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December 15, 2019

Kerrin A. Rounds, Acting Commissioner
NH Department of Health and Human Services
129 Pleasant St.
Concord, NH 03301

Dear Acting Commissioner Rounds,

I am writing to inform you that we have revised our formula to calculate shared parenting child support obligations submitted in the 2018 Child Support Guidelines Review Report due to an error in the original shared parenting calculation. The miscalculation used the wrong denominator. Attached you will find a reissuance of *Recommendation #3: Formula for Shared Parenting* (pages 59-62 in the report) with the correct shared parenting formula and a new presentation of the results. We believe this new presentation provides a more easily digestible format for readers and will be informative to the Child and Family Law Committee. We ask that you make these revised calculations available to the public.

Sincerely,



CC: Karen Hebert, Director
Bureau of Child Support Services
129 Pleasant St.
Concord, NH 03301

Revised Recommendation #3: Formula for Shared Parenting

We recommend the New Hampshire legislature enact changes to the guidelines to address shared parenting. New Hampshire's statute does not provide uniform guidelines for addressing shared parenting arrangements. As substantially equal parenting increases in a number of cases, a larger proportion of child support cases must deviate from the guidelines to account for the sharing of expenses. This results in a range of possible outcomes, little predictability for parents entering the system, and in some cases, judgments that are inconsistent and not fair alternately to the Obligee or Obligor. In New Hampshire, 37% of the cases that deviate from the guidelines have shared parenting as the first rationale given for the deviation (see Table 6, page 16 in Section III: Court Case File Review in this report).

Over the last decade, several states have developed guidelines to address shared parenting. Of those states with methods of dealing with this issue, they differ in their formulas, in what constitutes shared parenting, and in how shared parenting is counted.

There are two primary modes of counting parenting time: overnight visits or hours. Counting overnight visits is the most simple; however, its simplicity may result in solely sleeping time counting towards parenting time. What counting hours gains in precision is paid for in onerous timekeeping.

The primary argument for using overnights is that it is simple and reduces conflict between the parents over visitation time. It has also been argued that overnights reflect higher costs than equivalent daytime visits because overnights usually involve dinner and breakfast (Melli, 1999). Overnights should also result in higher fixed parenting costs compared to daytime visits because they require bedroom space. Using overnights instead of hours does create large, discrete jumps in parenting time (i.e., 14.2 percent for an Obligor with 1 night per week of visitation versus 28.7 percent for an Obligor with 2 nights per week of visitation). For this reason, and because most state models have a minimum time threshold for shared parenting adjustments, scholars (see, for example, Brown and Brito, 2007) and policymakers have worried about the potential for "cliff effects," or sharp changes in support payments that might result from relatively small changes in parenting time. These cliff effects could create incentives to change custody arrangements and intensify conflict between parents.

After determining how to count time, the threshold for determining when shared parenting will result in a change to the support order varies tremendously from virtually any amount of time (10%) to almost completely equal time (45%). The most commonly used thresholds are 30% and 35% (used by six states each). The median threshold is 30%.

The third variable in shared parenting guidelines across states is how the support order is modified. Because the cost of maintaining two households is more expensive than the cost of one household, many states employ a multiplier (1.4 or, more commonly, 1.5) to the total support order and then divide the costs between the parties. This adjustment reflects the fact that raising a child in two homes, particularly with overnights in both locations, raises fixed

costs for both parents because the child needs a bedroom, bed or crib, safety devices like child gates, high chairs, toys and other items in both homes. The most frequently cited estimate upon which the 1.5 factor is based is Lazear and Gibbs' 1988 book, in which they claim that a household with a child in it half the time will spend 75 percent of what it would if the child lived in it full time (Melli, 1999).

