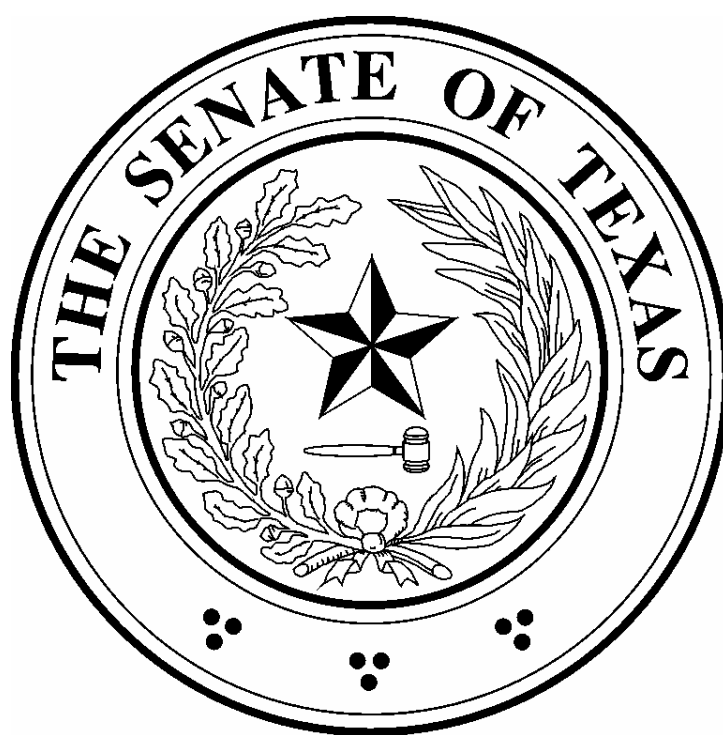


Senate Committee on Jurisprudence

Interim Report



Report to the 80th Legislature

December, 2006

Senate Jurisprudence Committee

SENATOR JEFF WENTWORTH
CHAIRMAN
SENATOR MARIO GALLEGOS
VICE CHAIRMAN
SENATOR JOHN CARONA
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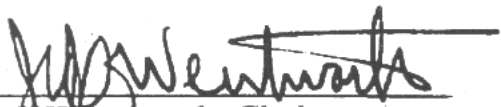
December 1, 2006

The Honorable David Dewhurst
Lieutenant Governor of Texas
Room 2E.13, State Capitol
Austin, Texas 78701


Dear Governor Dewhurst:

The Senate Committee on Jurisprudence submits this report to the 80th Texas Legislature on the assigned interim charges.

Respectfully submitted,



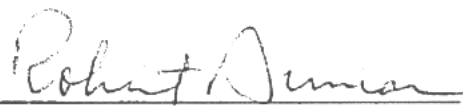
Jeff Wentworth, Chairman



Mario Gallegos, Vice Chairman

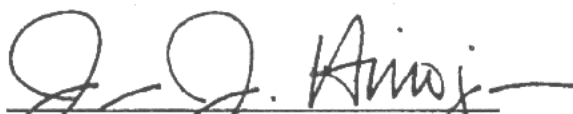


John Carona



Robert Duncan

Chris Harris



Juan "Chuy" Hinojosa



Royce West





COMMITTEES:
STATE AFFAIRS, CHAIR
FINANCE
JURISPRUDENCE
NATURAL RESOURCES

ROBERT DUNCAN
STATE SENATOR
DISTRICT 28

November 27, 2006

The Honorable Jeff Wentworth
Chairman
Senate Committee on Jurisprudence

Dear Mr. Chairman:

Thank you for your hard work and leadership on the Senate Committee on Jurisprudence's Interim Committee charges. I would respectfully decline to support the recommendations to Charge #3.

I appreciate you and your staff.

Yours very truly,

A handwritten signature in cursive script that reads "Robert Duncan".

Robert Duncan

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Interim Charges

The Senate Jurisprudence Committee is charged with conducting a thorough and detailed study of the following issues.

1. Examine and make recommendations relating to the jurisdiction of statutory county courts, including the development of standardized language for Chapter 25, Government Code, to confer specific types of jurisdiction on statutory county courts and to ensure the statutes are clear and concise.
2. Examine and make recommendations to improve court oversight of fiduciaries appointed to make financial and personal decisions for wards as well as those appointed to administer an estate or trust.
3. Study and make recommendations relating to the use and cost benefits of electronic recording as an alternative method of preserving records of official court proceedings.
4. Monitor the implementation of SB 1863, 79th Legislature, Regular Session, specifically the Collection Improvement Program, which seeks to improve the collection of criminal court fees, fines and costs. Make recommendations to increase the effectiveness of the Collection Improvement Program and determine if any statutory changes are necessary.
5. Study and make recommendations relating to the possible uses and need for statutory directives regarding the use of collaborative law procedures.
6. Review statutes, regulations, guidelines, and formulas relating to child support and make recommendations, if necessary, to ensure adequate support, including educational expenses, for children.

Reports

The Committee shall submit copies of its final report no later than December 1, 2006. The printing of reports should be coordinated through the Secretary of the Senate. Copies of the final report should be sent to the Lieutenant Governor (5 copies), Secretary of the Senate, Senate Research,

Legislative Budget Board, Legislative Council, and Legislative Reference Library.

The final report should include recommended statutory or agency rulemaking changes, if applicable. Such recommendations must be approved by a majority of the voting members of the Committee. Recommendations should also include state and local fiscal cost estimates, where feasible. The Legislative Budget Board is available to assist in this regard.

Budget and Staff

Travel costs shall be paid from the operating budgets of Senate members. All other costs shall be borne by the Senate Jurisprudence Committee's interim budget, as approved by the Senate Administration Committee. The Committee should also seek the assistance of legislative and executive branch agencies where appropriate.

Interim Appointments

Pursuant to Section 301.041, Government Code, it may be necessary to change the membership of a committee if a member is not returning to the Legislature in 2007. This will ensure that the work of interim committees is carried forward into the 80th Legislative Session.

Hearings by the Senate Committee on Jurisprudence

Date	Location	Charge
April 20, 2006	Austin Capitol Extension E1.028	Charge 5
May 3, 2006	Austin Capitol Extension E1.016	Charges 4 & 6
August 24, 2006	Austin Capitol Extension E1.012	Charge 3
October 11, 2006	Austin Capitol Extension E1.016	Charges 1 & 2

Executive Summary of Recommendations

Executive Summary of Recommendations

Charge 1

Examine and make recommendations relating to the jurisdiction of statutory county courts, including the development of standardized language for Chapter 25, Government Code, to confer specific types of jurisdiction on statutory county courts and to ensure the statutes are clear and concise.

1. The Legislature should enact legislation to expand Section 25.0002, Texas Government Code, to include additional definitions of certain types of subject matter jurisdiction.
2. The Legislature should not approve the granting of unlimited monetary jurisdiction in civil cases for any existing or newly created statutory county courts.

Charge 2

Examine and make recommendations to improve court oversight of fiduciaries appointed to make financial and personal decisions for wards as well as those appointed to administer an estate or trust.

1. The Legislature should enact legislation to amend the Probate Code to clearly prohibit attorney's fees from being charged for fiduciary services that are not legal in nature.
2. The Legislature should enact legislation to require the presiding judge of the statutory probate courts to request the presiding judge of the administrative judicial district to assign a judge to hear a recusal motion.

Charge 3

Study and make recommendations relating to the use and cost benefits of electronic recording as an alternative method of preserving records of official court proceedings.

1. The Legislature should enact legislation to state that the official transcript of court proceedings is the property of the court, not the court reporter.
2. The Legislature should enact legislation to clearly provide that judges have the authority to choose the system of record-keeping for their courts.

Charge 4

Monitor the implementation of SB 1863, 79th Legislature, Regular Session, specifically the Collection Improvement Program, which seeks to improve the collection of criminal court fees, fines and costs. Make recommendations to increase the effectiveness of the Collection Improvement Program and determine if any statutory changes are necessary.

1. The Legislature should amend Article 103.0033 of the Code of Criminal Procedure to provide more detail regarding when a waiver may be granted based on a claim that implementing the collection improvement program would not be cost-effective and require the Office of Court Administration to adopt guidelines to allow counties and municipalities more flexibility in complying with the model components.
2. The Office of Court Administration should consider a municipality's or county's inmate population when determining if a municipality or county qualifies for the Collection Improvement Program.
3. The Legislature should enact legislation to provide that a fine, fee or court cost assessed as a condition of community supervision may be collected by a collections program as long as the responsible court directs that such funds may be collected by that collections program.

Charge 5

Study and make recommendations relating to the possible uses and need for statutory directives regarding the use of collaborative law procedures.

The Committee recommends no change in current law relating to the use of collaborative law procedures.

Charge 6

Review statutes, regulations, guidelines, and formulas related to child support and make recommendations, if necessary, to ensure adequate support, including educational expenses, for children.

1. The Committee recommends that Texas continue using the percentage of income model to determine child support.
2. The Legislature should enact legislation that would increase the amount of a child support obligor's net monthly resources to which the court would apply the percentage guidelines for child support from \$6,000 to \$7,500.
3. The Committee recommends that the Legislature conduct a future study of parenting time adjustments to determine if more specific statutory directives are needed.
4. The Legislature should enact legislation to authorize specifically the garnishment of a retirement account held by a noncustodial parent who dies intestate in order to satisfy an unpaid child support obligation.
5. The Committee recommends that the Legislature work with the Office of the Attorney General to maintain funding for child support enforcement at an appropriate level.

Charge One

Charge 1: Examine and make recommendations relating to the jurisdiction of statutory county courts, including the development of standardized language for Chapter 25, Government Code, to confer specific types of jurisdiction on statutory county courts and to ensure the statutes are clear and concise.

Recommendations

- 1. The Legislature should enact legislation to expand Section 25.0002, Texas Government Code, to include additional definitions of certain types of subject matter jurisdiction.**
- 2. The Legislature should not approve the granting of unlimited monetary jurisdiction in civil cases for any existing or newly created statutory county courts.**

Background

Statutory county courts are created by the Legislature under the Legislature's authority to "establish such other courts as it may deem necessary and to prescribe the jurisdiction and organization thereof..."¹

Statutory county courts were originally created to provide a court, presided over by a lawyer, to reduce the workload of the county judge in urban counties where the administrative duties of the county judge were substantial.² Although these courts are supported primarily through county funds, the courts often function as a state court in practice.

As more statutory county courts were created, each court's jurisdiction was tailored to meet the needs of the particular county. In 1991, the Legislature attempted to bring some uniformity to statutory county courts by expanding the general jurisdictional provisions in Section 25.0003, Texas Government Code, to include a higher monetary jurisdictional limit and probate jurisdiction.³

Section 25.0003, Texas Government Code, currently states that in addition to concurrent jurisdiction with constitutional county courts, a statutory county court has concurrent jurisdiction with district courts in civil cases where the amount in controversy is between \$500.01 and \$100,000 and in appeals of final rulings and decisions of the division of workers' compensation of the Texas Department of Insurance regarding workers'

compensation claims, regardless of the amount in controversy. A statutory county court also has concurrent probate jurisdiction with a constitutional county court except in counties that have a statutory probate court.

As of September 1, 2006, there were 218 statutory county courts established in 84 counties in Texas.⁴ Although the general jurisdictional provision provides some uniformity, there are still a multitude of different jurisdictional schemes among statutory county courts which often have no relation to the population or the case load of a particular county.

Currently, 38 statutory county courts located in 16 counties have unlimited monetary jurisdiction.⁵ An additional 18 courts located in 5 counties have a higher monetary jurisdictional limit than the \$100,000 limit provided by the general jurisdictional provision. Several courts have concurrent jurisdiction with the district court over certain types of felony cases and family law cases. In order to determine the jurisdiction of a particular statutory county court, the statute relevant to that particular county must be reviewed to determine the court's precise jurisdiction.

Structural Reform Efforts

During the 1990s, several studies of the Texas judiciary were done and various suggestions for improvement of the judicial system were made.⁶ These studies recommended the creation of a single level of trial courts, supported by state funding. This would require the state to fund the operation and salaries of personnel for the trial courts in Texas. The studies recommend abolishing statutory county courts and increasing the number of district courts.⁷

There are many reasons why the suggested reform of trial courts has not been implemented. The cost to the state would be substantial and would compete with priorities in other areas of state government for funding. In addition, the judges of the statutory county courts are currently county employees and, as such, are part of their county retirement system. In some areas of the state, the judge benefits by remaining part of the county retirement system. Finally, county commissioners courts may like the idea of additional funding for the statutory county court but would not like to lose their power to fill the vacancy created by the resignation or death of a statutory county court judge.

Texas Judicial Council Study

Currently, there is no procedure in place for the review of the jurisdictional limits of statutory county courts. In this Committee's Report to the 79th Legislature, the Committee asked the Texas Judicial Council to conduct a study of the issue of statutory county court jurisdiction. The study was to focus on the goal of making the jurisdiction of all statutory county courts uniform and the potential effect of any jurisdictional changes on the caseload of district courts and statutory county courts.

In January, 2005, the Judicial Council formed a Committee on Statutory County Courts and gave the Committee the following charge:

Examine, study and make recommendations regarding the jurisdiction of Texas' statutory county courts at law. The Committee will focus on developing recommendations that provide for uniform jurisdiction of all statutory county courts and will consider the potential impact of any jurisdictional changes on the caseload of both district and county courts. To ensure judicial efficiency, quality, and consistency among the statutory county courts at law, the Committee will assess existing judicial resources, identify the need for additional resources, determine fair and adequate compensation for statutory county court at law judges, and make appropriate recommendations for change.

The Judicial Council's Committee on Statutory County Courts met several times and proposed a resolution to the Texas Judicial Council on September 29, 2006, that was adopted by the full Council.⁸ The Resolution recommended that the Legislature adopt uniform jurisdictional language for newly created statutory county courts. The Judicial Council Resolution also stated that existing anomalies between or ambiguities in the language used to convey jurisdiction to statutory county courts should be resolved on a county by county basis.

Jurisdictional Terminology

A majority of statutory county courts have been granted concurrent jurisdiction with the district court of family law cases and proceedings. The term "family law cases and proceedings" is defined by Section 25.0002, Texas Government Code. Despite this definition, several enabling statutes

refer to family law jurisdiction using slightly different terminology. Examples include "nonjury family law cases and proceedings;" "family law cases and proceedings, including juvenile matters;" and "cases and proceedings involving justiciable controversies and differences between spouses, or between parents, or between parent and child, or between any of these and third persons."

Several statutory county courts have also been granted jurisdiction of certain types of criminal cases. This type of jurisdiction is also described using various terminology. Several statutory county courts have concurrent jurisdiction with the district court in felony cases to conduct arraignments, pretrial hearings and accept guilty pleas. Other courts have concurrent jurisdiction with the district court except felony cases, misdemeanors involving official misconduct, or contested elections.

By expanding Section 25.0002, Texas Government Code, to include additional definitions of certain types of jurisdiction currently present in many statutory county court's enabling statutes, litigants and the general public would have a clearer understanding of the specific type of jurisdiction granted to each statutory county court. Counties would still be able to provide their statutory county courts with the jurisdiction needed to address the specific judicial needs of their county through the court's enabling statute but would do so by using terms defined in Section 25.0002.

Conclusion

The Committee recognizes that the needs of counties vary regarding the use of statutory county courts. Some are equal in jurisdiction to the district courts serving a particular area and some are more limited in their jurisdiction. Without some standardization of language in the conveyance of jurisdiction on a court by statute, it will be impossible for litigants and practitioners to determine the proper court in which to resolve their dispute.

Charge Two

Charge 2: Examine and make recommendations to improve court oversight of fiduciaries appointed to make financial and personal decisions for wards as well as those appointed to administer an estate or trust.

Recommendations

- 1. The Legislature should enact legislation to amend the Probate Code to clearly prohibit attorney's fees from being charged for fiduciary services that are not legal in nature.**
- 2. The Legislature should enact legislation to require the presiding judge of the statutory probate courts to request the presiding judge of the administrative judicial district to assign a judge to hear a recusal motion.**

Background

Probate courts are often called on to appoint fiduciaries to represent the interests of certain parties. A guardian may be appointed to look after the affairs of an incapacitated person, and a trustee may be appointed to look after property which is held in trust for the beneficiaries of that trust. In many cases, a family member or a person chosen by the incapacitated person is appointed as the guardian. The document creating a trust generally dictates who will serve as trustee. Problems arise when there is a disagreement over who should serve as the fiduciary or when interested persons feel the fiduciary is not representing the interests of the incapacitated person, estate or trust in the best way.

Court Oversight

A court exercising probate jurisdiction may appoint a guardian with certain types of authority over an incapacitated person as indicated by the person's actual mental and physical limitations in order to protect the well-being of the incapacitated person.⁹

Section 671 of the Texas Probate Code requires the probate court to use reasonable diligence in determining whether a guardian is performing all of their required duties.¹⁰ The judge of the probate court is also required to examine the well-being of each ward of the court annually. Section 672 of

the Texas Probate Code requires an annual review and a determination of whether a guardianship should be continued, modified or terminated.¹¹

A court's ability to modify or terminate a trust is limited to specific instances detailed in the Texas Property Code.¹² As far as trusts are concerned, the court may not order a trustee to change a decision to exercise or not to exercise their discretionary power unless the court determines the decision was an abuse of the trustee's discretion.¹³

Committee Hearing

The Committee held a hearing on this charge on Wednesday, October 11, 2006. It was clear from the testimony at the hearing that many people whose families have become involved with the court system through the appointment of guardians or cases involving challenges against the actions of a trustee have a poor opinion of the fairness of the court system.

Those who testified expressed sincere doubts about the impartiality of the judges conducting the hearings in their cases. There was a belief on the part of those testifying that the judges and attorneys practicing in probate court and serving as guardians often act in their own self-interest while the monetary assets in the affected person's estate or trust are depleted by attorney's fees.

Attorney Fees in Guardianship Proceedings

Section 665 of the Texas Probate Code sets out the rules for the compensation of a guardian. A guardian of the person is entitled to compensation in an amount not exceeding five percent of the ward's gross income.¹⁴ The guardian of the ward's estate is entitled to reasonable compensation on application to the court when the court approves either an annual accounting or final accounting of the ward's estate. A fee of up to five percent of the gross income of the ward's estate and five percent of all money paid out of the estate is considered reasonable compensation.¹⁵ The court may review and modify the amount of compensation awarded to the guardian of a ward's estate if the court finds the amount is unreasonably low, considering the services rendered by the guardian.

Section 666 of the Texas Probate Code allows a guardian to be reimbursed from the ward's estate for all necessary and reasonable expenses,

including attorney's fees incurred by the guardian in connection with the management of the estate.¹⁶ A guardian who is also an attorney may also serve as the attorney for the guardian. Some probate courts require the attorney-guardian to elect either to seek payment under the formula established by Section 665 of the Probate Code for the compensation of guardians or to obtain reimbursement for attorney's fees.

The Committee heard testimony regarding attorney-guardians seeking attorney's fees for guardian services such as gathering estate assets, opening and closing bank accounts and visiting the ward. There was agreement among those testifying that current Texas law prohibits fiduciaries from collecting attorney's fees for non-legal fiduciary services, yet it seems the practice goes on in some localities and in some cases.

Although certain safeguards are already in place in the Texas Probate Code, a clear statement of legislative intent should be added to current law to prohibit guardians from claiming attorney's fees for non-legal fiduciary services. A person serving as an attorney-guardian should be required to detail the type of work for which they are claiming compensation.

Recusal Motions

The recusal of judges is addressed by Rule 18a of the Texas Rules of Civil Procedure. Once a motion to recuse a judge is filed, that judge shall either recuse himself or request the presiding judge of the administrative judicial district to assign a judge to hear the motion. The rule also allows the Chief Justice of the Supreme Court to assign judges in conformity with the rule.

Section 25.00255, Government Code, details a separate process for handling of a motion to recuse a judge of a statutory probate court from a particular case. If a party in a hearing or trial in a statutory probate court files a recusal motion, the judge shall either recuse himself or ask the presiding judge of the statutory probate courts to appoint another judge to hear the recusal motion. The presiding judge shall then set a hearing before himself or designate another judge to conduct a hearing on the motion.

During the Committee's hearing on October 11, 2006, several witnesses testified that the current recusal system in statutory probate courts is inherently unfair. Because there are only 17 statutory probate court judges

in Texas, the potential pool of judges who could be appointed to hear a recusal motion is small. In counties with more than one statutory probate court, the presiding judge may appoint another statutory probate judge from that county to hear a motion to recuse against his or her fellow judge. The public's perception is that a judge is unlikely to order the recusal of a fellow judge from the same locality.

The Committee recommends that the Legislature amend Section 25.00255, Government Code, to require the presiding judge of the statutory probate courts to request the presiding judge of the administrative judicial district to assign a judge to hear a motion to recuse the judge. The presiding judge of the administrative judicial district would be prohibited from assigning another statutory probate court judge from the same county to hear the motion.

Although requiring a judge from a different region to conduct a hearing on a recusal motion may be more costly, the additional cost is justified by the assurance members of the public would have that their motion will receive fair and impartial treatment. This change would also follow the procedure for recusal hearings dictated by the Texas Rules of Civil Procedure and followed by other trial courts.

Another issue raised during the testimony given at the October 11, 2006, hearing was the number of recusal motions brought by a party. The judges who testified noted that there are instances where a party will bring numerous motions to recuse against several judges appointed at various stages of the case. Section 30.016 of the Civil Practice and Remedies Code limits a party to three motions for recusal against a judge in the same case. After the third or subsequent motion for recusal of a judge, that judge may decline to recuse himself and proceed with the case. If the tertiary recusal motion is sustained, the new judge appointed to the case shall vacate all orders signed by the sitting judge while the tertiary recusal motion was pending.

There was a suggestion made to limit the number of recusal motions a party may file against any judge in a particular case so that, instead of limiting each party to three motions per judge in a case, on the third motion to recuse filed by a party in a single case, the motion becomes tertiary and the judge may proceed with the case as the tertiary recusal motion is heard.

Since the Committee's charge was focused on cases in statutory probate courts and courts with probate jurisdiction, the Committee is hesitant to recommend a change regarding tertiary recusal motions that would affect all trial courts. Testimony did demonstrate that recusal motions are being used more often in cases involving probate and guardianship matters, but there was no testimony about recusal motions being filed excessively in other types of cases or in other trial courts.

Conclusion

Guardians, trustees and other fiduciaries appointed by a probate court operate primarily independent of court supervision. For the most part, this type of probate system has served Texas well by keeping costs down and allowing members of the public to dictate how their assets are used and distributed. Judges serving in courts with probate jurisdiction must be above reproach. Canon 1 of the Texas Code of Judicial Conduct begins with idea that "[a]n independent and honorable judiciary is indispensable to justice in our society."¹⁷ Likewise, fiduciaries must remain loyal to the person to whom they owe their fiduciary duty.

Charge Three

Charge 3: Study and make recommendations relating to the use and cost benefits of electronic recording as an alternative method of preserving records of official court proceedings.

Recommendations

- 1. The Legislature should enact legislation to state that the official transcript of court proceedings is the property of the court, not the court reporter.**
- 2. The Legislature should enact legislation to clearly provide that judges have the authority to choose the system of record-keeping for their courts.**

Background

An accurate court record is essential to a complete and fair trial. One simple error in the transcript could potentially damage the record or even change the outcome of the entire trial. The certified court reporter is the guardian of the record. The court reporter is responsible for recording everything that occurs during a court proceeding.

Methods of Court Reporting

Many methods of keeping the official court record are in use today, such as voice writing, real-time, digital recording, video and stenographic court reporting. Generally, digital recording, audio tape recording and video court reporting are classified together as electronic court reporting.

