

NEVADA HAS EFFECTIVELY LOWERED CHILD SUPPORT ACROSS THE BOARD

From time to time, the NFLR has historically noted the progress of inflation and its effect on the effect on child support awards that run into the “presumptive ceiling” set out in NRS 125B.070.

Although inflation has been quite low recently, the effects are cumulative. In 1987, when the child support statute was enacted, the CPI was 113.8. As of December, 2005, the CPI was 196.8. Accordingly, the value of money has changed so that a \$500 child support award today has only \$289.13 worth of purchasing power in 1987 dollars.

Put another way, the inflation-adjusted equivalent of the \$500 presumptive cap in “1987 dollars,” as of December, 2005, is \$864.67. A child support award would have to be that high today to equal the value of a \$500 award back in 1987. Such awards were common at that time, but given the restructuring of the child support statute in 2001, no one pays over \$800 in child support today unless his income is over \$150,000 per year. This State has, thus, effectively lowered child support for all children in all cases.

Some background is useful to understand what went wrong, and why. In 1992, and again in 1997, Child Support Statute Review Committees found that Nevada’s child support statutes provided a low-to-moderate sum of support for children, compared with the guidelines of other states. The proponents of the 2001 change in the statute were concerned that the old \$500 presumptive “cap” just had to go, and they traded away making the baselines move to an inflation-indexed starting position in order to get that change.

In other words, they abandoned the \$750 that inflation had changed the 1987 limit into, and reset it at \$500, in **2001 dollars**. It was a terrible deal, and a disaster for the children of all middle (and above) income parents in this State. The 2001 statutory effectively reduced the support provided by our statute by a third, making child support as calculated in Nevada virtually a joke.

To illustrate, a wage-earner making \$50,000 per year has a theoretical child support obligation of 18% of his gross income under NRS 125B.070 – a percentage figure that was **already** on the average to low side. That percentage corresponds to \$750 per month. But after the 2001 changes, the presumptive maximum reduces the support paid by such a person to \$547 (as of 2005). The wage-earner no longer pays anything close to 18% of his income to support the child – the presumptive ceiling lowers support to 13%.

And the effect only gets worse as income increases. The bracketed income figures provide for tiny increases across income ranges. The \$150,000 per year wage-earner, if paying 18%, would provide \$2,250 per month in child support. Under the 2001 changes, however, that person pays only \$877 per month – a whopping 7% of his monthly income.

Theoretically, lawyers can note the absurdity of such support figures, and judges can vary upward from them. The crush of the docket and the inherent ease of resting on defaults, however, makes variance rare even when non-custodial parents make several hundreds of thousands of dollars per year, and when variance *is* granted, the dollar sum of the change is often trivial.

The further the gap between the percentage calculation and the presumptive maximum, the greater is the betrayal of children's basic entitlement to share in the income of both their parents for their support. Those who pushed through the 2001 changes were well-intentioned, but basic math, and the realistic cost of raising children, has proven that they erred, big time, and the children of Nevada are paying the price for that error – every month, in every case.

It is time for the Legislature to take another look at the child support statutes, and for someone to have the courage to suggest that \$877 per month is an obscenely low child support figure for a non-custodial parent earning \$150,000 or \$200,000 per year.

The solution is simple – the presumptive maximums should be reset to their inflation-adjusted equivalencies from when the child support statute was first passed. Support for someone making \$50,000 per year would be reset to \$750, and so on up the income brackets. That is not any kind of “jump” – it is only undoing the *decrease* that custodial parents, and their children, have suffered with since 2001. It is long overdue.

– Silence Dogood