The Preventing Sex Trafficking and Strengthening Families Act of 2014 expressed that establishing parenting time arrangements within child support orders is an important goal when accompanied by strong family violence safeguards, yet no additional funds were appropriated for this effort. There is evidence that Intimate Partner Violence (IPV) is particularly high for low-income populations, many of whom are likely to be among the unmarried parents served by the child support agency and couples who have experienced IPV require individualistic approaches to developing safe parenting plans (Pearson and Kaunelis 2015).

Thirty-six states consider the amount of time a child spends with each parent in the child support guidelines when considering child support order amounts (Pearson and Kaunelis 2013). The majority of these states use a cross-credit method, which essentially means that the fraction of time a child spends with each parent in a given year is used to adjust for shared parenting. Slightly more than half of these states use a multiplier, the majority using 1.5. Most states count overnights as the measure of shared parenting time, and nearly all states have a threshold for shared parenting. New Hampshire is currently in the minority of states that still deal with shared parenting only through deviations to the basic formula (Brown and Brito 2007).

We recommend that New Hampshire adopt a shared parenting adjustment that includes the following factors:

1. Use a multiplier to account for the increased costs of parenting in two households. We recommend 1.5 based on the research. This value represents the combined family expenditures.
2. Subtract a credit for the fraction of time the Obligor spends with the child(ren), measured in overnights, (percent of time multiplied by the combined family expenditures), from the parental support obligation to arrive at the adjusted shared custody obligation.
3. Use a threshold to determine when shared parenting will result in a change to the support order. We recommend 30%.
4. Allow for exceptions when parenting time is addressed to ensure that appropriate safeguards are included in cases with Intimate Partner Violence to guarantee safety for children and the abused parent.

EXAMPLE COMPARISONS FOR SHARED PARENTING ADJUSTMENTS

The calculation starts in the same way as a basic Income Shares calculation, by computing adjusted gross income for both parents, adding them together and determining a total guideline amount and then computing the proportional share of income for each parent. The first step in the shared parenting adjustment is to multiply the total guideline amount (which presumes sole custody) by a factor of 1.5. After the guideline amount has been increased to account for higher fixed costs, child care costs and extraordinary medical and educational expenses are added to this amount, the total family expenditure is pro-rated between the parents according to their shares of total income. After subtracting any child care, medical or education expenditures made by the Obligor from his or her fraction of the award, a credit for the fraction of time spent with the child (percent of time multiplied by the combined family expenditures) is also deducted. This produces the Obligor's final adjusted order amount.

We believe that this is the most intuitive and transparent way of adjusting for shared parenting, while producing support amounts that adequately address costs in dual-household situations. We also note that while overnights seem to be the easiest and most practical way to measure time in shared parenting situations, many states give judges flexibility in cases with exceptional circumstances, particularly those in which the Obligor works night shifts. Some states adjust for a "cliff effect" between having an adjustment for parenting time and not having an adjustment, having a small adjustment for parenting time just under the threshold (i.e. in cases where the child spends 25%-30% of time with one parent).

To illustrate the implications of implementing our three shared parenting adjustments in New Hampshire's current guidelines, we provide calculations of awards for a fictional family under: (1) the current New Hampshire guidelines, and (2) the current New Hampshire guidelines with our proposed shared parenting adjustments. For simplicity, these calculations assume one child, no child care or medical costs, no state taxes, and no other child support payments or mandatory retirement contributions. We use the terminology Parent A and Parent B in our examples.

Example 1. Both Parents Earn \$1,500 per Month

Current NH Guidelines Child Support Amount Parent A: \$312

Current NH Guidelines Child Support Amount Parent B: \$312

1A. Shared Parenting: 50%-50%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1500	1500	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	50%	50%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	468	468	
Part III: Shared Custody Calculation			
Percentage of Time with Children	50%	50%	
Credit for Time Spent with Parent B		468	
Adjusted Shared Custody Child Support Obligation		0	

1B. Shared Parenting: 40%-60%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1500	1500	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	50%	50%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	468	468	
Part III: Shared Custody Calculation			
Percentage of Time with Children	40%	60%	
Credit for Time Spent with Parent B		561.60	
Adjusted Shared Custody Child Support Obligation		-93.60	