Voice writing refers to a system in which the operator speaks directly into a stenomask during the actual proceedings.¹⁸ The stenomask is a voice silencer perched on a handheld mask. In fact, this process, once simply called "stenomask," eliminates the need for shorthand completely.¹⁹ The duty of a voice writer is substantial. Not only must the operator repeat each word spoken by every party to a proceeding verbatim, he must also identify the speaking party verbally. Technology has had an immense impact on the method of voice writing. Computer-aided transcription (CAT) with speech recognition capabilities allows the operator to have his spoken words translated instantaneously into written content on a computer screen making real-time feeds and immediate downloadable distribution possible.²⁰

Real-time or computer-aided transcription translates symbols used in stenography into written language, English.²¹ The Committee heard testimony that real-time reporting is the future of record-making technology. It allows the text to be displayed immediately on a screen and readily available for dissemination because the proceedings are digitally recorded on the hard-drive as the court reporter types.²² Real-time is used not only for transcribing court proceedings but also for closed captioning, called CART, for the hearing impaired.

Digital recording technology is another form of court reporting. It generally involves the combination of audio and video recording of the proceedings with a digital copy created on a computer system. The proceedings of multiple courtrooms can be monitored by this same system utilizing a single certified court reporter as supervisor over the video and audio feeds.²³

Video court reporting is simply the recording of the court proceedings by video in order to capture an accurate picture of the actions. It is usually accompanied by some sort of audio recording equipment like a digital tape, as in the digital court recording, or an analog tape recorder.²⁴ The analog tape is considered outmoded machinery by many due to a weakness in integrity. However, digital tapes sometimes have problems with proper annotation making a search of the tape challenging.²⁵ Regardless, video court reporting supplemented by audio recording is a viable record-keeping option.

The oldest and most well-known form of court reporting is stenographic reporting. The stenographic court reporting method involves a certified court reporter's using a stenotype machine to document the verbatim record using a set of stenographic symbols. The stenotype permits multiple keys to be punched simultaneously in order for the operator to log different letter groupings to represent phrases, sounds and whole words.²⁶ These stenographic reporters often employ an analog tape as a back-up for their record.

Cost Benefits

The overall cost of a record-keeping technology depends on the reliability, price and efficiency of the technology offered. The record must

be accurate and complete. Over the past two decades, many studies have been conducted to determine the cost benefits of electronic court reporting. The results have been inconclusive at best. One study discussing the use of video recording in managing a Michigan courtroom, explains the benefit of the "accuracy...immediacy... [And]...cost savings."²⁷ The author emphasizes the importance of "seeing" the actual record via video and the costs saved by eliminating the reporter in each courtroom.²⁸ The cost for a digital recording system is mostly upfront for installation and courtroom update as opposed to the ongoing cost of the reporter's salary.

A real-time system requires an actual court reporter in each courtroom along with the technology. The costs of this system would include the reporter's salary along with the technology, although the Committee heard testimony that many reporters pay for their own real-time software.²⁹

In 1982, the Government Accountability Office (GAO) produced a report for the United States Congress analyzing the cost benefits of replacing court reporters at the federal district court level utilizing stenographic equipment with an effective and efficient electronic recording system.³⁰ The report indicated that a savings of 56 percent could happen if conversion to electronic means occurred.³¹ That would have been a drop from the average of \$43 per hour to \$19 per hour for the recording of the court proceedings. The report also found that there were no safeguards against improper usage. Improperly trained personnel and procedural errors were common, as were mechanical errors.³²

Many of the cost benefits of both electronic and stenographic, however, reporting are difficult to quantify. The certified court reporter, however, has reason to keep an accurate record. If the reporter does not, there are legal repercussions for that reporter. Section 52.029(a) (9) of the Texas Government Code states that "unprofessional conduct shall include, but not be limited to...producing an inaccurate transcript or statement of facts [or] producing an incomplete transcript or statement of facts except upon order of a court." If a court reporter is found responsible for unprofessional conduct, the Court Reporter's Certification Board shall revoke, suspend or refuse to renew the reporter's certification or issue a reprimand.³³

Court Reporting in Other States

According to the 2004 data collected by the National Center for State Courts, a variety of court reporting technologies are used throughout the United States. Every state keeps a verbatim record for at least one level of court, but no one system of court reporting is used by all states. Stenographic and audio court reporting are the most widely used.³⁴

Forty-six states including Texas, the District of Columbia and Tennessee employ diverse means at different court levels from video recording to stenographic court reporting to make official record.³⁵ No state uses video recording exclusively. One state, Colorado, utilizes only stenographic reporting and another, Alaska, exclusively employs audio recording for the official record.³⁶

Court Reporting in Texas

In Texas, judges at the district court level and above appoint their own official court reporters. A person may not be appointed to be an official court reporter unless they are certified as a shorthand reporter by the Texas Supreme Court.³⁷ Certification may be issued for written shorthand, machine shorthand, oral stenography or any other method of shorthand reporting authorized by the supreme court.³⁸ Current law does not sanction or prohibit the use of electronic court recording equipment operated by a non-certified court reporter as long as it is done according to rules adopted or approved by the Texas Supreme Court.³⁹

In fact, as long as the system of court reporting is approved by the Texas Supreme Court, whether it be stenographic or electronic, that court reporting system is legal in the state of Texas. The Texas Supreme Court has the authority to consent to the use of any method of court reporting.⁴⁰ The Court has authorized the use of electronic court recording in certain jurisdictions through the approval of local rules.⁴¹ A verbatim record of court proceedings is kept in most trial courts. Trials in justice courts and most municipal courts, however, are not of record, and appeals from these courts are done by holding a new trial in the county court or statutory county court.⁴² The state employs stenographic, voice writing, audio and video recording methods to keep official record.

Judges generally set the salary of the official court reporter in their court, subject to parameters set in the Texas Government Code.⁴³ In addition to their salary, official court reporters may also charge transcript fees, fees for a statement of facts and other necessary expenses authorized by statute. The Committee heard testimony that an official court reporter can collect more than \$100,000 a year from a county in salary and fees.

One reason that some jurisdictions are interested in electronic recording systems is that the transcript of court proceedings is the property of the court instead of the court reporter. The Committee recommends that the Legislature amend Section 52.047, Government Code, to state that the official transcript of court proceedings is the property of the court, not the court reporter. A person needing a transcript would apply for the transcript to the clerk of the court who would provide notice to the court reporter. The reporter would prepare the transcript as part of the reporter's duties as an official court reporter. The judge who sets the salary of his official court reporter can then take this factor into consideration when setting the salary amount. The Committee believes that the transcript should be treated as any other court document, and any fees associated with the preparation of the transcript should be received by the court.

The Future of Court Reporting

The Committee heard testimony on the pros and cons of electronic court recording systems. Some witnesses questioned the reliability of electronic recording systems. Instances of inaudible sounds on recordings of court proceedings were noted. Other witnesses discussed the cost benefits of moving away from having a court reporter in every courtroom. Until there is more evidence to adequately demonstrate the reliability of electronic court recording systems, the technology should remain as one of the many options a Texas court may adopt to record their proceedings.

The choice of which court reporting technology to use in a particular court should be made by the judge of the court. The Committee recommends that the Legislature enact legislation to clearly provide that judges have the authority to choose the system of record-keeping for their courts. The judge has the inherent power to dictate what the judge deems is a reasonable and necessary expense to efficiently conduct the business of the court.⁴⁴ If the judiciary in a jurisdiction agrees that the cost savings gained through the use of an electronic court recording system justifies its use, the

jurisdiction may pass a local rule allowing the use of such a system, subject to the approval of the Texas Supreme Court.

Conclusion

The official court record must be accurate and complete. The method used to preserve this record must be reliable and cost-effective for its users. Electronic recording technology will continue to be improved upon, and the Legislature should revisit this issue in the future.

Charge Four

Charge 4: Monitor the implementation of SB 1863, 79th Legislature, Regular Session, specifically the Collection Improvement Program, which seeks to improve the collection of criminal court fees, fines and costs. Make recommendations to increase the effectiveness of the Collection Improvement Program and determine if any statutory changes necessary.

Recommendations

- 1. The Legislature should amend Article 103.0033 of the Code of Criminal Procedure to provide more detail regarding when a waiver may be granted based on a claim that implementing the Collection Improvement Program would not be cost-effective and require the Office of Court Administration to adopt guidelines to allow counties and municipalities more flexibility in complying with the model components.**
- 2. The Office of Court Administration should consider a municipality's or county's inmate population when determining if a municipality or county qualifies for the Collection Improvement Program.**
- 3. The Legislature should enact legislation to provide that a fine, fee or court cost assessed as a condition of community supervision may be collected by a collections program as long as the responsible court directs that such funds may be collected by that collections program.**

Background

The Office of Court Administration (OCA) recently estimated that approximately \$300 to \$400 million in court-ordered fees, fines and costs go uncollected each year in Texas.⁴⁵ These uncollected funds represent not only lost revenue but also disregarded court orders by offenders. Most of these fines go to funding twenty-seven programs at the state level such as the EMS Trauma Fund.⁴⁶ In order to address the loss of these funds, OCA investigated new solutions to the collections issue.

By the end of the 1990s, OCA had adopted a collections model based on the program employed by Dallas County.⁴⁷ The program used pieces of basic private sector collection procedures formatted to the government

level.⁴⁸ In essence, the Collection Improvement Program began over a decade ago as a voluntary model which has assisted with programs in 78 counties and 36 cities.⁴⁹ Those programs averaged "a post-program collection rate [of] 88% increase in their collection rate (from an average pre-program collection rate of 33% to an average post-program collection rate of 62%), bringing in an additional \$42 million in revenue."⁵⁰

Senate Bill 1863

The 79th Texas Legislature expanded the collection of court-ordered payments by directing OCA to develop a model collections program and requiring certain governmental entities to adopt a collections program that conforms with the model program.⁵¹ Texas counties with populations of 50,000 or greater and municipalities with populations of 100,000 or greater are required to implement the Collection Improvement Program as developed by OCA.⁵² The Comptroller is responsible for developing a methodology for determining the collection rates of counties and municipalities before the entities implement the collections program as well as determining the collection rate for each entity after the program is implemented.⁵³ The Comptroller is also responsible for conducting audits to determine if collections programs are in compliance with the guidelines established by OCA.⁵⁴

Collections Improvement Program

There are two basic types of collections programs: municipal and county. The municipal program calls for the participation of all judges serving at the municipal court level. The county program serves three levels of courts: justice, county and district.⁵⁵ The county program can be structured in one of four ways: centralized, court-level structure, decentralized or bifurcated.⁵⁶ The centralized collections plan requires a central office serving all the courts in the county. The court-level structure advocates a separate collections office for each level of court. The decentralized plan allows for the plans to be separated by level, by court or by a combination of the two. Finally, the bifurcated plan removes the Community Supervision Corrections Department (CSCD) from the appropriate county-level plan. In essence, the CSCD will have a separate program to collect from offenders on community supervision whereas the program at the county-level collects from those offenders.⁵⁷

The requirements for the Collections Improvement Program have been developed by OCA pursuant to OCA's statutory directive to develop a model that is designed to impose collections through application of best practices.⁵⁸ The ten key elements of the Collections Model are quoted as follows:

"Staff or staff time dedicated to collection activities. This may include county or city employees or contract employees.

Expectation that all court costs, fees, and fines are generally due at the time of sentencing or pleading.

In most cases, defendants unable to pay in full on the day of sentencing or pleading are required to complete an application for extension of time to pay.

Application information is verified and evaluated to establish an appropriate payment plan for the defendant.

Alternative enforcement options (e.g., community service) are available for those who do not qualify for a payment plan.

Defendants are closely monitored for compliance, and action is taken promptly for non-compliance. Actions include telephone contact, letter notification, and possible issuance of warrant.

Payment terms are usually strict (e.g., 50% of the total amount due must be paid within 48 hours; 80% within 30 days; and 100% within 60 days).

A county or city may contract with a private attorney or a public or private vendor for the provision of collection services on delinquent cases (61+ days), after in-house collection efforts are exhausted.

Application of statutorily permitted collection remedies, such as programs for non-renewal of driver's license or vehicle registration.

Issue and serve warrants, as appropriate."⁵⁹

If a municipality or county is found to be non-compliant with the requirements of the Collections Improvement Program, the municipality or county is not allowed to retain the "service fee" collected.⁶⁰ The service fees include 10 percent of a consolidated court cost fee, paid for by offenders and varies per offense, and 50 percent of a twenty-five dollar time payment fee, which is administered when the fines are paid 31 days or more past the date of judgment.⁶¹ Also, if during an audit by the comptroller's office, it is

determined that the county or municipality is not in compliance, the treasurer would send 100 percent of the money collected under Local Government Code, Section 133.103.⁶² Compliance is focused on adherence to key elements of the plan rather than collection rate.⁶³

Implementation of the Collections Improvement Program

The implementation takes place in two stages. The 54 counties and 24 municipalities are broken into two groups with approximately half enacting the program by April 1, 2006, and the rest by April 1, 2007.⁶⁴ The SB 1863 Prioritized Implementation Schedule is included as an appendix to this report. As of August 31, 2006, OCA had 32 of the 38 entities scheduled for April 1, 2006, compliance online with four more to be compliant by the beginning of 2007, and two left questionable.⁶⁵

Auditors from the comptroller have already determined the collection rates of counties and municipalities which had the program implemented by April 2006.⁶⁶ The auditors sampled 250 cases from each court and tracked the debits and credits within the first 120 days after the deferral date in order to calculate the pre-program collection rate.⁶⁷ To determine the post-program collection rate, the auditors will repeat the process one year later.⁶⁸

Waivers

A municipality or county may be granted a waiver if OCA, in consultation with the comptroller, determines that it is not cost-effective to implement the model program in that municipality or county.⁶⁹ Since implementation began, OCA has received three requests for waivers. None have been granted.

The Committee heard testimony from several of the governmental entities that had requested a waiver. These entities complained that the program was too rigid. They wanted more options within the program instead of a set of directives applied to them. Many sought to keep the collections program that their county or municipality already employed because they believed it produced commendable results. Several of these entities complained that OCA's collection program was simply an unfunded mandate pressed upon their county or municipality without their input. Others criticized the collection program for its punitive aspects. They felt it

unfair to lose a percentage of their collections because, for example, not all courts in the county were participating.

In order to provide clear guidance to municipalities and counties implementing a collections program, Article 103.0033 of the Texas Code of Criminal Procedure should be amended to detail the specific instances when a waiver may be requested. OCA should be required to adopt guidelines based on this legislative directive.

Costs Associated with Community Supervision Defendants

The collection of fines, fees and court costs from defendants on community supervision has been a controversial and confusing issue for jurisdictions implementing the Collections Improvement Program. During community supervision, a defendant is subject to court-imposed conditions on behavior and activities.⁷⁰ The judge may alter or modify these conditions at any time during the period of community supervision, but at the expiration of the period of community supervision the court has limited continuing jurisdiction conferred only by the timely filing of an appropriate motion and issuance of a *capias*.⁷¹

The Committee heard testimony from county officials and members of the judiciary supporting the position that only the judge of the court having jurisdiction of a defendant on community supervision may alter or modify the conditions of community supervision, including the method of payment of fines, fees and court costs. These witnesses felt these fines, fees and court costs should not be considered funds to be collected by the collections program.

In September of 2005, the Office of the Attorney General was asked to issue an opinion regarding whether probation defendants who have been administratively released from community supervision and who have failed to pay fines, fees and court costs they were ordered to pay as a condition of their community supervision are still responsible for those costs. In Attorney General Opinion GA-0413, Attorney General Greg Abbott found that at the expiration of the period of community supervision, defendants who have been administratively released are no longer responsible for those fines, fees and costs.⁷²

The Committee recommends that Article 103.0033 of the Texas Code of Criminal Procedure be amended to clearly state that a fine, fee or court cost assessed as a condition of community supervision may be collected by a collections program as long as the responsible court directs that such funds may be collected by that collections program.

Conclusion

Overall, the Collections Improvement Program has been a success for Texas. From October 2005 to June 2006, the program raised \$5.3 million in revenue in the counties and municipalities with an April 2006 implementation date. This number omits the judicial support and jury reimbursement fees to confirm that the increase was truly from an increase in collections. Extrapolating out the \$5.3 million for the nine month period to a year, it results in a \$7.1 million increase in state annual revenue which is \$1.2 million beyond the first year projection.⁷³

The collection of unpaid court fees and costs is essential to ensure justice and to adequately support state and local programs that depend on those funds.⁷⁴ The Collections Improvement Program should continue and be given time to demonstrate its value to the state.

Charge Five

Charge 5: Study and make recommendations relating to the possible uses and need for statutory directives regarding the use of collaborative law procedures.

Recommendations

The Committee recommends no change in current law relating to the use of collaborative law procedures.

Background

The collaborative law process is a method of alternative dispute resolution that seeks to avoid acrimonious litigation by seeking common ground through negotiation and compromise. Collaborative law seeks to preserve relationships between parties who may have a continuing relationship after their dispute is resolved.

Collaborative Law Defined

The collaborative law process is completely voluntary. The collaborative process is only used when all parties to a dispute agree to collaborate to resolve their dispute instead of taking the dispute to a judge or other neutral party. This form of alternative dispute resolution requires each party to a dispute and his attorney to sign a written agreement in which they agree to negotiate in good faith to reach a fair settlement in a cooperative fashion.

The written agreement detailing the collaborative process is often referred to as the participation agreement. This document is very specific in stating the terms under which the parties are to negotiate their dispute. Discovery is informal in the collaborative law process. If the parties agree that an expert is needed to give an opinion on an issue, one may be brought in to assist the parties.

The attorney's role in the collaborative process is to help their client clearly define their goals and to gather the necessary information needed to resolve the dispute. The attorney must sign a written agreement with his client as well as the opposing side that requires the attorney to withdraw from the case if the parties do not reach an agreement. The client may take his case to court but must do so with a new attorney.

Many believe the collaborative process provides a unique option to those seeking remedies to disputes. Currently, Texas law does not include provisions that allow parties to a lawsuit to use the collaborative process in any legal area other than family law. Proponents of this process would like to see this form of alternative dispute resolution to expand into other civil disputes such as probate, labor and employment, and medical malpractice cases.

Mediation vs. Collaborative Law

Collaborative law is often compared to mediation, a popular form of alternative dispute resolution. Blacks Law Dictionary defines mediation as "a method of nonbinding dispute resolution involving a neutral third party who tries to help the disputing parties reach a mutually agreeable solution."⁷⁵ These days most courts will order parties involved in a dispute to participate in mediation in an attempt to settle a case before a full trial is held.

The collaborative process differs from mediation in that no third party is necessary. Instead, the process is centered around face to face negotiations between parties. The process is designed to encourage the sharing of information and the building of trust in an effort to reach a negotiated agreement.

Collaborative Law in Texas

During the 77th Legislative Session, the Texas Legislature amended the Texas Family Code to explicitly provide for the use of collaborative law procedures in family law matters.⁷⁶ House Bill 1363 identified the collaborative law process as another acceptable form of alternative dispute resolution available to parties during the dissolution of a marriage and in suits affecting the parent-child relationship.⁷⁷

Sections 6.603 and 153.0072 of the Family Code require parties and their counsel to sign written agreements to conduct their case under collaborative law procedures. Each party agrees in writing to use his best effort and make a good faith attempt to resolve the dispute on an agreed basis without moving through the judicial system except to have the court approve the settlement.

If a court is notified 30 days before trial that collaborative law procedures are being used to settle a dispute, the court may not set a hearing or trial in the case, impose discovery deadlines, require compliance with scheduling orders or dismiss the case.⁷⁸ If collaborative law procedures do not result in a settlement within two years of the date a case was filed, a court may set the case for trial or dismiss the suit without prejudice.⁷⁹

Collaborative Law Associations

There are several associations devoted to the study of collaborative law. These associations seek to promote the use of the collaborative process by educating attorneys and the general public about its use and benefits.

The Collaborative Law Institute of Texas is a non-profit organization formed to promote collaborative law benefits by building a community of collaborative law professionals, protecting the integrity of the collaborative law process and acting as a unifying voice for collaborative law in Texas.⁸⁰ The Institute's website provides a listing of attorneys trained in collaborative law and provides resources and articles explaining the collaborative process.⁸¹

The Texas Collaborative Law Council was formed in October of 2004 as a non-profit corporation by civil attorneys who wish to promote fair and reasonable settlement of disputes without litigation.⁸² The Council promotes the use of the collaborative process for resolving civil disputes; trains lawyers and other professionals in the use of the process; educates the public regarding the benefits of the process; and attempts to preserve the integrity of the collaborative dispute resolution process.⁸³

HALT, an Organization of Americans for Reform, is a national public interest group dedicated to the promotion of legal reform that seeks to give people more control over their legal affairs.⁸⁴ This association's goal is to remove obstacles to the judicial process by removing the barriers and expenses that keep the average citizen from seeking justice. HALT endorsed the collaborative process in 2001 as an affordable and equitable approach and "as a new and innovative alternative" for people to handle their legal affairs.⁸⁵ HALT also provides a network of collaborative practitioners, and the group seeks to expand the process to other areas of law.

The International Academy of Collaborative Professionals was formed in the late 1990s to promote the use of collaborative law and to educate professionals on the benefits and use of the process.⁸⁶

Committee Hearing

The Committee held a public meeting on the issue of collaborative law on April 20, 2006. Testimony was given by collaborative law practitioners and proponents as well as those opposed to the expansion of collaborative law.

The proponents of collaborative law who testified in favor of expanding the collaborative process to civil disputes noted that the collaborative process works well when ongoing relationships are an issue. For example, in a construction case involving a dispute between a contractor and a subcontractor, the collaborative process allows the parties to work through issues without becoming involved in an overly adversarial contest.

By placing a provision regarding the use of collaborative law in civil cases in statute, the proponents believe more parties would feel comfortable using the process because of the confidentiality provisions provided in statute. The process would still be completely voluntary and defined by the written agreement between or among the participating parties.

The Committee also heard testimony from groups opposed to changes in statute designed to increase the use of collaborative law. Opponents argued that the collaborative law process would not work well in cases where the nature of the claim involves a finding of fault or negligence. Their testimony also noted that confidentiality agreements are routine and enforceable, so a specific reference in law is not necessary in these types of written agreements.

A concern was raised during testimony that if a provision were added specifically to allow the use of collaborative law in all civil cases, judges would begin to require the use of collaborative law. Proponents of the process noted that no court has ordered parties to engage in the collaborative process since the Texas Family Code was amended in 2001.

Attorneys familiar with the collaborative process testified that the requirement that a party seek new counsel if a settlement is not reached can

cause a party undue stress. The disqualification provision may pressure a party to settle to avoid the financial implications of hiring new counsel.

Uniform Guidelines

The Committee agrees with the proponents of collaborative law that uniform guidelines enhance the credibility of the process. The various associations dedicated to educating the public and attorneys regarding the collaborative law process have done an excellent job providing "best practices" for practitioners to follow.

The Committee believes there is merit to the collaborative process as a way for parties to resolve their differences in a non-adversarial way. The collaborative process is continuously evolving. The process is currently used primarily in family law matters, and there are statutory guidelines in place. As collaborative law becomes more widely used in other types of civil matters, future Legislatures may want to add a provision to Texas law governing the use of collaborative law in those types of cases. A statewide association such as the State Bar of Texas may be in a better position to adopt guidelines for the use of the collaborative process by attorneys licensed in Texas.

Conclusion

Although the collaborative law process is not for everyone, it does provide some benefit to those who want to avoid a lengthy, costly litigation in court as well as those who wish to preserve ongoing relationships. It can also be beneficial in situations where both parties seek to iron out small differences.

The collaborative process assumes that each participant's questions and concerns are respectfully and honestly addressed in a manner that will justly settle the dispute. There are no built-in safeguards, however, to protect participants from acting inappropriately and withholding information vital to a fair and equitable outcome.

