0.44	3420	0.46	3588	0.48	3757	0.51	3926	0.53	4087
8000.00	0.44	3508	0.46	3680	0.48	3853	0.50	4026	0.52	4191
8250.00	0.44	3595	0.46	3771	0.48	3948	0.50	4126	0.52	4295
8500.00	0.43	3682	0.45	3863	0.48	4044	0.50	4226	0.52	4399
8750.00	0.43	3769	0.45	3954	0.47	4140	0.49	4326	0.51	4504
9000.00	0.43	3857	0.45	4046	0.47	4236	0.49	4426	0.51	4608
9250.00	0.43	3944	0.45	4137	0.47	4331	0.49	4526	0.51	4712
9500.00	0.42	4031	0.45	4229	0.47	4427	0.49	4626	0.51	4816
9750.00	0.42	4118	0.44	4320	0.46	4523	0.48	4727	0.50	4920
10000.00	0.42	4205	0.44	4411	0.46	4619	0.48	4827	0.50	5025
10250.00	0.42	4290	0.44	4500	0.46	4712	0.48	4924	0.50	5125
10500.00	0.42	4373	0.44	4587	0.46	4803	0.48	5019	0.50	5225
10750.00	0.41	4456	0.43	4675	0.46	4894	0.48	5115	0.50	5324
11000.00	0.41	4539	0.43	4762	0.45	4986	0.47	5210	0.49	5424
11250.00	0.41	4623	0.43	4849	0.45	5077	0.47	5306	0.49	5523
11500.00	0.41	4706	0.43	4936	0.45	5168	0.47	5401	0.49	5622
11750.00	0.41	4789	0.43	5024	0.45	5260	0.47	5497	0.49	5722
12000.00	0.41	4872	0.43	5111	0.45	5351	0.47	5592	0.49	5821
12250.00	0.40	4955	0.42	5198	0.44	5443	0.46	5688	0.48	5921
12500.00	0.40	5039	0.42	5286	0.44	5534	0.46	5783	0.48	6020
12750.00	0.40	5122	0.42	5373	0.44	5625	0.46	5878	0.48	6120
13000.00	0.40	5203	0.42	5458	0.44	5714	0.46	5972	0.48	6216



Exhibit 9										
Updated Schedule of Basic Child Support Obligations (Eleven – Fifteen Children)										
Combined Adjusted Gross Income	ELEVEN CHILDREN		TWELVE CHILDREN		THIRTEEN CHILDREN		FOURTEEN CHILDREN		FIFTEEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
13250.00	0.40	5280	0.42	5539	0.44	5799	0.46	6060	0.48	6309
13500.00	0.40	5358	0.42	5620	0.44	5884	0.46	6149	0.47	6401
13750.00	0.40	5435	0.41	5701	0.43	5969	0.45	6238	0.47	6493
14000.00	0.39	5512	0.41	5782	0.43	6054	0.45	6326	0.47	6586
14250.00	0.39	5589	0.41	5863	0.43	6139	0.45	6415	0.47	6678
14500.00	0.39	5667	0.41	5944	0.43	6224	0.45	6504	0.47	6770
14750.00	0.39	5744	0.41	6025	0.43	6309	0.45	6593	0.47	6863
15000.00	0.39	5821	0.41	6107	0.43	6394	0.45	6681	0.46	6955



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Chapter IV

Summary of Key Assumptions

The design of the Schedule of Basic Child Support Obligations is based on a number of key economic decisions and assumptions that are documented throughout the text of the report and the technical appendix. In this chapter, we have highlighted the design assumptions that may be the most significant for application of the guidelines to individual cases.

(1) Guidelines based on net income, then converted to gross income. These guidelines are designed to provide child support as a specified proportion of an obligor's net income. As discussed in Chapter III, a table of child support obligations based on obligor net income is developed before converting the tables to gross income. The tables are converted to gross income for three reasons:

- ❖ Use of gross income greatly simplifies use of the child support guidelines because it obviates the need for a complex gross to net calculation in individual cases;
- ❖ Use of gross income can be more equitable because it avoids non-comparable deductions that may arise in making the gross to net calculation in individual cases; and
- ❖ Use of gross income does not cause child support to be increased when an obligor acquires additional dependents, claims more exemptions, and therefore has a higher net income for a given level of gross income.

In converting the schedule to a gross income base, we have assumed that the obligor claims one exemption (for filing, two for withholding) and the standard deduction. This is the most favorable assumption that can be made concerning an obligor's filing status. Obligor's with more than one exemption, or with itemized deductions, would have a slightly higher obligation under an equivalent net income guideline.

(2) Tax exemptions for child(ren) due support. The schedule presumes that the noncustodial parent does not claim the tax exemptions for the child(ren) due support. In computing federal tax obligations, the custodial parent is entitled to claim the tax exemption(s) for any divorce occurring after 1984, unless the custodial parent signs over the exemption(s) to the noncustodial parent each year. Given this provision, the most realistic presumption for development of the schedule is that the custodial parent claims the exemption(s) for the child(ren) due child support.

(3) Income assumed to be taxable. Because the schedule has withholding tables built into it, the design assumes that all income of both parents is taxable.

(4) Schedule does not include expenditures on child care, extraordinary medical, and children's share of health insurance costs. The schedule is based on economic data that represent estimates of total



expenditures on child-rearing costs up to age 18. The major categories of expenditures include food, housing, home furnishings, utilities, transportation, clothing, education, and recreation. Excluded from these figures are average expenditures for child care, children's extraordinary medical care, and the children's' share of health insurance. These costs are deducted from the base amounts used to establish the schedule because they are added to child support obligations or subtracted from income as actually incurred in individual cases. Deducting these expenditures from the base amounts avoids double-counting them in the child support calculation.

(5) Schedule includes expenditures on ordinary medical care. It is assumed that parents will make some expenditures on behalf of the children's ordinary (i.e. out-of-pocket expenses not covered by insurance) medical care. The schedule amounts in this report are based on the assumption that expenditures on ordinary medical care are \$250 per year per child.

(6) Schedule is based on average expenditures on children 0 - 17 years. Child-rearing expenditures are averaged for children across the entire age range of 0 - 17 years. Some studies indicate that expenditures would be higher for teen-aged children, and lower for pre-teen children. Dr. Betson did not find statistical differences by age of the child in his most recent study.

(7) Measurements of child-rearing costs that form the basis of the schedule are developed from U.S. data but adjusted for Guam income. U.S. measurements are used because Guam measurements do not exist. Nonetheless, there is no evidence to suggest that the Guam cost of living is lower than the U.S., particularly for the major consumption items: food, housing, and transportation. In fact, there is some evidence to suggest that the cost of living in Guam may be higher. Nonetheless, Guam income is considerably less that of the U.S.

(8) Visitation costs are not factored into the schedule. The schedule is based on expenditures for children in intact households. Taking visitation costs into account in the schedule would be impossible due to the variability in the amount of actual shared-parenting time and the duplicative nature of many costs incurred for visitation (e.g., housing, home furnishings).



Chapter V

Comparison of Existing and Updated Schedules

This chapter discusses the differences between the existing and updated Guam Schedules. As is evident in the side-by-side comparisons of the two schedules provided in Appendix IV, most areas of the updated schedule are greater than the existing Schedule, but some areas are almost equal. The impact of updating for each economic factor used to develop the schedule is first discussed individually. This is followed by graphical and tabular comparisons of the existing and updated schedule along with a few case examples.

IMPACT OF ECONOMIC FACTORS UPDATED IN SCHEDULE

There are four economic factors considered in the updating of the schedule.

- *New measurements of child-rearing costs.* If the new measurements were the only factor considered, and were not realigned for Guam's income distribution, they would result in increases to some areas of the schedule and decreases to other areas.
- *Realigning national estimates for Guam's lower income distribution.* If the national estimates were not realigned for Guam's income distribution, the increases to the schedule would be greater.
- *Changes in price levels.* If price levels were the only factor considered, this would result in increases to the schedule. This factor has the largest impact in the schedule changes since the numbers that form the basis of most of the existing Guam Schedule date back to 1986, nearly 20 years ago.
- *Revisions in personal income tax rates (i.e., federal taxes and FICA).* If changes in effective tax rates were the only factor considered, they would result in increases, since there have been decreases to the effective tax rate, hence more income available for child rearing.

Changes in the Estimates of Child-Rearing Expenditures

The updated schedule is based on evidence of child-rearing expenditures from a data set (the CEX) tracking families from 1996-1999, while the existing Schedule is based on evidence dating back to 1972-73. The impact of changes in the evidence on child-rearing expenditures on the changes in the schedules is not uniform throughout the schedule. In some parts of the updated schedule, they result in little change; in other parts of the updated schedule, they result in increases; and, in still other parts of the schedule they result in decreases. In order to understand these changes, they are broken down into three areas.

1. Changes in the child's medical expenses and child care expenses that are excluded from the schedule.
2. Changes resulting from differences in the measurement of child-rearing expenditures.
3. Changes that vary according to the number of children.

Changes in Medical Expenses and Child Care Costs

The child's medical expenses and child care costs are excluded from the updated schedule because the actual amounts for these expenditures are considered in the child support calculation on a case-by-case basis. In most Income Shares states such as Guam, these additional child-rearing expenses are prorated between the



parents and added to base support. The percentage of child-rearing expenditures devoted to the child's medical expenses and child care costs has increased, hence a larger amount is being subtracted for these expenditures to arrive at the updated schedule. This would lower the amounts from the existing to the updated Schedule assuming that the percentage of total family expenditures devoted to child-rearing expenditures is constant.¹⁴ The updated schedule includes ordinary medical expenses of \$250 per year per child.

Differences in Measurements of Child-Rearing Expenditures

As discussed in great detail in Chapter II, Dr. Betson's estimates of child-rearing expenditures using the Rothbarth methodology are considered the most valid of recent economic estimates, so they are used to develop the updated schedule. The existing Schedule is based on estimates developed by Dr. Espenshade using the Engel methodology. As discussed in Chapter II, the Rothbarth estimator is believed to understate actual child-rearing costs and the Engel estimator is believed to overstate actual child-rearing costs. Consequently, the change in estimation methodology contributes to the lowering of basic obligations.¹⁵ Yet, as seen later, in part, this is offset by changes in price levels and decreases in the effective tax rate.

The differences between the Espenshade-Engel and Betson-Rothbarth estimates are not consistent between income ranges. The gap appears to widen as income increases. Yet, it is impossible to compare income ranges between the two time periods because income growth has generally outpaced inflation. In other words, even after adjusting for inflation, what was considered high income in 1972 (the first year in which data were collected for the Espenshade-Engel measurements) may not be considered high income in 1999, (the last year in which data were collected for the Betson-Rothbarth measurements). Other issues that affect the composition of current household consumption, such as changes in mortgage interest rates in the past 20 years, also tend to have effects that vary in magnitude according to income ranges.

Changes that Vary According to the Number of Children

There is some evidence to suggest that the observed decrease in child-rearing expenditures for three children over time is statistically significant. Dr. Betson finds a statistically significant decrease in the percent of total family expenditures devoted to child-rearing expenditures in three-child families using the Engel estimator from 1980-86 to 1996-99, however, he does not find a statistical difference in the Rothbarth estimators from the same time period. Nonetheless, it is plausible and consistent with other observed trends, such as decreases in the proportion of child-rearing expenditures devoted to food and clothing, that would make the marginal costs of a third child less.

¹⁴ The impact of increases in child care costs and the child's medical expenses on expenditures could also affect the amount of total child-rearing expenditures and family expenditures in general. The impact of increasing child care costs on other child-rearing expenditures is also affected by increases in the number of mothers working outside the home.

¹⁵ Guam could also update its schedule using the Betson-Engel estimates. As discussed in Chapter II, Dr. Betson also applied the Engel methodology to 1996-99 data. As shown in Chapter II, these amounts are much higher than the Espenshade-Engel measurements. Coupled with changes in price levels and tax rates, they would result in significantly large increases to the schedule.



Further, the new equivalence scales, which have been developed by a national panel after extensive analysis, used to convert child-rearing expenditures for three children to amounts for four through fifteen children in the updated schedule are somewhat less than those used in the existing schedule.

Changes in the Price Level

The amount of dollars it took in the year the prototype Income Shares model was developed (1986) to purchase goods does not have the same amount of purchasing power that it does today. In fact, it takes about 73 percent more than it did in 1986 to make the same amount of purchases in 2004. This is calculated using changes in the consumer price level as measured by the U.S. Bureau of Labor Statistics (BLS) and assumes no significant changes due to changes in income over time. Changes in the Guam consumer price level are not used because the expenditures data is from the U.S.

If the Schedule were only updated for increases in price levels since 1986, the income brackets used in the existing table of support proportions (see Exhibit 8 for the updated table of support proportions) would also be updated for increases in the price levels. The result of this is that if both of the parents' incomes increased by 73 percent then the child support order would also increase by 73 percent.

Nonetheless, there are at least two major limitations with increasing the Schedule for prices alone and without consideration of other economic factors.

1. *It assumes that income increased at the same pace as price levels increased.* Yet, median family income grew more than the change in price levels since the existing schedule was developed.¹⁶ This causes shifts between consumption and savings and shifts between inexpensive, basic consumption items to more luxury goods (e.g., shift away from inexpensive food cooked at home to eating at restaurants more).
2. *It assumes there are no substitutions between economic goods that had larger price increases (e.g., medical expenditures) and other economic goods that did not increase as much in price (e.g., clothing).* Economic evidence indicates that prices for apparel increased by about 17 percent from 1986 to 2002, whereas medical care prices increased by 134 percent over the same period.¹⁷ Changes in relative prices tend to cause changes in consumption; yet, the extent of the change depends on whether the good is to fulfill basic needs or more of a luxury item. Economists constantly monitor consumption patterns to detect these changes. In fact, this is one of the primary purposes of the weekly and quarterly Consumers Expenditures Surveys (CEX) conducted by the Bureau of Labor Statistics. The CEX is the same data used to calculate child-rearing expenditures.

The magnitude of these problems is compounded by the original expenditures data being collected in 1972-73. Hence, it assumes that incomes, relative price levels, tastes and preferences have kept constant for over 30 years. The only real solution is to use more current data, such as the Betson-Rothbarth measurements based on expenditures data collected in 1996-99.

¹⁶Median family income grew from about \$46,000 in 1986 to about \$52,000 per year (in 2002 dollars). Council of Economic Advisors (2004), *Economic Report of the President*, United States Government Printing Office, Washington, D.C. Table B-33.

¹⁷Ibid. Calculated from Table B-60.



Revisions in Personal Income Tax Rates

A net-to-gross conversion table, which considers federal taxes and FICA, is shown in Appendix II. In general, the effective personal income tax rate is less now (2004) than the rate in effect in when the prototype Income Shares model was developed in the 1980s. Most of the decrease results in changes in the federal personal income tax rates, which have been reformed several times since 1986; most recently, in July 2003. There is also a change in FICA due to the elimination of the Medicare cap. Exhibit 10 provides an idea of how tax rates have changed for a range of gross incomes from the late 1980s (1988) to today.

Exhibit 10

Monthly Gross Income	1988			2004		
	Federal Tax ¹	FICA ²	Total	Federal Tax ¹	FICA ³	Total
\$ 1,000	\$88	\$75	\$163	\$26	\$77	\$103
\$ 2,000	\$251	\$150	\$401	\$160	\$153	\$313
\$ 3,000	\$531	\$225	\$756	\$310	\$229	\$539
\$ 4,000	\$811	\$282	\$1,093	\$552	\$306	\$858
\$ 6,000	\$1,470	\$282	\$1,752	\$1,052	\$459	\$1,511
\$ 8,000	\$2,131	\$282	\$2,413	\$1,605	\$570	\$2,175
\$10,000	\$2,680	\$282	\$2,962	\$2,165	\$599	\$2,764

¹The assumptions used to compute federal taxes were (1) two withholding allowances; and (2) all income earned by a single person.

²FICA rates in 1988: 7.5 percent up to gross monthly income of \$3,385.

³FICA rates in 2004: 7.65 percent up to gross annual income of \$7,325, plus 1.45 percent of gross annual incomes above \$7,325.

COMPARISON OF EXISTING AND UPDATED SCHEDULE

This section compares Guam's existing Schedule against the updated schedule. Additional comparisons are provided in Appendices IV and V. (Appendix IV provides a side-by-side comparison. Appendix V provides graphical examples for a range of noncustodial parent incomes using varying assumptions about the number of children and custodial parent income.)

The comparisons start with graphical comparisons of support obligations as a proportion of obligor gross income throughout a range of incomes and under different assumptions about the obligee's income. There are two sets of graphs, the first consider one, two and three children. The second set considers a range of obligee incomes. Finally, support obligations are computed from the two schedules for selected case scenarios: low income, middle income, and high income cases.



Graphical Comparison of 1, 2 and 3 Children

Exhibits 11, 12 and 13 display levels of support obligations as percentages of obligor monthly gross income across a range of incomes from \$800 to \$7,500. The self support reserve amount of \$710 is subtracted from the obligor's income prior to calculating the support obligation, and the minimum order of \$50 per child per month is applied. In these scenarios, obligee income is assumed to be zero. It is also useful to note that these comparisons assume there are no additional expenses, such as child care costs or children's extraordinary medical expenses.

In reading the figures, one important consideration is that the x-axis is not an interval level scale. That is, although support is shown as a proportion of gross income for each \$100 increase in income through \$2,000 per month, the scale changes to \$500 income increases through the remainder of the incomes depicted.

Exhibit 11: One Child, Obligee Income = \$0

The order amounts are the same due to the self support reserve up until the obligor's gross monthly income exceeds \$900 per month. For incomes above that, obligations under the updated schedule are higher than the existing schedule, with the gap between the two schedules widening at higher incomes. The increase occurs as a result of several of the factors discussed above, namely, the difference in child-rearing estimates, changes in personal income taxes and increases in the price level.

Exhibit 12: Two Children, Obligee Income = \$0

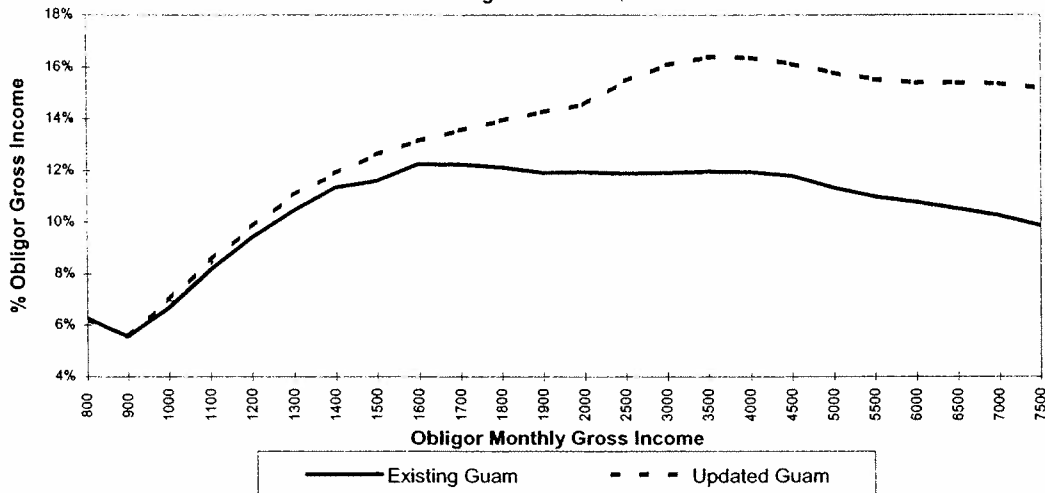
In this scenario, obligations are the same until the obligor's gross monthly income exceeds \$1,400 per month due to the self support reserve and then the two schedules track closely up to incomes of about \$1,600 per month. Above this amount, the updated schedule results in higher obligations, with the gap between the two widening as income increases.

Exhibit 13: Three Children, Obligee Income = \$0

For three children, application of the self support reserve results in identical order amounts for obligor incomes below \$1,000 per month. This is lower than the threshold for two children because the updated schedule amounts increased less for three children than for two children. obligations under the updated schedule are lower when the obligor's gross monthly income is below \$2,000.

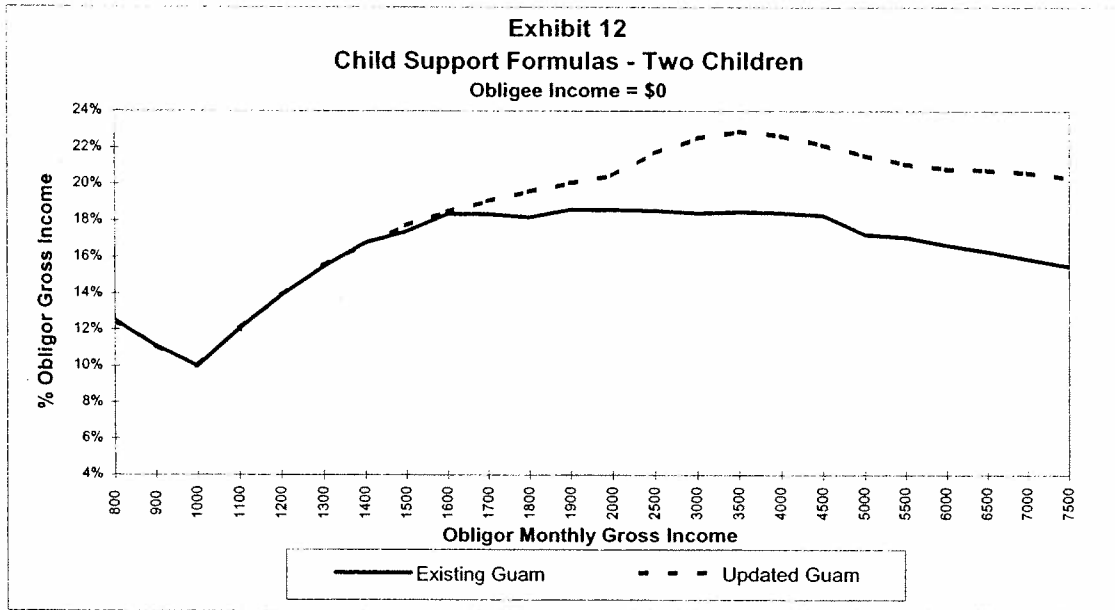


Exhibit 11
Child Support Formulas - One Child
Obligee Income = \$0



CHILD SUPPORT FORMULAS - ONE CHILD
Obligee Income = \$0

Obligor's Gross Monthly Income	Support Due (\$\$ per month)		% of Obligor's Gross Income	
	Existing Guam	Updated Guam	Existing Guam	Updated Guam
800	50	50	6%	6%
900	50	50	6%	6%
1000	67	70	7%	7%
1100	90	94	8%	9%
1200	113	118	9%	10%
1300	136	144	10%	11%
1400	159	166	11%	12%
1500	174	189	12%	13%
1600	196	210	12%	13%
1700	208	230	12%	14%
1800	218	251	12%	14%
1900	226	271	12%	14%
2000	239	291	12%	15%
2500	297	386	12%	15%
3000	357	482	12%	16%
3500	419	573	12%	16%
4000	477	654	12%	16%
4500	531	725	12%	16%
5000	566	789	11%	16%
5500	604	853	11%	16%
6000	645	924	11%	15%
6500	683	1000	11%	15%
7000	717	1074	10%	15%
7500	740	1137	10%	15%

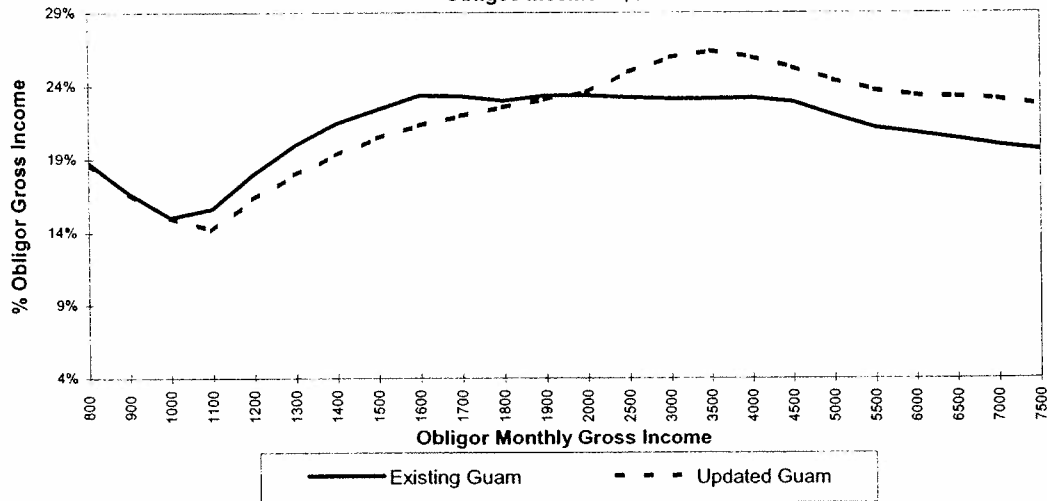


CHILD SUPPORT FORMULAS - TWO CHILDREN
Obligee Income = \$0

Obligor's Gross Monthly Income	Support Due (\$\$ per month)		% of Obligor's Gross Income	
	Existing Guam	Updated Guam	Existing Guam	Updated Guam
800	100	100	13%	13%
900	100	100	11%	11%
1000	100	100	10%	10%
1100	133	133	12%	12%
1200	167	167	14%	14%
1300	201	201	15%	15%
1400	235	234	17%	17%
1500	261	266	17%	18%
1600	294	296	18%	18%
1700	312	324	18%	19%
1800	327	353	18%	20%
1900	353	381	19%	20%
2000	372	410	19%	20%
2500	464	543	19%	22%
3000	552	676	18%	23%
3500	646	801	18%	23%
4000	737	907	18%	23%
4500	822	998	18%	22%
5000	862	1079	17%	22%
5500	939	1161	17%	21%
6000	1000	1251	17%	21%
6500	1060	1349	16%	21%
7000	1113	1445	16%	21%
7500	1161	1526	15%	20%



Exhibit 13
Child Support Formulas - Three Children
Obligee Income = \$0



CHILD SUPPORT FORMULAS - THREE CHILDREN
Obligee Income = \$0

Support Due (\$\$ per month)			% of Obligor's Gross Income		
Obligor's Gross Monthly Income	Existing Guam	Updated Guam	Obligor's Gross Monthly Income	Existing Guam	Updated Guam
800	150	150	800	19%	19%
900	150	150	900	17%	17%
1000	150	150	1000	15%	15%
1100	172	156	1100	16%	14%
1200	216	196	1200	18%	16%
1300	260	234	1300	20%	18%
1400	300	270	1400	21%	19%
1500	336	307	1500	22%	20%
1600	374	341	1600	23%	21%
1700	396	374	1700	23%	22%
1800	414	406	1800	23%	23%
1900	444	439	1900	23%	23%
2000	467	472	2000	23%	24%
2500	580	624	2500	23%	25%
3000	694	779	3000	23%	26%
3500	809	924	3500	23%	26%
4000	928	1039	4000	23%	26%
4500	1031	1136	4500	23%	25%
5000	1098	1220	5000	22%	24%
5500	1163	1305	5500	21%	24%
6000	1248	1402	6000	21%	23%
6500	1326	1513	6500	20%	23%
7000	1396	1618	7000	20%	23%
7500	1473	1704	7500	20%	23%



Graphical Comparisons Assuming Obligee Has Income

Since the relationship between the schedules shifts across the income spectrum and with different ratios of obligor and obligee gross income, a comparison between the existing and updated schedules under different assumptions about obligee income is in order. In these scenarios, \$710 is deducted from each parent's gross income prior to the calculation of the support obligation.