1C. Shared Parenting: 60%-40%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1500	1500	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	50%	50%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	468	468	
Part III: Shared Custody Calculation			
Percentage of Time with Children	60%	40%	
Credit for Time Spent with Parent B		374.40	
Adjusted Shared Custody Child Support Obligation		93.60	

Example 2. Parent A Earns \$1,000, Parent B Earns \$2,000

Current NH Guidelines Child Support Amount Parent A: \$208

Current NH Guidelines Child Support Amount Parent B: \$416

2A. Shared Parenting: 50%-50%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1000	2000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	33%	67%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	312	624	
Part III: Shared Custody Calculation			
Percentage of Time with Children	50%	50%	
Credit for Time Spent with Parent B		468	
Adjusted Shared Custody Child Support Obligation		156	

2B. Shared Parenting: 40%-60%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1000	2000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	33%	67%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	312	624	
Part III: Shared Custody Calculation			
Percentage of Time with Children	40%	60%	
Credit for Time Spent with Parent B		561.60	
Adjusted Shared Custody Child Support Obligation		62.40	

2C. Shared Parenting: 60%-40%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1000	2000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	33%	67%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	312	624	
Part III: Shared Custody Calculation			
Percentage of Time with Children	60%	40%	
Credit for Time Spent with Parent B		374.4	
Adjusted Shared Custody Child Support Obligation		249.6	

Example 3. Parent A Earns \$2,000, Parent B Earns \$1,000

Current NH Guidelines Child Support Amount Parent A: \$416

Current NH Guidelines Child Support Amount Parent B: \$208

3A. Shared Parenting: 50%-50%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	2000	1000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	67%	33%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	624	312	
Part III: Shared Custody Calculation			
Percentage of Time with Children	50%	50%	
Credit for Time Spent with Parent B		468	
Adjusted Shared Custody Child Support Obligation		-156	

3B. Shared Parenting: 40%-60%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	2000	1000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	67%	33%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	624	312	
Part III: Shared Custody Calculation			
Percentage of Time with Children	40%	60%	
Credit for Time Spent with Parent B		561.6	
Adjusted Shared Custody Child Support Obligation		-249.6	

3C. Shared Parenting: 60%-40%	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	2000	1000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	67%	33%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			936
Combined Family Expenditures			936
Parental Support Obligation	624	312	
Part III: Shared Custody Calculation			
Percentage of Time with Children	60%	40%	
Credit for Time Spent with Parent B		374.4	
Adjusted Shared Custody Child Support Obligation		-62.4	

Example 4. Not Shared Parenting: 80%-20%

4A. Both Parents Earn \$1,500	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1500	1500	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	50%	50%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			
Combined Family Expenditures			
Parental Support Obligation	312	312	
Part III: Shared Custody Calculation			
Percentage of Time with Children	80%	20%	
Credit for Time Spent with Parent B		0	
Adjusted Shared Custody Child Support Obligation		312	

4B. Parent A Earns \$1,000, Parent B \$2,000	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	1000	2000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	33%	67%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			
Combined Family Expenditures			
Parental Support Obligation	208	416	
Part III: Shared Custody Calculation			
Percentage of Time with Children	80%	20%	
Credit for Time Spent with Parent B		0	
Adjusted Shared Custody Child Support Obligation		416	

4C. Parent A Earns \$2,000, Parent B \$1,000	Parent A	Parent B	Combined
Part I: Available Income			
Monthly Income	2000	1000	3000
Part II: Calculate Support Obligation			
Proportional Share of Income	67%	33%	
Child Support Guideline Amount			624
Multiply by 1.5 (Shared Parenting)			
Combined Family Expenditures			
Parental Support Obligation	416	208	
Part III: Shared Custody Calculation			
Percentage of Time with Children	80%	20%	
Credit for Time Spent with Parent B		0	
Adjusted Shared Custody Child Support Obligation		208	