The collaborative process should remain a voluntary process based on a written agreement entered into by opposing parties. Additional statutory directives are not necessary in order for the process to be used by parties to resolve disputes.

Charge Six

Charge 6: Review statutes, regulations, guidelines, and formulas relating to child support and make recommendations, if necessary, to ensure adequate support, including educational expenses for children.

Recommendations

- 1. The Committee recommends that Texas continue using the percentage of income model to determine child support.**
- 2. The Legislature should enact legislation that would increase the amount of a child support obligor's net monthly resources to which the court would apply the percentage guidelines for child support from \$6,000 to \$7,500.**
- 3. The Committee recommends that the Legislature conduct a future study of parenting time adjustments to determine if more specific statutory directives are needed.**
- 4. The Legislature should enact legislation to authorize specifically the garnishment of a retirement account held by a noncustodial parent who dies intestate in order to satisfy an unpaid child support obligation.**
- 5. The Committee recommends that the Legislature work with the Office of the Attorney General to maintain funding for child support enforcement at an appropriate level.**

Background

Section 111.001 of the Texas Family Code requires the standing committees in the Texas Senate and Texas House of Representatives with jurisdiction over family law issues to review the state's mandatory guidelines and, if necessary, recommend revisions to the guidelines for child support under Chapter 154 of the Family Code.⁸⁷ The Senate Committee on Jurisprudence has jurisdiction over family law issues and was instructed by the Lieutenant Governor to conduct the necessary review of child support guidelines.

Federal Law

The United States Congress passed legislation regarding child support guidelines in 1984 and 1988. The Child Support Enforcement Amendments of 1984 required states to set guidelines for determining the amount of child support awards.⁸⁸ The guidelines were advisory instead of mandatory. The Family Support Act of 1988 required states to make the guidelines a "rebuttable presumption" in an administrative or judicial proceeding.⁸⁹ The Act provided that courts may deviate from the guidelines for good cause or when the parties are in agreement as long as a written finding is included in the record of the case.⁹⁰

The 1988 federal law requires states to review their child support guidelines at least once every four years to determine if the guidelines are resulting in appropriate child support awards.⁹¹ States must first examine current economic data to ensure that awards set in accordance with existing guidelines meet the children's economic needs.⁹² Second, child support orders must be reviewed to determine how often actual child support awards deviate from the awards that would result from applying the guidelines.⁹³ When setting child support guidelines, states must take into consideration all earnings and income of the noncustodial parent, be based on specific and numeric criteria and must provide for the health care needs of the child through health insurance or other means.⁹⁴

There is no federal requirement regarding how states are to establish child support guidelines so state methods vary. There are three general guideline models used by the states.⁹⁵ The majority of states have adopted an income shares model in which a child support award is based on both parents' incomes. Several states have adopted guidelines according to a percentage of income model which takes into consideration only the income of the noncustodial parent. Texas is one of the states following the percentage of income model. A few states have adopted the Melson model, a more complex version of the income shares model that provides a self-support reserve for the noncustodial parent. Many states allow certain deviations from the basic child support guidelines for expenses such as health care, childcare and private education.

Award amounts in guideline tables are based on an estimate of the expenses of raising children, and states generally follow the same guidelines, making adjustments for inflation and cost of living. Most states conducting

child support guideline reviews have focused on common topics, usually focusing on specific types of deviations. Common deviations include parenting time adjustments, adjustments for childcare expenses, adjustments for prior or subsequent children of the noncustodial parent and private school and higher education expenses.

Child Support Guidelines in Texas

Subchapter C, Chapter 154 of the Texas Family Code sets out the child support guidelines used in Texas. The guidelines are specifically designed to apply to situations in which the child support obligor's monthly net resources are \$6,000 or less. The amount withheld is a set percentage of the obligor's monthly net resources. The percentage increases with number of children. For example, 20 percent of an obligor's monthly net resources are withheld as child support for one child.⁹⁶ The percentage increases by five percent for each additional child. For six or more children, the child support obligation is not less than 40 percent of an obligor's monthly net resources.⁹⁷

If an obligor has monthly net resources of more than \$6,000, the court shall presumptively apply the percentage guidelines to the first \$6,000 of the obligor's net resources. The court may order additional amounts of child support as appropriate, depending on the income of the parties and the needs of the child.⁹⁸ There are also provisions for ordering support of children in more than one household.⁹⁹

The Office of the Attorney General

As the Title IV-D agency in Texas, the Office of the Attorney General (OAG) is required to submit a report no later than December 1 of each even-numbered year for use in the legislative review of child support guidelines.¹⁰⁰ The report must contain economic data obtained from the United States Department of Agriculture (USDA) on the cost of raising children; an analysis of case data on the application of and deviations from the child support guidelines; and a summary of any federal legislation enacted since the date of the last review.¹⁰¹ The report was submitted to the Committee on October 23, 2006.¹⁰²

The 2005 USDA national estimate on the cost of raising children ranged from \$10,220 to \$11,290 for the youngest child in a two-child,

married-couple family in the middle income group.¹⁰³ The USDA also provides estimates for child-rearing costs in specific regions of the country that may be more accurate. The estimated annual expenditure on a child by a husband-wife family in the urban South earning a before-tax income of less than \$42,800 would range from \$7,310 and \$8,410.¹⁰⁴ For a family of before-tax income of more than \$72,000, the cost rises to between \$15,100 and \$16,490.¹⁰⁵

The national child-rearing expenses of single-parent families are different. They are tracked only nationally and are divided into two income groups; those with a before-tax income of less than \$43,200 and those whose income is greater than \$43,200. The child-rearing costs for families with the lower income levels are between \$6,080 and \$8,440 and for the higher income levels between \$14,000 and \$16,670.¹⁰⁶ In single-parent families, child-rearing expenses consume a greater percentage of the families' income.

The OAG used USDA data to estimate the annual costs to raise one, two or three children in a single-parent home and used Bureau of Labor Statistics to determine the statewide average annual income to perform a child support guideline computation. The results of the computation were compared to the estimated costs to raise the children to determine the percentage of estimated costs covered by the guideline computation. The results show that the guidelines result in less coverage of expenses as the children increase in age.¹⁰⁷

The OAG also analyzed the frequency of deviation from child support guidelines using a Statistical Analysis System report.¹⁰⁸ For child support orders in Title IV-D cases, 80 percent of the orders complied with the guidelines. The most common reason for deviation from the guidelines was agreement of the parties. In non IV-D cases, child support orders examined in Travis County revealed that 96 percent of the orders had no findings so were presumed to be within the guidelines.¹⁰⁹

The OAG also surveyed participants at a family law conference, an associate judges' meeting and an assistant attorney generals' conference to determine how frequently orders deviate from the guidelines.¹¹⁰ Most of the respondents stated that deviation from the percentage of net resources was necessary because the initial computation of a percentage of net resources tended to be too high or too low.¹¹¹ Deviations were most often justified by agreements between the parties.

It is difficult to determine whether the current child support guidelines are meeting the needs of Texas children. Custodial parents argue that the cap on monthly net resources should increase, and noncustodial parents argue that it should decrease to allow them to use more of their income to directly benefit their children. The \$6000 cap on monthly net resources was set in 1993 and has not changed since that time. The Legislature has considered legislation to raise the cap, but none has been enacted. The Committee recommends that the Legislature enact legislation that would increase the amount of a child support obligor's net monthly resources to which the court would apply the percentage guidelines for child support from \$6,000 to \$7,500.

There has been no federal legislation concerning the child support guidelines since the last review of the guidelines in 2002. However, the 2005 Deficit Reduction Act cut federal child support enforcement funds directed to the states. According to the OAG, Texas received a cut of \$70 million.

The Committee recommends that the Legislature work with the OAG to keep funding for child support enforcement at a level to ensure that Texas children receive the financial support they deserve. Currently, the OAG has 950,000 active cases, 65 field offices and 8 regional call centers. Through fiscal year 2005, over 1.8 billion dollars was collected, and that is expected to exceed 2 billion dollars by the end of 2006.¹¹²

Higher Education Expenses

Child support in Texas ends once a child reaches the age of 18 or high school graduation, whichever comes first.¹¹³ There are no specific provisions that hold a noncustodial parent responsible for the payment of the expenses associated with higher education.

In 1993, the United States Commission on Interstate Child Support recommended that states provide courts with the discretionary power to order post-secondary support in suitable cases.¹¹⁴ No state prohibits a judge from ordering such support if the parties agree to it. There are currently 17 states that will currently enter an order for college expenses while a child is enrolled after high school graduation.¹¹⁵

The Committee recommends no change to the child support guidelines with respect to the payment of higher education expenses. Judges have the discretion to order the payment of such expenses if the parties agree. Since Texas does not require married parents to pay for the higher education expenses of their children, it does not seem fair to require unmarried or divorced parents to pay such expenses.

Equal Parenting

The Committee heard testimony on the concept of equal parenting responsibility or shared parenting during the Committee's May 3, 2006, hearing. Many states are permitting noncustodial parents to receive a reduction in their child support payments when they spend a substantial amount of time with their children beyond what is specified in the custody order.¹¹⁶ States have incorporated these reductions into their child support guidelines to improve fairness in child support awards and encourage the involvement of both parents.

In 29 states, including Texas, courts may deviate from the child support guidelines to account for extended visitation.¹¹⁷ Judges may consider the amount of visitation time when awarding child support, but there are no requirements within these states' guidelines. Fourteen states have adopted a sliding scale based on the percentage of time the child spends with each parent and eight states' guidelines require the courts to apply a new formula for setting child support once the level of visitation has exceeded a certain threshold.¹¹⁸

The concern with parenting time adjustments is that some noncustodial parents may agree to extended visitation and receive a reduction in their child support obligation but then fail to follow through with spending the time with their children. It is difficult for courts to follow up on how much time is actually spent with the children.

It is important for children to receive both financial and emotional support from both parents whenever possible. Parenting time adjustments may be a way of encouraging both parents to stay involved in their children's lives. The Committee recommends further study of the issue of parenting time adjustments to determine if specific statutory authorization is necessary.

Additional Issues

The Committee heard testimony from a variety of individuals and groups expressing the views of both custodial and non-custodial parents. One witness pointed out that current law in Texas does not specifically allow for the garnishment of a noncustodial parent's retirement account if the non-custodial parent dies intestate. The Committee recommends that the Family Code be amended to authorize specifically the garnishment of retirement account funds to address an unpaid child support obligation.

The Committee also heard from witnesses who feel the current child support guidelines do not adequately consider the financial burden of the noncustodial parent. Noncustodial parents who pay child support often believe that much of the child support payment made to the custodial parent is used on the needs of the "family" instead of being spent directly on the needs of the individual child.

Conclusion

The purpose of child support is to provide financial assistance to the custodial parent for the care and maintenance of children. It is the duty and responsibility of parents to take care of their children both financially and emotionally. The amount of child support awarded should not diminish the fact that the presence of both parents in a child's life is almost always in the best interest of the child.

The current child support guidelines based on a percentage of income model seem to be adequate in addressing the needs of both parties. The OAG should be commended for their role in enforcing child support obligations, and the Legislature should work to provide adequate funding for the agency's enforcement programs.

Endnotes

Endnotes

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- ¹ Tex. Const. art. V., §1 (amended 1980).
- ² *Report and Recommendations Into The Twenty-First Century*, Citizens' Commission on the Texas Judicial System, 1993, at 18.
- ³ Tex. H.B. 66, 72nd Leg., R.S. (1991).
- ⁴ See Appendix A, Chart of Court Structure of Texas.
- ⁵ See Appendix B, List of Statutory County Court Civil Jurisdiction by Monetary Maximum.
- ⁶ *Texas Courts: Report 2, The Texas Judiciary: A Proposal For Structural-Functional Reform*, Texas Research League (1991); *Report and Recommendations Into The Twenty-First Century*, Citizens' Commission on the Texas Judicial System (1993).
- ⁷ See *Texas Courts: Report 2, The Texas Judiciary: A Proposal For Structural-Functional Reform*, Texas Research League, 1991, at 19-20; *Report and Recommendations Into The Twenty-First Century*, Citizens' Commission on the Texas Judicial System, 1993, at 19-26.
- ⁸ See Appendix C, Resolution of the Texas Judicial Council regarding Jurisdiction of Statutory County Courts and Compensation Parity for Statutory County Court Judges, September 20, 2006.
- ⁹ TEX. PROB. CODE ANN. §602 (Vernon 2003).
- ¹⁰ TEX. PROB. CODE ANN. §671 (Vernon 2003).
- ¹¹ TEX. PROB. CODE ANN. §672 (Vernon 2003).
- ¹² TEX. PROP. CODE ANN. §112.054 (Vernon 1995 & Supp. 2006).
- ¹³ TEX. PROP. CODE ANN. §116.006 (Vernon 1995 & Supp. 2006).
- ¹⁴ TEX. PROB. CODE ANN. §665(a) (Vernon 2003).
- ¹⁵ TEX. PROB. CODE ANN. §665(b) (Vernon 2003).
- ¹⁶ TEX. PROB. CODE ANN. §666 (Vernon 2003).
- ¹⁷ TEX. CODE JUD. CONDUCT, Canon 1, *reprinted in* TEX. GOV'T CODE ANN., tit. 2, subtit. G app. B (Vernon 1997).
- ¹⁸ National Center for State Courts, *Court Reporting FAQs*, (March 9, 2006) available at <http://www.ncsconline.org/wc/faqs/ctrprtfaq.htm>.
- ¹⁹ *Id.*
- ²⁰ *Id.*
- ²¹ *Id.*
- ²² *Id.*
- ²³ CourtSmart, *Proposed Cost Recovery for Verbatim Records*, Collin County, Texas. Sept. 30 2004.

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- ²⁴ National Center for State Courts, *Court Reporting FAQs*, (March 9, 2006) available at <http://www.ncsconline.org/wc/faqs/ctrprtfaq.htm>.
- ²⁵ National Court Reporters Association, *Key Issues: Electronic/Digital and Video Recording*, (June 28, 2005) available at <http://www.ncraonline.org/infonews/key/ER.shtml>.
- ²⁶ National Center for State Courts, *Court Reporting FAQs*, (March 9, 2006) available at <http://www.ncsconline.org/wc/faqs/ctrprtfaq.htm>.
- ²⁷ Lamb, Richard Ryan. *Using Video Recording as a Component in Managing Your Court*. CTC4 1994. (March 14, 2006). http://www.ncsconline.org/D_Tech/ctc/showarticle.asp?id+109.
- ²⁸ *Id.*
- ²⁹ Senate Committee on Jurisprudence Hearing, August 24, 2006 (statement of Judy Miller, Court Reporters Certification Board).
- ³⁰ GAO, 1982. *Federal Court Reporting System: Outdated and Loosely Supervised*. Government Accountability Office. Washington, D.C. <http://archive.gao.gov/f0102/118659.pdf>.
- ³¹ *Id.*
- ³² *Id.*
- ³³ TEX. GOV. CODE ANN. §52.029 (Vernon 1988).
- ³⁴ See Appendix D, Texas Legislative Council, *50-State Survey and Cost Benefit Analyses Review on the Use of Technology in Making a Record of State Court Proceeding*, Apr. 26, 2006.
- ³⁵ *Id.*
- ³⁶ National Center for State Courts. *Table 37: Making the Trial Record. 2004 Data*.
- ³⁷ TEX. GOV. CODE ANN. §52.021(a) (Vernon 1988).
- ³⁸ TEX. GOV. CODE ANN. §52.021(c) (Vernon 1988).
- ³⁹ TEX. GOV. CODE ANN. §52.021(e) (Vernon 1988).
- ⁴⁰ TEX. GOV. CODE ANN. §52.021(c) (Vernon 1988).
- ⁴¹ TEX. R.CIV. P. 3a.
- ⁴² See TEX. GOV. CODE ANN. Ch. 28 and Ch. 30 (Vernon 1988).
- ⁴³ See TEX. GOV. CODE ANN. Ch. 52, Subch. E (Vernon 1988).
- ⁴⁴ *Mays v. Fifth Court of Appeals*, 755 S. W.2d78. (Tex. 1988) (concurring op, Justice Spears).
- ⁴⁵ Office of Court Administration, *Court Costs, Fees, and Fines Collection*, (Feb. 8, 2006) available at <http://www.courts.state.tx.us/oaca/collections/collections.asp>.

⁴⁶ Texas Comptroller of Public Accounts, *Valuable Revenue Stream Often Goes Uncollected: Costly (non) Collection*. Window on Texas Government. April 2006.

⁴⁷ Office of Court Administration, *Court Costs, Fees, and Fines Collection*, (Feb. 8, 2006) available at <http://www.courts.state.tx.us/oca/collections/collections.asp>.

⁴⁸ *Id.*

⁴⁹ Office of Court Administration, *Collection Improvement Plan*, (Oct. 30, 2006) available at <http://www.courts.state.tx.us/oca/collections/collections.asp>.

⁵⁰ *Id.*

⁵¹ Tex. S.B. 1863, 79th Leg., R.S. (2005).

⁵² TEX. CRIM. PROC. CODE ANN. art. 103.0033 (Vernon Supp. 2005).

⁵³ TEX. CRIM. PROC. CODE ANN. art. 103.0033(f) (Vernon Supp. 2005).

⁵⁴ TEX. CRIM. PROC. CODE ANN. art. 103.0033(j) (Vernon Supp. 2005).

⁵⁵ Office of Court Administration, *Senate Bill 1863, Article 10 - Collection Improvement Program - Implementation Status Report*. (Apr. 3, 2006).

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ TEX. CRIM. PROC. CODE ANN. art. 103.0033(d)(1) (Vernon Supp. 2005) .

⁵⁹ Office of Court Administration, *Key Elements of the Model Concept*, (Oct. 29, 2006) available at <http://www.courts.state.tx.us/oca/collections/modelcomp.asp>.

⁶⁰ TEX. LOC. GOV'T CODE § 133.058 (e).

⁶¹ Sprow, Maria. *It's About the Money, Honey*. County. Vol. 17, No. 6. Nov/Dec 2005.

⁶² TEX. LOC. GOV'T CODE §133.103 (Vernon Supp. 2006).

⁶³ *Id.*

⁶⁴ See Appendix E, Office of Court Administration, *Collections Improvement Plan: Municipality/County Date Order SB 1863 Prioritized Implementation Schedule*.

⁶⁵ Office of Court Administration, *06 Mandatory Program Implementation Status*, (Aug. 31, 2006).

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ TEX. CRIM. PROC. CODE ANN. art. 103.0033(h) (Vernon Supp. 2005).

⁷⁰ TEX. CRIM. PROC. CODE ANN. art. 42.12, §11 (Vernon Supp. 2005).

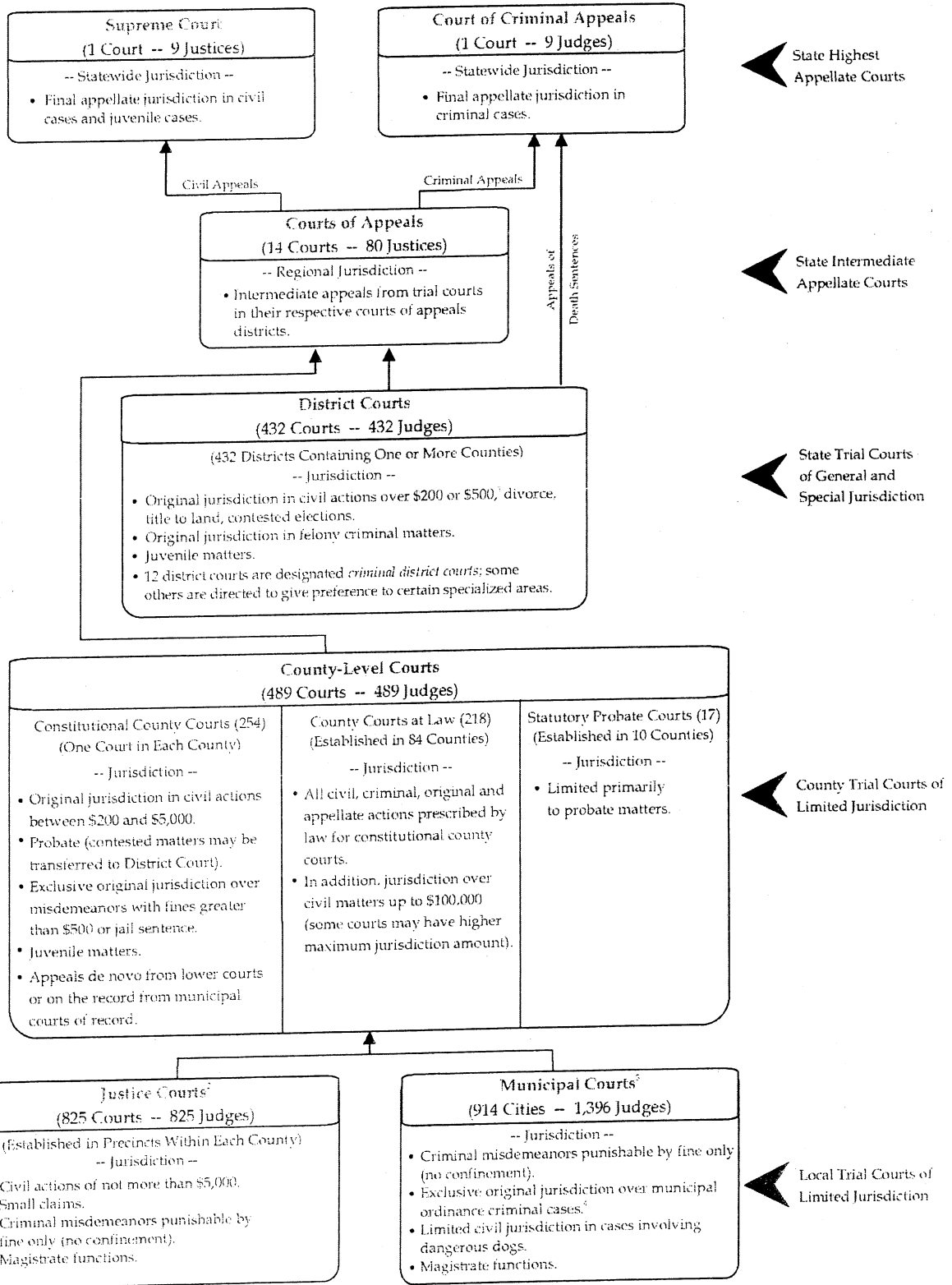
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- ⁷¹ Op. Tex. Att'y Gen. No. GA-0413 (2006).
- ⁷² Op. Tex. Att'y Gen. No. GA-0413 (2006).
- ⁷³ See Appendix F, Office of Court Administration, *Status - Collection Improvement Program*, (Aug. 25, 2006).
- ⁷⁴ Modisett, Bill. *Official: Collections Department Essential in Justice System*. Odessa American, Feb. 26, 2006.
- ⁷⁵ Blacks Law Dictionary 78 (7th ed., West 1999)
- ⁷⁶ Tex. H.B. 1363, 77th Leg., R.S. (2001).
- ⁷⁷ *Id.*
- ⁷⁸ TEX. FAMILY CODE ANN. §6.603(e) and §153.0072 (e) (Vernon 2001).
- ⁷⁹ *Id.*
- ⁸⁰ The Collaborative Law Institute of Texas, (Oct. 25, 2006) available at <http://www.collablawtexas.com/>.
- ⁸¹ *Id.*
- ⁸² Texas Collaborative Law Council, (Oct. 25, 2006) available at www.collaborativelaw.us.
- ⁸³ *Id.*
- ⁸⁴ An Organization of Americans for Legal Reform, (Oct. 30, 2006) available at <http://www.halt.org>.
- ⁸⁵ *Id.*
- ⁸⁶ International Academy of Practitioners, (Oct. 30,2006) available at <http://www.collaborativepractice.com>
- ⁸⁷ TEX. FAM. CODE ANN. §111.001 (Vernon 1993).
- ⁸⁸ Pub. L. 98-378, 98 Stat. 1305 (1984).
- ⁸⁹ Pub. L. No. 100-485, 102 Stat. 2343 (1988).
- ⁹⁰ *Id.*
- ⁹¹ 42 U.S.C. Sec. 667 (2005).
- ⁹² 42 U.S.C. Sec. 667(b)(2) (2005).
- ⁹³ *Id.*
- ⁹⁴ 45 CFR 302.56(b) (2005).
- ⁹⁵ National Conference of State Legislatures. "Reviewing Child Support Guidelines." NCSL Legisbrief, April/May 2000, vol 8, no.23. <http://www.ncsl.org/programs/cyf/legis0400.htm>
- ⁹⁶ TEX. FAM. CODE ANN. §154.125(b) (Vernon 1993).
- ⁹⁷ *Id.*
- ⁹⁸ TEX. FAM. CODE ANN. §154.126 (Vernon 1993).
- ⁹⁹ TEX. FAM. CODE ANN. §154.128 and 154.129 (Vernon 1993).
- ¹⁰⁰ TEX. FAM. CODE ANN. §111.001(b) (Vernon 1993).