Although we have no empirical data from Guam that defines the relative income ratios of obligors and obligees, we use three alternatives:

- obligee income equals half of obligor income (33%/67% split);
- obligee income equals obligor income (50%/50% split); and
- obligee income equals 150 percent of obligor income (60/40% split).

Based on case file reviews in other states, obligee income, on average, tends to range from 40 to 60 percent of obligor income. To illustrate the impact of obligee income, we discuss situations where there are two children. Comparisons for one and three children are presented in Appendix V.

Exhibit 14: Two Children, Obligee Income = 50% of Obligor Income

In Exhibit 14, we assume the obligee has income equivalent to half of obligor income. So, if obligor gross income is \$2,000 per month, obligee gross income is \$1,000 per month. The trends seen in Exhibit 12 are present here. That is, due to the self support reserve, the order amounts are the same when obligor's gross monthly income is less than \$1,400. Above this income, the gap between the existing and proposed order amounts widens. The proposed order amounts are more. Support obligations are no longer calculated under the existing Schedule once obligor income is over \$5,500 per month because the existing Schedule stops at combined gross monthly income of \$7,500. Obligations under the proposed schedule are calculated for higher incomes because use of the new data allow the proposed schedule to be extended to higher incomes.

In comparing obligations in Exhibit 14 to Exhibit 12; that is, the situation when the obligee has income to that of when the obligee does not have income, obligations are less when the obligee has income. For example, the support obligation is \$398 under the updated schedule if obligor income is \$2,000 per month when the obligee has income (\$1,000 per month, which is 50 percent of obligor's income) and \$410 when the obligee has no income (see Exhibit 12). This occurs because the obligee now has income and shares in the financial responsibility of the child.

Exhibit 15: Two Children, Obligee Income = Obligor Income

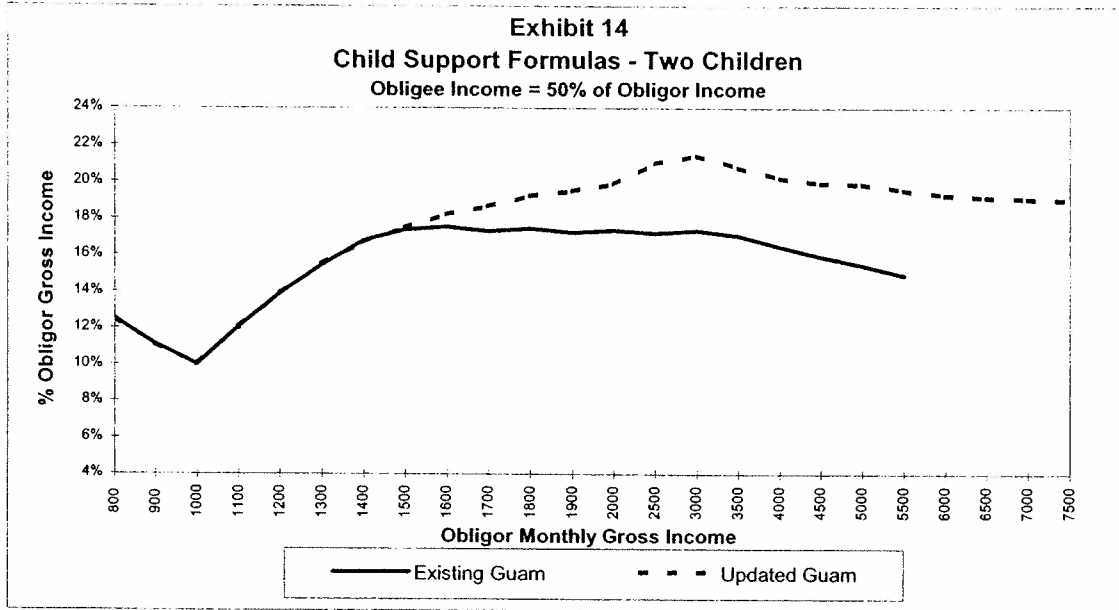
In this scenario, we assume that the obligee and obligor have the same level of gross income. So, if obligor income is \$3,000 per month, the obligee also has \$3,000 per month in gross income. As in Exhibit 14, the schedules track closely at low incomes and obligations are higher under the updated schedule for the remainder of the income range. Obligations are lower than in Exhibits 12 and 14 as the obligee now shares a larger percentage of the financial responsibility. For example, at obligor income of \$2,000, the support obligation is now \$374 per month.

Exhibit 16: Two Children, Obligee Income = 150% Obligor Income

In this final scenario, we assume that the obligee earns 50 percent *more* than the obligor. For example, if obligor gross income is \$2,000 per month, obligee income is \$3,000 per month. Above the minimum order,



obligations are again lower than in previous Exhibits because the obligee has a greater share of combined income. In this scenario, when obligor income is \$2,000, the support obligation is \$346 per month.

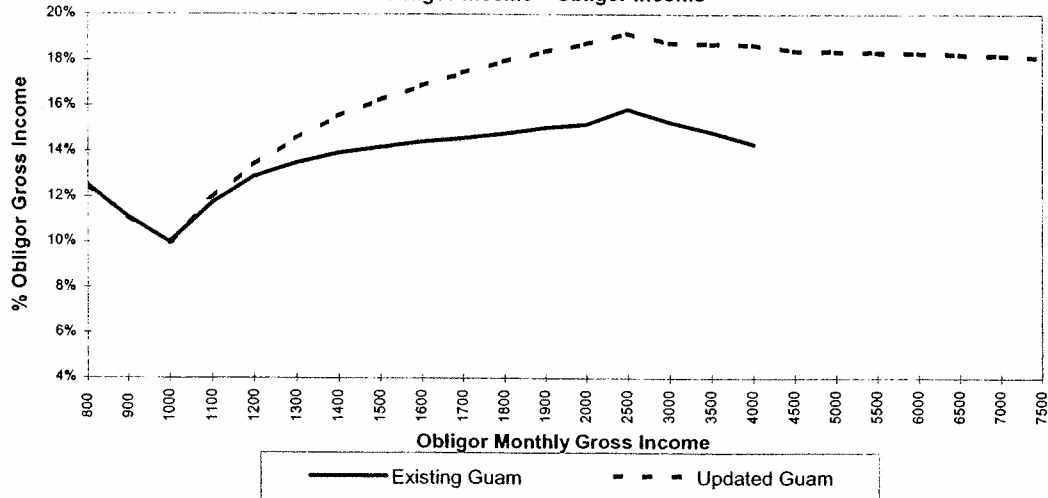


CHILD SUPPORT FORMULAS - TWO CHILDREN
Obligee Income = 50% of Obligor Income

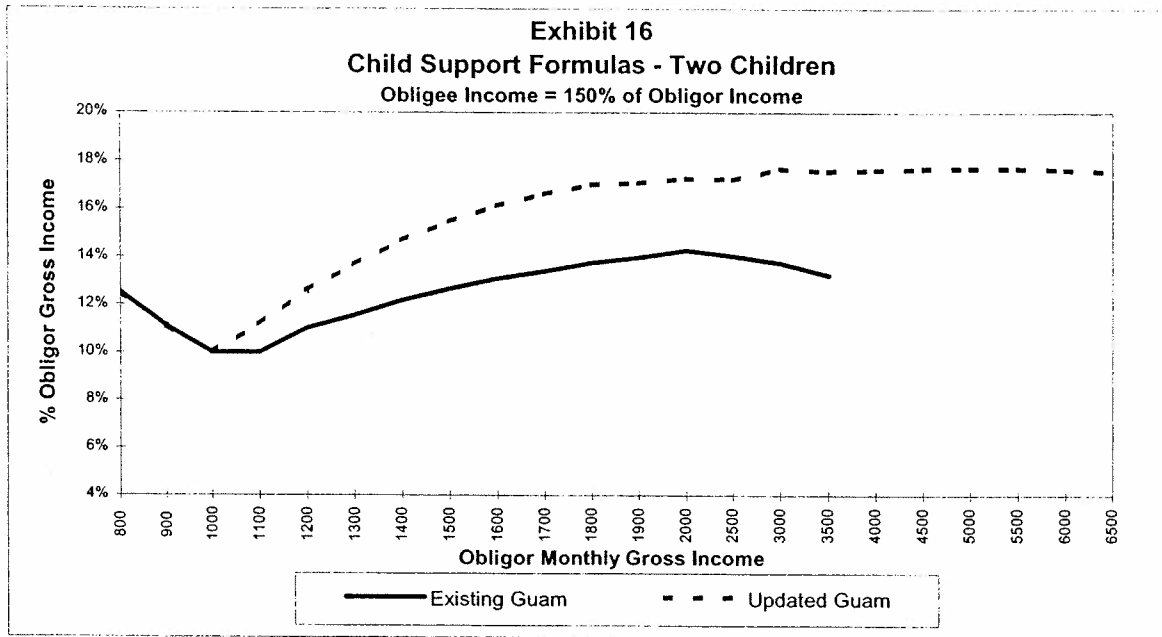
Obligor's Gross Monthly Income	Support Due (\$\$ per month)		%		Obligor's Gross Monthly Income	% of Obligor's Gross Income	
	Existing Guam	Updated Guam	Existing Guam	Updated Guam		Existing Guam	Updated Guam
800	100	100	13%	13%	800	13%	13%
900	100	100	11%	11%	900	11%	11%
1000	100	100	10%	10%	1000	10%	10%
1100	133	133	12%	12%	1100	12%	12%
1200	167	167	14%	14%	1200	14%	14%
1300	201	201	15%	15%	1300	15%	15%
1400	235	234	17%	17%	1400	17%	17%
1500	261	262	17%	17%	1500	17%	17%
1600	280	291	18%	18%	1600	18%	18%
1700	294	317	17%	19%	1700	17%	19%
1800	314	346	17%	19%	1800	17%	19%
1900	327	371	17%	20%	1900	17%	20%
2000	347	398	17%	20%	2000	17%	20%
2500	430	525	17%	21%	2500	17%	21%
3000	520	643	17%	21%	3000	17%	21%
3500	597	727	17%	21%	3500	17%	21%
4000	658	809	16%	20%	4000	16%	20%
4500	716	896	16%	20%	4500	16%	20%
5000	772	994	15%	20%	5000	15%	20%
5500	819	1076	15%	20%	5500	15%	20%
6000		1157		19%	6000		19%
6500		1246		19%	6500		19%
7000		1336		19%	7000		19%
7500		1425		19%	7500		19%



Exhibit 15
Child Support Formulas - Two Children
 Obligee Income = Obligor Income



CHILD SUPPORT FORMULAS - TWO CHILDREN					
Obligee Income = Obligor Income					
Support Due (\$\$ per month)			% of Obligor's Gross Income		
Obligor's Gross Monthly Income	Existing Guam	Updated Guam	Obligor's Gross Monthly Income	Existing Guam	Updated Guam
800	100	100	800	13%	13%
900	100	100	900	11%	11%
1000	100	100	1000	10%	10%
1100	129	131	1100	12%	12%
1200	154	160	1200	13%	13%
1300	175	189	1300	13%	15%
1400	195	217	1400	14%	16%
1500	213	244	1500	14%	16%
1600	231	270	1600	14%	17%
1700	248	296	1700	15%	17%
1800	266	323	1800	15%	18%
1900	286	349	1900	15%	18%
2000	303	374	2000	15%	19%
2500	396	479	2500	16%	19%
3000	458	563	3000	15%	19%
3500	519	655	3500	15%	19%
4000	572	747	4000	14%	19%
4500		829	4500		18%
5000		919	5000		18%
5500		1009	5500		18%
6000		1098	6000		18%
6500		1186	6500		18%
7000		1274	7000		18%
7500		1358	7500		18%



CHILD SUPPORT FORMULAS - TWO CHILDREN					
Obligee Income = 150% of Obligor Income					
Support Due (\$\$ per month)			% of Obligor's Gross Income		
Obligor's Gross Monthly Income	Existing Guam	Updated Guam	Obligor's Gross Monthly Income	Existing Guam	Updated Guam
800	100	100	800	13%	13%
900	100	100	900	11%	11%
1000	100	100	1000	10%	10%
1100	110	123	1100	10%	11%
1200	132	151	1200	11%	13%
1300	150	178	1300	12%	14%
1400	170	206	1400	12%	15%
1500	190	232	1500	13%	15%
1600	209	258	1600	13%	16%
1700	228	283	1700	13%	17%
1800	247	306	1800	14%	17%
1900	265	325	1900	14%	17%
2000	285	346	2000	14%	17%
2500	351	431	2500	14%	17%
3000	412	530	3000	14%	18%
3500	463	615	3500	13%	18%
4000		705	4000		18%
4500		796	4500		18%
5000		885	5000		18%
5500		973	5500		18%
6000		1058	6000		18%
6500		1140	6500		18%



Case Examples Comparing Existing to Updated Schedule

Below are three case examples (a low, middle and high income case) to compare further the levels of support under the existing and updated Guam Schedules.

Case Example 1: Low Income Case

In this example, the mother has custody of the two children and receives TANF. The father earns \$1,000 gross per month. The father's adjusted gross income after deducting the self support reserve would be \$290 per month. Under the existing Schedule, the appropriate percentage applied to the obligor's income would be 23 percent (\$67 per month). The comparable percentage under the updated schedule is 24 percent, resulting in an obligation of \$70 per month. By applying the minimum order of \$50 per month per child, the obligations would be \$100 under both schedules.

Low Income Case		
Monthly Gross Income	Existing Schedule	Updated Schedule
\$1,000	\$100	\$100

Case Example 2: Middle Income Case

The father's monthly gross income is \$2,400 (\$1,690 after the self support reserve). The mother's gross monthly income is \$1,600 (\$890 after the self support reserve). She has custody of the couple's two children and has work-related child care expenses of \$200 per month. The parents' combined adjusted gross income is \$2,580 per month. The father's share of the combined adjusted gross income is 66 percent. The basic support obligation computed from the existing and updated schedules is shown in the table below. As the obligor, the father's share of the basic obligation would be 66 percent of the amounts in the table. To the basic support obligation would be added the father's share of child care costs: \$132 per month (\$200 x .66).

Middle Income Case Combined Gross Monthly Income = \$4,000		
	Existing Schedule	Updated Schedule
(1) Basic Obligation	\$606	\$748
(2) Child Care	\$200	\$200
(3) Basic Obligation and Child Care	\$806	\$948
(4) Father's Monthly Obligation (0.66 x row 3)	\$532	\$626



Case Example 3: High Income Case

Before their divorce, the parents had one child, who now lives with the mother. The mother earns \$4,500 per month (\$3,790 after the self support reserve). Her child care expenses are \$300 per month. The father earns \$4,000 per month gross (\$3,290 after the self support reserve). The parents' combined adjusted gross income is \$7,080 per month. As the obligor, the father's share of the basic obligation would be 46 percent of the amounts in the table. To the basic support obligation would be added the father's share of child care costs: \$138 per month (\$300 x .46). The father's total monthly support obligation under the two schedules would therefore be:

High Income Case		
Combined Gross Monthly Income = \$10,000		
	Existing Schedule	Updated Schedule
(1) Basic Obligation	\$760	\$1,204
(2) Child Care	\$300	\$300
(3) Basic Obligation and Child Care	\$1,060	\$1,504
(4) Father's Monthly Obligation (0.46 x row 3)	\$488	\$692



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Chapter VI

Summary and Recommendations

Guam is currently reviewing its Child Support Guidelines. At the core of the Guidelines is the schedule, which reflects child-rearing costs. The existing schedule is based on a prototype of the Income Shares model dating from 1986. Guam extended the prototype schedule, which only considered one to six children, to include up to 15 children and made some other small adjustments at low incomes. The prototype schedule is based on a study of child-rearing expenditures published in 1984 that used data from the 1972-73 Consumer Expenditure Survey, which is conducted in the U.S. This report proposes updating the Child Support Schedule for current economic evidence.

The economic evidence relating to child-rearing costs in Guam is limited, but there have been several U.S. studies conducted since the prototype schedule was developed. As mandated by the Family Support Act of 1988, the U.S. Department of Health and Human Services (DHHS) sponsored new research on child-rearing expenditures. This research was conducted by Dr. David Betson of the University of Notre Dame through a grant administered by the University of Wisconsin's Institute for Research on Poverty. Another group through the U.S. DHHS also independently reviewed Dr. Betson's work.

Dr. Betson's research applied a variety of economic methodologies to data from the 1980-86 Consumer Expenditure Survey (CEX). An economic methodology is necessary to separate the child's share from the adults' share of expenditures items consumed by both (e.g., electricity for the household). Dr. Betson updated his research using data from the 1996-1999 CEX, and his updated findings were published by the California Judicial Council. In addition, the United States Department of Agriculture (USDA) publishes a study on child-rearing costs annually.

Although most economists believe that the Rothbarth methodology used to separate the child's share from the adults' share of expenditures understates actual child-rearing costs, Dr. Betson concluded that of all of the methodologies he used, the Rothbarth estimator produced the most theoretically sound and plausible results. Some of the other methodologies are known to overstate actual child-rearing costs, and others did not produce plausible results or could not be estimated due to data or equation limitations.

The Betson-Rothbarth measurements of child-rearing costs from 1996-99 data are used to update the Guam Schedule. They are adjusted for Guam income since it is lower than U.S. income. However, there are no adjustments for cost of living because there is no evidence that suggests that Guam's cost of living is lower than the U.S. In fact, there is some evidence to suggest that the converse is true; that is, the cost of living in Guam may be high relative to the U.S. Of the three major consumption items— food, transportation, and housing— there is some evidence that two of these items cost more in Guam than the U.S.

The new measurements of child-rearing costs are also updated to consider current price levels and changes in child care and the child's health care costs. Child care, the child's health insurance premium, and the child's



extraordinary medical expenses are not included in the schedule. The actual amounts of these expenditures are to be added on to the amount as determined by the schedule on a case-by-case basis in the worksheet calculation. The schedule, however, does include ordinary medical expenses to cover over-the-counter medicines, band-aids, and other routine medical expenses incurred for most children. The updated schedule includes \$250 per child per year for these expenses. This approximates the current out-of-pocket expense incurred for a child. Health care expenditures exceeding \$250 per child per year are considered extraordinary.

Further, since the new measurements are expressed as a percentage of net income, they are backed out to gross income using current federal income tax rates and FICA.

In all, the procedure used to develop the updated schedule is very similar to that used to develop the prototype schedule. In addition, the use of the new data also allows the schedule to be extended to higher incomes. The existing schedule considers combined gross incomes up to \$7,500 per month. In contrast, the proposed schedule considers combined gross incomes up to \$15,000 per month.

In summary, the updated schedule is based on current economic research and more recent economic data on household expenditures. The updated schedule also incorporates changes in federal tax rates, and price levels. Taken together, these changes are designed to make Guam's child support orders more consistent with economic changes.



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Appendix I

Technical Appendix



Appendix I

Technical Considerations in Developing a Schedule of Support Obligations

The development of a schedule of child support obligations is fairly complex in that it requires (1) the use of multiple data sources (e.g., Consumer Expenditure Surveys); (2) decisions about how to treat certain classes of expenditures (e.g., medical care); (3) intermediate calculations (e.g., how to translate expenditures on children to a proportion of net income); and (4) assumptions (e.g., how to estimate expenditures on children, computation of taxes in estimating net income). The purpose of this technical appendix is to explain the procedures used in developing the table of support proportions (i.e., expenditures on children as a proportion of household net income for various levels of income and numbers of children) and, therefore, the proposed Schedule of Basic Child Support Obligations.

REALIGN NATIONAL ESTIMATES TO GUAM'S INCOME DISTRIBUTION

Since Guam has an income structure that is lower than that of the U.S. as a whole, national data are adjusted to take this difference into account. Since definitive research is lacking on the nature and magnitude of any adjustment that should be made, we have adopted an approach that makes an adjustment based on the differences between the Guam and U.S. income distributions. These differences are seen in Table I-1, which shows the cumulative frequency distribution for U.S. and Guam families using 1999 income data from the 2000 U.S. Census. The table shows that Guam has more families with lower incomes than the United States. For example, 12 percent of Guam families have annual incomes below \$10,000, whereas 6 percent of all U.S. families have incomes below this level.

These Census data are used to equate the incomes of Guam and U.S. families based on equivalent rankings in the income distribution. For example, consider a U.S. family with annual income of \$30,000. Based on Table I-1, they are at the 26.7 percentile of all families (1999 dollars). In Guam, 26.7 percent of families have annual incomes of \$22,690 per year. This is determined by extrapolating between income intervals shown in Table I-1. (Note that 23.3 percent of the Guam families have incomes below \$20,000 per year, and 29.7 percent of Guam Families have incomes below \$25,000 per year, thus the income threshold for 26.7 percent of the families would fall in between the two.) By extension, the proportion of income spent on child-rearing expenditures by a Guam family with \$22,690 is presumed to be similar to a U.S. family with \$30,000. Using this technique for a range of incomes effectively lowers the proportions of child-rearing expenditures applied to Guam incomes.



Table I-1

Cumulative Percent of Families With Income below Threshold		
1999 Annual Income Threshold	U.S.	Guam
\$ 10,000	5.8%	12.2%
\$ 15,000	10.1%	17.6%
\$20,000	15.1%	23.3%
\$ 25,000	20.8%	29.7%
\$30,000	26.7%	36.0%
\$40,000	38.7%	48.4%
\$ 50,000	49.9%	59.0%
\$ 75,000	72.3%	78.4%
\$100,000	84.7%	89.3%
More than \$100,000	100.0%	100.0%

PARENTAL EXPENDITURES ON CHILDREN

The effort to build a schedule of support obligations begins with decisions about how to measure parental expenditures on children. Obviously, those expenditures cannot be observed directly, primarily because many expenditures (e.g., shelter, transportation) are shared among household members. For example, in a two-adult, two-child household, what proportion of a new car's cost should be attributed to the children? Since child expenditures cannot be measured directly, an indirect method must be defined to estimate those expenditures. The common element of all the estimation methods is that they attempt to allocate expenditures to the children based on a comparison of expenditure patterns in households with and without children and which are deemed to be equally well off.

There are numerous estimation techniques available and they are described succinctly in a 1990 Lewin/ICF report to the U.S. Department of Health and Human Services. The two techniques that appear to offer the most sound theoretical bases are the Engel and Rothbarth estimators. The Engel approach estimates child expenditures based on total household expenditures on food. Economists believe child expenditure estimates using this approach represent an upper bound to those expenditures. The Rothbarth approach, on the other hand, estimates child expenditures based on the level of household expenditures on adult goods (e.g., adult clothing, alcohol, tobacco). Child expenditures using this approach are believed to represent a lower bound to expenditures. Again, the Lewin/ICF report cited above presents a clear description of the approaches and of their merits and limitations as estimators of child expenditures. The support schedule defined in this report is based on the Rothbarth approach. Specifically, it is based on recent Rothbarth estimates developed by Dr. David Betson, Professor of Economics, University of Notre Dame using 1996-99 CEX data.



Data on Household Expenditures

The ideal database for estimating child-rearing expenditures would be one that itemized household consumption expenses by cost category and by each individual in the household. There is no existing database that provides this level of detail. Moreover, since 90 percent of household expenditures are shared, it is unlikely that such a database will ever exist, if only because it would be impossible to allocate expenditures with any level of precision to individual household members.

The database most commonly used to estimate child expenditures is the Consumer Expenditure Survey (CEX). As the aforementioned Lewin/ICF report says of the CEX, "It is by far the best available source of information for implementing the techniques for estimating expenditures on children...." (p. 3-1). The Espenshade and Rothbarth models presented in this report are based on household expenditure data reported in the CEX.

Even though the CEX may be the best database to estimate child expenditures, it has some limitations that are important to the development of a schedule of child support obligations, especially a schedule based on an income shares concept. They include:

- ❖ Only a few items in the CEX (i.e., adult clothing, alcohol, tobacco) are solely "adult" expenditures;
- ❖ It is impossible to distinguish between "necessary" child care expenses (e.g., those incurred to allow someone to work) from "discretionary" expenses;
- ❖ Medical expenses on children cannot be distinguished from expenses on adult household members; and
- ❖ The CEX likely understates total household income.

The first issue is of concern because the Rothbarth technique estimates child expenditures by examining how adult expenditures are affected by the addition of a child to the household; that is, asking how much of total expenditures is displaced (i.e., transferred from the adults to the children) when a child is added to the household. The precision of the technique would be improved if there were more items that were clearly adult expenses.

The second and third issues are of concern because the support schedule developed for Guam establishes a "basic" support obligation to which is added the parental share of expenditures for child care and unreimbursed medical expenses. The assumptions used to deal with these limitations are discussed later in this appendix.

The CEX is much like every survey that attempts to capture income information; that is, there is likely to be underreporting or nonreporting of income. Staff at the Bureau of Labor Statistics, which administers the survey, suggest that income reported in the CEX is too low relative to expenditures (as shown in Table I-2, households with incomes below \$30,000 spend more than their income). There are, however, no theoretically-based methods to adjust income for this problem, so no adjustment is applied.