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- ¹⁰¹ *Id.*
- ¹⁰² See Appendix G, 2006 Texas Child Support Guidelines Report, Office of the Attorney general, Child Support Division.
- ¹⁰³ See Appendix G, p. 8.
- ¹⁰⁴ *Id.*
- ¹⁰⁵ *Id.*
- ¹⁰⁶ See Appendix G, p. 10.
- ¹⁰⁷ See Appendix G, p. 13.
- ¹⁰⁸ See Appendix G, p. 15.
- ¹⁰⁹ *Id.*
- ¹¹⁰ See Appendix G, p. 17.
- ¹¹¹ *Id.*
- ¹¹² Senate Committee on Jurisprudence Hearing, May 3, 2006 (statement of Alicia Key, Office of the Attorney General).
- ¹¹³ TEX. FAM. CODE ANN. §154.002 (Vernon 1993).
- ¹¹⁴ See Appendix G, p. 36.
- ¹¹⁵ *Id.*
- ¹¹⁶ National Conference of State Legislatures. "Reducing Child Support for Extended Visitation." NCSL Legisbrief, August/Sept. 1999, vol. 7, no. 36. <http://www.ncsl.org/programs/pubs/lbriefs/legis736.htm>
- ¹¹⁷ *Id.*; TEX. FAM. CODE ANN. §154.123(b)(4) (Vernon 1993).
- ¹¹⁸ *Id.*

Appendix A

COURT STRUCTURE OF TEXAS

SEPTEMBER 1, 2006



¹ The dollar amount is currently unclear.
² All justice courts and most municipal courts are not courts of record. Appeals from these courts are by trial de novo in the county-level courts, and in some instances in the district courts.
³ Some municipal courts are courts of record -- appeals from these courts are taken on the record to the county-level courts.
⁴ An offense that arises under a municipal ordinance is punishable by a fine not to exceed: (1) \$2,000 for ordinances that govern fire safety, zoning, and public health or (2) \$500 for all others.

Appendix B

**STATUTORY COUNTY COURT AT LAW
CIVIL JURISDICTION BY MONETARY MAXIMUM**

\$100,000 (137)

Anderson (1)	Jefferson (3)
Angelina (2)	Johnson (2)
Aransas (1)	Kaufman (1)
Austin (1)	Kerr (1)
Bastrop (1)	Kleburg (1)
Bee (1)	Lamar (1)
Bell (3)	Liberty (1)
Bexar (12)	Lubbock (3)
Bowie (1)	McClellan (2)
Brazoria (4)	Medina (1)
Brazos (2)	Montgomery (4)
Brown (1)	Moore (1)
Burnet (1)	Nacodoches (1)
Caldwell (1)	Nolan (1)
Cherokee (1)	Orange (2)
Collin (6)	Polk (1)
Comal (2)	Potter (2)
Cooke (1)	Reeves (1)
Coryell (1)	San Patricio (1)
Denton (1)	Starr (1)
Ector (2)	Tarrant (3)
Erath (1)	Taylor (2)
Fort Bend (4)	Tom Green (2)
Grayson (2)	Val Verde (1)
Guadalupe (2)	Victoria (2)
Harris (19)	Walker (1)
Harrison (1)	Waller (1)
Hays (2)	Washington (1)
Henderson (2)	Wilbargerr (1)
Hill (1)	Webb (2)
Hopkins (1)	Wichita (2)
Houston (1)	Williamson (4)
Hunt (1)	Wise (1)

\$250,000 (8)

Travis (7)
Hood (1)

\$500,000 (2)

Midland (2)

\$750,000 (5)

Hidalgo (5)

\$1,000,000 (3)

Cameron (3)

Unlimited (38)

Calhoun (1)	Kendall (1)
Cass (1)	Nueces (5)
Dallas (5)	Panola (1)
Ellis (2)	Parker (2)
El Paso (7)	Randall (2)
Galveston (3)	Rockwall (1)
Gregg (2)	Rusk (1)
Kaufman (1)	Smith (3)

Appendix C

STATE OF TEXAS

RESOLUTION

of the

TEXAS JUDICIAL COUNCIL

**Jurisdiction of Statutory County Courts and
Compensation Parity for Statutory County Court Judges**

WHEREAS, Section 71.031 of the Government Code provides that the Texas Judicial Council “continuously shall study the organization, rules, procedures and practice, work accomplished, results, and uniformity of the discretionary powers of the state courts and methods for their improvement;”

WHEREAS, the statutory county courts were originally created to assist with specific particularized judicial needs of the counties in which they were established;

WHEREAS, the role of the statutory county courts has greatly expanded in many areas of the law to provide concurrent jurisdiction with their respective district courts to assist with expanding dockets and the administration of justice;

WHEREAS, current statutory language does not mandate the use of uniform terminology when conveying subject-matter jurisdiction to a new statutory county court, often resulting in vague and ambiguous language detrimental to the administration of justice;

WHEREAS, any existing anomalies between or ambiguities in the language used to convey jurisdiction to statutory county courts should be resolved on a county-by-county basis;

WHEREAS, litigants and the citizenry at large are entitled to know, in clear and unambiguous language, the subject matter jurisdiction of each court;

WHEREAS, the State directly benefits from the efficient operation of statutory county courts through increased case dispositions, reduced case backlogs and by providing the citizens of this State greater access to courts without the attenuated expense incurred through creation of additional district courts;

WHEREAS, the current legislatively-created compensation formulas have resulted in salary disparities in excess of \$60,000 between equally qualified statutory county court judges with virtually identical jurisdictional authority;

WHEREAS, the Committee on Statutory County Courts of the Texas Judicial Council has recommended revisions to provide for the drafting of uniform jurisdictional language for

newly-created statutory county courts and compensation parity for the judges of all statutory county courts;

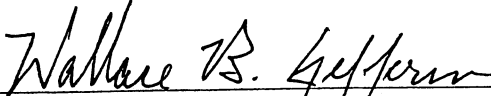
WHEREAS, the Committee on Judicial Compensation of the Texas Judicial Council has recommended to the Council that compensation parity for statutory county courts be made a priority for the judiciary;

WHEREAS, the Committee on Court Funding has adopted its priority items for the improvement of the Judiciary of this State which includes providing compensation parity for the Judges of the Statutory County Courts in its list of priority items for the 80th Legislature; and

WHEREAS, compensation parity would further the goal of attracting and retaining the highest qualified Judges to preside over the statutory county courts of this State and would help ensure that statutory county court judges are fairly compensated for the service they provide the people of this State;

NOW THEREFORE, BE IT RESOLVED that the Texas Judicial Council recommends that the Texas Legislature enact legislation providing for the drafting and implementation of uniform jurisdictional language for all newly-created statutory county courts, and providing for compensation parity for all statutory county court judges.

September 20, 2006



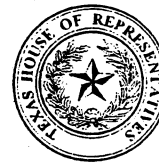
Honorable Wallace B. Jefferson
Chief Justice, Supreme Court of Texas
Chairman, Texas Judicial Council

Appendix D



TEXAS LEGISLATIVE COUNCIL

P.O. Box 12128, Capitol Station
Austin, Texas 78711-2128
Telephone: 512/463-1151



DAVID DEWHURST
Lieutenant Governor
Joint Chair

MILTON RISTER
Executive Director

TOM CRADDICK
Speaker of the House
Joint Chair

MEMORANDUM

TO: Senate Committee on Jurisprudence
Heather Bradford, Policy Analyst

FROM: Tammy Edgerly and Chuck Haynes
Research Division

DATE: April 26, 2006

SUBJECT: 50-State Survey and Cost-Benefit Analyses Review on the Use of Technology in
Making a Record of State Court Proceedings

In response to your request for information relating to the Senate Committee on Jurisprudence's charge to study and make recommendations relating to the use and cost benefits of electronic recording as an alternative method of preserving records of official court proceedings, we submit the following information.

Use of Technology in the Creation of the Official Court Record

According to 2004 data collected from 48 of the 50 states (Oklahoma and Maine information is not available) and the District of Columbia by the National Center for State Courts (see Attachment 1: *Table 37. Making the Trial Record* from a to-be-published report):

- One state (Alaska) requires the official court record to be made by means of audio recording;
- One state (Colorado) exclusively employs stenographic reporters for the creation of the official court record;
- Twenty-five states (including Texas) employ video recording to some degree in creating the official court record, although no state uses video recording exclusively; and
- Forty-six states (including Texas) and the District of Columbia employ various means at different court levels ranging from stenographic court reporting to video recording to create the official court record.

Cost-benefit Analyses on the Use of Electronic Court Reporting

The following is a summary of three reports on the findings of three cost-benefit studies that analyzed the use of electronic recording in the courtroom.

The Government Accountability Office (GAO) produced a report¹ for Congress in 1982 with a cost-benefit analysis to determine the savings that might be achieved if United States federal district courts were to replace court reporters using stenographic equipment with an efficient and effective electronic recording system. The GAO's analysis indicated that converting to an electronic recording system would reduce the average cost of recording court proceedings by roughly 56 percent, from an average of \$43 per hour to \$19 per hour. This finding was consistent with findings in studies of court systems in Alaska (Anchorage), Florida (Orange County), Connecticut, and New Jersey, referenced in the report, that showed annual savings of 43 percent to 55 percent after converting to electronic recording systems.

Expenditure data showed that the federal judiciary had spent over \$18.3 million in 1980 for federal court reporters' salaries and benefits, contract court reporters, office space, and travel. From data provided by four commercial firms that provide electronic recording equipment for court reporting, the GAO computed annual cost estimates for using electronic recording systems. The estimates included computations of expenditures for personnel costs, office space, equipment depreciation,² equipment maintenance, recording supplies, tape storage space, and facilities modification amortization. The GAO estimated that federal district courts would realize a net savings of \$10 million per year, except in the first year. The first year's estimate varied between a \$4.0 million deficit, when purchasing the most expensive manufacturer's product, to a \$3.0 million savings, when purchasing the least expensive manufacturer's product.

The GAO also evaluated "the arguments advanced by opponents of electronic recording and concluded that they have little merit. Highly reliable electronic recording equipment is available which can produce high quality recordings and which contains features to safeguard against human and procedural errors. Accordingly, courts that have installed and properly managed electronic recording systems have obtained accurate and timely transcripts and have realized cost savings." The GAO determined that criticisms of electronic reporting that were raised were generally due to "improper equipment, improperly trained personnel, or courtroom procedures themselves." The report's authors concluded that electronic recording systems have substantial advantages over stenographic methods. Electronic recording is being used effectively in a wide variety of court settings, provides a better record of judicial proceedings, and enables parties to obtain accurate and timely transcripts at reasonable prices. An evaluation of the time required to transcribe a transcript demonstrated that court reporters and transcribers using stenographic methods required an average of 5.9 hours to dictate, type, proofread, correct, collate, and type indices for each hour of court proceeding records, while persons transcribing records from electronic recording devices required roughly 5.5 hours. The 5.9 hours in the former situation included both the court reporter's and the transcriber's time combined; the electronic recording system did not require the use of a court reporter.

¹ GAO, 1982. "Federal Court Reporting System: Outdated And Loosely Supervised." Government Accountability Office. Washington, D.C. <http://archive.gao.gov/f0102/118659.pdf>

² Each of the four manufacturers recommended equipment replacement after seven years, thus equipment depreciation was calculated using a seven-year straight-line depreciation method.

However, the report noted that electronic recording systems must be properly designed, managed, and operated to ensure successful recording of a court's proceedings. Procedures must be established to ensure proper speaker identification, recording of overlapping or simultaneous testimony, minimization of nonverbal communications, control of playback of previous testimony, and non-recording of privileged communications. Issues of reliability, portability, and disruption of courtroom decorum were also addressed and found to be insignificant.

The Federal Judicial Center undertook a study³ in response to Section 401 of the Federal Courts Improvement Act of 1982. Section 401 was enacted because of the controversy over a GAO assertion in 1982 that electronic recordings should replace stenographic court reporting. The study examined the operations of audio recording systems in 12 district courts in 10 federal judicial circuits. Included in the evaluation was a cost-benefit analysis, comparing the use of audio recording systems to stenographic recording methods. The study confirmed the essence of the GAO's findings. Specifically, the study found that the average cost difference of audio recording systems was 61 percent lower than for the stenographic recording method. Savings ranged between \$15,054 and \$27,982, with the average difference being \$23,771. The savings differences were lower in larger metropolitan courts that have a higher volume of transcription required, higher average bench time, and clerks employed at higher grade levels than smaller courts.

The study also found that transcriptions from audiotapes were more accurate than transcriptions produced using stenographic methods. Additionally, the timeliness of delivery of transcriptions produced from audiotapes matched or exceeded the timeliness of delivery of those produced using stenographic methods.

Ease of use was also measured, and the authors found that while audiotape systems did not measurably disrupt court proceedings, breakdowns did occur, which caused some delays. However, reliability could be improved with proper maintenance and better training for operators.

The Federal Judicial Center also published a study⁴ in 1999 on a pilot project comparing digital and analog audio recording systems in 12 federal courts – six district courts and six bankruptcy courts. The study does not draw comparisons with the stenographic method of court reporting, but it does indicate that digital audio technology is a growing field. Digital recording systems were found to be more expensive than analog recording systems, but that may change with technological advances and economies of scale. Most of the benefits of digital over analog recording systems – ease of use, duplication, electronic transmission to other offices and to transcribers, integration of recording and case management systems, clarity of recording, ease and speed of accessing records, reducing the discomfort of taking log notes by hand – were

³ Greenwood, J. Michael, et al. "A Comparative Evaluation of Stenographic and Audiotape Methods for United States District Court Reporting." Washington, D.C.: Federal Judicial Center, July 1983.

⁴ Stienstra, Donna, et al. "Digital Audio Recording Technology: A Report on a Pilot Project in Twelve Federal Courts." Washington, D.C.: Federal Judicial Center, May 14, 1999.

Heather Bradford

April 26, 2006

Page 4

nonmonetary and thus difficult to quantify. However, the report generally indicated favorable responses from users in the pilot project.

Finally, Rae Lovko and Susan Myers published a literature review of electronic court reporting methods in 1994. A memorandum by the authors summarizing the review is attached and highlights the findings of 20 other evaluations. It is self-explanatory and serves as its own summary. (See Attachment 2.)

If you have any questions or comments, please contact Tammy at 463-1143 x 1313 or tammy.edgerly@tlc.state.tx.us.

06R982

Attachments

2004 Data

Table 37. Making the Trial Record

Legend: GJ=General jurisdiction; LJ=Limited jurisdiction; ~ =Not applicable; NR=No response; N/S=Not stated; ■ =Yes

	Does the court make a verbatim record of trials?	Methods Used to Create the Record				
		Steno type (court reporter)	Steno Mask	Audio Recording	Video Recording	Other
Alabama						
GJ Circuit	■	■	~	■	~	~
LJ District		~	~	~	~	~
LJ Municipal		~	~	~	~	~
LJ Probate		~	~	~	~	~
Alaska						
GJ Superior	■			■		
LG District	■			■		
Arizona						
GJ Superior	■	■		■	■	
LJ Justice of the Peace	■			■		
LJ Municipal	■			■		
Arkansas						
GJ Circuit	■	■	■	■		
LJ District		~	~	~	~	~
LJ City		~	~	~	~	~
California						
GJ Superior	■	■		■ ¹		
Colorado						
GJ District	■	■				
GJ Denver Probate	■	■				
GJ Denver Juvenile	■	■				
GJ Water	■	■				
LJ County	■					
LJ Municipal	N/S	N/S	N/S	N/S	N/S	N/S
Connecticut						
GJ Superior	■	■	~	■	~	~
LJ Probate		~	~	~	~	~
Delaware						
GJ Superior	■	■	~	■	~	~
LJ Chancery		~	~	~	~	~
LJ Justice of the Peace		~	~	~	~	~
LJ Family	■			■		
LJ Common Pleas	■	N/S	N/S	N/S	N/S	N/S
LJ Alderman's	N/S					
District of Columbia						
GJ Superior	■	■	■	■		Digital recorder
Florida						
GJ Circuit	■	■	■	■	■	
LJ County	■	■	■	■	■	
Georgia						
GJ Superior	■	■	■	■	■	
LJ Juvenile	■	■	■	■	■	
LJ Civil	N/S	N/S	N/S	N/S	N/S	N/S
LJ State	■	■	■	■	■	
LJ Probate		~	~	~	~	~
LJ Magistrate		~	~	~	~	~
LJ Municipal		~	~	~	~	~
LJ County Recorder's	■	■	■	■	■	
LJ Municipal/City of Atlanta	■	■	■	■	■	
Hawaii						
GJ Circuit	■	■		■	■	
LJ District	■	■		■	■	
Idaho						
GJ District	■	■		■		
LJ Magistrate's Division	■					
Illinois						
GJ Circuit	■	■		■	■	

MSC

Table 37. Making the Trial Record

Legend: GJ=General jurisdiction; LJ=Limited jurisdiction; ~ =Not applicable; NR=No response; N/S=Not stated; ■ =Yes

	Does the court make a verbatim record of trials?	Methods Used to Create the Record				
		Steno type (court reporter)	Steno Mask	Audio Recording	Video Recording	Other
Indiana						
GJ Superior and Circuit	■	■	■	■	■	
GJ Probate	■	■		■		
LJ County	■	■	~	■	~	~
LJ City and Town		~	~	~	~	~
LJ Small Claims/Marion County		~				
Iowa						
GJ District	■	■		■		Real-time
Kansas						
GJ District	■	■		■		
LJ Municipal		~	~	~	~	~
Kentucky						
GJ Circuit	■	■		■	■	
LJ District	■			■	■	
Louisiana						
GJ District	■	■	■	■		
GJ Juvenile & Family	■	■	■	■		
LJ Justice of the Peace		~	~	~	~	~
LJ Mayor's		~	~	~	~	~
LJ City & Parish	■	■	■	■		
Maine						
GJ Superior	NR	NR	NR	NR	NR	NR
GJ District	NR	NR	NR	NR	NR	NR
LJ Probate	NR	NR	NR	NR	NR	NR
Maryland						
GJ Circuit	■	■	■	■	■	
LJ District	■	■	■	■	■	
LJ Orphan's	N/S	N/S	N/S	N/S	N/S	N/S
Massachusetts						
GJ Superior	■	■	■	■	■	
LJ District	■			■	■	
LJ Probate & Family	■			■	■	
LJ Juvenile	■			■	■	
LJ Housing	■			■	■	
LJ Boston Municipal	■			■	■	
LJ Land	■			■	■	
Michigan						
GJ Circuit	■	■	■	■	■	
GJ Claims	■	■	■	■	■	
LJ District	■	■	■	■	■	
LJ Probate	■	■	■	■	■	
LJ Municipal	■	■	■	■	■	
Minnesota						
GJ District	■	■	■	■		
Mississippi						
GJ Circuit	■	■	■	■		
LJ Chancery	■	■	■	■		
LJ County	■	■	■	■		
LJ Municipal		~	~	~	~	~
LJ Justice		~	~	~	~	~
Missouri						
GJ Circuit	■	■	■	■		
LJ Municipal		~	~	~	~	~

Table 37. Making the Trial Record

Legend: GJ=General jurisdiction; LJ=Limited jurisdiction; ~ =Not applicable; NR=No response; N/S=Not stated; ■=Yes

	Does the court make a verbatim record of trials?	Methods Used to Create the Record				
		Steno type (court reporter)	Steno Mask	Audio Recording	Video Recording	Other
Montana						
GJ District	■	■	■	■	■	~
GJ Workers' Compensation	~	~	~	~	~	~
GJ Water	■	■	■	■	■	~
LJ Justice of the Peace	~	~	~	~	~	~
LJ Municipal	■	■	■	■	■	~
LJ City	~	~	~	~	~	~
Nebraska						
GJ District	■	■	■	■	■	~
LJ Separate Juvenile	■	■	■	■	■	~
LJ County	■	■	■	■	■	~
LJ Workers' Compensation	■	■	■	■	■	~
Nevada						
GJ District	■	■	■	■	■	~
LJ Justice	■	■	■	■	■	~
LJ Municipal	■	■	■	■	■	~
New Hampshire						
GJ Superior	■	■	■	■	■	~
LJ District	■	■	■	■	■	~
LJ Probate	■	■	■	■	■	~
New Jersey						
GJ Superior	■	■	■	■	■	~
LJ Tax	■	■	■	■	■	~
LJ Municipal	■	■	■	■	■	~
New Mexico						
GJ District	■	■	■	■	~	~
LJ Magistrate	~	~	~	~	~	~
LJ Metropolitan/Bernalillo County	■	■	■	■	~	~
LJ Municipal	~	~	~	~	~	~
LJ Probate	~	~	~	~	~	~
New York						
GJ Supreme	■	■	■	■	■	~
GJ County	■	■	■	■	■	~
GJ Claims	■	■	■	■	■	~
LJ Surrogates'	■	■	■	■	■	~
LJ Family	■	■	■	■	■	~
LJ District and City	■	■	■	■	■	~
LJ NYC Civil	~	~	~	~	~	~
LJ NYC Criminal	~	~	~	~	~	~
LJ Town & Village Justice	■	■	■	■	■	~
North Carolina						
GJ Superior	■	■	■	■	■	~
LJ District	■	■	■	■	■	~
North Dakota						
GJ District	■	■	■	■	~	~
LJ Municipal	~	~	~	~	~	~
Ohio						
GJ Common Pleas	■	■	■	■	■	~
LJ Municipal	■	■	■	■	■	~
LJ County	■	■	■	■	■	~
LJ Claims	■	■	■	■	■	~
LJ Mayor's	■	■	■	■	■	~
Oklahoma						
GJ District	N/S	N/S	N/S	N/S	N/S	N/S
LJ Municipal Not of Record	N/S	N/S	N/S	N/S	N/S	N/S
LJ Municipal of Record	N/S	N/S	N/S	N/S	N/S	N/S
LJ Workers' Compensation	N/S	N/S	N/S	N/S	N/S	N/S
LJ Tax Review	N/S	N/S	N/S	N/S	N/S	N/S

Table 37. Making the Trial Record

Legend: GJ=General jurisdiction; LJ=Limited jurisdiction; ~ =Not applicable; NR=No response; N/S=Not stated; ■ =Yes

	Does the court make a verbatim record of trials?	Methods Used to Create the Record				
		Steno type (court reporter)	Steno Mask	Audio Recording	Video Recording	Other
Oregon						
GJ Circuit	■	■		■	■	
GJ Tax	■ ²	~	~	■	~	~
LJ County	2	~	~	~	~	~
LJ Justice	2	~	~	~	~	~
LJ Municipal						
Pennsylvania						
GJ Common Pleas	■	■ ³	■	■	■	
LJ Philadelphia Municipal	■	■ ³	■	■	■	~
LJ Magisterial District Judges		~	~	~	~	~
LJ Philadelphia Traffic		~	~	~	~	~
Puerto Rico						
GJ First Instance	NR	NR	NR	NR	NR	NR
Rhode Island						
GJ Superior	■	■		■		
LJ Workers' Compensation	■	■		■		
LJ District	■			■		
LJ Family	■			■		
LJ Probate	N/S	N/S	N/S	N/S	N/S	N/S
LJ Municipal	N/S	N/S	N/S	N/S	N/S	N/S
LJ Traffic Tribunal	■			■		
South Carolina						
GJ Circuit	■	■	■	■		
LJ Family	■	■	■	■	■ ⁴	
LJ Magistrate	■			■		
LJ Probate	■			■	■ ⁴	
LJ Municipal	■			■		
South Dakota						
GJ Circuit	■	■				Digital recorder
LJ Magistrate	■					
Tennessee						
GJ Circuit		~	~	~	~	
GJ Chancery		~	~	~	~	
GJ Criminal	■	■	■	■	■	N/S
GJ Probate	N/S	N/S	N/S	N/S	N/S	N/S
LJ Juvenile	■	■	■	■	■	~
LJ Municipal		~	~	~	~	~
LJ General Sessions		~	~	~	~	~
Texas						
GJ District	■	■	■	■	■	
LJ County-level	■	■	■	■	■	~
LJ Justice of the Peace		~	~	~	~	
LJ Municipal	■	■	■	■	■	
Utah						
GJ District	■	■		■	■	~
LJ Justice		~	~	~	~	
LJ Juvenile	■	■		■	■	
Vermont						
GJ Superior	■	■		■	■	
GJ District	■	■		■	■	
GJ Family	■	■		■	■	
LJ Probate	■	■		■	■	
LJ Environmental	■	■		■	■	
LJ Judicial Bureau	■	■		■	■	
Virginia						
GJ Circuit	■	■	■	■	■	~
LJ District		~	~	~	~	~

Table 37. Making the Trial Record

Legend: GJ=General jurisdiction; LJ=Limited jurisdiction; ~ =Not applicable; NR=No response; N/S=Not stated; ■ =Yes

	Does the court make a verbatim record of trials?	Methods Used to Create the Record				
		Steno type (court reporter)	Steno Mask	Audio Recording	Video Recording	Other
Washington						
GJ Superior	■	■	■	■	■	
LJ District	■			■	■	
LJ Municipal	■			■	■	
West Virginia						
GJ Circuit	■	■	■	■	■	
LJ Magistrate		~	~	~	~	~
LJ Municipal	N/S	N/S	N/S	N/S	N/S	N/S
LJ Family	■			■	■	
Wisconsin						
GJ Circuit	■	■	■	■	■	
LJ Municipal		~	~	~	~	~
Wyoming						
GJ District	■	■	■	■	■	
LJ Circuit	■			■	■	
LJ Municipal		~	~	~	~	~

FOOTNOTES:

California:

¹ Audio recording is permitted in traffic, misdemeanor, small claims, and limited civil cases when a court reporter is unavailable.

Oregon:

² These courts are not required to make a record, but they may choose to do so.

Pennsylvania:

³ While these courts generally use court reporters (or audio equipment in some counties) for making the trial record, they may allow/order alternative recording methods in individual cases.





South Carolina:

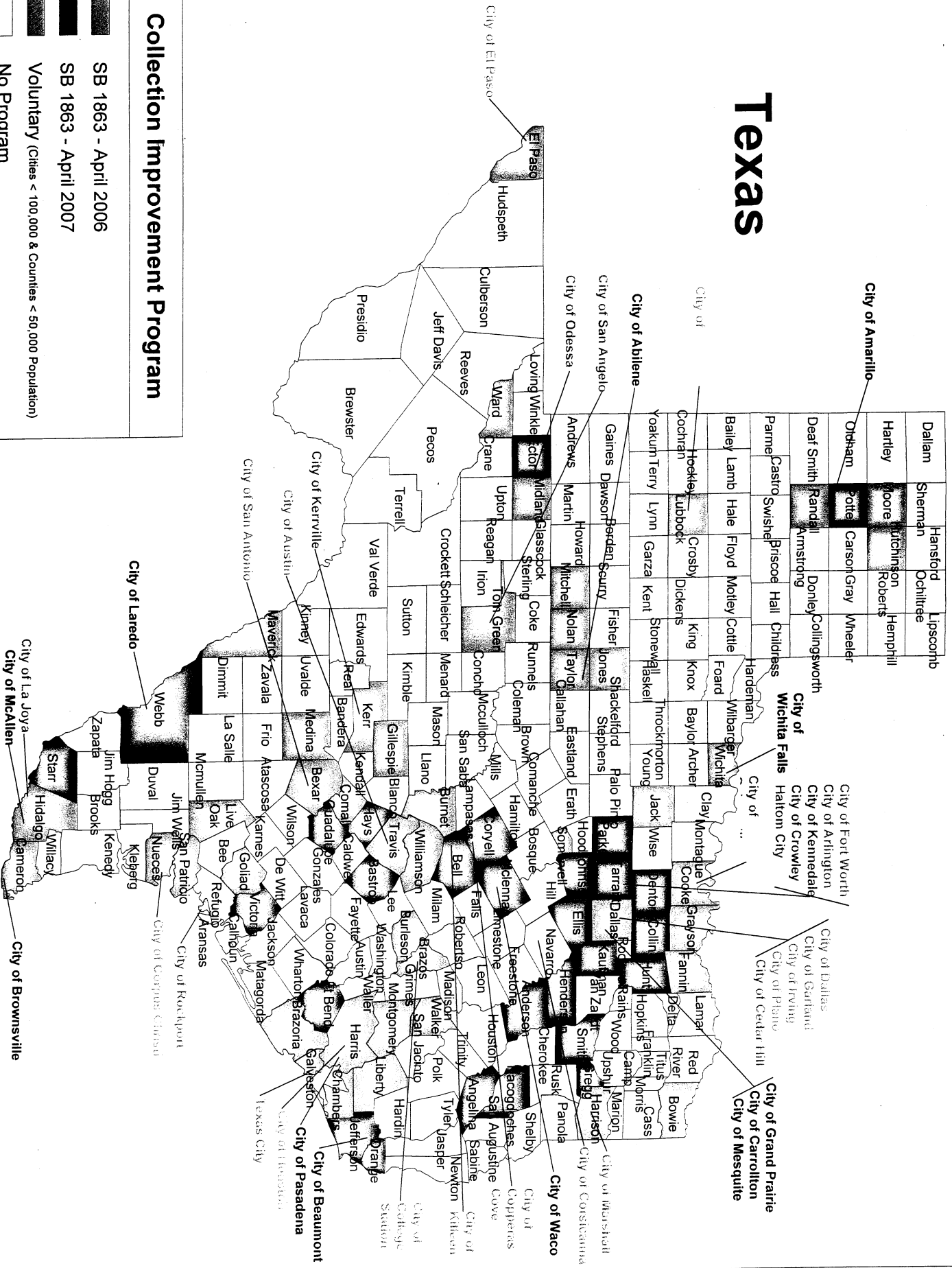
⁴ Video recording is permitted in those courts that allow video conferencing.

Appendix E

Texas

Collection Improvement Program

-  SB 1863 - April 2006
-  SB 1863 - April 2007
-  Voluntary (Cities < 100,000 & Counties < 50,000 Population)
-  No Program



**Office of Court Administration
Collections Improvement Program
Municipality/County Date Order**

SB 1863 Prioritized Implementation Schedule

Municipality	2000 Population ⁽¹⁾	Due Before	OCA Collection Region	County (Continued)	2000 Population ⁽¹⁾	Due Before	OCA Collection Region
Arlington	332,969	4/1/2006	1	Liberty	70,154	4/1/2006	2
Austin	656,562	4/1/2006	3	Lubbock	242,628	4/1/2006	4
Corpus Christi	277,454	4/1/2006	6	Midland	116,009	4/1/2006	4
Dallas	1,188,580	4/1/2006	1	Montgomery	293,768	4/1/2006	2
El Paso	563,662	4/1/2006	6	Nueces	313,645	4/1/2006	6
Fort Worth	534,694	4/1/2006	1	Randall	104,312	4/1/2006	4
Garland	215,768	4/1/2006	1	San Patricio	67,138	4/1/2006	6
Houston	1,953,631	4/1/2006	2	Taylor	126,555	4/1/2006	4
Irving	191,615	4/1/2006	1	Tom Green	104,010	4/1/2006	4
Lubbock	199,564	4/1/2006	4	Travis	812,280	4/1/2006	3
Plano	222,030	4/1/2006	1	Walker	61,758	4/1/2006	2
San Antonio	1,144,646	4/1/2006	3	Wichita	131,664	4/1/2006	4
Abilene	115,930	4/1/2007	4	Williamson	249,967	4/1/2006	3
Amarillo	173,627	4/1/2007	4	Anderson	55,109	4/1/2007	5
Beaumont	113,866	4/1/2007	2	Angelina	80,130	4/1/2007	5
Brownsville	139,722	4/1/2007	6	Bastrop	57,733	4/1/2007	3
Carrollton	109,576	4/1/2007	1	Bell	237,974	4/1/2007	3
Grand Prairie	127,427	4/1/2007	1	Collin	491,675	4/1/2007	1
Laredo	176,576	4/1/2007	6	Coryell	74,978	4/1/2007	3
McAllen	106,414	4/1/2007	6	Denton	432,976	4/1/2007	1
Mesquite	124,523	4/1/2007	1	Ector	121,123	4/1/2007	4
Pasadena	141,674	4/1/2007	2	Ellis	111,360	4/1/2007	1
Waco	113,726	4/1/2007	3	Fort Bend	354,452	4/1/2007	2
Wichita Falls	104,197	4/1/2007	4	Gregg	111,379	4/1/2007	5
				Guadalupe	89,023	4/1/2007	3
				Hays	97,589	4/1/2007	3
				Henderson	73,277	4/1/2007	5
				Hunt	76,596	4/1/2007	5
				Jefferson	252,051	4/1/2007	2
				Johnson	126,811	4/1/2007	1
				Kaufman	71,313	4/1/2007	5
				McLennan	213,517	4/1/2007	3
				Nacogdoches	59,203	4/1/2007	5
				Orange	84,966	4/1/2007	2
				Parker	88,495	4/1/2007	1
				Potter	113,546	4/1/2007	4
				Smith	174,706	4/1/2007	5
				Starr	53,597	4/1/2007	6
				Tarrant	1,446,219	4/1/2007	1
				Victoria	84,088	4/1/2007	6
				Webb	193,117	4/1/2007	6

County	2000 Population ⁽¹⁾	Due Before	OCA Collection Region
Bexar	1,392,931	4/1/2006	3
Bowie	89,306	4/1/2006	5
Brazoria	241,767	4/1/2006	2
Brazos	152,415	4/1/2006	3
Cameron	335,227	4/1/2006	6
Comal	78,021	4/1/2006	3
Dallas	2,218,899	4/1/2006	1
El Paso	679,622	4/1/2006	6
Galveston	250,158	4/1/2006	2
Grayson	110,595	4/1/2006	5
Harris	3,400,578	4/1/2006	2
Harrison	62,110	4/1/2006	5
Hidalgo	569,463	4/1/2006	6

⁽¹⁾ Based on 2000 federal decennial census.

⁽²⁾ In some cities on this list, a program that conforms with the OCA Model Court Collections Program already exists. In some counties on this list, a program that conforms with the OCA model already exists, but the program does not serve all levels of court (i.e., district, county and justice courts) within the county or all courts within a certain level.


Appendix F



OFFICE OF COURT ADMINISTRATION

CARL REYNOLDS
Administrative Director

TO: M.L. Calcote
Committee Director
Senate Committee on Jurisprudence

FROM: Carl Reynolds, Administrative Director 

DATE: August 25, 2006

RE: Status - Collection Improvement Program

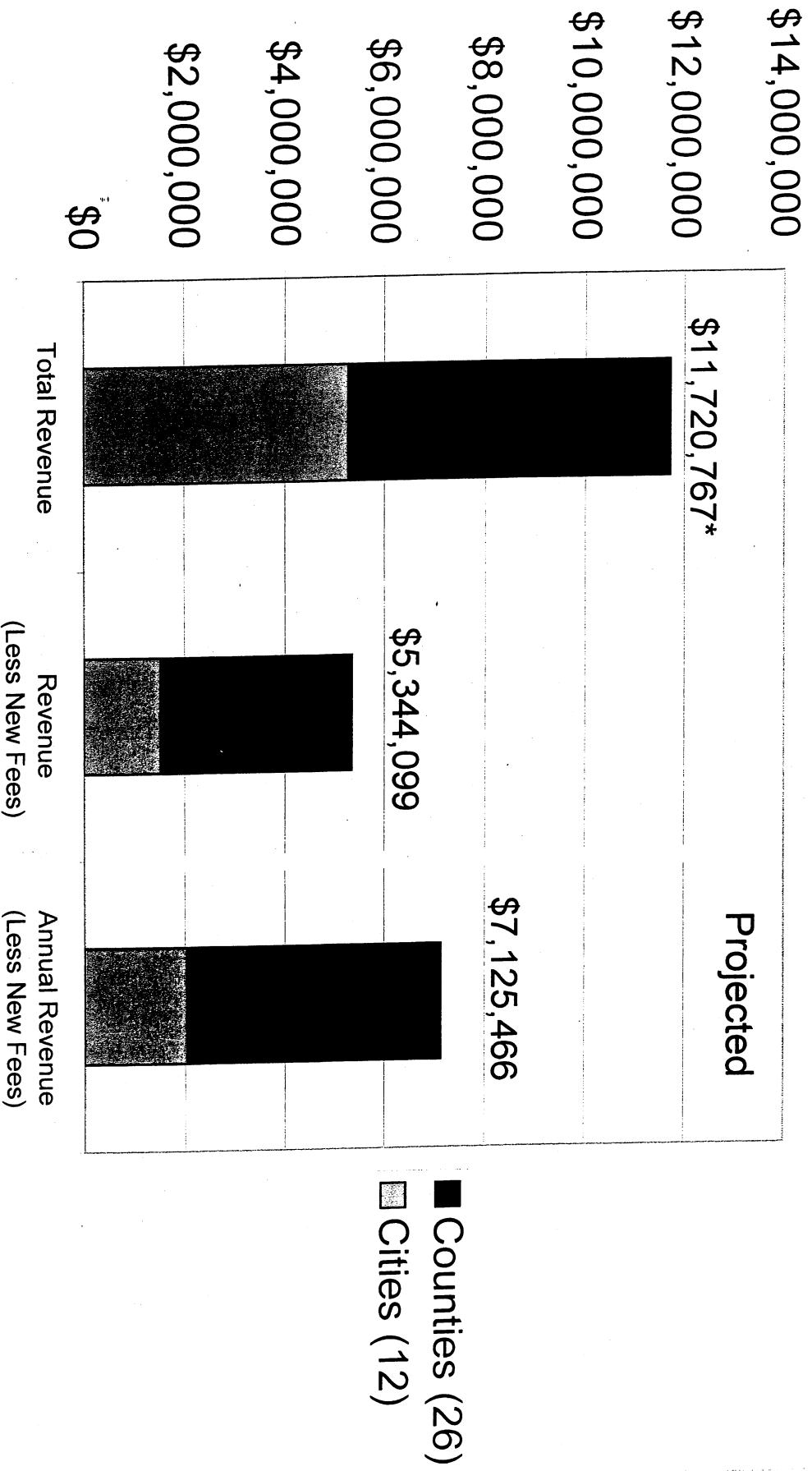
Senate Bill 1863 requires seventy-eight (78) counties and cities to implement a Collection Improvement Program by April 1, 2007. Of those, twenty-six (26) counties and twelve (12) cities were to implement a program by April 1, 2006. Twenty-three (23) counties and nine (9) cities are operational. The City of Lubbock and the City of San Antonio are projected to be operational in September 2006, and Montgomery County by January 2007. The City of Arlington, Brazoria County and Harris County are currently not participating.

The Collection Improvement Program was projected by our office to increase state revenue by approximately \$5.9 million for the first year of the biennium. Information just obtained from the Comptroller of Public Accounts shows that, for the thirty-eight (38) counties and cities with an April 1, 2006 implementation date, collections state revenue increased from October 2004 - June 2005 to October 2005 - June 2006 by approximately \$5.3 million. This excludes the jury reimbursement and judicial support fees that went into affect October 1, 2005 and December 1, 2005, respectively: those fees were subtracted to confirm that the increased revenue was due to increased collection efforts and not increased fees. Projecting the \$5.3 million (9 months) for a 12 month period equates to a \$7.1 million increase in state annual revenue (see attached charts). We think this is a remarkable success, particularly given the non-compliance of the high-volume Harris County justice courts.

Our staff has begun providing training and consultation to assist the forty (40) counties and cities that are to implement a Collection Improvement Program by April 1, 2007. We will continue to provide status reports on the progress of this program.

Collection Improvement Program

Additional State Revenue Collected Oct '05 - Jun '06
(Court Costs & Fees)

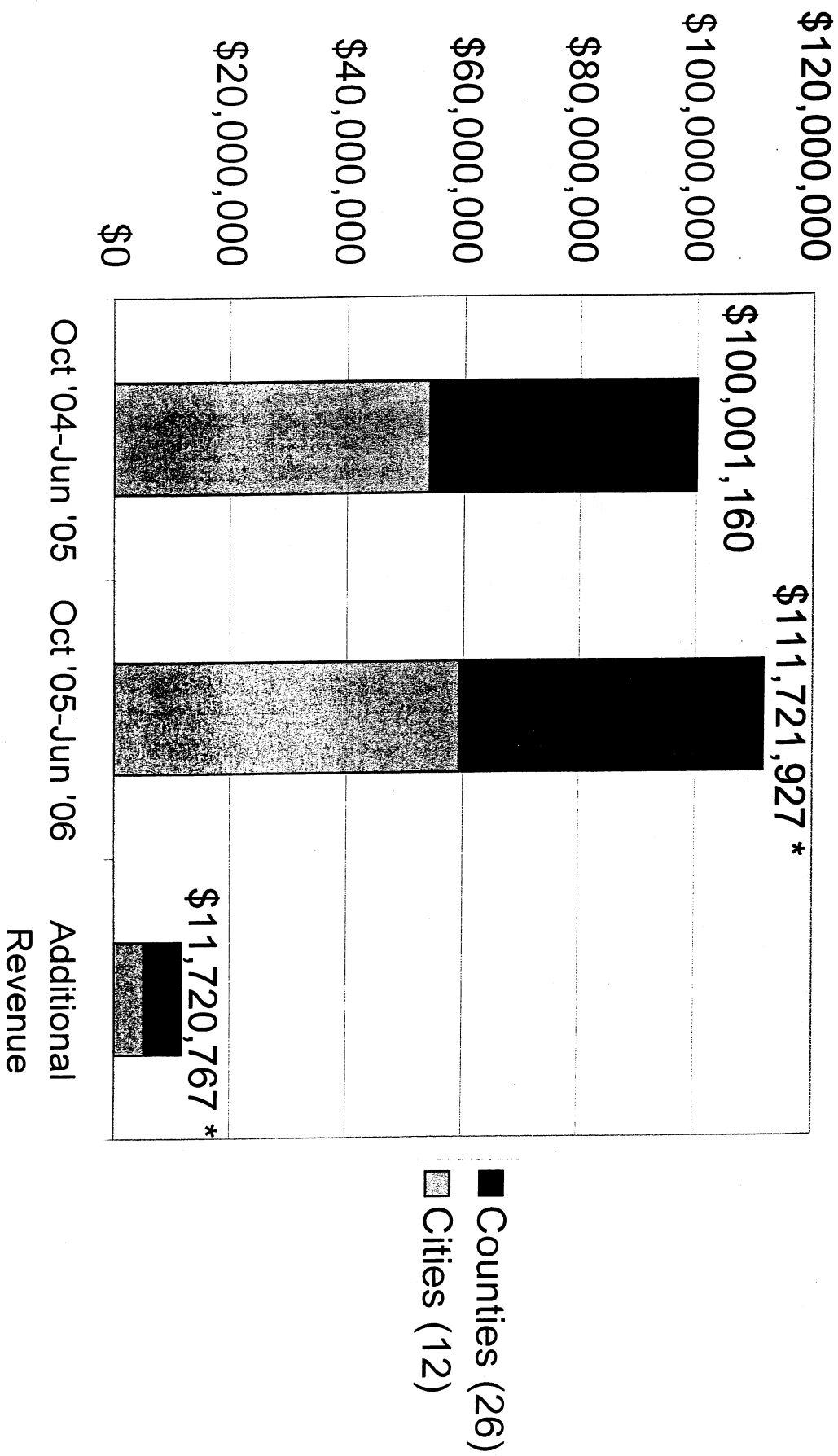


Source: Comptroller of Public Accounts, Revenue Accounting Division

* Includes:

- 1) \$4.00 Jury Reimbursement Fee (CCP, Art 102.0045), Effective 9/1/05; and
- 2) \$4.00 Judicial Support Fee (Local Gov't Code, Sec. 133.105), Effective 12/1/05

State Revenue Collected from Court Costs & Fees



Source: Comptroller of Public Accounts, Revenue Accounting Division

* Includes:

- 1) \$4.00 Jury Reimbursement Fee (CCP, Art 102.0045), effective 9/1/05; and
- 2) \$4.00 Judicial Support Fee (Local Gov't Code, Sec. 133.105), effective 12/1/05

Appendix G

RECEIVED

OCT 23 2006



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

Senator Wentworth

October 23, 2006

The Honorable Jeff Wentworth
Chair, Jurisprudence Committee
Texas Senate
P.O. Box 12068 - Capitol Station
Austin, Texas 78711

Dear Chairman Wentworth:

I am transmitting the report of the Title IV-D agency required under Section 111.001, Family Code, for consideration by the committee in addressing the interim charge that the committee review the state's mandatory guidelines for setting support of a child under Chapter 154, Family Code.

Federal law requires states to review their mandatory child support guidelines at least once every four years to ensure that the application of the guidelines result in appropriate support awards. [42 U.S.C. 667] As part of the review, states must consider current economic data on the costs of raising children to ensure that the support awards prescribed by the guidelines meet the children's economic needs. States must also review child support cases and see how often they deviate from the guidelines in order to ensure that deviations from the guidelines are limited. Furthermore, at a minimum, the guidelines set by the state must take into consideration all earnings and income of the noncustodial parent, be based on specific descriptive and numeric criteria, and provide for the health care needs, through insurance or other means, of the child(ren). [45 CFR 302.56(b)]

As prescribed by Section 111.001, Family Code, this report contains: (1) U.S. Department of Agriculture data on the costs of raising children; (2) an analysis of case data with respect to the application of, and deviations from the support guidelines; and a summary of any federal legislation enacted since the date of the last review that would have bearing upon the setting of the guidelines.

The report also has, as an appendix, a chart identifying states which, by statute or case law, specifically provide courts with discretionary authority to set support for the costs of post-secondary education – whether as an obligation to cover actual expenses (e.g., tuition, room and board, books, etc.) or as an extension of the original child support obligation (in some instances reduced by the amount of an “educational support order”).

Please contact me if you or your committee members would like additional information with respect to this report.