Table I-2

NET INCOME AND CONSUMPTION AT SELECTED NET INCOME INTERVALS			
Net Income Interval (2004 \$)	Income Midpoint (1997\$)	Number of Observations	Expenditures to Income
Less than \$10,000	\$4,244	259	Expenditures exceed income
\$10,000 - \$15,000	\$10,609	134	
\$15,000 - \$20,000	\$14,853	173	
\$20,000 - \$25,000	\$19,097	201	
\$25,000 - \$30,000	\$23,341	220	
\$30,000 - \$40,000	\$29,707	429	Expenditures about equal income
\$40,000 - \$50,000	\$38,194	439	Expenditures are less than Income
\$50,000 - \$60,000	\$46,682	371	
\$60,000 - \$75,000	\$57,291	415	
\$75,000 - \$100,000	\$74,266	432	
\$100,000 +	\$122,348	357	

Treatment of Selected Factors

Specific questions have been raised in other states that have incorporated the Betson-Rothbarth estimates about the treatment of various types of expenditures. Specifically, there have been questions about adjustments for (1) teenage clothing; (2) child care; (3) medical expenses; (4) durable goods, particularly housing; and (5) savings.

Teenage Clothing

Clothing expenditures in the CEX for children beyond the age of 15 years are classified with other adult clothing expenditures. Therefore, it is necessary to estimate expenditures for 16-18 year old children based on clothing expenditure data for other children. The Rothbarth clothing cost estimates for teenagers get smaller as the child ages and actually are negative for 16-18 year old children. To correct for this anomaly, Betson assumed that the costs for children ages 13-18 years were the same as the costs for a 12-year old child.

Child Care

The proposed Guam support schedule presented in this report excludes the costs of child care. Instead, in the child support calculation, the actual costs are prorated between the parents based on their relative proportions of net income and added to the basic support obligation. There are several reasons for this approach:

- ❖ They represent a large variable expenditure and are not incurred by all households; usually only in households with a working custodial parent and one or more young children.



- ❖ Where child care costs occur, they generally represent a large proportion of total child expenditures, particularly in households with children under 6 years of age.
- ❖ Treating child care costs separately maximizes the custodial parent's marginal benefits of working. If not treated separately, the economic benefits of working are reduced substantially. One of the principles incorporated into the Income Shares model is that the method of computing a child support obligation should not be a deterrent to participation in the work force.

Since the CEX itemizes child care expenditures, an adjustment can be made directly to EC/C. For example, Table I-4 at the end of this appendix shows that for two-child households in the \$30,000-\$40,000 income range, EC/C = 36.62 percent. Child care (CC) as a proportion of consumption for that same income range is 2.38 percent (1.19 percent x 2 children). For this income range, a revised EC/C which excludes child care costs is:

$$\text{Revised EC/C} = 36.62 - 2.38 = 34.24 \text{ percent}$$

Medical Expenses

Like expenses for child care, the proposed Guam support schedule presented in this report excludes the child's share of costs of medical expenses including health insurance premiums. There are two principal reasons these costs are excluded from the model:

- ❖ Federal regulations (45 CFR §302.80) require that a state's child support program must establish and enforce medical support orders. Further, Federal regulations (45 CFR §303.31) encourage the state to request that the noncustodial parent carry health insurance that covers the child, if available through the noncustodial parent's employer at a reasonable cost.
- ❖ Unreimbursed medical expenses (i.e., those not covered by or that exceed insurance reimbursement) are highly variable across households and can constitute a large proportion of expenditures on a child. Orthodontia, psychiatric therapy, asthma treatments, and extended physical therapy may be among the expenses not covered.

While the CEX itemizes unreimbursed medical expenses and health insurance premium costs, it does not allocate expenses to individual household members. Thus, a method must be developed for excluding those expenditures from EC/C. There are two steps in this process. First, the child's share of those medical expenses (M) must be determined. That calculation assumes that the child's share is the same as his/her share of all household expenditures (EC/C). Thus, for a two-child household in the \$30,000-\$40,000 net annual income range, the child's share of these expenses would be 36.62 percent (i.e., EC/C for two children) of 2.86 percent (i.e., medical expenses as a proportion of consumption for a household in that income range). The children's share of medical expenses is therefore 1.05 percent of consumption expenditures. This proportion is subtracted from EC/C to arrive at an adjusted EC/C.

$$\text{Revised EC/C} = 36.62 - 1.05 = 35.57 \text{ percent}$$



Durable Goods

The largest durable goods expenditures are for housing and transportation. Housing costs are treated in the following manner:

- ❖ For housing that is owned or being purchased: only taxes and interest payments are counted as expenditures. Payments of principal are counted as savings.
- ❖ For housing that is rented: all rental costs are counted as consumption expenditures.

The purchase price of an automobile is not counted as an expenditure, however the interest payments made on an automobile loan are counted. This approach may underestimate total expenditures, particularly in the situation where the automobile is purchased for cash. The ideal approach to counting such a purchase would be to include as consumption the rental value of the automobile, not the net purchase price. The rental value, however, cannot be defined by the data.

With regard to other durable goods (e.g., television, toaster oven), their purchase prices are counted as consumption expenditures. The interest payments on consumer debt associated with those purchases are also counted as expenditures, since there is no way to link interest payments to individual purchases. Therefore, there is some double counting of expenditures for these durable goods items.

Savings

Savings are not counted as current consumption expenditures. Rather, they are counted as residual expenditures; that is, part of all non-current consumption spending which is the difference between net income and current consumption. Income specifically itemized as savings and retirement contributions fall into this residual category. Also, as noted above, the category includes principal payments on home mortgages and the purchase price of automobiles. Since savings are a residual and therefore not calculated independently, there is no implicit savings rate that is applied to the calculation of expenditures on children as a proportion of net income.

Effect of Adjustments on Proportional Expenditures

Table I-5 at the end of this appendix illustrates for two children how adjustments for child care expenditures and medical expenses (health insurance and unreimbursed medical costs) are factored into the computation of a proportion that relates expenditures on children to net income. The table uses a two-child household as an example, but the same procedure was applied to one and three-child households using the information presented in Table I-4. Thus, for two-child households in the \$30,000-\$40,000 annual income range, child expenditures were estimated at 36.62 percent of consumption expenditures (EC/C). Child care ($CC/C = 2.38$ percent of household consumption expenditures) and medical expenses attributable to the child ($M/C = 1.05$ percent of household consumption expenditures) were subtracted from EC/C . The resulting figure – $EC^*/NI = 33.19$ percent – relates child expenditures to net income for the \$30,000-\$40,000 net annual income range.



Adjustments for the Number of Children

Betson's estimates of child expenditures for one, two, and three-child households are based on actual household income and expenditure data for 3,430 two-parent families with at least one child under 18 years of age. He did not compute proportions for households with greater numbers of children because of the small sample sizes in the database. Betson computed his proportions for one, two and three-child households in the following manner:

- ❖ Take the midpoint of the annual net income ranges expressed in May 2004 dollars and deflate the amount to 1997 dollars by the Consumer Price Index. The top interval uses the average net income (\$144,150 in 2004 dollars) of households in that interval rather than the midpoint.
- ❖ Take the level of annual expenditures and determine what proportion is spent on one, two and three children. Using his Rothbarth estimates, Betson computed the average percentage spent over all the years the children were with their parents. That is, for one child he computed the average over 18 years. For two and three-child households, he assumed that the children differed in age by two years. Thus, for two-child households, he computed the average over a 16-year period when both children were in the household. Similarly, for three-child households, he computed the average over 14 years.

Adjustments to these data were necessary to extend the support proportions for one, two, and three children to households with four through fifteen children. The equivalency scale recommended by the Panel on Poverty and Family Assistance, a panel assembled by the National Research Council to review measures of poverty is used.¹ The recommended formula is:²

$$\text{equivalency scale value} = (\text{Number of adults} + 0.7 \times \text{number of children})^{0.7}$$

We use this formula to arrive at equivalency scales. For example, the equivalency scale values are: 2.69 for three children; 3.00 for four children; 3.30 for five children; and, 3.59 for six children. In turn, these are converted to multipliers. For example, the multiplier for four children is 1.115 (3.00 divided by 2.69). Based on this method, we also develop multipliers for five through fifteen children. They are displayed in Table I-3 along with the multipliers used in the current Guam Schedule.

The multipliers were used as constants for all income ranges. The decreasing size of the multiplier as the number of children increases reflects two phenomena: (1) economies of scale as more children are added to the household (e.g., sharing of household items); and (2) reallocation of expenditures. The reallocation occurs as adults reduce their share of expenditures to provide for more children and as each child's share of expenditures is reduced to accommodate the needs of additional children. That is, as there are more people to share the economic pie, the share for each family member must decrease.

¹Constance F. Citro and Robert T. Michael, Editors. *Measuring Poverty: A New Approach*, National Academy Press, Washington, D.C. (1995).

²The formula actually states that the value in parentheses should be raised to a power of 0.65 to 0.75. We use 0.70, which is the midpoint of the suggested range.



Table I-3

Extending the Rothbarth Support Proportions to Four through Fifteen-Child Households		
Number of Children	Guam Multipliers	National Research Council Multipliers
4	1.101 x 3 child proportion	1.115 x 3 child proportion
5	1.075 x 4 child proportion	1.100 x 4 child proportion
6	1.040 x 5 child proportion	1.088 x 5 child proportion
7	1.033 x 6 child proportion	1.078 x 6 child proportion
8	1.014 x 7 child proportion	1.070 x 7 child proportion
9	1.013 x 8 child proportion	1.063 x 8 child proportion
10	1.011 x 9 child proportion	1.059 x 9 child proportion
11	1.010 x 10 child proportion	1.054 x 10 child proportion
12	1.009 x 11 child proportion	1.049 x 11 child proportion
13	1.008 x 12 child proportion	1.047 x 12 child proportion
14	1.008 x 13 child proportion	1.045 x 13 child proportion
15	1.007 x 14 child proportion	1.041 x 14 child proportion

TABLE OF SUPPORT PROPORTIONS

The result of the computations and adjustments discussed above is a table of support proportions that relates child expenditures in one to fifteen-child households to various levels of net income. These relationships are displayed in Table I-6 at the end of this appendix.

Adjusting Income Brackets

The data Betson used for his computations were from the time period 1996 through 1999. The database included both nominal and constant dollar amounts, with the base period being June 1997. In order to develop a table of support proportions aligned to 2004 income ranges, Betson used a Consumer Price Index (CPI-U) inflator and applied it to the 1997 incomes on the database.

Computing Marginal Proportions

The table of support proportions shown in Table I-6 links the proportion of net income spent on one to fifteen children to different annual net income ranges. The proportions, however, are meant to apply only at the midpoints of each income range. In order to obtain a smooth transition in support obligations between income ranges, marginal proportions were computed. This adjustment eliminates notches in support obligations that would otherwise be created as parents move from one income range to another.

For example, assume we have two, two-child households, one at the \$30,000-\$40,000 net annual range and the second at the next highest range (\$40,000-\$50,000). The proportion of net income spent on the two children in the lower income household is estimated to be 33.19 percent. The comparable proportion in the higher income household is estimated to be 31.26 percent. If actual income in the first household were \$39,900 per year, the total support obligation would be \$13,243 annually ($\$39,900 \times .3319$). If actual income



in the second household were \$40,100 per year, the total annual support obligation would be \$12,535 per year ($\$40,100 \times .3126$); \$708 less per year than the support obligation in the lower income household. The use of marginal proportions between the midpoints of income ranges eliminates this effect and creates a smooth increase in the total support obligation as household income increases.

The marginal proportions between income midpoints are established by computing the support obligation at the two midpoints and dividing the difference in the support obligation amounts by the income difference between the two midpoints. For example, the marginal proportion between the midpoints of the above income ranges, \$35,500 and \$45,000 net income for two-child households, would be computed in the following manner:

	Annual Net Income Ranges	
Income midpoints	\$35,000	\$45,000
Midpoint difference	\$10,000	
Support proportion	33.19%	31.26%
Support obligation	\$11,617	\$14,067
Obligation difference	\$2,450	
Marginal proportion	24.5%	

Using the example above of one two-child household with \$39,900 and another with \$40,100 of annual net income, support obligations using the marginal proportion approach results in a annual support obligation for the lower income household of \$12,818 (\$1,068 per month) compared to \$12,867 for the higher income household (\$1,072 per month).

Translating Gross to Net Income

Since the table of support proportions is defined in terms of net income, it can be applied regardless of how tax structures change. To use the table to develop a schedule of support obligations, however, requires that the tax structure be defined so that net income can be calculated. It would, of course, be possible to discard the support schedule and use the table of support proportions to compute a support obligation for each individual household. This approach would be able to accommodate the unique tax situation of each household. Yet, it would also involve complexities in terms of the time required to gather all the relevant information and the staff to administer the process.

The support schedule defined in this report represents a general approach to computing support obligations that can be applied quickly and easily. As with other general approaches, however, it has limitations, the greatest being that it requires assumptions about how to measure gross income and how to estimate net income from a given gross income.



Measuring Gross Income

The assumptions made about gross income are that it is all taxable and that it is taxable at the same rate. That is, all income is treated as if it is earned income subject to federal withholding and FICA taxes. Tax rates prevailing in 2004 were used to convert gross income to net.

The following sources and assumptions were used to estimate taxes for a given gross income. The percentage tax schedule used by employers to withhold income tax and FICA was the basis for calculating withholding.

- Using the employer schedule, taxes are computed assuming (1) all income is earned by the non-custodial parent (i.e., the tax rates for a single person are used); and 2) two withholding allowances, based on instructions in the employer tax guide. (The use of two withholding allowances simulates the effect of one standard deduction and one exemption allowed when filing personal income tax returns). Income tax and FICA rates defined in the 2004 employer schedule were used to estimate total taxes on a given gross income.
- Beginning in calendar year 1994, the Earned Income Tax Credit is available to single wage earners. However, in 2004, the advanced credit is not available for individuals without qualifying children.

Impact of Assumptions on Net Income

If anything, the generalized approach to computing net income from gross income underestimates total household net income. The reason is that accounting for the income of two parents and/or additional exemptions for children reduces total income taxes and thus increases net income. The result is that total support obligations using the table of support proportions are usually higher when an attempt is made to accommodate the actual tax situation of individual households.

Table I-4

Parental Expenditures on Children					
Net Income Ranges	Expenditures on Children as a % of Total Consumption Expenditures (Rothbarth Parameters)			Child Care \$ as a % of Consumption (per child)	Medical \$ as a % of Consumption
	One Child	Two Children	Three Children		
Less than \$10,000	27.40%	38.60%	45.00%	0.29%	2.16%
\$10,000 - \$15,000	26.75%	38.09%	44.37%	0.72%	1.93%
\$15,000 - \$20,000	26.65%	37.88%	44.05%	0.73%	2.64%
\$20,000 - \$25,000	26.54%	37.62%	43.84%	0.69%	2.64%
\$25,000 - \$30,000	26.39%	37.31%	43.54%	0.71%	3.11%
\$30,000 - \$40,000	26.04%	36.62%	42.61%	1.19%	2.86%
\$40,000 - \$50,000	25.57%	35.83%	41.50%	1.67%	3.43%
\$50,000 - \$60,000	25.27%	35.04%	40.46%	1.53%	3.02%
\$60,000 - \$75,000	24.76%	34.22%	39.37%	1.67%	2.99%
\$75,000 - \$100,000	24.13%	33.01%	37.66%	1.62%	2.69%
\$100,000 +	22.55%	31.57%	35.45%	1.66%	2.89%

Table I-5

CHILD EXPENDITURES AS A PROPORTION OF NET INCOME Based on Betson/Rothbarth Estimates				
Net Income Range	EC/C (2 children)	CC/C	M/C	EC*/NI
Less than \$10,000	38.60%	.58%	.83%	37.19%
\$10,000 - \$15,000	38.09%	1.44%	.74%	35.91%
\$15,000 - \$20,000	37.88%	1.46%	1.00%	35.42%
\$20,000 - \$25,000	37.62%	1.38%	.99%	35.25%
\$25,000 - \$30,000	37.31%	1.42%	1.16%	34.73%
\$30,000 - \$40,000	36.62%	2.38%	1.05%	33.19%
\$40,000 - \$50,000	35.83%	3.34%	1.23%	31.26%
\$50,000 - \$60,000	35.04%	3.06%	1.06%	30.92%
\$60,000 - \$75,000	34.22%	3.34%	1.02%	29.86%
\$75,000 - \$100,000	33.01%	3.24%	.89%	28.88%
\$100,000 +	31.57%	3.32%	.91%	27.34%

EC/C = Expenditures on children as a proportion of consumption expenditures

CC/C = Child care expenditures as a proportion of consumption expenditures

M/C = Medical expenditures as a proportion of consumption expenditures

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

Table I-6

TABLE OF SUPPORT PROPORTIONS Rothbarth Parameters (NAS Multipliers)								
Net Income Ranges	Number of Children							
	One	Two	Three	Four	Five	Six	Seven	Eight
Less than \$10,000	0.2652	0.3719	0.4316	0.4812	0.5293	0.5759	0.6208	0.6643
\$10,000 - \$15,000	0.2551	0.3591	0.4135	0.4611	0.5072	0.5518	0.5949	0.6365
\$15,000 - \$20,000	0.2522	0.3542	0.4070	0.4538	0.4991	0.5431	0.5854	0.6264
\$20,000 - \$25,000	0.2515	0.3525	0.4061	0.4528	0.4981	0.5419	0.5842	0.6251
\$25,000 - \$30,000	0.2486	0.3473	0.4006	0.4466	0.4913	0.5345	0.5762	0.6165
\$30,000 - \$40,000	0.2411	0.3319	0.3782	0.4217	0.4639	0.5047	0.5441	0.5822
\$40,000 - \$50,000	0.2302	0.3126	0.3507	0.3910	0.4301	0.4679	0.5044	0.5397
\$50,000 - \$60,000	0.2298	0.3092	0.3465	0.3863	0.4250	0.4624	0.4984	0.5333
\$60,000 - \$75,000	0.2235	0.2986	0.3318	0.3700	0.4070	0.4428	0.4773	0.5108
\$75,000 - \$100,000	0.2186	0.2888	0.3179	0.3544	0.3899	0.4242	0.4573	0.4893
\$100,000 +	0.2024	0.2734	0.2945	0.3283	0.3611	0.3929	0.4236	0.4532

Table I-6

TABLE OF SUPPORT PROPORTIONS Rothbarth Parameters (NAS Multipliers)							
Net Income Ranges	Number of Children						
	Nine	Ten	Eleven	Twelve	Thirteen	Fourteen	Fifteen
Less than \$10,000	0.7061	0.7478	0.7882	0.8268	0.8657	0.9046	0.9417
\$10,000 - \$15,000	0.6766	0.7165	0.7552	0.7922	0.8295	0.8668	0.9023
\$15,000 - \$20,000	0.6659	0.7052	0.7432	0.7797	0.8163	0.8530	0.8880
\$20,000 - \$25,000	0.6645	0.7037	0.7417	0.7780	0.8146	0.8513	0.8862
\$25,000 - \$30,000	0.6554	0.6941	0.7315	0.7674	0.8034	0.8396	0.8740
\$30,000 - \$40,000	0.6188	0.6553	0.6907	0.7246	0.7586	0.7928	0.8253
\$40,000 - \$50,000	0.5738	0.6076	0.6404	0.6718	0.7034	0.7350	0.7652
\$50,000 - \$60,000	0.5669	0.6004	0.6328	0.6638	0.6950	0.7263	0.7560
\$60,000 - \$75,000	0.5429	0.5750	0.6060	0.6357	0.6656	0.6955	0.7241
\$75,000 - \$100,000	0.5201	0.5508	0.5805	0.6090	0.6376	0.6663	0.6936
\$100,000 +	0.4818	0.5102	0.5378	0.5641	0.5906	0.6172	0.6425



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**Appendix II
Gross to Net Income
Conversion Table**



Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range		Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income
0.00	-	0.00	0.00	0.00	0.00	0.00
75.00	-	124.99	0.00	0.00	7.65	92.35
175.00	-	224.99	0.00	0.00	15.30	184.70
275.00	-	324.99	0.00	0.00	22.95	277.05
375.00	-	424.99	0.00	0.00	30.60	369.40
475.00	-	524.99	0.00	0.00	38.25	461.75
575.00	-	624.99	83.34	0.00	45.90	554.10
675.00	-	724.99	183.34	0.00	53.55	646.45
775.00	-	824.99	283.34	6.23	61.20	732.57
875.00	-	924.99	383.34	16.23	68.85	814.92
975.00	-	1024.99	483.34	26.23	76.50	897.27
1075.00	-	1124.99	583.34	36.23	84.15	979.62
1125.00	-	1174.99	633.34	41.23	87.98	1020.79
1175.00	-	1224.99	683.34	46.23	91.80	1061.97
1225.00	-	1274.99	733.34	51.23	95.63	1103.14
1275.00	-	1324.99	783.34	56.23	99.45	1144.32
1325.00	-	1374.99	833.34	62.50	103.28	1184.22
1375.00	-	1424.99	883.34	70.00	107.10	1222.90
1425.00	-	1474.99	933.34	77.50	110.93	1261.57
1475.00	-	1524.99	983.34	85.00	114.75	1300.25
1525.00	-	1574.99	1033.34	92.50	118.58	1338.92
1575.00	-	1624.99	1083.34	100.00	122.40	1377.60
1625.00	-	1674.99	1133.34	107.50	126.23	1416.27
1675.00	-	1724.99	1183.34	115.00	130.05	1454.95
1725.00	-	1774.99	1233.34	122.50	133.88	1493.62
1775.00	-	1824.99	1283.34	130.00	137.70	1532.30
1825.00	-	1874.99	1333.34	137.50	141.53	1570.97
1875.00	-	1924.99	1383.34	145.00	145.35	1609.65
1925.00	-	1974.99	1433.34	152.50	149.18	1648.32
1975.00	-	2024.99	1483.34	160.00	153.00	1687.00
2025.00	-	2074.99	1533.34	167.50	156.83	1725.67
2075.00	-	2124.99	1583.34	175.00	160.65	1764.35
2125.00	-	2174.99	1633.34	182.50	164.48	1803.02
2175.00	-	2224.99	1683.34	190.00	168.30	1841.70
2225.00	-	2274.99	1733.34	197.50	172.13	1880.37
2275.00	-	2324.99	1783.34	205.00	175.95	1919.05
2325.00	-	2374.99	1833.34	212.50	179.78	1957.72
2375.00	-	2424.99	1883.34	220.00	183.60	1996.40
2425.00	-	2474.99	1933.34	227.50	187.43	2035.07
2475.00	-	2524.99	1983.34	235.00	191.25	2073.75
2525.00	-	2574.99	2033.34	242.50	195.08	2112.42
2575.00	-	2624.99	2083.34	250.00	198.90	2151.10

Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range		Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income	
2625.00	-	2674.99	2133.34	257.50	202.73	460.23	2189.77
2675.00	-	2724.99	2183.34	265.00	206.55	471.55	2228.45
2725.00	-	2774.99	2233.34	272.50	210.38	482.88	2267.12
2775.00	-	2824.99	2283.34	280.00	214.20	494.20	2305.80
2825.00	-	2874.99	2333.34	287.50	218.03	505.53	2344.47
2875.00	-	2924.99	2383.34	295.00	221.85	516.85	2383.15
2925.00	-	2974.99	2433.34	302.50	225.68	528.18	2421.82
2975.00	-	3024.99	2483.34	310.00	229.50	539.50	2460.50
3025.00	-	3074.99	2533.34	317.50	233.33	550.83	2499.17
3075.00	-	3124.99	2583.34	326.64	237.15	563.79	2536.22
3125.00	-	3174.99	2633.34	339.14	240.98	580.11	2569.89
3175.00	-	3224.99	2683.34	351.64	244.80	596.44	2603.57
3225.00	-	3274.99	2733.34	364.14	248.63	612.76	2637.24
3275.00	-	3324.99	2783.34	376.64	252.45	629.09	2670.92
3325.00	-	3374.99	2833.34	389.14	256.28	645.41	2704.59
3375.00	-	3424.99	2883.34	401.64	260.10	661.74	2738.27
3425.00	-	3474.99	2933.34	414.14	263.93	678.06	2771.94
3475.00	-	3524.99	2983.34	426.64	267.75	694.39	2805.62
3525.00	-	3574.99	3033.34	439.14	271.58	710.71	2839.29
3575.00	-	3624.99	3083.34	451.64	275.40	727.04	2872.97
3625.00	-	3674.99	3133.34	464.14	279.23	743.36	2906.64
3675.00	-	3724.99	3183.34	476.64	283.05	759.69	2940.32
3725.00	-	3774.99	3233.34	489.14	286.88	776.01	2973.99
3775.00	-	3824.99	3283.34	501.64	290.70	792.34	3007.67
3825.00	-	3874.99	3333.34	514.14	294.53	808.66	3041.34
3875.00	-	3924.99	3383.34	526.64	298.35	824.99	3075.02
3925.00	-	3974.99	3433.34	539.14	302.18	841.31	3108.69
3975.00	-	4024.99	3483.34	551.64	306.00	857.64	3142.37
4025.00	-	4074.99	3533.34	564.14	309.83	873.96	3176.04
4075.00	-	4124.99	3583.34	576.64	313.65	890.29	3209.72
4125.00	-	4174.99	3633.34	589.14	317.48	906.61	3243.39
4175.00	-	4224.99	3683.34	601.64	321.30	922.94	3277.07
4225.00	-	4274.99	3733.34	614.14	325.13	939.26	3310.74
4275.00	-	4324.99	3783.34	626.64	328.95	955.59	3344.42
4325.00	-	4374.99	3833.34	639.14	332.78	971.91	3378.09
4375.00	-	4424.99	3883.34	651.64	336.60	988.24	3411.77
4425.00	-	4474.99	3933.34	664.14	340.43	1004.56	3445.44
4475.00	-	4524.99	3983.34	676.64	344.25	1020.89	3479.12
4525.00	-	4574.99	4033.34	689.14	348.08	1037.21	3512.79
4575.00	-	4624.99	4083.34	701.64	351.90	1053.54	3546.47
4625.00	-	4674.99	4133.34	714.14	355.73	1069.86	3580.14
4675.00	-	4724.99	4183.34	726.64	359.55	1086.19	3613.82
4725.00	-	4774.99	4233.34	739.14	363.38	1102.51	3647.49

Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range		Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income	
4775.00	-	4824.99	4283.34	751.64	367.20	1118.84	3681.17
4825.00	-	4874.99	4333.34	764.14	371.03	1135.16	3714.84
4875.00	-	4924.99	4383.34	776.64	374.85	1151.49	3748.52
4925.00	-	4974.99	4433.34	789.14	378.68	1167.81	3782.19
4975.00	-	5024.99	4483.34	801.64	382.50	1184.14	3815.87
5025.00	-	5074.99	4533.34	814.14	386.33	1200.46	3849.54
5075.00	-	5124.99	4583.34	826.64	390.15	1216.79	3883.22
5125.00	-	5174.99	4633.34	839.14	393.98	1233.11	3916.89
5175.00	-	5224.99	4683.34	851.64	397.80	1249.44	3950.57
5225.00	-	5274.99	4733.34	864.14	401.63	1265.76	3984.24
5275.00	-	5324.99	4783.34	876.64	405.45	1282.09	4017.92
5325.00	-	5374.99	4833.34	889.14	409.28	1298.41	4051.59
5375.00	-	5424.99	4883.34	901.64	413.10	1314.74	4085.27
5425.00	-	5474.99	4933.34	914.14	416.93	1331.06	4118.94
5475.00	-	5524.99	4983.34	926.64	420.75	1347.39	4152.62
5525.00	-	5574.99	5033.34	939.14	424.58	1363.71	4186.29
5575.00	-	5624.99	5083.34	951.64	428.40	1380.04	4219.97
5625.00	-	5674.99	5133.34	964.14	432.23	1396.36	4253.64
5675.00	-	5724.99	5183.34	976.64	436.05	1412.69	4287.32
5725.00	-	5774.99	5233.34	989.14	439.88	1429.01	4320.99
5775.00	-	5824.99	5283.34	1001.64	443.70	1445.34	4354.67
5825.00	-	5874.99	5333.34	1014.14	447.53	1461.66	4388.34
5875.00	-	5924.99	5383.34	1026.64	451.35	1477.99	4422.02
5925.00	-	5974.99	5433.34	1039.14	455.18	1494.31	4455.69
5975.00	-	6024.99	5483.34	1051.64	459.00	1510.64	4489.37
6025.00	-	6074.99	5533.34	1064.14	462.83	1526.96	4523.04
6075.00	-	6124.99	5583.34	1076.64	466.65	1543.29	4556.72
6125.00	-	6174.99	5633.34	1089.14	470.48	1559.61	4590.39
6175.00	-	6224.99	5683.34	1101.64	474.30	1575.94	4624.07
6225.00	-	6274.99	5733.34	1114.90	478.13	1593.02	4656.98
6275.00	-	6324.99	5783.34	1128.90	481.95	1610.85	4689.15
6325.00	-	6374.99	5833.34	1142.90	485.78	1628.67	4721.33
6375.00	-	6424.99	5883.34	1156.90	489.60	1646.50	4753.50
6425.00	-	6474.99	5933.34	1170.90	493.43	1664.32	4785.68
6475.00	-	6524.99	5983.34	1184.90	497.25	1682.15	4817.85
6525.00	-	6574.99	6033.34	1198.90	501.08	1699.97	4850.03
6575.00	-	6624.99	6083.34	1212.90	504.90	1717.80	4882.20
6625.00	-	6674.99	6133.34	1226.90	508.73	1735.62	4914.38
6675.00	-	6724.99	6183.34	1240.90	512.55	1753.45	4946.55
6725.00	-	6774.99	6233.34	1254.90	516.38	1771.27	4978.73
6775.00	-	6824.99	6283.34	1268.90	520.20	1789.10	5010.90
6825.00	-	6874.99	6333.34	1282.90	524.03	1806.92	5043.08
6875.00	-	6924.99	6383.34	1296.90	527.85	1824.75	5075.25

Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range		Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income	
6925.00	-	6974.99	6433.34	1310.90	531.68	1842.57	5107.43
6975.00	-	7024.99	6483.34	1324.90	535.50	1860.40	5139.60
7025.00	-	7074.99	6533.34	1338.90	539.33	1878.22	5171.78
7075.00	-	7124.99	6583.34	1352.90	543.15	1896.05	5203.95
7125.00	-	7174.99	6633.34	1366.90	546.98	1913.87	5236.13
7175.00	-	7224.99	6683.34	1380.90	550.80	1931.70	5268.30
7225.00	-	7274.99	6733.34	1394.90	554.63	1949.52	5300.48
7275.00	-	7324.99	6783.34	1408.90	558.45	1967.35	5332.65
7325.00	-	7374.99	6833.34	1422.90	560.72	1983.62	5366.38
7375.00	-	7424.99	6883.34	1436.90	561.45	1998.34	5401.66
7425.00	-	7474.99	6933.34	1450.90	562.17	2013.07	5436.93
7475.00	-	7524.99	6983.34	1464.90	562.90	2027.79	5472.21
7525.00	-	7574.99	7033.34	1478.90	563.62	2042.52	5507.48
7575.00	-	7624.99	7083.34	1492.90	564.35	2057.24	5542.76
7625.00	-	7674.99	7133.34	1506.90	565.07	2071.97	5578.03
7675.00	-	7724.99	7183.34	1520.90	565.80	2086.69	5613.31
7725.00	-	7774.99	7233.34	1534.90	566.52	2101.42	5648.58
7775.00	-	7824.99	7283.34	1548.90	567.25	2116.14	5683.86
7825.00	-	7874.99	7333.34	1562.90	567.97	2130.87	5719.13
7875.00	-	7924.99	7383.34	1576.90	568.70	2145.59	5754.41
7925.00	-	7974.99	7433.34	1590.90	569.42	2160.32	5789.68
7975.00	-	8024.99	7483.34	1604.90	570.15	2175.04	5824.96
8025.00	-	8074.99	7533.34	1618.90	570.87	2189.77	5860.23
8075.00	-	8124.99	7583.34	1632.90	571.60	2204.49	5895.51
8125.00	-	8174.99	7633.34	1646.90	572.32	2219.22	5930.78
8175.00	-	8224.99	7683.34	1660.90	573.05	2233.94	5966.06
8225.00	-	8274.99	7733.34	1674.90	573.77	2248.67	6001.33
8275.00	-	8324.99	7783.34	1688.90	574.50	2263.39	6036.61
8325.00	-	8374.99	7833.34	1702.90	575.22	2278.12	6071.88
8375.00	-	8424.99	7883.34	1716.90	575.95	2292.84	6107.16
8425.00	-	8474.99	7933.34	1730.90	576.67	2307.57	6142.43
8475.00	-	8524.99	7983.34	1744.90	577.40	2322.29	6177.71
8525.00	-	8574.99	8033.34	1758.90	578.12	2337.02	6212.98
8575.00	-	8624.99	8083.34	1772.90	578.85	2351.74	6248.26
8625.00	-	8674.99	8133.34	1786.90	579.57	2366.47	6283.53
8675.00	-	8724.99	8183.34	1800.90	580.30	2381.19	6318.81
8725.00	-	8774.99	8233.34	1814.90	581.02	2395.92	6354.08
8775.00	-	8824.99	8283.34	1828.90	581.75	2410.64	6389.36
8825.00	-	8874.99	8333.34	1842.90	582.47	2425.37	6424.63
8875.00	-	8924.99	8383.34	1856.90	583.20	2440.09	6459.91
8925.00	-	8974.99	8433.34	1870.90	583.92	2454.82	6495.18
8975.00	-	9024.99	8483.34	1884.90	584.65	2469.54	6530.46
9025.00	-	9074.99	8533.34	1898.90	585.37	2484.27	6565.73

Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range		Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income	
9075.00	-	9124.99	8583.34	1912.90	586.10	2498.99	6601.01
9125.00	-	9174.99	8633.34	1926.90	586.82	2513.72	6636.28
9175.00	-	9224.99	8683.34	1940.90	587.55	2528.44	6671.56
9225.00	-	9274.99	8733.34	1954.90	588.27	2543.17	6706.83
9275.00	-	9324.99	8783.34	1968.90	589.00	2557.89	6742.11
9325.00	-	9374.99	8833.34	1982.90	589.72	2572.62	6777.38
9375.00	-	9424.99	8883.34	1996.90	590.45	2587.34	6812.66
9425.00	-	9474.99	8933.34	2010.90	591.17	2602.07	6847.93
9475.00	-	9524.99	8983.34	2024.90	591.90	2616.79	6883.21
9525.00	-	9574.99	9033.34	2038.90	592.62	2631.52	6918.48
9575.00	-	9624.99	9083.34	2052.90	593.35	2646.24	6953.76
9625.00	-	9674.99	9133.34	2066.90	594.07	2660.97	6989.03
9675.00	-	9724.99	9183.34	2080.90	594.80	2675.69	7024.31
9725.00	-	9774.99	9233.34	2094.90	595.52	2690.42	7059.58
9775.00	-	9824.99	9283.34	2108.90	596.25	2705.14	7094.86
9825.00	-	9874.99	9333.34	2122.90	596.97	2719.87	7130.13
9875.00	-	9924.99	9383.34	2136.90	597.70	2734.59	7165.41
9925.00	-	9974.99	9433.34	2150.90	598.42	2749.32	7200.68
9975.00	-	10024.99	9483.34	2164.90	599.15	2764.04	7235.96
10025.00	-	10074.99	9533.34	2178.90	599.87	2778.77	7271.23
10075.00	-	10124.99	9583.34	2192.90	600.60	2793.49	7306.51
10125.00	-	10174.99	9633.34	2206.90	601.32	2808.22	7341.78
10175.00	-	10224.99	9683.34	2220.90	602.05	2822.94	7377.06
10225.00	-	10274.99	9733.34	2234.90	602.77	2837.67	7412.33
10275.00	-	10324.99	9783.34	2248.90	603.50	2852.39	7447.61
10325.00	-	10374.99	9833.34	2262.90	604.22	2867.12	7482.88
10375.00	-	10424.99	9883.34	2276.90	604.95	2881.84	7518.16
10425.00	-	10474.99	9933.34	2290.90	605.67	2896.57	7553.43
10475.00	-	10524.99	9983.34	2304.90	606.40	2911.29	7588.71
10525.00	-	10574.99	10033.34	2318.90	607.12	2926.02	7623.98
10575.00	-	10624.99	10083.34	2332.90	607.85	2940.74	7659.26
10625.00	-	10674.99	10133.34	2346.90	608.57	2955.47	7694.53
10675.00	-	10724.99	10183.34	2360.90	609.30	2970.19	7729.81
10725.00	-	10774.99	10233.34	2374.90	610.02	2984.92	7765.08
10775.00	-	10824.99	10283.34	2388.90	610.75	2999.64	7800.36
10825.00	-	10874.99	10333.34	2402.90	611.47	3014.37	7835.63
10875.00	-	10924.99	10383.34	2416.90	612.20	3029.09	7870.91
10925.00	-	10974.99	10433.34	2430.90	612.92	3043.82	7906.18
10975.00	-	11024.99	10483.34	2444.90	613.65	3058.54	7941.46
11025.00	-	11074.99	10533.34	2458.90	614.37	3073.27	7976.73
11075.00	-	11124.99	10583.34	2472.90	615.10	3087.99	8012.01
11125.00	-	11174.99	10633.34	2486.90	615.82	3102.72	8047.28
11175.00	-	11224.99	10683.34	2500.90	616.55	3117.44	8082.56

Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range			Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income
11225.00	-	11274.99	10733.34	2514.90	617.27	3132.17	8117.83
11275.00	-	11324.99	10783.34	2528.90	618.00	3146.89	8153.11
11325.00	-	11374.99	10833.34	2542.90	618.72	3161.62	8188.38
11375.00	-	11424.99	10883.34	2556.90	619.45	3176.34	8223.66
11425.00	-	11474.99	10933.34	2570.90	620.17	3191.07	8258.93
11475.00	-	11524.99	10983.34	2584.90	620.90	3205.79	8294.21
11525.00	-	11574.99	11033.34	2598.90	621.62	3220.52	8329.48
11575.00	-	11624.99	11083.34	2612.90	622.35	3235.24	8364.76
11625.00	-	11674.99	11133.34	2626.90	623.07	3249.97	8400.03
11675.00	-	11724.99	11183.34	2640.90	623.80	3264.69	8435.31
11725.00	-	11774.99	11233.34	2654.90	624.52	3279.42	8470.58
11775.00	-	11824.99	11283.34	2668.90	625.25	3294.14	8505.86
11825.00	-	11874.99	11333.34	2682.90	625.97	3308.87	8541.13
11875.00	-	11924.99	11383.34	2696.90	626.70	3323.59	8576.41
11925.00	-	11974.99	11433.34	2710.90	627.42	3338.32	8611.68
11975.00	-	12024.99	11483.34	2724.90	628.15	3353.04	8646.96
12025.00	-	12074.99	11533.34	2738.90	628.87	3367.77	8682.23
12075.00	-	12124.99	11583.34	2752.90	629.60	3382.49	8717.51
12125.00	-	12174.99	11633.34	2766.90	630.32	3397.22	8752.78
12175.00	-	12224.99	11683.34	2780.90	631.05	3411.94	8788.06
12225.00	-	12274.99	11733.34	2794.90	631.77	3426.67	8823.33
12275.00	-	12324.99	11783.34	2808.90	632.50	3441.39	8858.61
12325.00	-	12374.99	11833.34	2822.90	633.22	3456.12	8893.88
12375.00	-	12424.99	11883.34	2836.90	633.95	3470.84	8929.16
12425.00	-	12474.99	11933.34	2850.90	634.67	3485.57	8964.43
12475.00	-	12524.99	11983.34	2864.90	635.40	3500.29	8999.71
12525.00	-	12574.99	12033.34	2878.90	636.12	3515.02	9034.98
12575.00	-	12624.99	12083.34	2892.90	636.85	3529.74	9070.26
12625.00	-	12674.99	12133.34	2906.90	637.57	3544.47	9105.53
12675.00	-	12724.99	12183.34	2920.90	638.30	3559.19	9140.81
12725.00	-	12774.99	12233.34	2934.90	639.02	3573.92	9176.08
12775.00	-	12824.99	12283.34	2948.90	639.75	3588.64	9211.36
12825.00	-	12874.99	12333.34	2962.90	640.47	3603.37	9246.63
12875.00	-	12924.99	12383.34	2976.90	641.20	3618.09	9281.91
12925.00	-	12974.99	12433.34	2992.96	641.92	3634.88	9315.12
12975.00	-	13024.99	12483.34	3009.46	642.65	3652.11	9347.89
13025.00	-	13074.99	12533.34	3025.96	643.37	3669.33	9380.67
13075.00	-	13124.99	12583.34	3042.46	644.10	3686.56	9413.44
13125.00	-	13174.99	12633.34	3058.96	644.82	3703.78	9446.22
13175.00	-	13224.99	12683.34	3075.46	645.55	3721.01	9478.99
13225.00	-	13274.99	12733.34	3091.96	646.27	3738.23	9511.77
13275.00	-	13324.99	12783.34	3108.46	647.00	3755.46	9544.54
13325.00	-	13374.99	12833.34	3124.96	647.72	3772.68	9577.32

Guam
2004 FEDERAL TAXES
GROSS TO NET INCOME CONVERSION TABLE

Gross Income Range		Taxable Income	Federal Tax	FICA	Total Taxes	Net Monthly Income	
13375.00	-	13424.99	12883.34	3141.46	648.45	3789.91	9610.09
13425.00	-	13474.99	12933.34	3157.96	649.17	3807.13	9642.87
13475.00	-	13524.99	12983.34	3174.46	649.90	3824.36	9675.64
13525.00	-	13574.99	13033.34	3190.96	650.62	3841.58	9708.42
13575.00	-	13624.99	13083.34	3207.46	651.35	3858.81	9741.19
13625.00	-	13674.99	13133.34	3223.96	652.07	3876.03	9773.97
13675.00	-	13724.99	13183.34	3240.46	652.80	3893.26	9806.74
13725.00	-	13774.99	13233.34	3256.96	653.52	3910.48	9839.52
13775.00	-	13824.99	13283.34	3273.46	654.25	3927.71	9872.29
13825.00	-	13874.99	13333.34	3289.96	654.97	3944.93	9905.07
13875.00	-	13924.99	13383.34	3306.46	655.70	3962.16	9937.84
13925.00	-	13974.99	13433.34	3322.96	656.42	3979.38	9970.62
13975.00	-	14024.99	13483.34	3339.46	657.15	3996.61	10003.39
14025.00	-	14074.99	13533.34	3355.96	657.87	4013.83	10036.17
14075.00	-	14124.99	13583.34	3372.46	658.60	4031.06	10068.94
14125.00	-	14174.99	13633.34	3388.96	659.32	4048.28	10101.72
14175.00	-	14224.99	13683.34	3405.46	660.05	4065.51	10134.49
14225.00	-	14274.99	13733.34	3421.96	660.77	4082.73	10167.27
14275.00	-	14324.99	13783.34	3438.46	661.50	4099.96	10200.04
14325.00	-	14374.99	13833.34	3454.96	662.22	4117.18	10232.82
14375.00	-	14424.99	13883.34	3471.46	662.95	4134.41	10265.59
14425.00	-	14474.99	13933.34	3487.96	663.67	4151.63	10298.37
14475.00	-	14524.99	13983.34	3504.46	664.40	4168.86	10331.14
14525.00	-	14574.99	14033.34	3520.96	665.12	4186.08	10363.92
14575.00	-	14624.99	14083.34	3537.46	665.85	4203.31	10396.69
14625.00	-	14674.99	14133.34	3553.96	666.57	4220.53	10429.47
14675.00	-	14724.99	14183.34	3570.46	667.30	4237.76	10462.24
14725.00	-	14774.99	14233.34	3586.96	668.02	4254.98	10495.02
14775.00	-	14824.99	14283.34	3603.46	668.75	4272.21	10527.79
14825.00	-	14874.99	14333.34	3619.96	669.47	4289.43	10560.57
14875.00	-	14924.99	14383.34	3636.46	670.20	4306.66	10593.34
14925.00	-	14974.99	14433.34	3652.96	670.92	4323.88	10626.12
14975.00	-	15024.99	14483.34	3669.46	671.65	4341.11	10658.89



Performance. Service. Integrity.

**Appendix III
Alternative Updated
Schedule Using Guam
Multipliers**

Guam
Updated Schedule of Basic Child Support Obligations (Guam Multipliers)

COMBINED ADJUSTED GROSS INCOME	ONE CHILD		TWO CHILDREN		THREE CHILDREN		FOUR CHILDREN		FIVE CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
0-499	0.24		0.34		0.40		0.44		0.49	
500.00	0.24	122	0.34	171	0.40	198	0.44	218	0.47	234
600.00	0.24	145	0.34	203	0.39	235	0.43	259	0.46	278
700.00	0.24	168	0.34	236	0.39	272	0.43	299	0.46	322
800.00	0.24	189	0.33	266	0.38	307	0.42	337	0.45	363
900.00	0.23	209	0.33	295	0.38	340	0.42	374	0.45	402
1000.00	0.23	230	0.32	323	0.37	373	0.41	410	0.44	441
1100.00	0.23	250	0.32	352	0.37	406	0.41	446	0.44	480
1200.00	0.23	271	0.32	381	0.37	439	0.40	483	0.43	519
1300.00	0.22	291	0.31	409	0.36	471	0.40	518	0.43	557
1400.00	0.22	310	0.31	436	0.36	502	0.39	552	0.42	593
1500.00	0.22	329	0.31	463	0.35	532	0.39	585	0.42	629
1600.00	0.22	348	0.31	489	0.35	562	0.39	618	0.42	665
1700.00	0.22	367	0.30	515	0.35	592	0.38	651	0.41	700
1800.00	0.21	386	0.30	542	0.35	623	0.38	686	0.41	737
1900.00	0.21	405	0.30	569	0.34	655	0.38	720	0.41	774
2000.00	0.21	425	0.30	596	0.34	686	0.38	754	0.41	811
2100.00	0.21	444	0.30	623	0.34	717	0.38	789	0.40	848
2200.00	0.21	463	0.30	649	0.34	748	0.37	823	0.40	885
2300.00	0.21	482	0.29	675	0.34	778	0.37	856	0.40	920
2400.00	0.21	500	0.29	700	0.34	807	0.37	888	0.40	954
2500.00	0.21	518	0.29	725	0.33	836	0.37	920	0.40	989
2600.00	0.21	537	0.29	750	0.33	865	0.37	952	0.39	1023
2700.00	0.21	555	0.29	775	0.33	894	0.36	984	0.39	1057
2800.00	0.20	573	0.29	800	0.33	922	0.36	1014	0.39	1090
2900.00	0.20	589	0.28	821	0.33	945	0.36	1040	0.39	1118
3000.00	0.20	606	0.28	842	0.32	968	0.35	1065	0.38	1145
3100.00	0.20	622	0.28	863	0.32	990	0.35	1089	0.38	1171
3200.00	0.20	636	0.28	882	0.32	1010	0.35	1111	0.37	1195
3300.00	0.20	651	0.27	900	0.31	1030	0.34	1133	0.37	1218
3400.00	0.20	665	0.27	919	0.31	1050	0.34	1155	0.37	1242
3500.00	0.19	679	0.27	938	0.31	1070	0.34	1177	0.36	1266
3600.00	0.19	694	0.27	956	0.30	1090	0.33	1199	0.36	1289
3700.00	0.19	708	0.26	974	0.30	1109	0.33	1220	0.35	1312
3800.00	0.19	721	0.26	990	0.30	1126	0.33	1239	0.35	1332
3900.00	0.19	734	0.26	1007	0.29	1143	0.32	1258	0.35	1352
4000.00	0.19	746	0.26	1023	0.29	1161	0.32	1277	0.34	1372
4100.00	0.19	759	0.25	1040	0.29	1178	0.32	1295	0.34	1393
4200.00	0.18	772	0.25	1056	0.28	1195	0.31	1314	0.34	1413
4300.00	0.18	785	0.25	1073	0.28	1212	0.31	1333	0.33	1433
4400.00	0.18	798	0.25	1089	0.28	1229	0.31	1352	0.33	1453
4500.00	0.18	811	0.25	1106	0.28	1246	0.30	1371	0.33	1474
4600.00	0.18	824	0.24	1122	0.27	1263	0.30	1390	0.32	1494
4700.00	0.18	837	0.24	1139	0.27	1280	0.30	1408	0.32	1514
4800.00	0.18	850	0.24	1155	0.27	1297	0.30	1427	0.32	1534
4900.00	0.18	863	0.24	1172	0.27	1315	0.30	1446	0.32	1555
5000.00	0.18	878	0.24	1192	0.27	1337	0.29	1470	0.32	1581
5250.00	0.17	917	0.24	1241	0.27	1392	0.29	1531	0.31	1646
5500.00	0.17	955	0.23	1291	0.26	1447	0.29	1592	0.31	1711
5750.00	0.17	993	0.23	1340	0.26	1502	0.29	1652	0.31	1776
6000.00	0.17	1032	0.23	1390	0.26	1557	0.29	1713	0.31	1841
6250.00	0.17	1068	0.23	1436	0.26	1608	0.28	1769	0.30	1901

Guam
Updated Schedule of Basic Child Support Obligations (Guam Multipliers)

COMBINED ADJUSTED GROSS INCOME	ONE CHILD		TWO CHILDREN		THREE CHILDREN		FOUR CHILDREN		FIVE CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
6500.00	0.17	1099	0.23	1476	0.25	1651	0.28	1816	0.30	1952
6750.00	0.17	1131	0.22	1517	0.25	1694	0.28	1863	0.30	2003
7000.00	0.17	1162	0.22	1557	0.25	1737	0.27	1910	0.29	2054
7250.00	0.16	1194	0.22	1598	0.25	1780	0.27	1958	0.29	2105
7500.00	0.16	1227	0.22	1641	0.24	1826	0.27	2008	0.29	2159
7750.00	0.16	1262	0.22	1685	0.24	1873	0.27	2060	0.29	2215
8000.00	0.16	1298	0.22	1731	0.24	1921	0.26	2113	0.28	2271
8250.00	0.16	1333	0.22	1776	0.24	1968	0.26	2165	0.28	2328
8500.00	0.16	1369	0.21	1821	0.24	2016	0.26	2218	0.28	2384
8750.00	0.16	1405	0.21	1866	0.24	2064	0.26	2270	0.28	2441
9000.00	0.16	1440	0.21	1911	0.23	2112	0.26	2323	0.28	2497
9250.00	0.16	1476	0.21	1956	0.23	2159	0.26	2375	0.28	2554
9500.00	0.16	1511	0.21	2001	0.23	2207	0.26	2428	0.27	2610
9750.00	0.16	1547	0.21	2047	0.23	2255	0.25	2480	0.27	2666
10000.00	0.16	1583	0.21	2092	0.23	2303	0.25	2533	0.27	2723
10250.00	0.16	1615	0.21	2136	0.23	2349	0.25	2584	0.27	2778
10500.00	0.16	1647	0.21	2180	0.23	2395	0.25	2634	0.27	2832
10750.00	0.16	1678	0.21	2224	0.23	2440	0.25	2684	0.27	2885
11000.00	0.16	1709	0.21	2268	0.23	2486	0.25	2734	0.27	2939
11250.00	0.15	1741	0.21	2312	0.22	2531	0.25	2784	0.27	2993
11500.00	0.15	1772	0.20	2356	0.22	2577	0.25	2834	0.26	3047
11750.00	0.15	1803	0.20	2400	0.22	2622	0.25	2885	0.26	3101
12000.00	0.15	1834	0.20	2444	0.22	2668	0.24	2935	0.26	3155
12250.00	0.15	1866	0.20	2488	0.22	2713	0.24	2985	0.26	3209
12500.00	0.15	1897	0.20	2532	0.22	2759	0.24	3035	0.26	3262
12750.00	0.15	1928	0.20	2576	0.22	2805	0.24	3085	0.26	3316
13000.00	0.15	1959	0.20	2619	0.22	2849	0.24	3134	0.26	3369
13250.00	0.15	1988	0.20	2660	0.22	2891	0.24	3180	0.26	3419
13500.00	0.15	2017	0.20	2701	0.22	2934	0.24	3227	0.26	3469
13750.00	0.15	2046	0.20	2742	0.22	2976	0.24	3273	0.26	3519
14000.00	0.15	2075	0.20	2783	0.22	3018	0.24	3320	0.25	3569
14250.00	0.15	2104	0.20	2824	0.21	3061	0.24	3367	0.25	3619
14500.00	0.15	2133	0.20	2864	0.21	3103	0.24	3413	0.25	3669
14750.00	0.15	2162	0.20	2905	0.21	3145	0.23	3460	0.25	3719
15000.00	0.15	2191	0.20	2946	0.21	3188	0.23	3506	0.25	3769