Sincerely,

Alicia G. Key
Title IV-D Director
Director, Child Support Division



TEXAS CHILD SUPPORT GUIDELINES REPORT

**OFFICE OF THE ATTORNEY GENERAL
CHILD SUPPORT DIVISION
2006**

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Texas Family Code § 111.001. Review of Guidelines

(a) Prior to each regular legislative session, the standing committees of each house of the legislature having jurisdiction over family law issues shall review and, if necessary, recommend revisions to the guidelines for possession of and access to a child under Chapter 153 and for support of a child under Chapter 154. The committee shall report the results of the review and shall include any recommended revisions in the committee's report to the legislature.

(b) Not later than December 1 of each even-numbered year, the Title IV–D agency shall submit a report to the standing committees of each house of the legislature having jurisdiction over family law issues for use by the committee in conducting the review required by Subsection (a). The report must contain:

(1) economic data obtained from the United States Department of Agriculture on the cost of raising children;

(2) an analysis of case data on the application of and deviations from the child support guidelines; and

(3) a summary of any federal legislation enacted since the date of the last review.

Added by Acts 1995, 74th Leg., ch. 20, § 1, eff. April 20, 1995.
Amended by Acts 1999, 76th Leg., ch. 556, § 6, eff. Sept. 1, 1999.

The following information is provided in order to comply with this statutory requirement.

Child Support Guidelines – Background Information

Congress passed child support guidelines legislation in 1984 and 1988 in an attempt to increase the use among the states of objective criteria in the establishment of support obligations, instead of leaving the determination of a support award primarily to the discretion of the court, case-by-case, based on the needs of the child. The Child Support Enforcement Amendments of 1984 required states to establish by October 1987 guidelines for determining the amounts of child support awards “by law or by judicial or administrative action” and to make the guidelines available “to all judges and other officials who have the power to determine child support awards within the State.” Federal regulations promulgated to implement this requirement made the provision more specific: state child support guidelines must be based on specific descriptive and numeric criteria and result in a computation of the support obligation. The 1984 provision made state child support guidelines advisory rather than mandatory with respect to their use by judges and others with authority to set support awards. The Family Support Act of 1988, however, required states to pass legislation making the guidelines a “rebuttable presumption” in any administrative or judicial proceeding and establishing the amount of the order resulting from the application of the state guidelines as the correct amount to be awarded. Courts may deviate from the guidelines in a particular case: “A written finding or specific finding on the record that the application of the guidelines would be unjust or inappropriate in a particular case, as determined under criteria established by the State, shall be sufficient to rebut the presumption in that case.” [42 U.S.C. 667(b)(2)] Federal rules further require that the criteria by which the presumption may be rebutted “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. [45 CFR 302.56(g)]

Under the 1988 provision, states are required to review their child support guidelines at least once every four years “to ensure that their application results in the determination of appropriate child support award amounts.” As part of the review, states must consider current economic data on the costs of raising children to ensure that the support awards prescribed by the guidelines meet the children's economic needs. States must also review child support cases and see how often they deviate from the guidelines in order to ensure that deviations from the guidelines are limited. Furthermore, at a minimum, the guidelines set by the state must take into consideration all earnings and income of the noncustodial parent, be based on specific descriptive and numeric criteria, and provide for the health care needs, through insurance or other means, of the child(ren). [45 CFR 302.56(b)]

Because there is no specific federal requirement for how states are to establish guidelines, state methods have varied. States use one of the following methods to establish guidelines: the legislature adopts guidelines through statute; the court system adopts guidelines through court rule; or the state child support agency adopts guidelines through administrative rule.

The federal legislation also did not mandate any particular model for state guidelines. Most states adopted the income shares guideline model, in which child support is determined based on

both parents' income. The most common alternative to the income shares model is the percentage of income model, which considers only the income of the noncustodial parent (e.g., the model adopted in Texas). Finally, a few states adopted the Melson model, which is somewhat more complex than the others and provides a self-support reserve for the noncustodial parent. (Please see the chart on Page 7.)

Many states, particularly those with income shares and Melson models, also permitted certain deviations from the basic child support calculation to provide for expenses such as health care, childcare and private education.

Award amounts in guideline tables are based on an estimate of the expenses of raising children. Child support experts have not reached a consensus on which economic model is the most accurate, so states have generally continued to follow the model they used when first adopting their guidelines, making small adjustments for inflation or regional variations in the cost of living.

In addition to studying the economic basis, states are required to review case data to track common deviations from the guidelines. Deviation reviews can help states adjust the guidelines to account for specific expenses and, thus, reduce the necessity of deviations. States have had some difficulty in this process. Many courts do not track the kind of information that would be useful for guideline reviews, or reviewers are unable to obtain data for confidentiality reasons. Case reviews can also be relatively expensive, so some states choose to look at a limited sample of cases and draw conclusions based on that.

Almost all states conducting guideline reviews in recent years have modified or at least debated several common topics. Most of these are types of deviations. Parenting time adjustments and childcare expenses are two of the most common areas of debate. Many states have recently debated adjustments for prior or subsequent children of the noncustodial parent. States are also considering whether to include private school or college expenses in the child support guidelines.

Adjustments for very low- and very high-income parents have also been a common topic of debate during guideline reviews. The unique challenges of helping low-income, noncustodial parents pay child support are being recognized, and some states have responded by including a variety of adjustments in the child support guidelines. Many states, in addition to those that have adopted the Melson model, have incorporated a self-support reserve for low-income parents.

Variations in review processes are independent of which governmental entity formulates the guidelines. In states with administrative rules, for example, some reviewing bodies seek substantial public input early in the process. In other states, agencies draft changes to the guidelines and wait for formal public hearings. Many states form review committees that examine guidelines for a year or more before recommending policy changes. Review committees or task forces often include legislators, members from advocacy groups representing both custodial and noncustodial parents, judges and clerks of the court, and representatives of the state child support agency. In states with statutory guidelines, an interim committee may be appointed to study the guidelines and draft a bill

for introduction in the next legislative session.

References:

National Conference of State Legislatures. "Reviewing Child Support Guidelines." NCSL Legisbrief, April/May 2000, vol 8, no.23. www.ncsl.org/programs/cfy/legis0400.htm.

United States Commission on Interstate Child Support. Supporting Our Children: A Blueprint for Reform. Washington D.C.: U.S GPO.

Guideline Models as of August 2006

Income Shares		Percentage of Income	Melson Formula
Alabama	New Jersey	Alaska	Delaware
Arizona	New Mexico	Arkansas	Hawaii
California	New York	Georgia	Montana
Colorado	North Carolina	Illinois	
Connecticut	Ohio	Massachusetts	
Florida	Oklahoma	Minnesota	
Idaho	Oregon	Mississippi	
Indiana	Pennsylvania	Nevada	
Iowa	Rhode Island	North Dakota	
Kansas	South Carolina	Texas	
Kentucky	South Dakota	Wisconsin	
Louisiana	Tennessee	Wyoming	
Maine	Utah		
Maryland	Vermont	Guam	
Michigan	Virginia		
Missouri	Washington		
Nebraska	West Virginia		
New Hampshire	District of Columbia		

Information concerning Puerto Rico and the Virgin Islands was not available.

Source: OCSE Interstate Roster and Referral Guide (IRG)
<http://ocse3.acf.dhhs.gov/ext/irg/sps/selectastate.cfm>

Report Element 1: USDA Cost of Raising Children

The U.S. Department of Agriculture is required every year to estimate family expenditures on children from birth to age 17. *Expenditures on Children by Families, 2005 Annual Report* finds that child-rearing expenses for the nation as a whole ranged from \$10,220 to \$11,290 for the youngest child in a two-child, married-couple family in the middle income group. However, this rather broad statement in and of itself tells us little, except that child-rearing expenses are a large portion of a family budget.

The report offers some more specific information that gives a little better idea of the child-rearing costs for those in specific geographic areas and those who fit different demographic profiles. For example, the chart below, "Estimated annual expenditures on a child by husband-wife families, urban South, 2005," gives some idea of the level of child-rearing expenditures that families in Texas with different levels of income could expect to incur. Depending on the age of the child, a family with a before tax yearly income of less than \$42,800 could expect annual child-rearing expenditures of between \$7,310 and \$8,410 for a child depending on the age of the child. Those figures increase to between \$10,280 and \$11,480 for families with before-tax income between \$42,800 and \$72,000, and between \$15,100 and \$16,490 for families with before-tax income of more than \$72,000.

The chart also breaks down expenditures by category. Housing is the biggest expense ranging from \$2,650 per year for a child for low-income families when the child is under two years old to \$5,600 per year for a child for upper-income families with the same age child.

Table 4. Estimated annual expenditures* on a child by husband-wife families, urban South, 2005

Age of Child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous†
Before-tax income: Less than \$42,800 (Average = \$26,700)								
0 - 2	\$7,310	\$2,650	\$970	\$870	\$370	\$600	\$1,210	\$640
3 - 5	7,520	2,630	1,090	850	360	570	1,360	660
6 - 8	7,530	2,580	1,400	970	410	650	820	700
9 - 11	7,560	2,400	1,700	1,060	450	700	500	750
12 - 14	8,370	2,620	1,780	1,200	750	720	360	940
15 - 17	8,410	2,160	1,930	1,610	670	750	600	690
Total	\$140,100	\$45,120	\$26,610	\$19,680	\$9,030	\$11,970	\$14,550	\$13,140
Before-tax income: \$42,800 to \$72,000 (Average = \$56,900)								
0 - 2	\$10,280	\$3,580	\$1,170	\$1,320	\$440	\$780	\$1,970	\$1,020
3 - 5	10,590	3,560	1,350	1,290	430	750	2,170	1,040
6 - 8	10,490	3,520	1,730	1,420	480	850	1,410	1,080
9 - 11	10,370	3,330	2,050	1,500	530	910	930	1,120
12 - 14	11,090	3,560	2,060	1,650	870	930	700	1,320
15 - 17	11,480	3,100	2,300	2,060	780	960	1,200	1,060
Total	\$192,900	\$61,950	\$31,980	\$27,780	\$10,590	\$15,540	\$25,140	\$19,920
Before-tax income: More than \$72,000 (Average = \$107,700)								
0 - 2	\$15,100	\$5,600	\$1,540	\$1,850	\$570	\$900	\$2,930	\$1,710
3 - 5	15,500	5,580	1,750	1,820	560	870	3,180	1,740
6 - 8	15,180	5,530	2,110	1,950	610	990	2,220	1,770
9 - 11	14,950	5,350	2,470	2,030	670	1,050	1,560	1,820
12 - 14	15,710	5,570	2,580	2,180	1,090	1,060	1,220	2,010
15 - 17	16,490	5,120	2,730	2,630	1,000	1,100	2,150	1,760
Total	\$278,790	\$98,250	\$39,540	\$37,380	\$13,500	\$17,910	\$39,780	\$32,430

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 2005 dollars using the regional Consumer Price Index. For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The figures represent estimated expenses on the younger child in a two-child family. Estimates are about the same for the older child, so to calculate expenses for two children, figures should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.24. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.77. For expenses on all children in a family, these totals should be summed.

The Southern region consists of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

†Miscellaneous expenses include personal care items, entertainment, and reading materials.

Source: USDA. Center for Nutrition Policy and Promotion. Expenditures on Children by Families, 2005 Annual Report, Table 4, page 21.

According to the report, family expenditure per child will vary depending on the age of a child. Families with children between the ages of 12 and 17 incur more expenses than those with younger children. Food, transportation, and clothing costs appear to account for this difference.

The report states that the child-rearing expenses will also be affected by the number of children within a family. Most of the cost estimates are based on the assumption that a family is composed of two parents and two children. For three-children families, an economy of scale appears to develop; the expenses associated with a third child are much less than a second or single child in a family.

The national child-rearing expenditures of single-parent families are different than for two-parent families. Only national estimates are available; there is no attempt, as there was with two-parent families, to determine expenses by region. The following chart provided by the USDA also contains only two income-groups, those whose pre-tax income is less than \$43,200 annually and those whose pre-tax income is equal to or more than \$43,200. The national expenditure range for single-parent families with annual incomes below \$43,200 is between \$6,080 and 8,440 depending on the age of the child. For those with pre-tax income above \$40,700 the national expenditure range is between \$14,000 and \$16,670.

Table 7. Estimated annual expenditures* on a child by single-parent families, overall United States, 2005

Age of Child	Total	Housing	Food	Transportation	Clothing	Health care	Child care and education	Miscellaneous†
Before-tax income: Less than \$43,200 (Average = \$18,100)								
0 - 2	\$6,080	\$2,480	\$1,110	\$820	\$310	\$270	\$680	\$410
3 - 5	6,860	2,820	1,170	720	330	390	920	530
6 - 8	7,720	3,000	1,470	840	390	460	840	720
9 - 11	7,140	2,880	1,710	600	390	580	400	580
12 - 14	7,650	2,890	1,710	690	670	620	510	560
15 - 17	8,440	3,060	1,860	1,090	780	610	390	650
Total	\$131,730	\$51,390	\$27,090	\$14,280	\$8,610	\$8,790	\$11,220	\$10,350
Before-tax income: \$43,200 or more (Average = \$65,500)								
0 - 2	\$14,000	\$5,350	\$1,720	\$2,510	\$450	\$610	\$1,670	\$1,690
3 - 5	15,100	5,690	1,820	2,400	470	810	2,090	1,820
6 - 8	15,990	5,670	2,180	2,520	540	930	1,950	2,000
9 - 11	15,320	5,750	2,620	2,290	540	1,120	1,140	1,860
12 - 14	16,230	5,750	2,570	2,380	890	1,180	1,620	1,840
15 - 17	16,670	5,930	2,720	2,580	1,020	1,170	1,320	1,930
Total	\$279,930	\$103,020	\$40,890	\$44,040	\$11,730	\$17,460	\$29,370	\$33,420

*Estimates are based on 1990-92 Consumer Expenditure Survey data updated to 2005 dollars using the Consumer Price Index. For each age category, the expense estimates represent average child-rearing expenditures for each age (e.g., the expense for the 3-5 age category, on average, applies to the 3-year-old, the 4-year-old, or the 5-year-old). The figures represent estimated expenses on the younger child in a single-parent, two-child family. For estimated expenses on the older child, multiply the total expense for the appropriate age category by 0.93. To estimate expenses for two children, the expenses on the younger child and older child after adjusting the expense on the older child downward should be summed for the appropriate age categories. To estimate expenses for an only child, multiply the total expense for the appropriate age category by 1.35. To estimate expenses for each child in a family with three or more children, multiply the total expense for each appropriate age category by 0.72 after adjusting the expenses on the older children downward. For expenses on all children in a family these totals should be summed.

†Miscellaneous expenses include personal care items, entertainment, and reading materials.

Source: USDA. Center for Nutrition Policy and Promotion. Expenditures on Children by Families, 2005 Annual Report, Table 7, page 24.

An important difference between single-parent and husband-wife families is that a greater percentage of single-parent families fall below the \$43,200 income level. According to the report, "Expenditures on children do not appear to differ very much among single-parent and husband-wife households. What differs is household income levels. As single-parent families have one less potential earner, their total household income is lower and child-rearing expenses consume a greater percentage of income."

References:

United States Department of Agriculture. Center for National Nutrition Policy and Promotion. Expenditures on Children by Families, 2005 Annual Report. Washington D.C., April 2006

**Comparison of
 USDA "Expenditures on Children by Families 2005 Annual Report"
 to
 Texas Child Support Guideline Computations
 Using
 BLS Covered Employment and Wages Data**

The Office of the Attorney General (OAG) used USDA data to estimate the annual costs to raise one, two or three children in a single-parent family home. (Source: USDA Expenditures on Children by Families 2005 Annual Report, Table 7: Estimated annual expenditures on a child by single-parent families, overall United States, 2005. The OAG used Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data (Series Id: ENU4800050010; State: Texas; Area: Texas – Statewide; Industry: Total, all industries; Owner: Total Covered; Size: All establishment sizes; Type: Average Annual Pay) to determine the statewide average annual income to perform a child support guideline computation. The results of the child support guideline computation were compared to the estimated costs to raise the children to determine the percentage of estimated costs covered by the guideline computation.

For the family described by these computations:

The custodial parent (obligee) would be earning less than \$43,200 per year. (The USDA data indicate the average income in this bracket is \$18,100 per year.)

The non-custodial parent (obligor) would be earning \$40,156 per year (BLS Quarterly Census of Employment and Wages preliminary data for 2005).

1 child			
Age	Annual Cost to Raise 1 Child (By Age)	Annualized Guideline Order (20%) Based on \$40,156 /year	Guideline Order Pays % of Average Expenses:
0 to 2	\$8,208.00	\$6,486.00	79.02%
3 to 5	\$9,288.00	\$6,486.00	69.83%
6 to 8	\$10,422.00	\$6,486.00	62.23%
9 to 11	\$9,639.00	\$6,486.00	67.29%
12 to 14	\$10,327.50	\$6,486.00	62.80%
15 to 17	\$11,394.00	\$6,486.00	56.92%

2 children			
Age	Annual Cost to Raise 2 Children (Both in the Same Age Bracket)	Annualized Guideline Order (25%) Based on \$40,156 /year	Guideline Order Pays % of Average Expenses:
0 to 2	\$11,734.40	\$8,107.50	69.09%
3 to 5	\$13,278.40	\$8,107.50	61.06%
6 to 8	\$14,899.60	\$8,107.50	54.41%
9 to 11	\$13,780.20	\$8,107.50	58.83%
12 to 14	\$14,764.50	\$8,107.50	54.91%
15 to 17	\$16,289.20	\$8,107.50	49.77%

3 children			
Age	Annual Cost to Raise 3 Children (All in the Same Age Bracket)	Annualized Guideline Order (30%) Based on \$40,156 /year	Guideline Order Pays % of Average Expenses
0 to 2	\$12,519.94	\$9,729.00	77.71%
3 to 5	\$14,167.30	\$9,729.00	68.67%
6 to 8	\$15,897.02	\$9,729.00	61.20%
9 to 11	\$14,702.69	\$9,729.00	66.17%
12 to 14	\$15,752.88	\$9,729.00	61.76%
15 to 17	\$17,379.65	\$9,729.00	55.98%

Report Element 2: Deviation Analysis

Methods

The Office of the Attorney General (OAG) used several methods to review the frequency of deviation from child support guidelines. To analyze deviation in Title IV-D cases (those cases handled by the OAG) a Statistical Analysis System (SAS) report was used to capture deviation information recorded on the OAG Child Support automated system. Non-IV-D orders in one county were manually reviewed for deviation. Both reviews focused on orders established since the previous Child Support Guidelines Study. Additionally, surveys were distributed to Assistant Attorneys General working in the Child Support Division and participants at State Bar Family Law Conferences asking them to estimate the frequency and reasons for court orders deviating from guidelines.

IV-D Orders

The SAS analysis reviewed deviation information for 121,667 newly established or modified Title IV-D support orders. According to that analysis 80% percent of the orders comply with the guidelines, 20% do not comply with the guidelines and in 2% of the orders compliance is unknown. The analysis indicated the most common reasons for deviation were:

- agreement of the parties
- use of multifamily guidelines
- additional child support to cover medical insurance
- other reasons

Non-IV-D Orders

Information on deviation in non-IV-D cases is not as readily available as information on IV-D cases. Generally, counties registries and domestic relation offices do not maintain data on deviations similar to that available on the IV-D automated system. In order to collect information on non-IV-D orders, OAG staff went to the Travis County Domestic Relations Office¹ and manually examined 397 orders. Orders that were also on file with the OAG were not included in this analysis. Staff looked for child support findings to explain any deviation from the guidelines as required by §154.130 Texas Family Code. Orders that did not contain findings were assumed to be within guidelines.

Analysis of the non-IV-D orders indicated that 96% of the orders did not have findings and were presumed to be set within guidelines. Only 16 orders or 4% contained findings that the order was set outside guidelines. The most common reasons for deviating from the guidelines were:

- additional child support to cover medical/life insurance
- agreement of the parties
- ability of the non-custodial parent to contribute to child support
- the amount of possession and access to the child
- use of multifamily guidelines

¹ Cecelia Burke, Director, Travis County DRO again graciously allowed OAG staff access to DRO case files. As with previous studies, her staff was courteous and helpful.

Deviation Survey

Child Support Guidelines Deviation Survey forms were distributed to the participants at the 2006 Advanced Family Law Conference (August 2006, San Antonio, Texas). Child Support Guidelines Deviation Survey forms were distributed to the participants at the 2006 Meeting of Title IV-D Associate Judges (July 2006, Austin, Texas). Child Support Guidelines Deviation Survey forms were distributed to the participants at the 2006 Statewide Assistant Attorneys General Conference (July 2006, Houston, Texas).

458 individuals (392 identified as attorneys, 40 identified as judges and 26 not identified) completed surveys. The responses indicated that when orders do deviate from guidelines, it is more often because the calculation pursuant to the guidelines results in a support amount that is too high than that it is too low. The participants were also asked to indicate the most common reasons for deviating from the guidelines when calculating child support awards. A detailed explanation of the responses follows:

Question 1 asked how often their child support orders varied from the amount computed as a percentage of net resources.

76.42% (350) responded that their orders seldom vary (1-30% of orders)
16.38% (75) responded that their orders commonly vary (31-70% of orders)
1.75% (8) responded that their orders usually vary (71-99% of orders)
1.31% (6) responded that their orders never vary (0% of orders)
0.00% (0) responded that their orders always vary (100% of orders)
4.15% (19) had multiple responses or no response

Question 2 asked whether deviation from the percentage of net resources was necessary because the initial computation of a percentage of net resources tended to be too high (and deviation was needed to decrease the final award), or too low (and deviation was needed to increase the final award).

54.80% (251) responded that the initial computation tended to be too high
33.19% (152) responded that the initial computation tended to be too low
12.01% (55) had multiple responses or no response

Question 3 asked the survey participants to select the top five (5) statutory justifications for deviations used when their orders deviated.

74.67% (342)	Section 154.124	Agreements
40.17% (184)	Section 154.123(b)(4)	Possession and access issues
38.43% (176)	Section 154.128 & .129	Multiple families
33.84% (155)	Section 154.122(b)	Unjust, inappropriate
30.79% (141)	Section 154.123(b)(12)	Health & medical expenses

29.26% (134)	Section 154.123(b)(14)	Visitation travel expenses
28.60% (131)	Section 154.123(b)(2)	Ability to contribute
26.86% (123)	Section 154.133	Obligor receives Social Security
19.87% (91)	Section 154.123(b)(7)	Other children
15.72% (72)	Section 154.123(b)(6)	Child care expenses
14.63% (67)	Section 154.123(b)(13)	Extraordinary expenses
14.19% (65)	Section 154.132	Disabled obligor
14.19% (65)	Section 154.183(b)	Obligee pays health insurance
13.76% (63)	Section 154.123(b)(1)	Age or needs of the child
12.23% (56)	Section 154.123(b)(17)	Other, best interest
12.01% (55)	Section 154.126	Over \$6000 net resources
11.57% (53)	Section 154.123(b)(5)	Obligee's net resources
10.70% (49)	Section 154.123(b)(3)	Financial resources available
9.83% (45)	Section 154.123(b)(10)	Other benefits
6.11% (28)	Section 154.123(b)(16)	Debts assumed
4.59% (21)	Section 154.123(b)(9)	College expenses of other children
2.84% (13)	Section 154.123(b)(11)	Other deductions
2.40% (11)	Section 154.123(b)(15)	Business cash flow
1.53% (7)	Section 154.123(b)(8)	Alimony

	All Participants 100.00%			Non-IV-D 55.46%			IV-D 44.54%			
	#	%	Rank	#	%	Rank	#	%	Rank	
How often do you vary?										
1a	a. Never (0%)	6	1.31%	5	6	2.36%	4	0	0.00%	5
1b	b. Seldom (1% to 30%)	350	76.42%	1	201	79.13%	1	149	73.04%	1
1c	c. Commonly (31% to 70%)	75	16.38%	2	36	14.17%	2	39	19.12%	2
1d	d. Usually (71% to 99%)	8	1.75%	4	4	1.57%	5	4	1.96%	4
1e	e. Always (100%)	0	0.00%	6	0	0.00%	6	0	0.00%	5
1	other, multiple or none	19	4.15%	3	7	2.76%	3	12	5.88%	3
		458			254			204		
Usually vary b/c calc is:										
2a	a. Too Low	152	33.19%	2	111	43.70%	2	41	20.10%	2
2b	b. Too High	251	54.80%	1	113	44.49%	1	138	67.65%	1
2	other, multiple or none	55	12.01%	3	30	11.81%	3	25	12.25%	3
		458			254			204		
Top 5 reasons to vary:										
3a	154.122(b) unjust, inapprop	155	33.84%	4	111	43.70%	2	44	21.57%	9
3b	154.123(b)(1) age, needs	63	13.76%	14	45	17.72%	9	18	8.82%	15
3c	154.123(b)(2) abil to contrib	131	28.60%	7	94	37.01%	4	37	18.14%	11
3d	154.123(b)(3) finan rsrsrc avail	49	10.70%	18	33	12.99%	14	16	7.84%	16
3e	154.123(b)(4) poss and access	184	40.17%	2	110	43.31%	3	74	36.27%	5
3f	154.123(b)(5) obligee net	53	11.57%	17	40	15.75%	12	13	6.37%	19
3g	154.123(b)(6) child care exp	72	15.72%	10	51	20.08%	8	21	10.29%	14
3h	154.123(b)(7) other children	91	19.87%	9	37	14.57%	13	54	26.47%	6
3i	154.123(b)(8) alimony	7	1.53%	24	6	2.36%	24	1	0.49%	23
3j	154.123(b)(9) college exp	21	4.59%	21	20	7.87%	20	1	0.49%	23
3k	154.123(b)(10) other benefits	45	9.83%	19	29	11.42%	15	16	7.84%	16
3l	154.123(b)(11) other deductions	13	2.84%	22	8	3.15%	22	5	2.45%	20
3m	154.123(b)(12) health & med exp	141	30.79%	5	54	21.26%	7	87	42.65%	4
3n	154.123(b)(13) extraord exp	67	14.63%	11	44	17.32%	10	23	11.27%	13
3o	154.123(b)(14) visitation trav exp	134	29.26%	6	89	35.04%	5	45	22.06%	8
3p	154.123(b)(15) busn cash flow	11	2.40%	23	8	3.15%	22	3	1.47%	22
3q	154.123(b)(16) debts assumed	28	6.11%	20	23	9.06%	17	5	2.45%	20
3r	154.123(b)(17) other, best int	56	12.23%	15	23	9.06%	17	33	16.18%	12
3s	154.124 agreements	342	74.67%	1	173	68.11%	1	169	82.84%	1
3t	154.126 net res over 6000	55	12.01%	16	41	16.14%	11	14	6.86%	18
3u	154.128 & .129 mult family form	176	38.43%	3	64	25.20%	6	112	54.90%	2
3v	154.132 disabled obligor	65	14.19%	12	14	5.51%	21	51	25.00%	7
3w	154.133 obligor receives SS	123	26.86%	8	22	8.66%	19	101	49.51%	3
3x	154.183(b) obligee pays hlth ins	65	14.19%	12	26	10.24%	16	39	19.12%	10

New questions were asked for the first time on the 2006 survey.

Question 4 asked if an order must deviate from the initial computation because there are child care expenses incurred by the custodial parent in order to maintain gainful employment (TFC154.123(b)(6)), how do they arrive at the amount of the deviation

52.62% (241) never use this deviation factor.
18.12% (83) add one-half (50%) of the child care expenses to the computed amount
11.79% (54) use some other adjustment
6.11% (28) add the full amount of the child care expenses to the computed amount
11.35% (52) had multiple responses or no response

Question 5 asked whether the survey participants would be in favor of modifying TFC 154.130 to require findings in all child support orders (to document the basis of child support computations for the purpose of future modifications).

52.84% (242) responded "Yes"
41.48% (190) responded "No"
5.68% (26) had multiple responses or no response

Question 6 asked whether survey participants would be in favor of modifying the specific findings in TFC 154.130 to more clearly document the basis of child support computations.

51.97% (238) responded "Yes"
41.48% (190) responded "No"
6.55% (30) had multiple responses or no response

Question 7 asked whether Texas should provide for payments beyond age 18 to support higher education costs.

57.64% (264) responded "No"
36.68% (168) responded "Yes"
5.68% (26) had multiple responses or no response

Sample Survey Form

Adv Fam Law Course August 2006



Texas Child Support Guidelines Deviation Survey 2006

TFC Sec. 111.001. REVIEW OF GUIDELINES

- (a) Prior to each regular legislative session, the standing committees of each house of the legislature having jurisdiction over family law issues shall review and, if necessary, recommend revisions to the guidelines for possession of and access to a child under Chapter 153 and for support of a child under Chapter 154. The committee shall report the results of the review and shall include any recommended revisions in the committee's report to the legislature.
- (b) Not later than December 1 of each even-numbered year, the Title IV-D agency shall submit a report to the standing committees of each house of the legislature having jurisdiction over family law issues for use by the committee in conducting the review required by Subsection (a). The report must contain:
- (1) economic data obtained from the United States Department of Agriculture on the cost of raising children;
 - (2) an analysis of case data on the application of and deviations from the child support guidelines; and
 - (3) a summary of any federal legislation enacted since the date of the last review.

Please assist the Attorney General in complying with the requirements of TFC 111.001(b)(2) by completing this brief survey. Place the completed survey in one of the boxes marked "Texas Child Support Guidelines Deviation Survey" located in the back of the Ballroom, or in the foyer outside the Ballroom. Mail, Fax and E-mail instructions may be found on the back of this page. You may include any comments concerning the guidelines on the back of this page.

To compute child support using the Texas Child Support Guidelines, you must calculate a percentage of net resources. The final order may deviate from the computed amount for many reasons. Please answer the following questions concerning Child Support Guideline deviations based on your experience and the orders you obtain.

- | | |
|--|--|
| <p>1) How often do your child support orders deviate from the amount calculated as a percentage of net resources?
(Circle one)</p> <p>a Never (0%)
b Seldom (1% to 30%)
c Commonly (31% to 70%)
d Usually (71% to 99%)
e Always (100%)</p> | <p>2) When your orders deviate from the amount calculated as a percentage of net resources, it is because the initial computation of a percentage of net resources more often is:
(Circle one)</p> <p>a Too Low (a deviation is needed to increase final award)
b Too High (a deviation is needed to decrease final award)</p> |
|--|--|

3) Select the five (5) most common statutory reasons you use to deviate from the percentage of net resources: (Circle five)

TFC Section:	TFC language:
a 154.122(b)	the application of the guidelines would be unjust or inappropriate under the circumstances
b 154.123(b)(1)	the age and needs of the child
c 154.123(b)(2)	the ability of the parents to contribute to the support of the child
d 154.123(b)(3)	any financial resources available for the support of child
e 154.123(b)(4)	the amount of time of possession of and access to a child
f 154.123(b)(5)	the amount of the obligee's net resources, including the earning potential of the obligee...
g 154.123(b)(6)	child care expenses incurred by either party in order to maintain gainful employment
h 154.123(b)(7)	whether either party has the managing conservatorship or actual physical custody of another child
i 154.123(b)(8)	the amount of alimony or spousal maintenance actually & currently being paid or received by a party
j 154.123(b)(9)	the expenses for a son or daughter for education beyond secondary school
k 154.123(b)(10)	whether the obligor or obligee has an automobile, housing, or other benefits furnished by his or her employer, another person, or a business entity
l 154.123(b)(11)	the amount of other deductions from the wage or salary income and from other compensation for personal services of the parties
m 154.123(b)(12)	provision for health care insurance and payment of uninsured medical expenses
n 154.123(b)(13)	special or extraordinary educational, health care, or other expenses of the parties or of the child
o 154.123(b)(14)	the cost of travel in order to exercise possession of and access to a child
p 154.123(b)(15)	positive or negative cash flow from any real and personal property and assets, including a business and investments
q 154.123(b)(16)	debts or debt service assumed by either party
r 154.123(b)(17)	any other reason consistent with the best interest of the child, taking into consideration the circumstances of the parents
s 154.124	AGREEMENT CONCERNING SUPPORT
t 154.126	APPLICATION OF GUIDELINES TO NET RESOURCES OF MORE THAN \$6,000 MONTHLY
u 154.128 & 129	COMPUTING SUPPORT FOR CHILDREN IN MORE THAN ONE HOUSEHOLD
v 154.132	APPLICATION OF GUIDELINES TO CHILDREN OF CERTAIN DISABLED OBLIGORS
w 154.133	APPLICATION OF GUIDELINES TO CHILDREN OF OBLIGORS RECEIVING SOCIAL SECURITY
x 154.183(b)	If the court finds and states in the child support order that the obligee will maintain health insurance coverage for the child at the obligee's expense, the court may increase the amount of child support to be paid by the obligor in an amount not exceeding the total expense to the obligee for maintaining health insurance coverage

There are additional questions on the back.

4) If an order must deviate from the initial computation because there are child care expenses incurred by the custodial parent in order to maintain gainful employment (TFC154.123(b)(6)), how do you arrive at the amount of the deviation?
(Circle the one most commonly used)

- a You never use this deviation factor.
- b You add the full amount of the child care expenses to the initially computed amount
- c You add one-half (50%) of the child care expenses to the initially computed amount
- d You use some other adjustment. (If so, please describe below.)

5) Would you be in favor of modifying TFC 154.130 to require findings in all child support orders (to document the basis of child support computations for the purpose of future modifications)?
(Circle one)

- a Yes
- b No

6) Would you be in favor of modifying the specific findings in TFC 154.130 to more clearly document the basis of child support computations?
(Circle one)

- a Yes
- b No

7) Should the Child Support Guidelines be amended to provide for payments beyond age 18 to support higher education costs?
(Circle one)

- a Yes
- b No

8) Your practice is primarily in:
(Circle one)

- a An urban area
- b A rural area

9) You are:
(Circle one)

- a A Judge or an Associate Judge
- b An Attorney

10) **Optional Comments.** Please use this space to offer any comments concerning changes you feel should be made to the Texas Child Support Guidelines:

Optional

Your Name:

Contact Information:

Place this survey in one of the boxes marked "Texas Child Support Guidelines Deviation Survey" located in the back of the Ballroom or in the foyer outside the Ballroom, or you may return it by:

Mail:	Fax:	*E-mail:
Ted N. White Assistant Attorney General Child Support Division POB 12017 (MC039-2) Austin, Texas 78711-2017	(512) 460-6028	ted.white@cs.oag.state.tx.us *If using e-mail, you may send the question numbers and the letters corresponding to your responses; it is not necessary to send the questions.

Report Element 3: Summary of Federal Legislation Since Last Review

There has been no federal legislation concerning the child support guidelines since the last child support guidelines review in 2002.

Appendix A - 2006 Tax Charts

OFFICE OF THE ATTORNEY GENERAL 2006 TAX CHARTS

Pursuant to § 154.061(b) of the Texas Family Code, the Office of the Attorney General of Texas, as the Title IV-D agency, has promulgated the following tax charts to assist courts in establishing the amount of a child support order. These tax charts are applicable to employed and self-employed persons in computing net monthly income.

INSTRUCTIONS FOR USE

To use these tables, first compute the obligor's annual gross income. Then recompute to determine the obligor's average monthly gross income. These tables provide a method for calculating "monthly net income" for child support purposes, subtracting from monthly gross income the social security taxes and the federal income tax withholding for a single person claiming one personal exemption and the standard deduction.

Thereafter, in many cases the guidelines call for a number of additional steps to complete the necessary calculations. For example, §§ 154.061 - 154.070 provide for appropriate additions to "income" as that term is defined for federal income tax purposes, and for certain subtractions from monthly net income, in order to arrive at the net resources of the obligor available for child support purposes. If necessary, one may compute an obligee's net resources using similar steps.

**EMPLOYED PERSONS
2006 TAX CHART**

Monthly Gross Wages	Social Security Taxes		Federal Income Taxes**	Net Monthly Income
	Old-Age, Survivors and Disability Insurance Taxes (6.2%)*	Hospital (Medicare) Insurance Taxes (1.45%)*		
\$100.00	\$6.20	\$1.45	\$0.00	\$92.35
\$200.00	\$12.40	\$2.90	\$0.00	\$184.70
\$300.00	\$18.60	\$4.35	\$0.00	\$277.05
\$400.00	\$24.80	\$5.80	\$0.00	\$369.40
\$500.00	\$31.00	\$7.25	\$0.00	\$461.75
\$600.00	\$37.20	\$8.70	\$0.00	\$554.10
\$700.00	\$43.40	\$10.15	\$0.00	\$646.45
\$800.00	\$49.60	\$11.60	\$9.58	\$729.22
\$892.67***	\$55.35	\$12.94	\$18.85	\$805.53
\$900.00	\$55.80	\$13.05	\$19.58	\$811.57
\$1,000.00	\$62.00	\$14.50	\$29.58	\$893.92
\$1,100.00	\$68.20	\$15.95	\$39.58	\$976.27
\$1,200.00	\$74.40	\$17.40	\$49.58	\$1,058.62
\$1,300.00	\$80.60	\$18.85	\$59.58	\$1,140.97
\$1,400.00	\$86.80	\$20.30	\$72.92	\$1,219.98
\$1,500.00	\$93.00	\$21.75	\$87.92	\$1,297.33
\$1,600.00	\$99.20	\$23.20	\$102.92	\$1,374.68
\$1,700.00	\$105.40	\$24.65	\$117.92	\$1,452.03
\$1,800.00	\$111.60	\$26.10	\$132.92	\$1,529.38
\$1,900.00	\$117.80	\$27.55	\$147.92	\$1,606.73
\$2,000.00	\$124.00	\$29.00	\$162.92	\$1,684.08
\$2,100.00	\$130.20	\$30.45	\$177.92	\$1,761.43
\$2,200.00	\$136.40	\$31.90	\$192.92	\$1,838.78
\$2,300.00	\$142.60	\$33.35	\$207.92	\$1,916.13
\$2,400.00	\$148.80	\$34.80	\$222.92	\$1,993.48
\$2,500.00	\$155.00	\$36.25	\$237.92	\$2,070.83
\$2,600.00	\$161.20	\$37.70	\$252.92	\$2,148.18
\$2,700.00	\$167.40	\$39.15	\$267.92	\$2,225.53
\$2,800.00	\$173.60	\$40.60	\$282.92	\$2,302.88
\$2,900.00	\$179.80	\$42.05	\$297.92	\$2,380.23
\$3,000.00	\$186.00	\$43.50	\$312.92	\$2,457.58
\$3,100.00	\$192.20	\$44.95	\$327.92	\$2,534.93
\$3,200.00	\$198.40	\$46.40	\$342.92	\$2,612.28
\$3,300.00	\$204.60	\$47.85	\$362.08	\$2,685.47
\$3,400.00	\$210.80	\$49.30	\$387.08	\$2,752.82
\$3,500.00	\$217.00	\$50.75	\$412.08	\$2,820.17
\$3,600.00	\$223.20	\$52.20	\$437.08	\$2,887.52
\$3,700.00	\$229.40	\$53.65	\$462.08	\$2,954.87
\$3,800.00	\$235.60	\$55.10	\$487.08	\$3,022.22
\$3,900.00	\$241.80	\$56.55	\$512.08	\$3,089.57
\$4,000.00	\$248.00	\$58.00	\$537.08	\$3,156.92
\$4,250.00	\$263.50	\$61.63	\$599.58	\$3,325.29
\$4,500.00	\$279.00	\$65.25	\$662.08	\$3,493.67
\$4,750.00	\$294.50	\$68.88	\$724.58	\$3,662.04
\$5,000.00	\$310.00	\$72.50	\$787.08	\$3,830.42
\$5,250.00	\$325.50	\$76.13	\$849.58	\$3,998.79
\$5,500.00	\$341.00	\$79.75	\$912.08	\$4,167.17
\$5,750.00	\$356.50	\$83.38	\$974.58	\$4,335.54
\$6,000.00	\$372.00	\$87.00	\$1,037.08	\$4,503.92
\$6,250.00	\$387.50	\$90.63	\$1,099.58	\$4,672.29
\$6,500.00	\$403.00	\$94.25	\$1,162.08	\$4,840.67
\$6,750.00	\$418.50	\$97.88	\$1,224.58	\$5,009.04
\$7,000.00	\$434.00	\$101.50	\$1,290.46	\$5,174.04
\$7,500.00	\$465.00	\$108.75	\$1,430.46	\$5,495.79
\$8,000.00	\$486.70****	\$116.00	\$1,570.46	\$5,826.84
\$8,245.44*****	\$486.70	\$119.56	\$1,639.18	\$6,000.00
\$8,500.00	\$486.70	\$123.25	\$1,710.46	\$6,179.59
\$9,000.00	\$486.70	\$130.50	\$1,850.46	\$6,532.34
\$9,500.00	\$486.70	\$137.75	\$1,990.46	\$6,885.09

\$10,000.00	\$486.70	\$145.00	\$2,130.46	\$7,237.84
\$10,500.00	\$486.70	\$152.25	\$2,270.46	\$7,590.59
\$11,000.00	\$486.70	\$159.50	\$2,410.46	\$7,943.34
\$11,500.00	\$486.70	\$166.75	\$2,550.46	\$8,296.09
\$12,000.00	\$486.70	\$174.00	\$2,690.46	\$8,648.84
\$12,500.00	\$486.70	\$181.25	\$2,830.46	\$9,001.59
\$13,000.00	\$486.70	\$188.50	\$2,973.54	\$9,351.26
\$13,500.00	\$486.70	\$195.75	\$3,115.59	\$9,701.96
\$14,000.00	\$486.70	\$203.00	\$3,278.72	\$10,031.58
\$14,500.00	\$486.70	\$210.25	\$3,447.35	\$10,355.70
\$15,000.00	\$486.70	\$217.50	\$3,614.77	\$10,681.03

\$10,000.00	\$973.40	\$267.82	\$1,956.69	\$6,802.09
\$10,500.00	\$973.40	\$281.21	\$2,094.81	\$7,150.58
\$11,000.00	\$973.40	\$294.60	\$2,232.94	\$7,499.06
\$11,500.00	\$973.40	\$307.99	\$2,371.06	\$7,847.55
\$12,000.00	\$973.40	\$321.38	\$2,509.19	\$8,196.03
\$12,500.00	\$973.40	\$334.77	\$2,647.31	\$8,544.52
\$13,000.00	\$973.40	\$348.16	\$2,785.44	\$8,893.00
\$13,500.00	\$973.40	\$361.55	\$2,925.62	\$9,239.43
\$14,000.00	\$973.40	\$374.94	\$3,065.80	\$9,585.86
\$14,500.00	\$973.40	\$388.33	\$3,219.03	\$9,919.24
\$15,000.00	\$973.40	\$401.72	\$3,384.25	\$10,240.63

Footnotes to Self-Employed Persons 2006 Tax Chart:

* Determined without regard to Section 1402(a)(12) of the Internal Revenue Code of 1986, as amended (26 U.S.C.) (the "Code").

** In calculating each of the Old-Age, Survivors and Disability Insurance tax and the Hospital (Medicare) Insurance tax, net earnings from self-employment are reduced by the deduction under Section 1402(a)(12) of the Code. The deduction under Section 1402(a)(12) of the Code is equal to net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) multiplied by one-half (1/2) of the sum of the Old-Age, Survivors and Disability Insurance tax rate (12.4%) and the Hospital (Medicare) Insurance tax rate (2.9%). The sum of these rates is 15.3% (12.4% + 2.9% = 15.3%). One-half (1/2) of the combined rate is 7.65% (15.3% x 1/2 = 7.65%). The deduction can be computed by multiplying the net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) by 92.35%. This gives the same deduction as multiplying the net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) by 7.65% and then subtracting the result.

For example, the Social Security taxes imposed on monthly net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) of \$2,500.00 are calculated as follows:

(i) Old-Age, Survivors and Disability Insurance Taxes:
 $\$2,500.00 \times 92.35\% \times 12.4\% = \286.29

(ii) Hospital (Medicare) Insurance Taxes:
 $\$2,500.00 \times 92.35\% \times 2.9\% = \66.95

*** These amounts represent one-twelfth (1/12) of the annual Federal income tax calculated for a single taxpayer claiming one personal exemption (\$3,300.00, subject to reduction in certain cases, as described below in this footnote) and taking the standard deduction (\$5,150.00).

In calculating the annual Federal income tax, gross income is reduced by the deduction under Section 164(f) of the Code. The deduction under Section 164(f) of the Code is equal to one-half (1/2) of the self-employment taxes imposed by Section 1401 of the Code for the taxable year. For example, monthly net earnings from self-employment of \$15,000.00 times 12 months equals \$180,000.00. The Old-Age, Survivors and Disability Insurance taxes imposed by Section 1401 of the Code for the taxable year equal \$11,680.80 ($\$94,200.00 \times 12.4\% = \$11,680.80$). The Hospital (Medicare) Insurance taxes imposed by Section 1401 of the Code for the taxable year equal \$4,820.67 ($\$180,000.00 \times .9235 \times 2.9\% = \$4,820.67$). The sum of the taxes imposed by Section 1401 of the Code for the taxable year equals \$16,501.47 ($\$11,680.80 + \$4,820.67 = \$16,501.47$). The deduction under Section 164(f) of the Code is equal to one-half (1/2) of \$16,501.47 or \$8,250.74.

For a single taxpayer with an adjusted gross income in excess of \$150,500.00, the deduction for the personal exemption is reduced by two-thirds (2/3) of two percent (2%) for each \$2,500.00 or fraction thereof by which adjusted gross income exceeds \$150,500.00. The deduction for the personal exemption is no longer reduced for adjusted gross income in

excess of \$273,000.00. For example, monthly net earnings from self-employment of \$15,000.00 times 12 months equals \$180,000.00. The \$180,000.00 amount is reduced by \$8,250.74 (i.e., the deduction under Section 164(f) of the Code -- see the immediately preceding paragraph of this footnote for the computation) to arrive at adjusted gross income of \$171,749.26. The excess over \$150,500.00 is \$21,249.26. \$21,249.26 divided by \$2,500.00 equals 8.50. The 8.50 amount is rounded up to 9. The reduction percentage is 12% ($2/3 \times 2\% \times 9 = 12\%$). The \$3,300.00 deduction for one personal exemption is reduced by \$396.00 ($\$3,300.00 \times 12\% = \396.00) to \$2,904.00 ($\$3,300.00 - \$396.00 = \$2,904.00$). For adjusted gross income in excess of \$273,000.00 the deduction for the personal exemption is \$1,100.00.

**** For annual net earnings from self-employment (determined with regard to Section 1402(a)(12) of the Code) above \$94,200.00, this amount represents a monthly average of the Old-Age, Survivors and Disability Insurance tax based on the 2006 maximum Old-Age, Survivors and Disability Insurance tax of \$11,680.80 per person (12.4% of the first \$94,200.00 of net earnings from self-employment (determined with regard to Section 1402(a)(12) of the Code) equals \$11,680.80). One-twelfth (1/12) of \$11,680.80 equals \$973.40.

***** This amount represents the point where the monthly net earnings from self-employment of a self-employed individual would result in \$6,000.00 of net resources.

* * * * *

References Relating to Self-Employed Persons 2006 Tax Chart:
Old-Age, Survivors and Disability Insurance Tax

Contribution Base

Social Security Administration's notice dated October 18, 2005, and appearing in 70 Fed. Reg. 61,677 (October 25, 2005)

Section 1402(b) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1402(b))

Section 230 of the Social Security Act, as amended (42 U.S.C. § 430)

Tax Rate

Section 1401(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1401(a))

Deduction Under Section 1402(a)(12)

Section 1402(a)(12) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1402(a)(12))

Footnotes to Employed Persons 2006 Tax Chart:

* An employed person not subject to the Old-Age, Survivors and Disability Insurance/Hospital (Medicare) Insurance taxes will be allowed the reductions reflected in these columns, unless it is shown that such person has no similar contributory plan such as teacher retirement, federal railroad retirement, federal civil service retirement, etc.