Guam
Updated Schedule of Basic Child Support Obligations (Guam Multipliers)

COMBINED ADJUSTED GROSS INCOME	SIX CHILDREN		SEVEN CHILDREN		EIGHT CHILDREN		NINE CHILDREN		TEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
0-499	0.53		0.57		0.61		0.65		0.69	
500.00	0.49	243	0.50	252	0.51	255	0.52	258	0.52	261
600.00	0.48	289	0.50	299	0.50	303	0.51	307	0.52	310
700.00	0.48	335	0.49	346	0.50	351	0.51	355	0.51	359
800.00	0.47	377	0.49	390	0.49	395	0.50	400	0.51	405
900.00	0.46	418	0.48	432	0.49	438	0.49	443	0.50	448
1000.00	0.46	458	0.47	474	0.48	481	0.49	487	0.49	492
1100.00	0.45	499	0.47	516	0.48	523	0.48	530	0.49	536
1200.00	0.45	540	0.46	557	0.47	565	0.48	573	0.48	579
1300.00	0.45	579	0.46	598	0.47	607	0.47	614	0.48	621
1400.00	0.44	617	0.46	637	0.46	646	0.47	655	0.47	662
1500.00	0.44	654	0.45	676	0.46	685	0.46	694	0.47	702
1600.00	0.43	691	0.45	714	0.45	724	0.46	733	0.46	742
1700.00	0.43	728	0.44	753	0.45	763	0.45	773	0.46	781
1800.00	0.43	767	0.44	792	0.45	803	0.45	813	0.46	823
1900.00	0.42	805	0.44	832	0.44	844	0.45	854	0.45	864
2000.00	0.42	843	0.44	871	0.44	884	0.45	895	0.45	905
2100.00	0.42	882	0.43	911	0.44	924	0.45	936	0.45	946
2200.00	0.42	920	0.43	951	0.44	964	0.44	976	0.45	987
2300.00	0.42	957	0.43	989	0.44	1003	0.44	1015	0.45	1027
2400.00	0.41	993	0.43	1026	0.43	1040	0.44	1053	0.44	1065
2500.00	0.41	1028	0.43	1063	0.43	1078	0.44	1091	0.44	1103
2600.00	0.41	1064	0.42	1099	0.43	1115	0.43	1129	0.44	1142
2700.00	0.41	1100	0.42	1136	0.43	1153	0.43	1167	0.44	1180
2800.00	0.41	1134	0.42	1172	0.42	1189	0.43	1203	0.43	1217
2900.00	0.40	1162	0.41	1201	0.42	1218	0.43	1233	0.43	1247
3000.00	0.40	1190	0.41	1230	0.42	1248	0.42	1263	0.43	1277
3100.00	0.39	1218	0.41	1259	0.41	1277	0.42	1293	0.42	1307
3200.00	0.39	1243	0.40	1284	0.41	1302	0.41	1319	0.42	1333
3300.00	0.38	1267	0.40	1309	0.40	1328	0.41	1345	0.41	1360
3400.00	0.38	1292	0.39	1335	0.40	1354	0.40	1371	0.41	1386
3500.00	0.38	1316	0.39	1360	0.39	1379	0.40	1397	0.40	1412
3600.00	0.37	1341	0.38	1385	0.39	1405	0.40	1423	0.40	1439
3700.00	0.37	1364	0.38	1409	0.39	1430	0.39	1447	0.40	1464
3800.00	0.36	1385	0.38	1431	0.38	1452	0.39	1470	0.39	1486
3900.00	0.36	1406	0.37	1453	0.38	1474	0.38	1492	0.39	1509
4000.00	0.36	1427	0.37	1475	0.37	1496	0.38	1515	0.38	1531
4100.00	0.35	1448	0.37	1497	0.37	1518	0.37	1537	0.38	1554
4200.00	0.35	1469	0.36	1518	0.37	1540	0.37	1559	0.38	1577
4300.00	0.35	1490	0.36	1540	0.36	1562	0.37	1582	0.37	1599
4400.00	0.34	1511	0.35	1562	0.36	1584	0.36	1604	0.37	1622
4500.00	0.34	1532	0.35	1584	0.36	1606	0.36	1626	0.37	1644
4600.00	0.34	1554	0.35	1605	0.35	1628	0.36	1649	0.36	1667
4700.00	0.34	1575	0.35	1627	0.35	1650	0.36	1671	0.36	1690
4800.00	0.33	1596	0.34	1649	0.35	1672	0.35	1693	0.36	1712
4900.00	0.33	1617	0.34	1671	0.35	1694	0.35	1716	0.35	1735
5000.00	0.33	1644	0.34	1699	0.34	1723	0.35	1744	0.35	1764
5250.00	0.33	1712	0.34	1769	0.34	1794	0.35	1816	0.35	1836
5500.00	0.32	1779	0.33	1839	0.34	1865	0.34	1888	0.35	1909
5750.00	0.32	1847	0.33	1909	0.34	1936	0.34	1960	0.34	1982
6000.00	0.32	1915	0.33	1979	0.33	2007	0.34	2032	0.34	2055
6250.00	0.32	1977	0.33	2043	0.33	2072	0.34	2098	0.34	2121

Guam
Updated Schedule of Basic Child Support Obligations (Guam Multipliers)

COMBINED ADJUSTED GROSS INCOME	SIX CHILDREN		SEVEN CHILDREN		EIGHT CHILDREN		NINE CHILDREN		TEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
6500.00	0.31	2030	0.32	2098	0.33	2128	0.33	2154	0.34	2178
6750.00	0.31	2083	0.32	2152	0.32	2183	0.33	2210	0.33	2235
7000.00	0.31	2136	0.32	2207	0.32	2239	0.32	2267	0.33	2292
7250.00	0.30	2189	0.31	2262	0.32	2294	0.32	2323	0.32	2349
7500.00	0.30	2245	0.31	2320	0.31	2353	0.32	2383	0.32	2409
7750.00	0.30	2303	0.31	2380	0.31	2414	0.32	2444	0.32	2471
8000.00	0.30	2362	0.31	2441	0.31	2476	0.31	2507	0.32	2534
8250.00	0.29	2421	0.30	2501	0.31	2537	0.31	2569	0.31	2597
8500.00	0.29	2480	0.30	2562	0.31	2599	0.31	2631	0.31	2660
8750.00	0.29	2538	0.30	2623	0.30	2660	0.31	2694	0.31	2723
9000.00	0.29	2597	0.30	2684	0.30	2722	0.31	2756	0.31	2787
9250.00	0.29	2656	0.30	2744	0.30	2783	0.30	2818	0.31	2850
9500.00	0.29	2714	0.30	2805	0.30	2845	0.30	2881	0.31	2913
9750.00	0.28	2773	0.29	2866	0.30	2907	0.30	2943	0.31	2976
10000.00	0.28	2832	0.29	2926	0.30	2968	0.30	3005	0.30	3039
10250.00	0.28	2889	0.29	2985	0.30	3028	0.30	3066	0.30	3100
10500.00	0.28	2945	0.29	3043	0.29	3086	0.30	3125	0.30	3160
10750.00	0.28	3001	0.29	3101	0.29	3145	0.30	3184	0.30	3220
11000.00	0.28	3057	0.29	3159	0.29	3204	0.29	3244	0.30	3280
11250.00	0.28	3113	0.29	3217	0.29	3263	0.29	3303	0.30	3340
11500.00	0.28	3169	0.28	3275	0.29	3321	0.29	3363	0.30	3400
11750.00	0.27	3225	0.28	3332	0.29	3380	0.29	3422	0.29	3460
12000.00	0.27	3281	0.28	3390	0.29	3439	0.29	3482	0.29	3520
12250.00	0.27	3337	0.28	3448	0.29	3497	0.29	3541	0.29	3581
12500.00	0.27	3393	0.28	3506	0.28	3556	0.29	3601	0.29	3641
12750.00	0.27	3449	0.28	3564	0.28	3615	0.29	3660	0.29	3701
13000.00	0.27	3504	0.28	3620	0.28	3672	0.29	3718	0.29	3759
13250.00	0.27	3556	0.28	3674	0.28	3727	0.28	3773	0.29	3815
13500.00	0.27	3608	0.28	3728	0.28	3781	0.28	3828	0.29	3871
13750.00	0.27	3660	0.28	3782	0.28	3836	0.28	3884	0.29	3927
14000.00	0.27	3712	0.27	3836	0.28	3890	0.28	3939	0.28	3983
14250.00	0.26	3764	0.27	3889	0.28	3945	0.28	3994	0.28	4039
14500.00	0.26	3816	0.27	3943	0.28	3999	0.28	4049	0.28	4094
14750.00	0.26	3868	0.27	3997	0.27	4054	0.28	4105	0.28	4150
15000.00	0.26	3920	0.27	4051	0.27	4109	0.28	4160	0.28	4206

Guam
Updated Schedule of Basic Child Support Obligations (Guam Multipliers)

COMBINED ADJUSTED GROSS INCOME	ELEVEN CHILDREN		TWELVE CHILDREN		THIRTEEN CHILDREN		FOURTEEN CHILDREN		FIFTEEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
0-499	0.72		0.76		0.80		0.83		0.87	
500.00	0.53	264	0.53	266	0.54	268	0.54	270	0.54	272
600.00	0.52	313	0.53	316	0.53	319	0.54	321	0.54	323
700.00	0.52	363	0.52	366	0.53	369	0.53	372	0.53	374
800.00	0.51	409	0.52	412	0.52	416	0.52	419	0.53	422
900.00	0.50	453	0.51	457	0.51	461	0.52	464	0.52	468
1000.00	0.50	497	0.50	501	0.51	506	0.51	509	0.51	513
1100.00	0.49	541	0.50	546	0.50	550	0.50	555	0.51	559
1200.00	0.49	585	0.49	590	0.50	595	0.50	599	0.50	604
1300.00	0.48	628	0.49	633	0.49	639	0.49	643	0.50	648
1400.00	0.48	668	0.48	675	0.49	680	0.49	685	0.49	690
1500.00	0.47	709	0.48	715	0.48	721	0.48	727	0.49	732
1600.00	0.47	749	0.47	756	0.48	762	0.48	768	0.48	773
1700.00	0.46	789	0.47	796	0.47	803	0.48	809	0.48	815
1800.00	0.46	831	0.47	838	0.47	845	0.47	852	0.48	858
1900.00	0.46	872	0.46	880	0.47	888	0.47	894	0.47	901
2000.00	0.46	914	0.46	922	0.46	930	0.47	937	0.47	944
2100.00	0.45	955	0.46	964	0.46	972	0.47	980	0.47	987
2200.00	0.45	997	0.46	1006	0.46	1014	0.46	1022	0.47	1030
2300.00	0.45	1037	0.45	1046	0.46	1055	0.46	1063	0.47	1071
2400.00	0.45	1076	0.45	1085	0.46	1094	0.46	1103	0.46	1111
2500.00	0.45	1114	0.45	1124	0.45	1134	0.46	1143	0.46	1151
2600.00	0.44	1153	0.45	1164	0.45	1173	0.45	1182	0.46	1191
2700.00	0.44	1192	0.45	1203	0.45	1213	0.45	1222	0.46	1231
2800.00	0.44	1229	0.44	1240	0.45	1250	0.45	1260	0.45	1269
2900.00	0.43	1260	0.44	1271	0.44	1282	0.45	1291	0.45	1301
3000.00	0.43	1290	0.43	1302	0.44	1313	0.44	1323	0.44	1332
3100.00	0.43	1320	0.43	1332	0.43	1343	0.44	1353	0.44	1363
3200.00	0.42	1347	0.42	1359	0.43	1370	0.43	1381	0.43	1391
3300.00	0.42	1373	0.42	1386	0.42	1397	0.43	1408	0.43	1418
3400.00	0.41	1400	0.42	1412	0.42	1424	0.42	1435	0.43	1445
3500.00	0.41	1426	0.41	1439	0.41	1451	0.42	1462	0.42	1473
3600.00	0.40	1453	0.41	1466	0.41	1478	0.41	1490	0.42	1500
3700.00	0.40	1478	0.40	1492	0.41	1504	0.41	1516	0.41	1526
3800.00	0.40	1501	0.40	1515	0.40	1527	0.41	1539	0.41	1550
3900.00	0.39	1524	0.39	1538	0.40	1551	0.40	1562	0.40	1574
4000.00	0.39	1547	0.39	1561	0.39	1574	0.40	1586	0.40	1597
4100.00	0.38	1569	0.39	1584	0.39	1597	0.39	1609	0.40	1621
4200.00	0.38	1592	0.38	1607	0.39	1620	0.39	1633	0.39	1644
4300.00	0.38	1615	0.38	1630	0.38	1643	0.39	1656	0.39	1668
4400.00	0.37	1638	0.38	1653	0.38	1667	0.38	1679	0.38	1691
4500.00	0.37	1661	0.37	1676	0.38	1690	0.38	1703	0.38	1715
4600.00	0.37	1684	0.37	1699	0.37	1713	0.38	1726	0.38	1739
4700.00	0.36	1706	0.37	1722	0.37	1736	0.37	1750	0.37	1762
4800.00	0.36	1729	0.36	1745	0.37	1760	0.37	1773	0.37	1786
4900.00	0.36	1752	0.36	1768	0.36	1783	0.37	1796	0.37	1809
5000.00	0.36	1781	0.36	1798	0.36	1813	0.37	1826	0.37	1839
5250.00	0.35	1855	0.36	1872	0.36	1887	0.36	1902	0.36	1915
5500.00	0.35	1928	0.35	1946	0.36	1962	0.36	1977	0.36	1991
5750.00	0.35	2002	0.35	2020	0.35	2037	0.36	2053	0.36	2067
6000.00	0.35	2075	0.35	2094	0.35	2112	0.35	2128	0.36	2143
6250.00	0.34	2143	0.35	2162	0.35	2180	0.35	2197	0.35	2213

Guam
Updated Schedule of Basic Child Support Obligations (Guam Multipliers)

COMBINED ADJUSTED GROSS INCOME	ELEVEN CHILDREN		TWELVE CHILDREN		THIRTEEN CHILDREN		FOURTEEN CHILDREN		FIFTEEN CHILDREN	
	%	\$	%	\$	%	\$	%	\$	%	\$
6500.00	0.34	2200	0.34	2220	0.34	2239	0.35	2256	0.35	2272
6750.00	0.33	2257	0.34	2278	0.34	2297	0.34	2315	0.35	2331
7000.00	0.33	2315	0.33	2336	0.34	2355	0.34	2373	0.34	2390
7250.00	0.33	2372	0.33	2394	0.33	2414	0.34	2432	0.34	2449
7500.00	0.32	2433	0.33	2455	0.33	2476	0.33	2495	0.34	2513
7750.00	0.32	2496	0.33	2519	0.33	2540	0.33	2559	0.33	2578
8000.00	0.32	2560	0.32	2583	0.33	2605	0.33	2625	0.33	2643
8250.00	0.32	2623	0.32	2647	0.32	2669	0.33	2690	0.33	2709
8500.00	0.32	2687	0.32	2712	0.32	2734	0.32	2755	0.33	2775
8750.00	0.31	2751	0.32	2776	0.32	2799	0.32	2820	0.32	2841
9000.00	0.31	2814	0.32	2840	0.32	2864	0.32	2886	0.32	2906
9250.00	0.31	2878	0.31	2904	0.32	2928	0.32	2951	0.32	2972
9500.00	0.31	2942	0.31	2968	0.32	2993	0.32	3016	0.32	3038
9750.00	0.31	3005	0.31	3033	0.31	3058	0.32	3081	0.32	3103
10000.00	0.31	3069	0.31	3097	0.31	3123	0.31	3147	0.32	3169
10250.00	0.31	3131	0.31	3159	0.31	3185	0.31	3210	0.32	3233
10500.00	0.30	3191	0.31	3220	0.31	3247	0.31	3272	0.31	3296
10750.00	0.30	3252	0.31	3282	0.31	3309	0.31	3334	0.31	3358
11000.00	0.30	3313	0.30	3343	0.31	3371	0.31	3397	0.31	3421
11250.00	0.30	3373	0.30	3404	0.31	3432	0.31	3459	0.31	3484
11500.00	0.30	3434	0.30	3465	0.30	3494	0.31	3521	0.31	3546
11750.00	0.30	3495	0.30	3527	0.30	3556	0.30	3583	0.31	3609
12000.00	0.30	3556	0.30	3588	0.30	3618	0.30	3646	0.31	3672
12250.00	0.30	3616	0.30	3649	0.30	3680	0.30	3708	0.30	3734
12500.00	0.29	3677	0.30	3710	0.30	3741	0.30	3770	0.30	3797
12750.00	0.29	3738	0.30	3772	0.30	3803	0.30	3832	0.30	3860
13000.00	0.29	3797	0.29	3831	0.30	3863	0.30	3893	0.30	3921
13250.00	0.29	3853	0.29	3888	0.30	3921	0.30	3951	0.30	3979
13500.00	0.29	3910	0.29	3945	0.29	3978	0.30	4009	0.30	4037
13750.00	0.29	3966	0.29	4002	0.29	4036	0.30	4067	0.30	4096
14000.00	0.29	4023	0.29	4059	0.29	4093	0.29	4124	0.30	4154
14250.00	0.29	4079	0.29	4116	0.29	4150	0.29	4182	0.30	4212
14500.00	0.29	4135	0.29	4173	0.29	4208	0.29	4240	0.29	4270
14750.00	0.28	4192	0.29	4230	0.29	4265	0.29	4298	0.29	4329
15000.00	0.28	4248	0.29	4287	0.29	4323	0.29	4356	0.29	4387



Performance. Service. Integrity.

**Appendix IV
Side-by-Side Comparisons
of Existing and
Updated Schedules**

Comparison of Existing and Updated Child Support Schedules One through Three Children

Combined Adjusted Gross Income	One Child				Two Children				Three Children			
	Existing	Updated	dollar difference	percentage difference	Existing	Updated	dollar difference	percentage difference	Existing	Updated	dollar difference	percentage difference
500.00	115	122	7	5.8%	170	171	1	0.4%	220	198	-22	-10.0%
600.00	138	145	7	4.8%	204	203	-1	-0.4%	261	235	-26	-10.0%
700.00	154	168	14	8.8%	231	236	5	2.0%	298	272	-25	-8.5%
800.00	176	189	13	7.4%	264	266	2	0.7%	336	307	-29	-8.7%
900.00	189	209	20	10.8%	284	295	11	3.9%	360	340	-20	-5.6%
1000.00	200	230	30	14.9%	300	323	23	7.8%	380	373	-7	-1.9%
1100.00	209	250	41	19.8%	327	352	26	7.9%	410	406	-4	-1.1%
1200.00	222	271	49	22.0%	346	381	35	10.3%	434	439	4	1.0%
1300.00	234	291	57	24.3%	367	409	43	11.6%	459	471	12	2.6%
1400.00	245	310	65	26.6%	385	436	51	13.3%	483	502	19	3.8%
1500.00	263	329	67	25.4%	404	463	59	14.6%	506	532	26	5.2%
1600.00	272	348	76	27.9%	422	489	67	15.8%	528	562	34	6.4%
1700.00	282	367	85	30.0%	440	515	75	17.1%	551	592	41	7.5%
1800.00	293	386	93	31.6%	457	542	85	18.6%	572	623	51	8.9%
1900.00	304	405	101	33.4%	475	569	94	19.8%	595	655	60	10.1%
2000.00	318	425	107	33.6%	494	596	102	20.6%	620	686	66	10.6%
2100.00	330	444	114	34.7%	512	623	110	21.5%	643	717	74	11.6%
2200.00	343	463	120	35.0%	530	649	119	22.5%	667	748	81	12.2%
2300.00	354	482	128	36.1%	552	675	123	22.3%	690	778	88	12.8%
2400.00	367	500	133	36.2%	569	700	131	23.1%	715	807	92	12.8%
2500.00	380	518	138	36.4%	588	725	138	23.5%	738	836	99	13.4%
2600.00	393	537	144	36.7%	606	750	145	23.9%	762	865	103	13.6%
2700.00	405	555	150	37.0%	625	775	150	24.0%	783	894	111	14.2%
2800.00	414	573	158	38.2%	644	800	156	24.2%	809	922	113	14.0%
2900.00	426	589	163	38.2%	661	821	160	24.2%	832	945	113	13.5%
3000.00	438	606	168	38.3%	681	842	161	23.7%	855	968	113	13.2%
3100.00	453	622	169	37.4%	701	863	163	23.2%	877	990	113	12.9%
3200.00	464	636	172	37.1%	717	882	165	23.0%	902	1010	108	12.0%
3300.00	475	651	175	36.9%	736	900	164	22.4%	924	1030	106	11.5%
3400.00	486	665	179	36.8%	755	919	164	21.7%	949	1050	102	10.7%
3500.00	497	679	182	36.7%	774	938	164	21.2%	973	1070	97	10.0%
3600.00	508	694	186	36.7%	792	956	164	20.7%	990	1090	100	10.1%
3700.00	518	708	190	36.6%	803	974	171	21.3%	1006	1109	103	10.2%
3800.00	524	721	196	37.4%	813	990	177	21.8%	1018	1126	108	10.6%
3900.00	530	734	203	38.3%	827	1007	180	21.8%	1034	1143	110	10.6%
4000.00	540	746	206	38.2%	840	1023	183	21.8%	1052	1161	109	10.3%
4500.00	581	811	231	39.8%	900	1106	206	22.9%	1125	1246	121	10.8%
5000.00	620	878	258	41.7%	960	1192	232	24.1%	1200	1337	137	11.4%
5250.00	641	917	276	43.1%	992	1241	249	25.1%	1239	1392	153	12.3%
5500.00	660	955	295	44.7%	1023	1291	268	26.2%	1276	1447	171	13.4%
5750.00	679	993	315	46.4%	1052	1340	288	27.4%	1317	1502	185	14.1%
6000.00	702	1032	330	47.0%	1080	1390	310	28.7%	1350	1557	207	15.4%
6250.00	713	1068	355	49.8%	1106	1436	330	29.8%	1388	1608	220	15.9%
6500.00	728	1099	371	51.0%	1131	1476	345	30.5%	1430	1651	221	15.4%
6750.00	736	1131	395	53.7%	1154	1517	363	31.4%	1465	1694	229	15.6%
7000.00	752	1162	410	54.6%	1176	1557	381	32.4%	1505	1737	232	15.4%
7250.00	761	1194	432	56.8%	1204	1598	394	32.8%	1544	1780	236	15.3%
7500.00	773	1227	455	58.9%	1223	1641	418	34.2%	1583	1826	243	15.4%

Comparison of Existing and Updated Child Support Schedules Four through Six Children

Combined Adjusted Gross Income	Four Children				Five Children				Six Children			
	Existing	Updated	dollar difference	percentage difference	Existing	Updated	dollar difference	percentage difference	Existing	Updated	dollar difference	percentage difference
500.00	235	221	-14	-6.1%	255	243	-12	-4.8%	275	264	-11	-4.0%
600.00	279	262	-17	-6.1%	303	288	-15	-4.9%	327	314	-13	-4.1%
700.00	319	303	-15	-4.7%	347	334	-13	-3.7%	375	363	-11	-3.0%
800.00	360	342	-18	-5.0%	392	376	-16	-4.1%	424	409	-15	-3.5%
900.00	387	379	-8	-2.1%	414	417	3	0.6%	450	453	3	0.7%
1000.00	430	416	-14	-3.3%	450	457	7	1.6%	490	497	7	1.5%
1100.00	463	453	-11	-2.3%	495	498	3	0.6%	528	542	14	2.6%
1200.00	490	489	0	-0.1%	534	538	4	0.8%	576	585	9	1.6%
1300.00	506	525	19	3.8%	572	578	6	1.0%	611	628	17	2.8%
1400.00	545	559	15	2.7%	609	615	6	1.0%	651	669	18	2.8%
1500.00	570	593	23	4.0%	645	652	7	1.1%	675	710	35	5.1%
1600.00	595	627	31	5.3%	656	689	33	5.1%	715	750	35	4.9%
1700.00	621	660	40	6.4%	689	726	38	5.5%	757	790	34	4.5%
1800.00	644	695	51	7.9%	720	765	45	6.2%	783	832	49	6.2%
1900.00	671	730	59	8.8%	741	803	62	8.3%	808	873	66	8.2%
2000.00	698	765	67	9.5%	780	841	61	7.8%	850	915	65	7.6%
2100.00	725	799	75	10.3%	788	879	92	11.7%	851	957	106	12.5%
2200.00	752	834	82	10.9%	821	917	97	11.8%	880	998	118	13.4%
2300.00	780	868	88	11.3%	842	954	112	13.4%	915	1038	123	13.4%
2400.00	806	900	93	11.6%	864	990	126	14.6%	943	1077	134	14.2%
2500.00	833	932	100	12.0%	908	1025	118	13.0%	975	1116	141	14.4%
2600.00	858	965	107	12.4%	936	1061	125	13.4%	1014	1155	141	13.9%
2700.00	886	997	111	12.6%	964	1097	133	13.8%	1050	1193	143	13.6%
2800.00	910	1028	118	13.0%	991	1131	140	14.1%	1078	1231	153	14.1%
2900.00	937	1054	117	12.5%	1021	1159	138	13.5%	1111	1261	150	13.5%
3000.00	963	1079	116	12.1%	1050	1187	137	13.1%	1140	1292	152	13.3%
3100.00	989	1104	115	11.7%	1079	1215	136	12.6%	1163	1322	159	13.7%
3200.00	1018	1127	109	10.7%	1107	1239	132	11.9%	1190	1348	158	13.3%
3300.00	1043	1149	106	10.2%	1135	1264	128	11.3%	1221	1375	154	12.6%
3400.00	1068	1171	103	9.7%	1163	1288	125	10.8%	1258	1402	144	11.4%
3500.00	1096	1193	98	8.9%	1194	1313	119	10.0%	1292	1428	137	10.6%
3600.00	1115	1216	101	9.0%	1177	1337	160	13.6%	1285	1455	170	13.2%
3700.00	1132	1237	104	9.2%	1210	1360	150	12.4%	1317	1480	163	12.4%
3800.00	1148	1256	108	9.4%	1243	1381	139	11.2%	1353	1503	150	11.1%
3900.00	1170	1275	105	9.0%	1275	1402	127	10.0%	1365	1526	161	11.8%
4000.00	1184	1294	110	9.3%	1304	1423	119	9.2%	1400	1549	149	10.6%
4500.00	1269	1389	120	9.5%	1431	1528	97	6.8%	1553	1663	110	7.1%
5000.00	1355	1490	135	10.0%	1575	1639	64	4.1%	1715	1784	69	4.0%
5250.00	1397	1552	155	11.1%	1638	1707	69	4.2%	1785	1857	72	4.0%
5500.00	1441	1613	172	12.0%	1705	1775	70	4.1%	1859	1931	72	3.9%
5750.00	1484	1675	191	12.9%	1783	1842	60	3.4%	1944	2004	61	3.1%
6000.00	1524	1736	212	13.9%	1848	1910	62	3.4%	2016	2078	62	3.1%
6250.00	1569	1793	224	14.3%	1906	1972	66	3.4%	2081	2145	64	3.1%
6500.00	1612	1841	229	14.2%	1950	2025	75	3.8%	2132	2203	71	3.3%
6750.00	1654	1889	235	14.2%	2025	2077	52	2.6%	2207	2260	53	2.4%
7000.00	1694	1936	242	14.3%	2086	2130	44	2.1%	2275	2318	43	1.9%
7250.00	1740	1984	244	14.0%	2146	2183	37	1.7%	2342	2375	33	1.4%
7500.00	1778	2036	258	14.5%	2205	2239	34	1.6%	2408	2436	29	1.2%

Comparison of Existing and Updated Child Support Schedules Seven through Nine Children

Combined Adjusted Gross Income	Seven Children				Eight Children				Nine Children			
	Existing	Updated	dollar difference	percentage difference	Existing	Updated	dollar difference	percentage difference	Existing	Updated	dollar difference	percentage difference
500.00	300	285	-15	-5.1%	325	305	-20	-6.3%	340	324	-16	-4.8%
600.00	354	338	-16	-4.5%	381	362	-19	-5.1%	405	385	-20	-5.1%
700.00	403	391	-11	-2.8%	431	419	-12	-2.7%	462	445	-17	-3.6%
800.00	456	441	-15	-3.3%	472	472	0	0.0%	496	502	6	1.2%
900.00	477	489	12	2.5%	504	523	19	3.8%	531	556	25	4.7%
1000.00	520	536	16	3.1%	550	574	24	4.3%	590	610	20	3.4%
1100.00	550	584	34	6.2%	583	625	42	7.2%	649	664	15	2.3%
1200.00	600	631	31	5.2%	624	675	51	8.2%	660	718	58	8.8%
1300.00	637	677	40	6.3%	689	725	36	5.2%	702	770	68	9.7%
1400.00	686	721	35	5.2%	728	772	44	6.0%	756	821	65	8.5%
1500.00	735	765	30	4.1%	780	818	38	4.9%	810	870	60	7.4%
1600.00	781	808	28	3.5%	832	865	33	4.0%	880	919	39	4.5%
1700.00	825	852	27	3.3%	884	911	27	3.1%	935	969	34	3.6%
1800.00	853	897	43	5.1%	927	959	32	3.5%	972	1020	48	4.9%
1900.00	874	942	68	7.7%	950	1007	57	6.0%	1026	1071	45	4.4%
2000.00	920	986	66	7.2%	1000	1055	55	5.5%	1060	1122	62	5.8%
2100.00	924	1031	107	11.6%	1019	1103	85	8.3%	1113	1173	60	5.4%
2200.00	959	1076	117	12.2%	1056	1151	95	9.0%	1155	1224	69	6.0%
2300.00	998	1119	121	12.1%	1088	1198	110	10.1%	1196	1273	77	6.4%
2400.00	1039	1161	122	11.7%	1128	1242	114	10.1%	1236	1321	85	6.8%
2500.00	1063	1203	140	13.2%	1158	1287	129	11.2%	1275	1368	93	7.3%
2600.00	1105	1245	140	12.6%	1204	1332	128	10.6%	1313	1416	103	7.8%
2700.00	1145	1286	142	12.4%	1245	1376	132	10.6%	1355	1463	108	7.9%
2800.00	1176	1327	151	12.8%	1280	1419	140	10.9%	1394	1509	115	8.2%
2900.00	1209	1359	150	12.4%	1317	1455	138	10.5%	1433	1546	114	7.9%
3000.00	1242	1392	150	12.1%	1350	1490	140	10.4%	1470	1584	114	7.7%
3100.00	1271	1425	154	12.1%	1383	1524	142	10.3%	1507	1620	114	7.6%
3200.00	1296	1453	157	12.1%	1414	1555	141	10.0%	1542	1653	111	7.2%
3300.00	1330	1482	152	11.4%	1452	1586	134	9.2%	1584	1686	102	6.4%
3400.00	1370	1511	141	10.3%	1373	1617	244	17.7%	1622	1718	97	6.0%
3500.00	1400	1540	140	10.0%	1526	1647	121	7.9%	1663	1751	89	5.3%
3600.00	1404	1568	164	11.7%	1541	1678	137	8.9%	1685	1784	99	5.9%
3700.00	1443	1596	153	10.6%	1573	1707	135	8.6%	1713	1815	102	5.9%
3800.00	1474	1620	146	9.9%	1607	1734	126	7.8%	1638	1843	205	12.5%
3900.00	1482	1645	163	11.0%	1619	1760	141	8.7%	1775	1871	96	5.4%
4000.00	1520	1669	149	9.8%	1656	1786	130	7.9%	1808	1899	91	5.0%
4500.00	1692	1793	101	5.9%	1845	1918	73	4.0%	2007	2039	32	1.6%
5000.00	1865	1923	58	3.1%	2030	2057	27	1.3%	2200	2187	-13	-0.6%
5250.00	1943	2002	60	3.1%	2121	2142	21	1.0%	2310	2277	-33	-1.4%
5500.00	2024	2081	57	2.8%	2206	2227	22	1.0%	2409	2367	-42	-1.7%
5750.00	2116	2161	45	2.1%	2306	2312	6	0.3%	2513	2458	-55	-2.2%
6000.00	2196	2240	44	2.0%	2388	2397	9	0.4%	2616	2548	-68	-2.6%
6250.00	2269	2313	44	1.9%	2475	2475	0	0.0%	2700	2631	-69	-2.6%
6500.00	2327	2375	48	2.0%	2522	2541	19	0.7%	2782	2701	-81	-2.9%
6750.00	2403	2436	33	1.4%	2619	2607	-12	-0.5%	2869	2771	-97	-3.4%
7000.00	2478	2498	20	0.8%	2702	2673	-29	-1.1%	2940	2842	-98	-3.3%
7250.00	2552	2560	8	0.3%	2784	2739	-45	-1.6%	3031	2912	-118	-3.9%
7500.00	2625	2626	1	0.0%	2865	2810	-55	-1.9%	3120	2987	-133	-4.3%

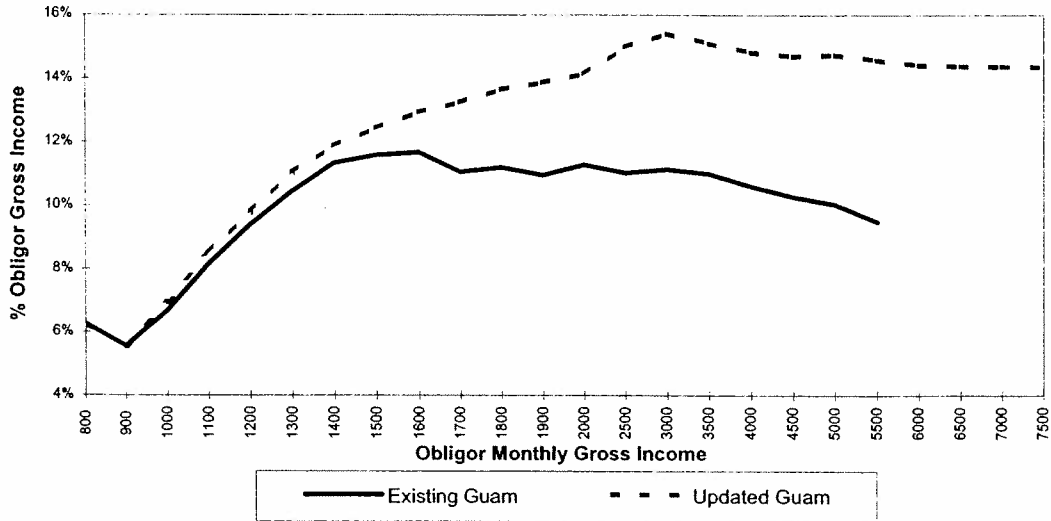


Performance. Service. Integrity.

Appendix V

Graphical Comparisons for One and Three Children

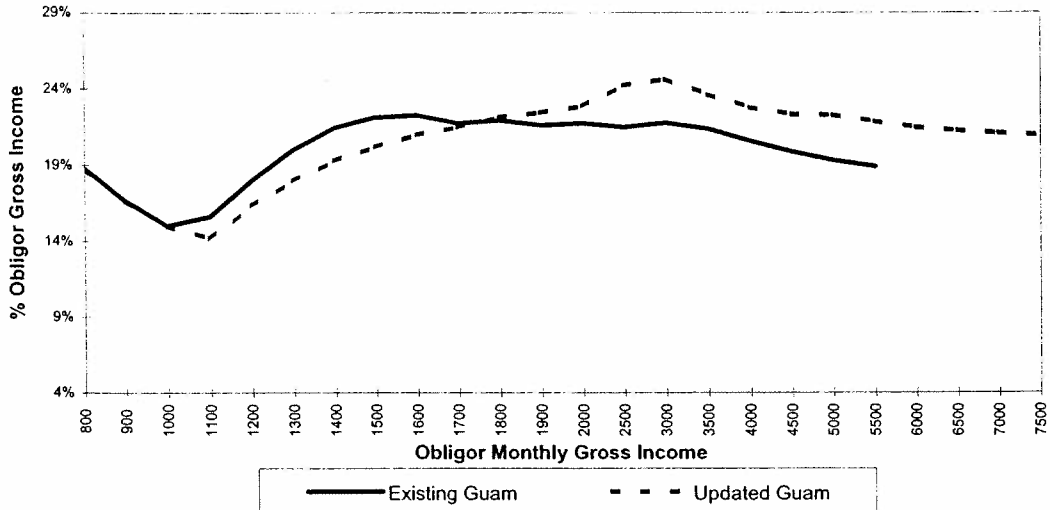
Child Support Formulas - One Child
Obligee Income = 50% of Obligor Income



CHILD SUPPORT FORMULAS - ONE CHILD
Obligee Income = 50% of Obligor Income

Obligor's Gross Monthly Income	Support Due (\$\$ per month)		Obligor's Gross Monthly Income	% of Obligor's Gross Income	
	Existing Guam	Updated Guam		Existing Guam	Updated Guam
800	50	50	800	6%	6%
900	50	50	900	6%	6%
1000	67	70	1000	7%	7%
1100	90	94	1100	8%	9%
1200	113	118	1200	9%	10%
1300	136	144	1300	10%	11%
1400	159	166	1400	11%	12%
1500	174	187	1500	12%	12%
1600	187	207	1600	12%	13%
1700	188	225	1700	11%	13%
1800	202	246	1800	11%	14%
1900	208	264	1900	11%	14%
2000	226	283	2000	11%	14%
2500	276	375	2500	11%	15%
3000	334	462	3000	11%	15%
3500	385	529	3500	11%	15%
4000	424	593	4000	11%	15%
4500	462	662	4500	10%	15%
5000	502	738	5000	10%	15%
5500	522	802	5500	9%	15%
6000		866	6000		14%
6500		936	6500		14%

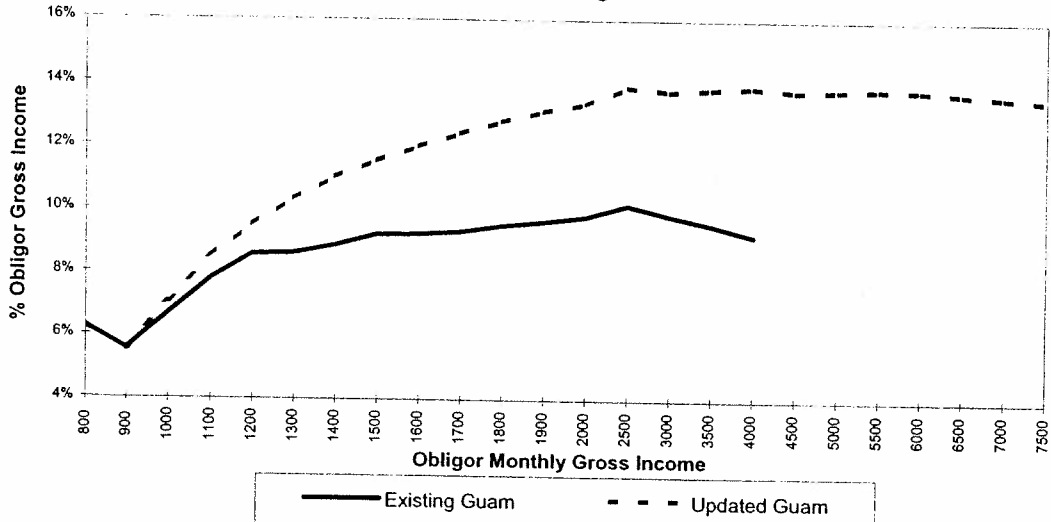
Child Support Formulas - Three Children
Obligee Income = 50% of Obligor Income



CHILD SUPPORT FORMULAS - THREE CHILDREN
Obligee Income = 50% of Obligor Income

Support Due (\$\$ per month)			% of Obligor's Gross Income		
Obligor's Gross Monthly Income	Existing Guam	Updated Guam	Obligor's Gross Monthly Income	Existing Guam	Updated Guam
800	150	150	800	19%	19%
900	150	150	900	17%	17%
1000	150	150	1000	15%	15%
1100	172	156	1100	16%	14%
1200	216	196	1200	18%	16%
1300	260	234	1300	20%	18%
1400	300	270	1400	21%	19%
1500	332	303	1500	22%	20%
1600	356	336	1600	22%	21%
1700	369	365	1700	22%	21%
1800	395	398	1800	22%	22%
1900	411	426	1900	22%	22%
2000	435	457	2000	22%	23%
2500	537	606	2500	21%	24%
3000	653	739	3000	22%	25%
3500	748	827	3500	21%	24%
4000	823	911	4000	21%	23%
4500	894	1005	4500	20%	22%
5000	965	1113	5000	19%	22%
5500	1039	1202	5500	19%	22%
6000		1288	6000		21%
6500		1381	6500		21%

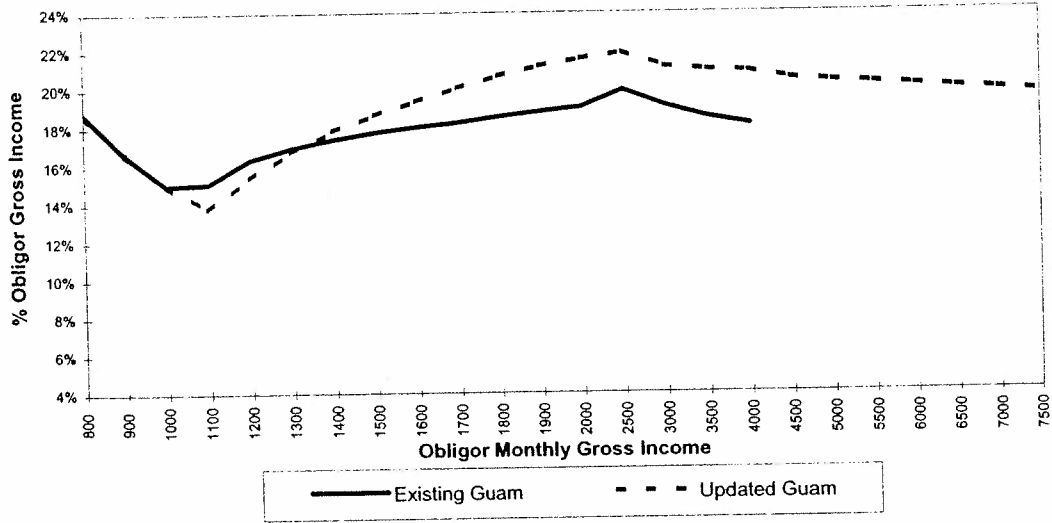
Child Support Formulas - One Child
 Oblige Income = Obligor Income



CHILD SUPPORT FORMULAS - ONE CHILD
 Oblige Income = Obligor Income

Obligor's Gross Monthly Income	Support Due (\$\$ per month)		%		Obligor's Gross Monthly Income	% of Obligor's Gross Income	
	Existing Guam	Updated Guam	Existing Guam	Updated Guam		Existing Guam	Updated Guam
800	50	50	6%	6%	800	6%	6%
900	50	50	6%	6%	900	6%	6%
1000	67	71	7%	7%	1000	7%	7%
1100	86	93	8%	8%	1100	8%	8%
1200	103	114	9%	10%	1200	9%	10%
1300	112	134	9%	10%	1300	9%	10%
1400	124	154	9%	11%	1400	9%	11%
1500	138	173	9%	12%	1500	9%	12%
1600	148	192	9%	12%	1600	9%	12%
1700	158	211	9%	12%	1700	9%	12%
1800	171	230	10%	13%	1800	10%	13%
1900	183	249	10%	13%	1900	10%	13%
2000	196	267	10%	13%	2000	10%	13%
2500	254	347	10%	14%	2500	10%	14%
3000	295	413	10%	14%	3000	10%	14%
3500	335	484	10%	14%	3500	10%	14%
4000	368	556	9%	14%	4000	9%	14%
4500		620		14%	4500		14%
5000		691		14%	5000		14%
5500		762		14%	5500		14%
6000		830		14%	6000		14%
6500		892		14%	6500		14%

Child Support Formulas - Three Children
 Oblige Income = Obligor Income

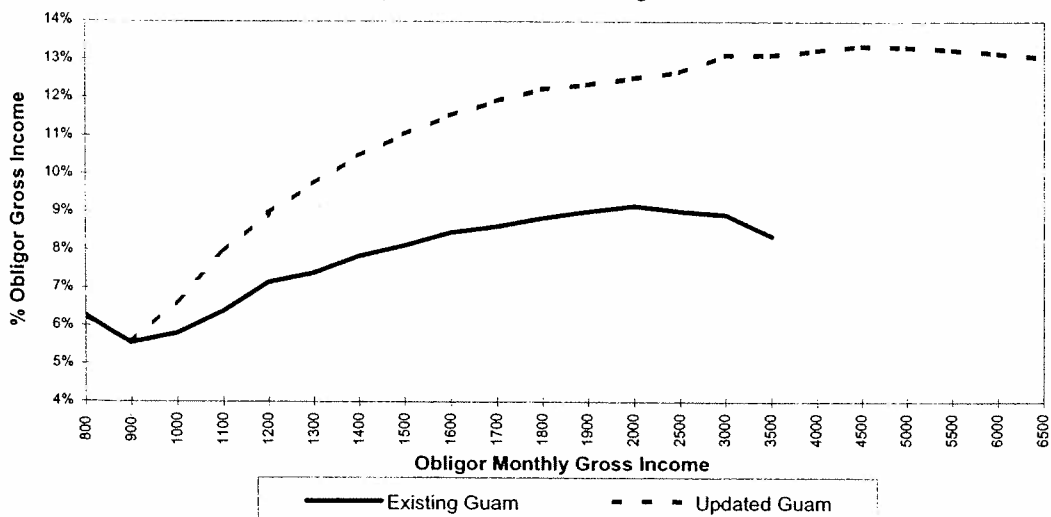


CHILD SUPPORT FORMULAS - THREE CHILDREN
 Oblige Income = Obligor Income

Obligor's Gross Monthly Income	Support Due (\$\$ per month)		Obligor's Gross Monthly Income	% of Obligor's Gross Income	
	Existing Guam	Updated Guam		Existing Guam	Updated Guam
800	150	150	800	19%	19%
900	150	150	900	17%	17%
1000	150	150	1000	15%	15%
1100	166	152	1100	15%	14%
1200	196	185	1200	16%	15%
1300	220	218	1300	17%	17%
1400	244	250	1400	17%	18%
1500	266	280	1500	18%	19%
1600	288	310	1600	18%	19%
1700	310	341	1700	18%	20%
1800	334	372	1800	19%	21%
1900	357	403	1900	19%	21%
2000	381	431	2000	19%	22%
2500	498	547	2500	20%	22%
3000	573	634	3000	19%	21%
3500	647	734	3500	18%	21%
4000	724	836	4000	18%	21%
4500		923	4500		21%
5000		1018	5000		20%
5500		1113	5500		20%
6000		1206	6000		20%
6500		1297	6500		20%

Child Support Formulas - One Child

Obligee Income = 150% of Obligor Income

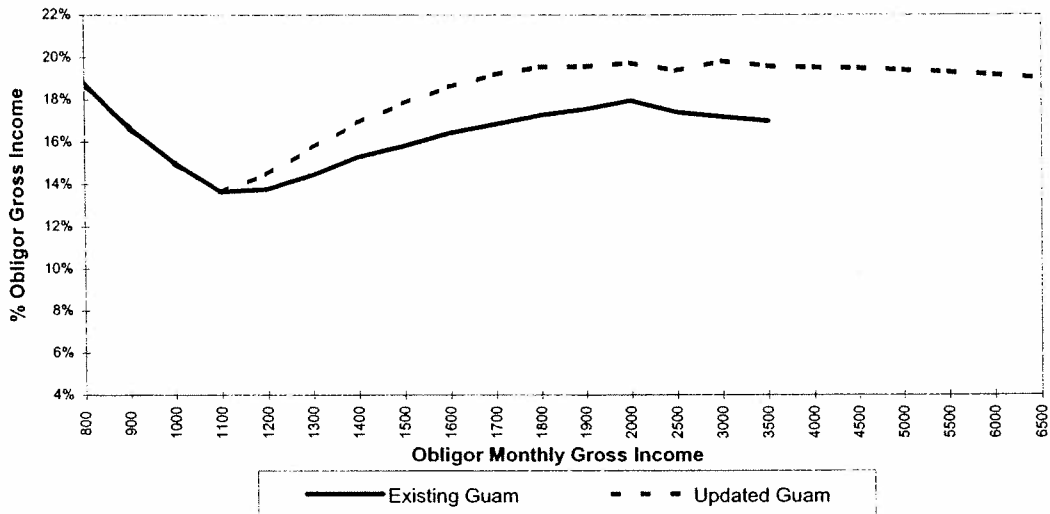


CHILD SUPPORT FORMULAS - ONE CHILD

Obligee Income = 150% of Obligor Income

Support Due (\$\$ per month)			% of Obligor's Gross Income		
Obligor's Gross Monthly Income	Existing Guam	Updated Guam	Obligor's Gross Monthly Income	Existing Guam	Updated Guam
800	50	50	800	6%	6%
900	50	50	900	6%	6%
1000	58	67	1000	6%	7%
1100	70	87	1100	6%	8%
1200	86	107	1200	7%	9%
1300	96	127	1300	7%	10%
1400	110	147	1400	8%	10%
1500	122	166	1500	8%	11%
1600	135	185	1600	8%	12%
1700	147	202	1700	9%	12%
1800	159	220	1800	9%	12%
1900	171	235	1900	9%	12%
2000	183	250	2000	9%	13%
2500	226	317	2500	9%	13%
3000	268	394	3000	9%	13%
3500	293	459	3500	8%	13%
4000		530	4000		13%
4500		601	4500		13%
5000		667	5000		13%
5500		729	5500		13%
6000		790	6000		13%
6500		849	6500		13%

Child Support Formulas - Three Children
Obligee Income = 150% of Obligor Income



CHILD SUPPORT FORMULAS - THREE CHILDREN
Obligee Income = 150% of Obligor Income

Support Due (\$\$ per month)			% of Obligor's Gross Income		
Obligor's Gross Monthly Income	Existing Guam	Updated Guam	Obligor's Gross Monthly Income	Existing Guam	Updated Guam
800	150	150	800	19%	19%
900	150	150	900	17%	17%
1000	150	150	1000	15%	15%
1100	150	150	1100	14%	14%
1200	165	174	1200	14%	14%
1300	188	204	1300	14%	16%
1400	214	237	1400	15%	17%
1500	237	267	1500	16%	18%
1600	263	298	1600	16%	19%
1700	286	326	1700	17%	19%
1800	311	352	1800	17%	20%
1900	333	372	1900	18%	20%
2000	359	394	2000	18%	20%
2500	435	484	2500	17%	19%
3000	515	594	3000	17%	20%
3500	594	685	3500	17%	20%
4000		780	4000		20%
4500		877	4500		19%
5000		969	5000		19%
5500		1061	5500		19%
6000		1150	6000		19%
6500		1235	6500		19%

amount of any unpaid support obligation accrued under the assignment.

Whenever an applicant to whom a duty to support is owed applies for assistance, the Department shall give him notice that these support rights will be assigned. If the applicant accepts support in money or in kind from the obligor after applying for public assistance, the applicant shall reimburse the Department for the amount of support so received. The Child Support Enforcement Office has authority to enforce this right on the Department's behalf.

SOURCE: Added by P.L. 18-17:13.

§34118. Payment Schedule. (a) The Attorney General shall adopt, pursuant to the Administrative Adjudication Law, a schedule of normal child support payments to be paid by a non-custodial parent to a custodial parent pursuant to subsections (c)(1) and (c)(2) of this section, to be updated every two (2) years.

(b) The presumptions set forth in subsections (c)(1) and (c)(2) of this section shall be considered by the court in setting child support. The court shall enter appropriate written or specific findings on the record if it finds that it would be unjust or inappropriate to apply the presumptions created by such subsections (c)(1) and (c)(2), which presumptions will thereby be sufficiently rebutted.

(c) The payment schedule shall be prepared as follows:

(1) The schedule shall include tables based on the income of the parties which establish the amounts of support which each parent can afford to contribute to the care of the minor children. The amounts established by that part of the schedule which is based upon the earnings of the parents shall operate

as a rebuttable presumption as to the amounts of support which each parent can afford to contribute towards the care of the minor child or children.