** These amounts represent one-twelfth (1/12) of the annual Federal income tax calculated for a single taxpayer claiming one personal exemption (\$3,300.00, subject to reduction in certain cases, as described in the next paragraph of this footnote) and taking the standard deduction (\$5,150.00).

For a single taxpayer with an adjusted gross income in excess of \$150,500.00, the deduction for the personal exemption is reduced by two-thirds (2/3) of two percent (2%) for each \$2,500.00 or fraction thereof by which adjusted gross income exceeds \$150,500.00. The deduction for the personal exemption is no longer reduced for adjusted gross income in excess of \$273,000.00. For example, monthly gross wages of \$15,000.00 times 12 months equals \$180,000.00. The excess over \$150,500.00 is \$29,500.00. \$29,500.00 divided by \$2,500.00 equals 11.80. The 11.80 amount is rounded up to 12. The reduction percentage is 16.00% ($2/3 \times 2\% \times 12 = 16.00\%$). The \$3,300.00 deduction for one personal exemption is reduced by \$528.00 ($\$3,300.00 \times 16.00\% = \528.00) to \$2,772.00 ($\$3,300.00 - \$528.00 = \$2,772.00$). For adjusted gross income in excess of \$273,000.00 the deduction for the personal exemption is \$1,100.00.

*** The amount represents one-twelfth (1/12) of the gross income of an individual earning the federal minimum wage (\$5.15 per hour) for a 40 hour week for a full year. \$5.15 per hour x 40 hours per week x 52 weeks per year equals \$10,712.00 per year. One-twelfth (1/12) of \$10,712.00 equals \$892.67.

**** For annual gross wages above \$94,200.00, this amount represents a monthly average of the Old-Age, Survivors and Disability Insurance tax based on the 2006 maximum Old-Age, Survivors and Disability Insurance tax of \$5,840.40 per person (6.2% of the first \$94,200.00 of annual gross wages equals \$5,840.40). One-twelfth (1/12) of \$5,840.40 equals \$486.70.

***** This amount represents the point where the monthly gross wages of an employed individual would result in \$6,000.00 of net resources.

* * * * *

References Relating to Employed Persons 2006 Tax Chart:
Old-Age, Survivors and Disability Insurance Tax

Contribution Base

Social Security Administration's notice dated October 18, 2005, and appearing in 70 Fed. Reg. 61,677 (October 25, 2005)

Section 3121(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3121(a))

Section 230 of the Social Security Act, as amended (42 U.S.C. § 430)

Tax Rate

Section 3101(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3101(a))

Hospital (Medicare) Insurance Tax

Contribution Base

Section 3121(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3121(a))

Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 13207, 107 Stat. 312, 467-69 (1993)

Tax Rate

Section 3101(b) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3101(b))

Federal Income Tax

Tax Rate Schedule for 2006 for Single Taxpayers

Revenue Procedure 2005-70, Section 3.01, Table 3 which appears in Internal Revenue Bulletin 2005-47, dated November 21, 2005

Section 1(c), (f) and (i) of the Internal Revenue Code of 1986, as (26 U.S.C. § 1(c), 1(f), 1(i))

Standard Deduction

Revenue Procedure 2005-70, Section 3.10(1), which appears in Internal Revenue Bulletin 2005-47, dated November 21, 2005

Section 63(c) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 63(c))

Personal Exemption

Revenue Procedure 2005-70, Section 3.17, which appears in Internal Revenue Bulletin 2005-47, dated November 21, 2005

*Section 151(d) of the Internal Revenue Code of 1986, as amended (26 U.S.C. §
151(d))*

**SELF-EMPLOYED PERSONS
2006 TAX CHART**

Monthly Net Earnings From Self-Employment *	Social Security Taxes		Federal Income Taxes***	Net Monthly Income
	Old-Age, Survivors and Disability Insurance Taxes (12.4%)**	Hospital (Medicare) Insurance Taxes (2.9%)**		
\$100.00	\$11.45	\$2.68	\$0.00	\$85.87
\$200.00	\$22.90	\$5.36	\$0.00	\$171.74
\$300.00	\$34.35	\$8.03	\$0.00	\$257.62
\$400.00	\$45.81	\$10.71	\$0.00	\$343.48
\$500.00	\$57.26	\$13.39	\$0.00	\$429.35
\$600.00	\$68.71	\$16.07	\$0.00	\$515.22
\$700.00	\$80.16	\$18.75	\$0.00	\$601.09
\$800.00	\$91.61	\$21.43	\$3.93	\$683.03
\$900.00	\$103.06	\$24.10	\$13.23	\$759.61
\$1,000.00	\$114.51	\$26.78	\$22.52	\$836.19
\$1,100.00	\$125.97	\$29.46	\$31.81	\$912.76
\$1,200.00	\$137.42	\$32.14	\$41.11	\$989.33
\$1,300.00	\$148.87	\$34.82	\$50.40	\$1,065.91
\$1,400.00	\$160.32	\$37.49	\$59.69	\$1,142.50
\$1,500.00	\$171.77	\$40.17	\$72.02	\$1,216.04
\$1,600.00	\$183.22	\$42.85	\$85.96	\$1,287.97
\$1,700.00	\$194.67	\$45.53	\$99.90	\$1,359.90
\$1,800.00	\$206.13	\$48.21	\$113.84	\$1,431.82
\$1,900.00	\$217.58	\$50.88	\$127.78	\$1,503.76
\$2,000.00	\$229.03	\$53.56	\$141.72	\$1,575.69
\$2,100.00	\$240.48	\$56.24	\$155.66	\$1,647.62
\$2,200.00	\$251.93	\$58.92	\$169.60	\$1,719.55
\$2,300.00	\$263.38	\$61.60	\$183.54	\$1,791.48
\$2,400.00	\$274.83	\$64.28	\$197.48	\$1,863.41
\$2,500.00	\$286.29	\$66.95	\$211.42	\$1,935.34
\$2,600.00	\$297.74	\$69.63	\$225.36	\$2,007.27
\$2,700.00	\$309.19	\$72.31	\$239.30	\$2,079.20
\$2,800.00	\$320.64	\$74.99	\$253.24	\$2,151.13
\$2,900.00	\$332.09	\$77.67	\$267.18	\$2,223.06
\$3,000.00	\$343.54	\$80.34	\$281.13	\$2,294.99
\$3,100.00	\$354.99	\$83.02	\$295.07	\$2,366.92
\$3,200.00	\$366.44	\$85.70	\$309.01	\$2,438.85
\$3,300.00	\$377.90	\$88.38	\$322.95	\$2,510.77
\$3,400.00	\$389.35	\$91.06	\$336.89	\$2,582.70
\$3,500.00	\$400.80	\$93.74	\$350.83	\$2,654.63
\$3,600.00	\$412.25	\$96.41	\$373.50	\$2,717.84
\$3,700.00	\$423.70	\$99.09	\$396.73	\$2,780.48
\$3,800.00	\$435.15	\$101.77	\$419.97	\$2,843.11
\$3,900.00	\$446.60	\$104.45	\$443.20	\$2,905.75
\$4,000.00	\$458.06	\$107.13	\$466.43	\$2,968.38
\$4,250.00	\$486.68	\$113.82	\$524.52	\$3,124.98
\$4,500.00	\$515.31	\$120.52	\$582.60	\$3,281.57
\$4,750.00	\$543.94	\$127.21	\$640.69	\$3,438.16
\$5,000.00	\$572.57	\$133.91	\$698.77	\$3,594.75
\$5,250.00	\$601.20	\$140.60	\$756.86	\$3,751.34
\$5,500.00	\$629.83	\$147.30	\$814.94	\$3,907.93
\$5,750.00	\$658.46	\$153.99	\$873.03	\$4,064.52
\$6,000.00	\$687.08	\$160.69	\$931.11	\$4,221.12
\$6,250.00	\$715.71	\$167.38	\$989.20	\$4,377.71
\$6,500.00	\$744.34	\$174.08	\$1,047.28	\$4,534.30
\$6,750.00	\$772.97	\$180.78	\$1,105.36	\$4,690.89
\$7,000.00	\$801.60	\$187.47	\$1,163.45	\$4,847.48
\$7,500.00	\$858.86	\$200.86	\$1,282.10	\$5,158.18
\$8,000.00	\$916.11	\$214.25	\$1,412.21	\$5,457.43
\$8,500.00	\$973.37	\$227.64	\$1,542.32	\$5,756.67
\$8,849.16*****	\$973.40*****	\$236.99	\$1,638.77	\$6,000.00
\$9,000.00	\$973.40	\$241.03	\$1,680.44	\$6,105.13
\$9,500.00	\$973.40	\$254.42	\$1,818.56	\$6,453.62

\$10,000.00	\$973.40	\$267.82	\$1,956.69	\$6,802.09
\$10,500.00	\$973.40	\$281.21	\$2,094.81	\$7,150.58
\$11,000.00	\$973.40	\$294.60	\$2,232.94	\$7,499.06
\$11,500.00	\$973.40	\$307.99	\$2,371.06	\$7,847.55
\$12,000.00	\$973.40	\$321.38	\$2,509.19	\$8,196.03
\$12,500.00	\$973.40	\$334.77	\$2,647.31	\$8,544.52
\$13,000.00	\$973.40	\$348.16	\$2,785.44	\$8,893.00
\$13,500.00	\$973.40	\$361.55	\$2,925.62	\$9,239.43
\$14,000.00	\$973.40	\$374.94	\$3,065.80	\$9,585.86
\$14,500.00	\$973.40	\$388.33	\$3,219.03	\$9,919.24
\$15,000.00	\$973.40	\$401.72	\$3,384.25	\$10,240.63

Footnotes to Self-Employed Persons 2006 Tax Chart:

* Determined without regard to Section 1402(a)(12) of the Internal Revenue Code of 1986, as amended (26 U.S.C.) (the "Code").

** In calculating each of the Old-Age, Survivors and Disability Insurance tax and the Hospital (Medicare) Insurance tax, net earnings from self-employment are reduced by the deduction under Section 1402(a)(12) of the Code. The deduction under Section 1402(a)(12) of the Code is equal to net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) multiplied by one-half (1/2) of the sum of the Old-Age, Survivors and Disability Insurance tax rate (12.4%) and the Hospital (Medicare) Insurance tax rate (2.9%). The sum of these rates is 15.3% (12.4% + 2.9% = 15.3%). One-half (1/2) of the combined rate is 7.65% (15.3% x 1/2 = 7.65%). The deduction can be computed by multiplying the net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) by 92.35%. This gives the same deduction as multiplying the net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) by 7.65% and then subtracting the result.

For example, the Social Security taxes imposed on monthly net earnings from self-employment (determined without regard to Section 1402(a)(12) of the Code) of \$2,500.00 are calculated as follows:

(i) Old-Age, Survivors and Disability Insurance Taxes:
 $\$2,500.00 \times 92.35\% \times 12.4\% = \286.29

(ii) Hospital (Medicare) Insurance Taxes:
 $\$2,500.00 \times 92.35\% \times 2.9\% = \66.95

*** These amounts represent one-twelfth (1/12) of the annual Federal income tax calculated for a single taxpayer claiming one personal exemption (\$3,300.00, subject to reduction in certain cases, as described below in this footnote) and taking the standard deduction (\$5,150.00).

In calculating the annual Federal income tax, gross income is reduced by the deduction under Section 164(f) of the Code. The deduction under Section 164(f) of the Code is equal to one-half (1/2) of the self-employment taxes imposed by Section 1401 of the Code for the taxable year. For example, monthly net earnings from self-employment of \$15,000.00 times 12 months equals \$180,000.00. The Old-Age, Survivors and Disability Insurance taxes imposed by Section 1401 of the Code for the taxable year equal \$11,680.80 ($\$94,200.00 \times 12.4\% = \$11,680.80$). The Hospital (Medicare) Insurance taxes imposed by Section 1401 of the Code for the taxable year equal \$4,820.67 ($\$180,000.00 \times .9235 \times 2.9\% = \$4,820.67$). The sum of the taxes imposed by Section 1401 of the Code for the taxable year equals \$16,501.47 ($\$11,680.80 + \$4,820.67 = \$16,501.47$). The deduction under Section 164(f) of the Code is equal to one-half (1/2) of \$16,501.47 or \$8,250.74.

For a single taxpayer with an adjusted gross income in excess of \$150,500.00, the deduction for the personal exemption is reduced by two-thirds (2/3) of two percent (2%) for each \$2,500.00 or fraction thereof by which adjusted gross income exceeds \$150,500.00. The deduction for the personal exemption is no longer reduced for adjusted gross income in

excess of \$273,000.00. For example, monthly net earnings from self-employment of \$15,000.00 times 12 months equals \$180,000.00. The \$180,000.00 amount is reduced by \$8,250.74 (i.e., the deduction under Section 164(f) of the Code -- see the immediately preceding paragraph of this footnote for the computation) to arrive at adjusted gross income of \$171,749.26. The excess over \$150,500.00 is \$21,249.26. \$21,249.26 divided by \$2,500.00 equals 8.50. The 8.50 amount is rounded up to 9. The reduction percentage is 12% ($2/3 \times 2\% \times 9 = 12\%$). The \$3,300.00 deduction for one personal exemption is reduced by \$396.00 ($\$3,300.00 \times 12\% = \396.00) to \$2,904.00 ($\$3,300.00 - \$396.00 = \$2,904.00$). For adjusted gross income in excess of \$273,000.00 the deduction for the personal exemption is \$1,100.00.

**** For annual net earnings from self-employment (determined with regard to Section 1402(a)(12) of the Code) above \$94,200.00, this amount represents a monthly average of the Old-Age, Survivors and Disability Insurance tax based on the 2006 maximum Old-Age, Survivors and Disability Insurance tax of \$11,680.80 per person (12.4% of the first \$94,200.00 of net earnings from self-employment (determined with regard to Section 1402(a)(12) of the Code) equals \$11,680.80). One-twelfth (1/12) of \$11,680.80 equals \$973.40.

***** This amount represents the point where the monthly net earnings from self-employment of a self-employed individual would result in \$6,000.00 of net resources.

* * * * *

References Relating to Self-Employed Persons 2006 Tax Chart:
Old-Age, Survivors and Disability Insurance Tax

Contribution Base

Social Security Administration's notice dated October 18, 2005, and appearing in 70 Fed. Reg. 61,677 (October 25, 2005)

Section 1402(b) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1402(b))

Section 230 of the Social Security Act, as amended (42 U.S.C. § 430)

Tax Rate

Section 1401(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1401(a))

Deduction Under Section 1402(a)(12)

Section 1402(a)(12) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 1402(a)(12))

Footnotes to Employed Persons 2006 Tax Chart:

* An employed person not subject to the Old-Age, Survivors and Disability Insurance/Hospital (Medicare) Insurance taxes will be allowed the reductions reflected in these columns, unless it is shown that such person has no similar contributory plan such as teacher retirement, federal railroad retirement, federal civil service retirement, etc.

** These amounts represent one-twelfth (1/12) of the annual Federal income tax calculated for a single taxpayer claiming one personal exemption (\$3,300.00, subject to reduction in certain cases, as described in the next paragraph of this footnote) and taking the standard deduction (\$5,150.00).

For a single taxpayer with an adjusted gross income in excess of \$150,500.00, the deduction for the personal exemption is reduced by two-thirds (2/3) of two percent (2%) for each \$2,500.00 or fraction thereof by which adjusted gross income exceeds \$150,500.00. The deduction for the personal exemption is no longer reduced for adjusted gross income in excess of \$273,000.00. For example, monthly gross wages of \$15,000.00 times 12 months equals \$180,000.00. The excess over \$150,500.00 is \$29,500.00. \$29,500.00 divided by \$2,500.00 equals 11.80. The 11.80 amount is rounded up to 12. The reduction percentage is 16.00% (2/3 x 2% x 12 = 16.00%). The \$3,300.00 deduction for one personal exemption is reduced by \$528.00 (\$3,300.00 x 16.00% = \$528.00) to \$2,772.00 (\$3,300.00 - \$528.00 = \$2,772.00). For adjusted gross income in excess of \$273,000.00 the deduction for the personal exemption is \$1,100.00.

*** The amount represents one-twelfth (1/12) of the gross income of an individual earning the federal minimum wage (\$5.15 per hour) for a 40 hour week for a full year. \$5.15 per hour x 40 hours per week x 52 weeks per year equals \$10,712.00 per year. One-twelfth (1/12) of \$10,712.00 equals \$892.67.

**** For annual gross wages above \$94,200.00, this amount represents a monthly average of the Old-Age, Survivors and Disability Insurance tax based on the 2006 maximum Old-Age, Survivors and Disability Insurance tax of \$5,840.40 per person (6.2% of the first \$94,200.00 of annual gross wages equals \$5,840.40). One-twelfth (1/12) of \$5,840.40 equals \$486.70.

***** This amount represents the point where the monthly gross wages of an employed individual would result in \$6,000.00 of net resources.

* * * * *

References Relating to Employed Persons 2006 Tax Chart:

Old-Age, Survivors and Disability Insurance Tax

Contribution Base

Social Security Administration's notice dated October 18, 2005, and appearing in 70 Fed. Reg. 61,677 (October 25, 2005)

Section 3121(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3121(a))

Section 230 of the Social Security Act, as amended (42 U.S.C. § 430)

Tax Rate

Section 3101(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3101(a))

Hospital (Medicare) Insurance Tax

Contribution Base

Section 3121(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3121(a))

Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 13207, 107 Stat. 312, 467-69 (1993)

Tax Rate

Section 3101(b) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 3101(b))

Federal Income Tax

Tax Rate Schedule for 2006 for Single Taxpayers

Revenue Procedure 2005-70, Section 3.01, Table 3 which appears in Internal Revenue Bulletin 2005-47, dated November 21, 2005

Section 1(c), (f) and (i) of the Internal Revenue Code of 1986, as (26 U.S.C. § 1(c), 1(f), 1(i))

Standard Deduction

Revenue Procedure 2005-70, Section 3.10(1), which appears in Internal Revenue Bulletin 2005-47, dated November 21, 2005

Section 63(c) of the Internal Revenue Code of 1986, as amended (26 U.S.C. § 63(c))

Personal Exemption

Revenue Procedure 2005-70, Section 3.17, which appears in Internal Revenue Bulletin 2005-47, dated November 21, 2005

*Section 151(d) of the Internal Revenue Code of 1986, as amended (26 U.S.C. §
151(d))*

**SELF-EMPLOYED PERSONS
2006 TAX CHART**

Monthly Net Earnings From Self-Employment *	Social Security Taxes		Federal Income Taxes***	Net Monthly Income
	Old-Age, Survivors and Disability Insurance Taxes (12.4%)**	Hospital (Medicare) Insurance Taxes (2.9%)**		
\$100.00	\$11.45	\$2.68	\$0.00	\$85.87
\$200.00	\$22.90	\$5.36	\$0.00	\$171.74
\$300.00	\$34.35	\$8.03	\$0.00	\$257.62
\$400.00	\$45.81	\$10.71	\$0.00	\$343.48
\$500.00	\$57.26	\$13.39	\$0.00	\$429.35
\$600.00	\$68.71	\$16.07	\$0.00	\$515.22
\$700.00	\$80.16	\$18.75	\$0.00	\$601.09
\$800.00	\$91.61	\$21.43	\$3.93	\$683.03
\$900.00	\$103.06	\$24.10	\$13.23	\$759.61
\$1,000.00	\$114.51	\$26.78	\$22.52	\$836.19
\$1,100.00	\$125.97	\$29.46	\$31.81	\$912.76
\$1,200.00	\$137.42	\$32.14	\$41.11	\$989.33
\$1,300.00	\$148.87	\$34.82	\$50.40	\$1,065.91
\$1,400.00	\$160.32	\$37.49	\$59.69	\$1,142.50
\$1,500.00	\$171.77	\$40.17	\$72.02	\$1,216.04
\$1,600.00	\$183.22	\$42.85	\$85.96	\$1,287.97
\$1,700.00	\$194.67	\$45.53	\$99.90	\$1,359.90
\$1,800.00	\$206.13	\$48.21	\$113.84	\$1,431.82
\$1,900.00	\$217.58	\$50.88	\$127.78	\$1,503.76
\$2,000.00	\$229.03	\$53.56	\$141.72	\$1,575.69
\$2,100.00	\$240.48	\$56.24	\$155.66	\$1,647.62
\$2,200.00	\$251.93	\$58.92	\$169.60	\$1,719.55
\$2,300.00	\$263.38	\$61.60	\$183.54	\$1,791.48
\$2,400.00	\$274.83	\$64.28	\$197.48	\$1,863.41
\$2,500.00	\$286.29	\$66.95	\$211.42	\$1,935.34
\$2,600.00	\$297.74	\$69.63	\$225.36	\$2,007.27
\$2,700.00	\$309.19	\$72.31	\$239.30	\$2,079.20
\$2,800.00	\$320.64	\$74.99	\$253.24	\$2,151.13
\$2,900.00	\$332.09	\$77.67	\$267.18	\$2,223.06
\$3,000.00	\$343.54	\$80.34	\$281.13	\$2,294.99
\$3,100.00	\$354.99	\$83.02	\$295.07	\$2,366.92
\$3,200.00	\$366.44	\$85.70	\$309.01	\$2,438.85
\$3,300.00	\$377.90	\$88.38	\$322.95	\$2,510.77
\$3,400.00	\$389.35	\$91.06	\$336.89	\$2,582.70
\$3,500.00	\$400.80	\$93.74	\$350.83	\$2,654.63
\$3,600.00	\$412.25	\$96.41	\$373.50	\$2,717.84
\$3,700.00	\$423.70	\$99.09	\$396.73	\$2,780.48
\$3,800.00	\$435.15	\$101.77	\$419.97	\$2,843.11
\$3,900.00	\$446.60	\$104.45	\$443.20	\$2,905.75
\$4,000.00	\$458.06	\$107.13	\$466.43	\$2,968.38
\$4,250.00	\$486.68	\$113.82	\$524.52	\$3,124.98
\$4,500.00	\$515.31	\$120.52	\$582.60	\$3,281.57
\$4,750.00	\$543.94	\$127.21	\$640.69	\$3,438.16
\$5,000.00	\$572.57	\$133.91	\$698.77	\$3,594.75
\$5,250.00	\$601.20	\$140.60	\$756.86	\$3,751.34
\$5,500.00	\$629.83	\$147.30	\$814.94	\$3,907.93
\$5,750.00	\$658.46	\$153.99	\$873.03	\$4,064.52
\$6,000.00	\$687.08	\$160.69	\$931.11	\$4,221.12
\$6,250.00	\$715.71	\$167.38	\$989.20	\$4,377.71
\$6,500.00	\$744.34	\$174.08	\$1,047.28	\$4,534.30
\$6,750.00	\$772.97	\$180.78	\$1,105.36	\$4,690.89
\$7,000.00	\$801.60	\$187.47	\$1,163.45	\$4,847.48
\$7,500.00	\$858.86	\$200.86	\$1,282.10	\$5,158.18
\$8,000.00	\$916.11	\$214.25	\$1,412.21	\$5,457.43
\$8,500.00	\$973.37	\$227.64	\$1,542.32	\$5,756.67
\$8,849.16*****	\$973.40****	\$236.99	\$1,638.77	\$6,000.00
\$9,000.00	\$973.40	\$241.03	\$1,680.44	\$6,105.13
\$9,500.00	\$973.40	\$254.42	\$1,818.56	\$6,453.62