(2) The schedule shall include tables showing the average dollar amounts necessary to raise from one (1) to at least fifteen (15) children irrespective of the income of the parents, based on accepted welfare guidelines and statistics, food stamp guidelines, average costs of raising children nationwide taking into account Guam's income levels and the island's unique culture, expenses, and the needs of children raised on Guam, and such other matters as the Attorney General deems relevant. The figures set out in such tables shall operate as a rebuttable presumption as to the needs of the child or children.

(d) The schedule shall take into account the income of each parent and the necessary and reasonable expenses and debts of each of the parties, the needs of the child or children, the needs of the custodial parent as to assistance in caring for the minor child or children, and the ability of each parent to pay. In any court hearing, such criteria shall be applied by the court in conjunction with the rebuttable presumptions arising from the schedules in arriving at an equitable child support order. The schedule shall contain definitions as to income, expenses, and other matters so that the schedule is clear and understandable so as to minimize litigation over child support payments.

(e) Until a new schedule is promulgated as required by this section, the schedule previously promulgated by the Director of Public Health and Social Services shall continue to be used in the manner specified by Public Law 18-17 as a guideline in cases where the court deems it relevant.

(f) The non-custodial or custodial parent for which child support has been previously ordered shall have a right to petition the Family Court, Hearings Division or the Department not more than once every three (3) years for review and adjustment of the child support order without having to show a change of circumstances. The non-custodial or custodial parent shall not be precluded from petitioning the Family Court, Hearings Division or the child support enforcement agency for review and adjustment of the child support order more than once in any three (3) year period if the second or subsequent request is supported by proof of a substantial or material change of circumstances.

SOURCE: Added by P.L. 18-17:14; R/R by P.L. 20-170:10. Subsection (f) added by P.L. 24-129:16.

§Section 34119. Establishment of Paternity. (a) Proceedings to establish the paternity of the child may be instituted during the pregnancy of the mother or after the birth of the child, but not after the child becomes eighteen (18) years of age.

(b) Complaint:

(1) Paternity proceedings are commenced by the filing of a complaint that includes the social security number of each party, if known, and that alleges a woman is the mother of a child or children conceived out of wedlock and that the defendant is the biological father of the child or children.

(2) Maternity proceedings are commenced by the filing of a complaint that includes the social security number of each party, if known, and that alleges that a woman is the mother of a child or children conceived out of wedlock and that the woman as defendant, is

[Code of Federal Regulations]
[Title 45, Volume 2, Parts 200 to 499]
[Revised as of October 1, 2000]
>From the U.S. Government Printing Office via GPO Access
[CITE: 45CFR302.56]

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TITLE 45--PUBLIC WELFARE

CHAPTER III--OFFICE OF CHILD SUPPORT ENFORCEMENT
(CHILD SUPPORT ENFORCEMENT)

PART 302--STATE PLAN REQUIREMENTS--Table of Contents

Sec. 302.56 Guidelines for setting child support awards.

(a) Effective October 13, 1989, as a condition of approval of its State plan, the State shall establish one set of guidelines by law or by judicial or administrative action for setting and modifying child support award amounts within the State.

(b) The State shall have procedures for making the guidelines available to all persons in the State whose duty it is to set child support award amounts.

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

(1) Take into consideration all earnings and income of the noncustodial parent;

(2) Be based on specific descriptive and numeric criteria and result in a computation of the support obligation; and

(3) Provide for the child(ren)'s health care needs, through health insurance coverage or other means.

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

(e) The State must review, and revise, if appropriate, the guidelines established under paragraph (a) of this section at least once every four years to ensure that their application results in the determination of appropriate child support award amounts.

(f) Effective October 13, 1989, the State must provide 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 the guidelines established under paragraph (a) of this section is the correct amount of child support to be awarded.

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

(h) As part of the review of a State's guidelines required under paragraph (e) of this section, a State must consider economic data on the cost of raising children and analyze case data, gathered through sampling or other methods, on the application of, and deviations from, the guidelines. The analysis of the data must be used in the

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State's review of the guidelines to ensure that deviations from the guidelines are limited.

(Approved by the Office of Management and Budget under control number

0960-0385)

[50 FR 19649, May 9, 1985; 50 FR 23958, June 7, 1985, as amended at 51 FR 37731, Oct. 24, 1986; 56 FR 22354, May 15, 1991]



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THE 2004 HHS POVERTY GUIDELINES

One Version of the [U.S.] Federal Poverty Measure

[[Federal Register Notice with 2004 Guidelines - Full Text](#)]

[[Prior Poverty Guidelines and Federal Register References Since 1982](#)]

[[Information Contacts/References - Poverty Guidelines & Thresholds - History of U.S. Poverty Lines](#)]

[[Frequently Asked Questions \(FAQs\)](#)]

[[Computations for the 2004 Poverty Guidelines](#)]

There are two slightly different versions of the federal poverty measure:

- ⌘ The poverty thresholds, and
- ⌘ The poverty guidelines.

The **poverty thresholds** are the original version of the federal poverty measure. They are updated each year by the **Census Bureau** (although they were originally developed by Mollie Orshansky of the Social Security Administration). The thresholds are used mainly for **statistical** purposes — for instance, preparing estimates of the number of Americans in poverty each year. (In other words, all official poverty population figures are calculated using the poverty thresholds, not the guidelines.) Poverty thresholds since 1980 and weighted average poverty thresholds since 1959 are available on the Census Bureau's Web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "[How the Census Bureau Measures Poverty](#)" on the Census Bureau's web site.

The **poverty guidelines** are the other version of the federal poverty measure. They are issued each year in the *Federal Register* by the **Department of Health and Human Services (HHS)**. The guidelines are a simplification of the poverty thresholds for use for **administrative** purposes — for instance, determining financial eligibility for certain federal programs. (The full text of the *Federal Register* notice with the 2004 poverty guidelines is [available here](#).)

The poverty guidelines are sometimes loosely referred to as the "federal poverty level" (FPL), but that phrase is ambiguous and should be avoided, especially in situations (e.g., legislative or administrative) where precision is important.

A more extensive [discussion of poverty thresholds and poverty guidelines](#) is available on the Institute for Research on Poverty's Web site.

EXHIBIT 4

2004 HHS Poverty Guidelines

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	\$ 9,310	\$11,630	\$10,700
2	12,490	15,610	14,360
3	15,670	19,590	18,020
4	18,850	23,570	21,680
5	22,030	27,550	25,340
6	25,210	31,530	29,000
7	28,390	35,510	32,660
8	31,570	39,490	36,320
For each additional person, add	3,180	3,980	3,660

\$775/mo.

SOURCE: *Federal Register*, Vol. 69, No. 30, February 13, 2004, pp. 7336-7338.

The separate poverty guidelines for Alaska and Hawaii reflect Office of Economic Opportunity administrative practice beginning in the 1966-1970 period. Note that the poverty thresholds — the original version of the poverty measure — have never had separate figures for Alaska and Hawaii. The poverty guidelines are not defined for Puerto Rico, the U.S. Virgin Islands, American Samoa, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, and Palau. In cases in which a Federal program using the poverty guidelines serves any of those jurisdictions, the Federal office which administers the program is responsible for deciding whether to use the contiguous-states-and-D.C. guidelines for those jurisdictions or to follow some other procedure.

The poverty guidelines apply to both aged and non-aged units. The guidelines have never had an aged/non-aged distinction; only the Census Bureau (statistical) poverty thresholds have separate figures for aged and non-aged one-person and two-person units.

Programs using the guidelines (or percentage multiples of the guidelines — for instance, 125 percent or 185 percent of the guidelines) in determining eligibility include Head Start, the Food Stamp Program, the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program. Note that in general, cash public assistance programs (Temporary Assistance for Needy Families and Supplemental Security Income) do NOT use the poverty guidelines in determining eligibility. The Earned Income Tax Credit program also does NOT use the poverty guidelines to determine eligibility.

The poverty guidelines (unlike the poverty thresholds) are designated by the year in which they are issued. For instance, the guidelines issued in February 2004 are designated the 2004 poverty guidelines. However, the 2004 HHS poverty guidelines only reflect price changes through calendar year 2003; accordingly, they are approximately equal to the Census Bureau poverty thresholds for calendar year 2003. (The 2003 thresholds are expected to be issued in final form in September or October 2004; a preliminary version of the 2003 thresholds is now available from the Census Bureau.)

The computations for the 2004 poverty guidelines are available.

The poverty guidelines may be formally referenced as "the poverty guidelines updated periodically in the Federal Register by the U.S. Department of Health and Human Services under the authority

of 42 U.S.C. 9902(2)."

Go to [Information Contacts and References](#) on the Poverty Guidelines, the Poverty Thresholds, and the Development and History of U.S. Poverty Lines.

Go to [Frequently Asked Questions \(FAQs\)](#).

Return to the main [Poverty Guidelines, Research, and Measurement](#) page.

Last Revised: January 4, 2005

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COMMONWEALTH OF MASSACHUSETTS
ADMINISTRATIVE OFFICE
OF THE
TRIAL COURT
BOSTON 02108

CHILD SUPPORT GUIDELINES

The attached CHILD SUPPORT GUIDELINES supersede any previous Guidelines and are effective February 15, 2002.

Barbara A. Dortch-Okara
Chief Justice for Administration and Management

**COMMONWEALTH OF MASSACHUSETTS
ADMINISTRATIVE OFFICE
OF THE TRIAL COURT
CHILD SUPPORT GUIDELINES**

N.B. THESE GUIDELINES APPLY TO CURRENT CHILD SUPPORT ONLY. THEY DO NOT APPLY TO ALIMONY, THE DIVISION OF MARITAL PROPERTY, THE PAYMENT OF ARREARS, RESTITUTION, OR REIMBURSEMENT, NOR DO THEY APPLY WHERE THE PARTIES HAVE MADE AN AGREEMENT WHICH IS APPROVED BY THE COURT AND IS FOUND BY THE COURT TO BE FAIR AND REASONABLE, AND MAKES ADEQUATE PROVISION FOR THE SUPPORT OF THE CHILD.

THERE SHALL BE A PRESUMPTION THAT THESE GUIDELINES APPLY, ABSENT AGREEMENT OF THE PARTIES, IN ALL CASES SEEKING THE ESTABLISHMENT OR MODIFICATION OF A CHILD SUPPORT ORDER. A SPECIFIC, WRITTEN FINDING THAT THE GUIDELINES WOULD BE UNJUST OR INAPPROPRIATE AND THAT THE BEST INTERESTS OF THE CHILD HAVE BEEN CONSIDERED IN A PARTICULAR CASE SHALL BE SUFFICIENT TO REBUT THE PRESUMPTION IN THAT CASE.

THESE REVISED GUIDELINES, IN AND OF THEMSELVES, DO NOT CONSTITUTE A SUFFICIENT CHANGE OF CIRCUMSTANCES TO WARRANT A MODIFICATION OF THE CHILD SUPPORT ORDER.

The child support guidelines are formulated to be used by the justices of the Trial Court, whether the parents of the children are married or unmarried, in setting temporary, permanent or final orders for current child support, in deciding whether to approve agreements for child support, and in deciding cases that are before the court to modify existing orders. A modification may be allowed upon showing a discrepancy of 20% or more between an established order and a proposed new order calculated under these guidelines. The presumption establishing a proposed new order may be rebutted in cases where the amount of support required under the guidelines is due to the fact that the amount of the current support order resulted from a rebuttal of the guideline amount or by an allowance of an agreement of the parties and there has not been a change in the circumstances which resulted in a rebuttal of the guideline amount. The guidelines are intended to be of assistance to members of the bar and to litigants in determining what level of payment would be expected of them given the relative income levels of the parties. In all orders where an order for child support is requested, a guideline worksheet must be filled out, regardless of the income of the parties.

In establishing these guidelines, due consideration has been given to the following principles:

- 1) To minimize the economic impact on the child of family breakup;
- 2) To encourage joint parental responsibility for child support in proportion to, or as a percentage of income;
- 3) To provide the standard of living the child would have enjoyed had the family been intact;
- 4) To meet the child's survival needs in the first instance, but to the extent either parent enjoys a higher standard of living to entitle the child to enjoy that higher standard;
- 5) To protect a subsistence level of income of parents at the low end of the income range whether

- or not they are on public assistance;
- 6) To take into account the non-monetary contributions of both the custodial and non-custodial parents;
 - 7) To minimize problems of proof for the parties and of administration for the courts;
 - 8) To allow for orders and wage assignments that can be adjusted as income increases or decreases.

I. INCOME DEFINITION

A. For purposes of these guidelines income is defined as gross income from whatever source. Those sources include, but are not limited to, the following:

- 1) salaries and wages (including overtime and tips) and income from self-employment (except in certain instances, see B below)
- 2) Commissions
- 3) severance pay
- 4) Royalties
- 5) Bonuses
- 6) interest and dividends
- 7) income derived from business/partnerships
- 8) social security
- 9) veterans' benefits
- 10) insurance benefits (including those received for disability and personal injury)
- 11) workers' compensation
- 12) unemployment compensation
- 13) pensions
- 14) annuities
- 15) income from trusts
- 16) capital gains in real and personal property transactions to the extent that they represent a regular source of income
- 17) spousal support received from a person not a party to the order
- 18) contractual agreements
- 19) perquisites or in kind compensation to the extent that they represent a regular source of income
- 20) unearned income of children (in the court's discretion)
- 21) income from life insurance or endowment contracts
- 22) income from interest in an estate (direct or through a trust)
- 23) lottery or gambling winnings received either in a lump sum or in the form of an annuity
- 24) prizes or awards
- 25) net rental income

26) funds received from earned income credit

B. In individual cases, the court may choose to disregard overtime income or income derived from a second job. However, consideration of such income may be appropriate in certain instances such as those where such income constituted a regular source of income when the family was intact.

II. FACTORS TO BE CONSIDERED IN SETTING THE CHILD SUPPORT ORDER

A. RELATIONSHIP TO ALIMONY OR SEPARATE MAINTENANCE PAYMENTS

So long as the standard of living of the children is not diminished, these guidelines do not preclude the court from deciding that any order be denominated in whole or in part as alimony or as a separate maintenance payment. It is the responsibility of counsel representing the parties to present the tax consequences of proposed orders to the court.

B. CLAIMS OF PERSONAL EXEMPTIONS FOR CHILD DEPENDENTS

In setting a support order, the court may make an order regarding the claims of personal exemptions for child dependents between the parties to the extent permitted by law.

C. MINIMUM AND MAXIMUM LEVELS

The guidelines recognize the principle that, in many instances, to maintain a domicile and a reasonable standard of living for the minor children, the custodial parent will choose to work. In those cases, a disregard of gross income of the custodial parent is to be applied up to a maximum of \$20,000. The formula in these guidelines is intended to be adjusted where the income of the custodial parent exceeds the \$20,000 disregard after consideration of day care expenses.

These guidelines are also intended to ensure a minimum subsistence level for those non-custodial parents whose income is less than \$100 per week. However, it is the obligation of all parents to contribute to the support of their children. To that end, in all cases, a minimum order of \$80.00 (\$18.46 per week) per month should enter. This minimum should not be construed as limiting the court's ability to set a higher order, should circumstances permit.

Where the court makes a determination that either or both of the parties is either purposely unemployed or underemployed, the section of this guideline entitled **ATTRIBUTION OF INCOME** should be consulted.

These guidelines are not meant to apply where the combined gross income of the parties exceeds \$135,000 or where the gross income of the non-custodial parent exceeds \$100,000. In cases where income exceeds these limits, the court should consider the award of support at the \$100,000/\$135,000 level as a minimum presumptive level of support to be awarded. Additional amounts of child support may be awarded at the judge's discretion.

D. CUSTODY AND VISITATION

1) Custody

These guidelines are based upon traditional custody and visitation arrangements. Where the parties agree to shared physical custody or the court determines that shared physical custody is in the best interests of the children, these guidelines are not applicable. The guidelines are also not meant to apply for cases in which there is split physical custody, i.e., each parent has physical custody of one or more children.

2) Visitation

These guidelines recognize that children must be allowed to enjoy the society and companionship of both parents to the greatest extent possible. The court may adjust the amount of child support beyond the 2 percent range (see Basic Order, Section III. A.) after taking into consideration the parties' actual time sharing with the children and the relative resources, expenses, and living standards of the two households.

In some instances the non-custodial parent may incur extraordinary travel-related expenses in order to exercise court ordered visitation rights. To foster parental involvement with the children, the court may wish to consider such extraordinary expenses in determining the support order.

E. CHILD CARE CREDIT

The basic child support obligation set out in the guidelines includes the non-custodial parent's share of *child care* expenses. Child care expenses are not seen as a separate support item and responsibility for them resides with the custodial parent.

The reasonable cost of child care (costs as defined by 26 USC 21, Internal Revenue Service Code Section 21) actually paid is to be subtracted from the custodial parent's gross income before the disregard formula is applied.

F. AGE OF THE CHILDREN

To reflect the costs of raising children, age has been broken down into three groups: 0-12, 13-18, and over 18. A single adjustment to the basic order should be made based on the age of the oldest child for whom support is to be ordered. The support order where the oldest child is 12 or under should be the basic support order according to the schedule. Where the oldest child is between the ages of 13 and 18, the order should be increased by 10 percent of the basic order amount. For cases involving children over the age of 18, to the extent permitted by the General Laws, the amount of the order, if any, will be left to the Court's discretion.

Where the parties file an agreement with the court that allows for private payment between the parties, it is suggested that the incremental age issue be addressed in the agreement.

G. HEALTH INSURANCE, UNINSURED, AND EXTRAORDINARY MEDICAL EXPENSES

1) Health Insurance

When the court makes an order for child support, the court shall determine whether the obligor under the order has health insurance on a group plan available to him/her through an employer or organization or has health insurance or other health coverage available to him/her at reasonable cost that may be extended to cover the child for whom support is ordered. When the court makes a determination that the obligor has such coverage, the court shall include in the support order a requirement that the obligor exercise the option of additional coverage in favor of such child, unless the obligee has already provided such coverage for the child at a lesser cost (except for health insurance funded under public assistance programs), or has and prefers to continue such coverage irrespective of cost.

If family health coverage is to be provided by the obligor, the support order should be reduced by one half the cost of family coverage. It is the responsibility of the obligor under the support order who is seeking such a reduction in the order to produce proof satisfactory to the court of the existence of such family coverage under the plan, or no such reduction shall be allowed. However, there shall be no reduction if the obligor has a preexisting family health insurance policy which could be amended to name the additional dependents to the policy at no cost to the obligor. Should health insurance not be provided for any period for which it is ordered, the credit for the premium payment shall be revoked and the order shall be increased by the amount of the credit during the period of noncompliance.

If family health coverage is provided by the obligee, the support order should be increased by one half the cost of the coverage. It is the responsibility of the obligee who is seeking an increase in the order to produce proof satisfactory to the court of the existence of such family coverage under the plan, or no such increase shall be allowed. However, there shall be no increase if the obligee has a preexisting family health insurance policy which could be amended to name the additional dependents at no cost to the obligee. Should health insurance not be provided for any period for which it is ordered, the increase allowed for the premium payment shall be revoked and the order shall be decreased during the period when health insurance is not provided.

2) Routine Uninsured Medical and Dental Expenses

The custodial parent shall be responsible for the payment of the first \$100 per child per year for routine medical and dental expenses. For amounts above that limit, the court shall allocate costs on a case by case basis. No reduction in the child support order should be allowed.

3) Uninsured Extraordinary Medical and Dental Expenses

The payment of uninsured extraordinary medical and dental expenses incurred by the minor children, absent agreement of the parties, shall be treated on a case by case basis. (Example: orthodontia, psychological/psychiatric counseling, etc.) In such cases, where the court makes a determination that such medical and dental services are necessary and are in the best interests of the child, consideration toward a reduction in the child support order should be given.

H. ATTRIBUTION OF INCOME

If the court makes a determination that either or both parties is earning substantially less than he or she could through reasonable effort, the court may consider potential earning capacity rather than actual earnings. In making this determination, the court shall take into consideration the education, training, and past employment history of the party. These standards are intended to be applied where a finding has been made that the party is capable of working and is unemployed, working part-time or is working a job, trade, or profession other than that for which he/she has been trained.

This determination is not intended to apply to a custodial parent with children who are under the age of six living in the home.

I. PRIOR ORDERS FOR SUPPORT

To the extent that prior orders for spousal and child support are **actually** being paid, the court should deduct those payments from the gross income before applying the formula to determine the child support order. This section applies only to orders for child support for children **other than** those who are the subject of the pending action.

J. EXPENSES OF SUBSEQUENT FAMILIES

In instances where the non-custodial parent has remarried and has children by a subsequent marriage, the court should examine such circumstances closely to determine in the allocation of available resources whether consideration beyond Part II Section I (Prior Orders of Support) should be given when the custodial parent of children borne of the first marriage, or subsequent marriages appears before the court seeking a modification of the existing child support order. Expenses of a subsequent family may be used as a defense to a request to modify an order seeking an increase in the existing order, but such expenses should not be considered a reason to decrease existing prior orders. In actions pursuant to G.L. c.209C, this paragraph shall be construed to apply equally to children born out of wedlock.

III. CHILD SUPPORT OBLIGATION SCHEDULE

A. BASIC ORDER

The basic child support obligation, based upon the income of the non-custodial parent is as follows:

GROSS WEEKLY INCOME	NUMBER OF CHILDREN		
	1	2	3
\$0 - \$100	Discretion of the court, but not less than \$80 per month		
\$101-\$280	21%	24%	27%
\$281-\$750	\$59 + 23%	\$67 + 28%	\$76 + 31%
(% refers to all dollars over \$280)			
\$751-max	\$167 + 25%	\$199 + 30%	\$222 + 33%
(% refers to all dollars over \$750)			

For children in excess of 3 covered by the order, the support shall be no less than that for 3 children; should a judge order support at the 3 child level, written findings shall describe the circumstances of the particular case which warrant the minimum order.

Within the discretion of the court, and in consideration of the totality of the circumstances of the parties, the Basic Order may be either increased or decreased by 2%. An adjustment of 2% shall not be considered a deviation.

B. AGE DIFFERENTIAL

The above orders are to be increased to reflect the cost of raising older children. The following is intended to be applied to the age of the oldest child in the household for whom support is sought under the pending action.

AGE OF OLDEST CHILD	PERCENTAGE INCREASE
0-12	Basic Order Applies
13-18	Basic Order + 10% of Basic Order
Over 18	Discretion of the court (and if statute permits)

C. CUSTODIAL PARENT INCOME ADJUSTMENT

Where the custodial parent works and earns income in excess of \$20,000 after consideration of child care expenses, the support order is to be reduced by the percentage that the excess represents in relation to the combined incomes of both parents minus the custodial parent's disregard.

CHILD SUPPORT GUIDELINES WORKSHEET

Court Docket #: _____ Date Worksheet Completed: _____

All provisions of the Guidelines should be reviewed prior to the completion of the worksheet. These Guidelines will apply (absent a prior agreement acceptable to both parties) in cases where combined gross income of both parties does not exceed \$135,000 and where the gross income of the non-custodial parent does not exceed \$100,000. **Worksheets shall be completed for all cases.**

1. BASIC ORDER

- a. Non custodial gross weekly income (less prior support orders actually paid for child/family other than the family seeking this order) _____ (A) _____
- b. Basic Child Support Order from chart (pp. 8- 11)

2. ADJUSTMENT FOR AGE OF CHILDREN

- a. If age of oldest child is 13 - 18, calculate 10% times (A) _____
- b. Adjusted order (A) + (2 a) _____ (B) _____

3. CUSTODIAL PARENT INCOME ADJUSTMENT

- a. Custodial parent gross income (annual) _____
- b. Less \$20,000 - \$20,000
- c. Less annual child care cost - _____
- d. Custodial adjusted gross _____
- e. Non custodial gross (annual) _____
- f. Total available gross (d) +(e) _____
- g. Line 3(d) _____ Line 3 (f) _____
- h. 3 (d) divided by 3 (f) _____ %
- i. Adjustment for custodial income (Line 3 h %) X (B) _____ (C) _____

4. CALCULATION OF FINAL ORDER

- a. Adjusted order, (B) above (B) _____
- b. Less adjustment for (C) above (C) - _____
- c. Less 50% weekly cost to obligor of family group health insurance [Section G. 1] - _____
- OR Plus 50% weekly cost of obligee's family group health insurance [Section G. 1] + _____

5. WEEKLY SUPPORT ORDER (B) - (C) + 4 (c) \$ _____

BASIC CHILD SUPPORT ORDER

Non-Custodial Gross Weekly Income	Number of Children			Non-Custodial Gross Weekly Income	Number of Children		
	1	2	3		1	2	3
0-100	Not less than 18.46						
101	21	24	27	1020	235	280	311
105	22	25	28	1025	236	282	313
110	23	26	30	1030	237	283	314
115	24	28	31	1035	238	285	316
120	25	29	32	1040	240	286	318
125	26	30	34	1045	241	288	319
130	27	31	35	1050	242	289	321
135	28	32	36	1055	243	291	323
140	29	34	38	1060	245	292	324
145	30	35	39	1065	246	294	326
150	32	36	41	1070	247	295	328
155	33	37	42	1075	248	297	329
160	34	38	43	1080	250	298	331
165	35	40	45	1085	251	300	333
170	36	41	46	1090	252	301	334
175	37	42	47	1095	253	303	336
180	38	43	49	1100	255	304	338
185	39	44	50	1105	256	306	339
190	40	46	51	1110	257	307	341
195	41	47	53	1115	258	309	342
200	42	48	54	1120	260	310	344
205	43	49	55	1125	261	312	346
210	44	50	57	1130	262	313	347
215	45	52	58	1135	263	315	349
220	46	53	59	1140	265	316	351
225	47	54	61	1145	266	318	352
230	48	55	62	1150	267	319	354
235	49	56	63	1155	268	321	356
240	50	58	65	1160	270	322	357
245	51	59	66	1165	271	324	359
250	53	60	68	1170	272	325	361
255	54	61	69	1175	273	327	362
260	55	62	70	1180	275	328	364
265	56	64	72	1185	276	330	366
270	57	65	73	1190	277	331	367
275	58	66	74	1195	278	333	369
280	59	67	76	1200	280	334	371
281	59	67	76	1205	281	336	372
285	60	68	78	1210	282	337	374
290	61	70	79	1215	283	339	375
295	62	71	81	1220	285	340	377

300	64	73	82	1225	286	342	379
305	65	74	84	1230	287	343	380
310	66	75	85	1235	288	345	382
315	67	77	87	1240	290	346	384
320	68	78	88	1245	291	348	385
325	69	80	90	1250	292	349	387
330	71	81	92	1255	293	351	389
335	72	82	93	1260	295	352	390
340	73	84	95	1265	296	354	392
345	74	85	96	1270	297	355	394
350	75	87	98	1275	298	357	395
355	76	88	99	1280	300	358	397
360	77	89	101	1285	301	360	399
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380	82	95	107	1305	306	366	405
385	83	96	109	1310	307	367	407
390	84	98	110	1315	308	369	408
395	85	99	112	1320	310	370	410
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415	90	105	118	1340	315	376	417
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425	92	108	121	1350	317	379	420
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440	96	112	126	1365	321	384	425
445	97	113	127	1370	322	385	427
450	98	115	129	1375	323	387	428
455	99	116	130	1380	325	388	430
460	100	117	132	1385	326	390	432
465	102	119	133	1390	327	391	433
470	103	120	135	1395	328	393	435
475	104	122	136	1400	330	394	437
480	105	123	138	1405	331	396	438
485	106	124	140	1410	332	397	440
490	107	126	141	1415	333	399	441
495	108	127	143	1420	335	400	443
500	110	129	144	1425	336	402	445
505	111	130	146	1430	337	403	446
510	112	131	147	1435	338	405	448
515	113	133	149	1440	340	406	450
520	114	134	150	1445	341	408	451
525	115	136	152	1450	342	409	453
530	117	137	154	1455	343	411	455
535	118	138	155	1460	345	412	456
540	119	140	157	1465	346	414	458
545	120	141	158	1470	347	415	460

550	121	143	160	1475	348	417	461
555	122	144	161	1480	350	418	463
560	123	145	163	1485	351	420	465
565	125	147	164	1490	352	421	466
570	126	148	166	1495	353	423	468
575	127	150	167	1500	355	424	470
580	128	151	169	1505	356	426	471
585	129	152	171	1510	357	427	473
590	130	154	172	1515	358	429	474
595	131	155	174	1520	360	430	476
600	133	157	175	1525	361	432	478
605	134	158	177	1530	362	433	479
610	135	159	178	1535	363	435	481
615	136	161	180	1540	365	436	483
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635	141	166	186	1560	370	442	489
640	142	168	188	1565	371	444	491
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650	144	171	191	1575	373	447	494
655	145	172	192	1580	375	448	496
660	146	173	194	1585	376	450	498
665	148	175	195	1590	377	451	499
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675	150	178	198	1600	380	454	503
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685	152	180	202	1610	382	457	506
690	153	182	203	1615	383	459	507
695	154	183	205	1620	385	460	509
700	156	185	206	1625	386	462	511
705	157	186	208	1630	387	463	512
710	158	187	209	1635	388	465	514
715	159	189	211	1640	390	466	516
720	160	190	212	1645	391	468	517
725	161	192	214	1650	392	469	519
730	163	193	216	1655	393	471	521
735	164	194	217	1660	395	472	522
740	165	196	219	1665	396	474	524
745	166	197	220	1670	397	475	526
750	167	199	222	1675	398	477	527
751	167	199	222	1680	400	478	529
755	168	201	224	1685	401	480	531
760	170	202	225	1690	402	481	532
765	171	204	227	1695	403	483	534
770	172	205	229	1700	405	484	536
775	173	207	230	1705	406	486	537
780	175	208	232	1710	407	487	539
785	176	210	234	1715	408	489	540
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795	178	213	237	1725	411	492	544
800	180	214	239	1730	412	493	545
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825	186	222	247	1755	418	501	554
830	187	223	248	1760	420	502	555
835	188	225	250	1765	421	504	557
840	190	226	252	1770	422	505	559
845	191	228	253	1775	423	507	560
850	192	229	255	1780	425	508	562
855	193	231	257	1785	426	510	564
860	195	232	258	1790	427	511	565
865	196	234	260	1795	428	513	567
870	197	235	262	1800	430	514	569
875	198	237	263	1805	431	516	570
880	200	238	265	1810	432	517	572
885	201	240	267	1815	433	519	573
890	202	241	268	1820	435	520	575
895	203	243	270	1825	436	522	577
900	205	244	272	1830	437	523	578
905	206	246	273	1835	438	525	580
910	207	247	275	1840	440	526	582
915	208	249	276	1845	441	528	583
920	210	250	278	1850	442	529	585
925	211	252	280	1855	443	531	587
930	212	253	281	1860	445	532	588
935	213	255	283	1865	446	534	590
940	215	256	285	1870	447	535	592
945	216	258	286	1875	448	537	593
950	217	259	288	1880	450	538	595
955	218	261	290	1885	451	540	597
960	220	262	291	1890	452	541	598
965	221	264	293	1895	453	543	600
970	222	265	295	1900	455	544	602
975	223	267	296	1905	456	546	603
980	225	268	298	1910	457	547	605
985	226	270	300	1915	458	549	606
990	227	271	301	1920	460	550	608
995	228	273	303	1923	460	551	609
1000	230	274	305				
1005	231	276	306				
1010	232	277	308				
1015	233	279	309				

IN THE SUPREME COURT OF GUAM

MARIA ANNIE FLORES,)	Supreme Court Case No. CVA97-018
)	Superior Court Case Nos. DM0694-94
Plaintiff-Appellee,)	CS0872-94
vs.)	
)	OPINION
HAROLD J. CRUZ,)	
)	
Defendant-Appellant.)	
_____)	

Filed: December 15, 1998

Cite as: 1998 Guam 30

Appeal from the Superior Court of Guam.

Argued and Submitted on 17 February 1998

Hagåtña, Guam

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EXHIBIT 6

BEFORE: PETER SIGUENZA, Chief Justice; JOSE I. LEON GUERRERO, and EDUARDO A. CALVO, Associate Justices.

Siguenza, C.J.:

[1] This appeal arises out of the Superior Court's determination that sole legal custody of a child should be awarded to the Appellee, Maria Annie Flores. The trial court based its determination on a finding that the Appellant, Harold J. Cruz, lacks the maturity to share legal custody of the minor child and that parties are unable to communicate. Mr. Cruz contends otherwise asserting the Superior Court's decision regarding his immaturity was based on events occurring prior to the birth of his son. He also argues that inadequate consideration was given to his behavior as a father when determining his custodial rights. He further contends that the communication and cooperation difficulties are principally on the side of the mother, Ms. Flores.

[2] We agree. The trial court when considering Mr. Cruz's sexual behavior, did not analyze how his past conduct adversely affected the welfare of the child. Nor was an examination conducted weighing his past sexual affairs before the birth of his child against his more recent behavior as a father. We further decide that the communication difficulties, largely attributable to Ms. Flores, were not considered and that the trial court failed to weigh this factor in its analysis. Accordingly, we reverse and remand this matter back to the trial court for consideration consistent with this opinion.

PROCEDURAL AND FACTUAL BACKGROUND

[3] Harold J. Cruz and Maria Annie Flores were engaged to be married over an eight-month

period. The engagement subsequently ended when Ms. Flores discovered that Mr. Cruz had several sexual relationships with other partners, resulting in several pregnancies. At the end of her relationship with Mr. Cruz, Ms. Flores was also pregnant. She eventually gave birth to Tyler Jose Flores on June 20, 1994.¹

[4] On July 28, 1994, Ms. Flores filed a complaint in which she sought sole custody of the child as well as a restraining order against Mr. Cruz based on allegations that he physically abused her in March of 1994.² In his answer and counterclaim, Mr. Cruz prayed for joint legal custody with physical custody to be awarded to mother, reasonable visitation rights to the father, and child support of \$150 per month.

[5] On August 5, 1994, an Order to Show Cause hearing was conducted based on harassment allegations of Ms. Flores³. Consequently, on August 12, 1994, mutual restraining orders were issued to keep the parties from “molesting, annoying, or disturbing the peace of each other.” On September 27, 1994, a hearing was held at which time Mr. Cruz’s visitation hours were increased. At a subsequent hearing held on February 1, 1995, the court ordered pendente lite joint custody and further increased Mr. Cruz’s visitation. Mr. Cruz and Ms. Flores have since shared joint legal

¹Mr. Cruz attempted to be present when the child was born, but was removed from the labor room by hospital security per Ms. Flores’s request.

²Despite allegations of physical abuse in March, 1994, such allegations were not made until July 28, 1994. These allegations were never substantiated. Accordingly, the trial court’s reference to the allegations should not have had any bearing on the proceeding.

³During trial, Ms. Flores illustrated Mr. Cruz’s harassment prior to the restraining order as follows: she stated “but prior to that (the restraining order) Every little thing, whether it be a bag or the clothes or the food or-everything, where my child was going, what I was doing, uhm...if he had trouble finding a sitter for Tyler, he would call me up.” By Ms. Flores’s own accounts, the harassment was predominately in relation to the child. Transcript at 13 (February 12, 1997).

custody of Tyler for approximately two years.

[6] During the period of temporary joint legal custody, Ms. Flores alleges three incidents that were cumbersome when dealing with Mr. Cruz, indicating an inability to cooperate.⁴ Ms. Flores and Mr. Cruz were apparently able to solve these issues and otherwise cooperate as to issues surrounding Tyler. For instance, the record indicates Mr. Cruz and Ms. Flores agreed, without court supervision, to alter visitation times to better accommodate each other's schedules. In another instance, they cooperatively held a party for Tyler's second birthday in spite of Ms. Flores' recollections surrounding Tyler's first birthday.

[7] The trial court conducted a custody hearing on February 12, 1997. After taking testimony from both parties and hearing argument, the court awarded sole legal custody to Ms. Flores. Consequently, a timely Notice of Appeal was filed.

ANALYSIS

[8] This court has jurisdiction over this matter pursuant to 48 U.S.C. § 1424-3(d) (1984) and 7 GCA § 3107(b) (1994). The court reviews custody matters keeping in mind the best interest of the child. 19 GCA § 8404 (1994). The factual findings of the trial court are reviewed for an

⁴One incident related to the child's birthday party. During the party, Mr. Cruz failed to tell Ms. Flores that he was aware that the police were planning to call her in reference to one of the previous harassment incidents. Ms. Flores felt that he should have notified her and that perhaps his motives for participating in the party were questionable as he may have attended just to gain her good graces before the police called. Another incident occurred when Mr. Cruz attempted to trade visitation days with Ms. Flores as he thought that he was scheduled to have Tyler on Mother's day. Ms. Flores regarded the incident as harassment because she misunderstood what Mr. Cruz was attempting to do. Transcript at 27 (February 12, 1997). The final incident occurred when Mr. Cruz returned Tyler after his visitation, wearing a girl's t-shirt because Tyler was not sent with extra clothes. Transcript at 24 (February 12, 1997).

abuse of discretion. *Farrell v. Farrell*, 819 P.2d 896, 898 (Alaska 1991).

I.

[9] Although case authority does not appear to fix a standard definition of joint custody, it is generally understood as a custody arrangement that places both legal and physical custody of a child in the hands of both parents. See *In Re Marriage of Lampton*, 704 P.2d 847, 849 (Colo. 1985)(en banc); See also *In Re Marriage of Burham*, 283 N.W. 2d 269, 271 (Iowa 1979). This custody arrangement permits both parents to participate in reaching major decisions affecting the child's welfare. See Vitauts M. Gulbis, Annotation, *Propriety of Awarding Joint Custody of Children*, 17 ALR 4th 1013, 1016 (1981). Although this is a generally recognized arrangement, the court must initially decide whether a trial court has within its authority the discretion to award joint custody if deemed appropriate.

[10] The principal custody statute, 19 GCA § 8404 states in pertinent part:

In actions for divorce, separation, annulment, separate maintenance, or any other proceeding where there is at issue a dispute as to the custody of a minor child, the court may, during the minority of the child, make such order for the custody of such minor child as may seem necessary or proper. In awarding the custody, the court is to be guided by the following standards, considerations and procedures:

(a) Custody should be awarded to either parent according to the best interest of the child.

(b) Custody may be awarded to persons other than the father or mother whenever such award serves the best interest of the child. Any person who has had de facto custody of the child in a stable and wholesome home and is a fit and proper person shall prima facie be entitled to an award of custody.

While 19 GCA § 8404 does not expressly provide for the issuance of joint legal custody, the language of the statute reflects the legislature's intent to accord the trial court broad discretion in

determining custody. The legislature gave the trial court discretion to “make such order for the custody of such minor child as may seem necessary or proper.” *Id.* The inclusion of statutory factors for the trial court’s consideration in no way diminishes its authority in deciding which custodial relationship is in the child’s best interest. *See In Re Marriage of Neil*, 92 Cal. App. 3d 834, 839, 155 Cal.Rptr. 157, 160 (1979). Moreover, Guam’s statute is devoid of language requiring the trial court to decide between two parents. Instead, 19 GCA § 8404 allows the trial court to consider a broad range of facts and circumstances when deciding the best interests of a child and determining a child’s custodial status.

[11] Not only is joint custody permitted by Guam statute, there appears a preference for such custodial arrangements. Title 19 of the Guam Code Annotated, read as a whole, reflects the legislature’s underlying policy that whenever possible, the sanctity of family life should be preserved by the inclusion of both parents in the lives of their children. For instance, 19 GCA § 4106 (1994) provides:

The father and the mother of a legitimate unmarried minor child are equally entitled to its custody, services and earnings. If either the father or mother be dead or unable or refuse to take the custody or has abandoned his or her family, the other is entitled to its custody, services and earnings.

Other sections of Title 19 further support this preference for joint custody. 19 GCA § 4107 (1994) states “[t]he husband and father, as such, has no rights superior to those of the wife and mother, in regard to the care, custody, education, and control of the children of the marriage, while such husband and wife live separate and apart from each other.” Likewise, the legislature’s stated purpose in the series of statutes that address the Termination of the Parent-Child Relationship, provides in pertinent part “[i]mplicit in this Article is the philosophy that wherever possible family life should

be strengthened and preserved and that the issue of severing the parent-child relationship is of such vital importance as to require a judicial determination. . . .” 19 GCA § 4301 (1994).

[12] Given the trial court’s latitude granted through the broad discretionary language of 19 GCA § 8404 and the legislature’s preference toward inclusion of both parents in the lives of their children, this court determines that not only can an award of joint legal custody be granted by Guam’s trial courts, it is preferred. This preference, however, is always secondary to the best interest of the child.

II.

[13] In ruling upon this matter, the trial court stated that Cruz’s past was “not determinative in this custody issue.” *Flores v. Cruz*, DM 0694-94 (Super. Ct. Guam April 10, 1997). However, the trial court clearly placed great weight upon Cruz’s past sexual behavior and the resulting pregnancies. Moreover, the trial court concluded Cruz was not a responsible parent as his past indiscretions were indicative of a lack of maturity.

[14] We agree that trial courts may look to the sexual behavior of a party for purposes of determining custody. See *Bialac v. Bialac*, 240 Cal. App. 2d 940, 50 Cal. Rptr. 12 (1966); *Montgomery v. Marcantel*, 591 So.2d 1272 (La. 1991); *Smith v. Smith*, 586 So.2d 916 (Alaska 1991). However, in order for such behavior to be relevant to a custody determination, it must be shown to have directly affected the child in an adverse manner. *Bialac*, 240 Cal. App. 2d at 947, 50 Cal. Rptr. at 16; *Montgomery*, 591 So.2d at 1273; *Smith*, 586 So.2d 918. Similarly, in order to have a bearing on the case, prior misconduct must be shown to presently affect the interests of the child. *Santens v. Santens*, 180 Cal. App. 2d 809, 819, 4 Cal. Rptr. 635, 641 (1960). Otherwise, if not linked to the

child's interest, the matter should not be considered.

[15] It is uncontested that Harold Cruz's past behavior as a fiancé is both egregious and immature. However, in the context of determining custody, we cannot characterize this behavior in the same manner. Our review of the trial court's order indicates that Cruz's conduct was never reviewed in context as it pertains to the child's welfare. Further, the record reveals that no evidence was presented indicating that Cruz's sexual behavior which occurred before the birth of Tyler, has had any bearing on Mr. Cruz's abilities to be a father for purposes of joint legal custody. During the period of temporary joint legal custody, nothing presented shows that he has made decisions endangering his child, placing him at risk or otherwise making inappropriate choices adversely affecting Tyler's welfare. More importantly, the record reveals that Ms. Flores admits Mr. Cruz is a good father. Consequently, based on the record now before us, we cannot reconcile the trial court's finding that his past sexual conduct rendered him irresponsible and therefore immature to such a degree that his legal rights are terminated.

[16] Assuming Cruz's past behavior was shown to have an adverse effect on the child's welfare, the analysis as presented would not be acceptable to this court. We are disturbed by the absence of consideration of Cruz's level of maturity since the birth of his son and during the period of temporary joint custody. We believe such an examination would be a more accurate and important assessment of his ability to raise his son.

[17] Maturation is a process of development that occurs over time. While Cruz's sexual behavior may have demonstrated a want of maturity in the eyes of the trial court, this conduct was representative of a period of time prior to the child's birth. As to the time period after the child's

birth, the record, although quite sparse, provides some indication of growing maturity on Cruz's part. For instance, contention has occurred because the child was dressed in girl's clothing. Mr. Cruz explained that due to the visitation schedules, clothing he had provided for his son was not returned. Instead of arguing over a matter which he considered petty, he solved the issue by taking steps ensuring that he always has proper clothes on hand for his son and resolved a source of discord between the parties. Such action of avoiding conflict shows good judgment and maturity.

[18] As stated earlier, the record is limited as to affirmative examples of Mr. Cruz's maturity. The record is also silent as to whether Mr. Cruz's sexual promiscuity has continued since the birth of his son. As these issues directly pertain to the best interests of raising Tyler, they should have been extensively explored.

[19] In sum, the trial court erred by finding Mr. Cruz's past sexual behavior was indicative of his maturity. Likewise, the trial court's characterization of Mr. Cruz, again based on his sexual conduct, as the least responsible of the parties cannot be supported by the record. None of these findings has been shown to adversely affect the welfare of the child. In addition, the court's consideration of this behavior appears to be incomplete as no consideration was given to Cruz's maturity after the child's birth.

III

[20] Generally, agreement and cooperation between the parties are the foundations upon which any joint custody arrangement rests. *In Re Marriage of Lampton*, 704 P.2d 847, 849 (Colo. 1985) (en banc); *In Re Marriage of Burham*, 283 N.W. 2d 269, 275 (Iowa 1979); *In Re Marriage of Neal*,

92 Cal. App. 3d 834, 843, 155 Cal. Rptr. 157, 162 (1979). The absence of such makes decisions affecting the welfare of the child difficult and will inevitably require recurring court intervention. *Lampton*, 704 P.2d at 849. Moreover, in situations where parents are embattled and embittered, a joint custody arrangement would only enhance familial chaos. *Burnham*, 283 N.W.2d at 275 (citation omitted). Clearly, a joint custody arrangement absent minimal cooperation would not be in the best interest of a child. *Id.*

[21] However, “[t]he ability to cooperate does not require the absence of tension or hostility. . . .” 1 Jeff Atkinson, *Modern Child Custody Practice* §6.09 (1986). Instead, it requires “that the parents put the interest of the child before their own interests (or anger).” *Id.* If the parties have demonstrated that they are reasonable and willing to give priority to the child’s best interest, courts can determine whether the parents can separate and put aside their differences to cooperate for the benefit of their child. *Beck v. Beck*, 432 A.2d 63, 71-72 (N.J. 1981) (citation omitted). If the potential for cooperation exists, a successful joint custody arrangement can be achieved by instructing parents on what is expected and by setting ground rules of conduct. *Id.*

[22] Whether the parties could cooperate and communicate was the factor that the trial court considered when it awarded sole custody to Ms. Flores. The court specifically found that the relationship between the parents was neither open nor free. The Superior Court also stated in its ruling that “[t]he parties have difficulty communicating and cooperating, and their relationship is less than amicable.” *Flores v. Cruz*, DM 0694-94 (Super. Ct. Guam April 10, 1997). Thus, the court concluded that sole custody was the appropriate custody arrangement and in the best interest of the child. *Id.*

[23] Our review of the record leads to a different conclusion. While it is clear that Ms. Flores does not wish to continue to collaborate with Mr. Cruz in raising their child, the custody hearing was held to determine the best interests of the child and not that of the parents. She contends that “because of the past problems in the adult interpersonal relationship of Appellant Cruz and Appellee Flores, that chances for good and open communication are not present because of continuing negative feelings between the parties.” Appellee Brief, Pg. 9. However, her actions belie her words. Notwithstanding her feelings that Mr. Cruz is untrustworthy and manipulative, the parents managed to cooperate, in limited instances, throughout the duration of the pendente lite joint custody period without court intervention.

[24] Mr. Cruz and Ms. Flores have demonstrated the ability to cooperate with one another in matters regarding their son when the lines of communication have been opened. This court is generally not concerned with how the parties feel about one another. What is of consequence is that the parties are able to put their personal differences aside and work for the benefit of their son. The record reflects such an ability, despite the fact that it may be personally disagreeable to Ms. Flores. For example, both parties testified that visitation schedules were modified in order to accommodate each others work and travel schedules. Significantly, successful modification of their schedules occurred without attorney or court involvement.

[25] In Appellee’s brief, it was stated “[a]s a result of this mistrust, she does not want to be forced to sit down and make decisions with a person who has so manipulated her.” Appellee Brief, Pg. 4. The record is clear that Ms. Flores’ has acted consistent with this statement by trying to avoid contact with Mr. Cruz. Her own testimony reveals Ms. Flores did not provide her address or phone number to Mr. Cruz during the year preceding the hearing. Transcript at 28-29 (February 12, 1997). This

was at a time when temporary joint custody was in effect and both parents had decision making responsibilities for the child and communication was essential to his welfare. We believe it is fortunate that an emergency affecting Tyler did not occur. Mr. Cruz's options would have been to act without Ms. Flores' input or wait until contact was established through third parties.

[26] Obviously, meaningful communication could not have taken place under such conditions. Under any type of custodial relationship, let alone joint custody, parents must engage each other in order to cooperate for the best interests of the child. It is quite apparent that when the lines of communication have been silent, it has been the result of Ms. Flores' refusal to open them.

[27] Alternatively, it is undisputed that Mr. Cruz "attempted to reconcile the differences between himself and Plaintiff, but she was not receptive to such efforts." *Flores v. Cruz*, DM 0694-94 (Super. Ct. Guam April 10, 1997). Mr. Cruz also testified that despite the fact that they still had their differences "I have put them aside a long time ago." Transcript at 51 (February 12, 1997). It is within Tyler's best interests for Ms. Flores to also put the past aside and continue to work with Mr. Cruz in raising their son. Despite any ill will, the parties have shown that they can and did make decisions for the benefit of their son. We would observe that "[p]roblems are likely to develop under any custodial arrangement. The adults must have the maturity to put their personal antagonisms aside and attempt to resolve the problems." *In Re Marriage of Bolin*, 336 N.W. 2d. 441, 447 (Iowa 1983).

[28] The tension between Mr. Cruz and Ms. Flores is predicated on their failed relationship. In Appellee's brief, it was contended "[a]nd it is the destruction of the relationship and the complete lack of trust it created that is the foundation of Appellee Flores's inability to feel comfortable in sitting down with Appellant Cruz and trying to make major decisions regarding Tyler." Appellee Brief, Pg.3. While the memories of past indiscretions may make Ms. Flores uncomfortable in dealing with Mr. Cruz, absent any contemporaneous problems that relate to the welfare of the child,

the memories and their attendant discomfort are problems Ms. Flores will need to come to terms with for the benefit of Tyler. Although Ms. Flores may not want to be forced to work with Mr. Cruz, the child's interests must be given priority over her own. It is true that this arrangement may require effort to overcome the discomfort and strained communications, but history between these particular parents has shown that the joint custody arrangement was successful during the period of temporary joint custody and there is no indication whatsoever that the arrangement will not succeed in the future.

CONCLUSION

[29] As noted in the trial decision, “[i]t is well settled that joint legal custody of a minor child is a desirable arrangement and is very effective in some cases.” *Flores v. Cruz*, DM 0694-94 (Super. Ct. Guam April 10, 1997). Nowhere is it postulated that a joint custody relationship does not require the maturity to set aside personal animosities and a desire to do what is truly best for the child. Based on his performance as a father, we find that the revocation of Mr. Cruz's custodial rights is unwarranted under the circumstances. Therefore, we **REVERSE** and **REMAND** this matter to the trial court for proceedings consistent with this opinion.

Nunc pro tunc to 17 February 1998.

EDUARDO A. CALVO
Associate Justice

JOSE I. LEON GUERRERO
Associate Justice

PETER C. SIGUENZA
Chief Justice



U.S. Department of Health & Human Services (Region 9) Suggested Language Revision

Amendment to Proposed Guidelines 19 G.A.R. § 1204(a):

“(a) Joint and Equal Physical Custody Situations or Equal Split Physical Custody Situations. In joint and equal custody situations, or equal split situations, the amount calculated by the Guidelines shall not apply, but shall be deviated from based on non-traditional custody arrangements and the facts of each case.

These Guidelines apply to sole custody situations (i.e. custodial parent has custody, non-custodial parent has visitation or no custody). Where the parties agree to joint and equal physical custody, or the Court determines that joint and equal physical custody is in the best interests of the children, consistent with the presumption in Guam law [19 G.C.A. § 8404(h)], these Guidelines are not applicable, nor is the Schedule. The Guidelines are also not meant to apply to cases in which there is equal split physical custody, i.e. each parent has physical custody of the same number of children (i.e. father has 1 child, mother has 1 child), but the Guidelines will apply if father has custody of 1 child and mother has custody of 2 children). (*Source: Massachusetts Child Support Guidelines*).

In joint and equal physical custody situations, or equal split physical custody situations, the Court must ~~may~~ consider: (i) the best interests of the child; ~~(ii) the special needs of the child;~~ ~~(iii)~~ and (ii) the incomes of the parents; and may consider ~~(iv)~~ (i) the wishes of each parent to raise the child in a standard of living which is consistent with their desire to form their child’s character and personality (i.e. not spoiling the child), taking into consideration the standard of living which as closely as possible approximates the one they would have had if the parents had remained together; ~~(v)~~ (ii) the number of children in each parent’s household; and ~~(vi)~~ and (iii) any public assistance that might be paid to a household;”

