

MARYLAND CHILD SUPPORT
CASE STRATIFICATION PILOT

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EXECUTIVE SUMMARY

Noncustodial parents (NCPs) vary in terms of payment compliance with their child support orders. Many NCPs make payments on a regular basis, yet others may make sporadic to no payments. Child support agencies have developed successful strategies, such as automatic wage withholdings, that work best for regular payers to ensure continued compliance. However, there does not seem to be one effective strategy for NCPs with low payment compliance due to factors such as unemployment, incarceration, or disabilities, among other barriers. It is now generally accepted that inability, rather than unwillingness, is the reason for non-payment of child support for many NCPs, particularly those whose incomes are low or whose recent employment is periodic or non-existent. Hence, punitive enforcement strategies will likely not be effective in improving payment compliance among this population.

Some state and local agencies have begun to implement a strategy known as case stratification to address the varying levels of payment compliance among NCPs. Case stratification exemplifies the concept that one size does not fit all by encouraging agencies to customize their enforcement practices by case type. Instead of providing all NCPs with the same type of communication and enforcement style regardless of individual situations, case stratification allows caseworkers to individualize their technique based on the type of case.

Five counties within Maryland – Baltimore, Dorchester, Frederick, Howard, and Prince George’s – implemented a pilot program to determine the effectiveness of case stratification. A sample of cases was selected based on payment history along with a comparable comparison group. The cases were sorted by the following payment histories:

- **Strata 1:** Cases with at least one distribution in the three months before the pilot.

- **Strata 2:** Cases with at least one distribution in the year before the pilot, but not within the most recent three months.
- **Strata 3:** Cases with no distributions in the previous year.

Case management strategies were developed for each of these strata and implemented for the sample cases while caseworkers continued to manage the comparison cases in the typical manner for that county. By creating two groups of cases, those that receive the new case management strategies and a group that does not, we are able to assume that external factors such as the county unemployment rate and internal factors such as local resources will similarly affect both groups equally, and therefore differences found in payment compliance are likely due to the new case management strategies. Below we provide some of the main findings.

Strata 1 cases require minimal intervention to maintain payment compliance.

Strata 1 cases were selected based on their recent distributions with the assumption that they would continue to receive distributions. As expected, 90% of Strata 1 cases, both sample and comparison, continued to make payments throughout the pilot. Caseworkers reported that they simply had to monitor these cases to ensure distributions were received. Therefore, caseworkers can spend minimal time on the cases meeting the criteria for Strata 1.

The case management strategy for Strata 2 cases appears to be effective in increasing payment compliance of sample cases.

Whether from the sample or comparison group, an employed NCP from Strata 2 was more likely to make a payment to their child support case than those that were unemployed. However, when comparing the two groups, sample cases received more payments than the comparison cases. For example, three-fourths (77.3%) of sample cases with an employed NCP received a distribution compared to 55.6% of comparison

cases with a working NCP. Furthermore, when we review distributions for unemployed NCPs, we again find that the sample group had more distributions than the comparison group. For instance, 44.7% of sample cases with an unemployed NCP received a distribution compared to 38.4% of comparison cases. It is likely that the case management strategy of the pilot was effective in obtaining more distributions for the sample cases.

NCPs from Strata 3 cases have many barriers that limit their payment compliance.

Overall, very few Strata 3 cases had any distributions to current support or arrears during the pilot. Slightly more sample cases (16.9%) had distributions to both current support and arrears compared to the comparison cases (15.1%). When we look at the employment participation for Strata 3 cases, it becomes clear why so few are meeting their child support obligations – no more than 20% were working at any point in the two years prior to the pilot. Caseworkers also reported that many of the Strata 3 NCPs were incarcerated, receiving some type of government benefit, or they were unable to locate the NCP. Regardless of the case management strategy employed for Strata 3

cases, if the NCP was not working, there was little difference in the distributions. However, for those Strata 3 cases with a working NCP, 60% of sample cases had a distribution compared to 40% of the comparison cases.

While there are positive results from the case stratification pilot, counties did report some areas where the implementation could have been improved and may have diminished the full effects of the project. There were varying levels of time committed to the pilot: one county may have had one caseworker solely devoted to this project for the entire pilot, while other counties may have required, due to lack of staffing resources, a caseworker to maintain their regular caseload in addition to implementing the pilot. Additionally, some counties felt that the six month pilot was not sufficient for full implementation. Furthermore, the high unemployment due to the long-lasting effects of the Great Recession certainly imposed difficulty in obtaining payments from unemployed NCPs who may have had no reasonable expectation to obtain employment throughout this pilot. Regardless of these implementation matters, the participating counties considered case stratification an effective tool for managing diverse caseloads and the results certainly point to some areas of success.

INTRODUCTION

Child support enforcement agencies (CSEA) are tasked with managing the collection of current support and past-due arrears on behalf of children. To achieve the highest performance possible, and in order to manage even the most challenging cases, agencies are often looking for new strategies to develop best practices. In the past thirty years, child support enforcement has become stronger and more efficient, resulting in a recent collection rate of 62% of support due (OCSE, 2011). However, for obligors who do not regularly meet their child support obligations, there are a number of punitive measures that can be taken, but this approach is not always successful or even desirable if the obligor has barriers that merit closer evaluation. The Office of Child Support Enforcement (OCSE) has deemed several strategies as best practices that may encourage more cooperation with NCPs, especially among those that otherwise might be unlikely to pay. These strategies include such methods as early intervention, NCP employment programs, and case stratification (OCSE, 2006; OCSE, 2007).

Case stratification exemplifies the concept that one size does not fit all by encouraging agencies to customize their enforcement practices by case type (OCSE, 2005). Instead of providing all NCPs with the same communication and enforcement style, case stratification allows caseworkers to individualize their technique based on the type of case. Typically under case stratification, cases are sorted into groups or strata based on their payment history, i.e., those that have made a recent payment and those that have not, those that have not made a payment in the last year, and even those that have never made a payment. Cases may also be sorted on either their ability or their unwillingness to pay determined by their employment status and previous corrective actions implemented to enforce payment.

Several CSEAs including those in Missouri, Minnesota, Iowa, Stark County, Ohio, and Knox County, Tennessee, have piloted

versions of case stratification with some level of success (OCSE, 2010; Stark County, 2010; OCSE, 2007). Of those sites with published results, there was either an increase in cases that made payments or there was at least a perception by caseworkers that cases were managed more effectively (OCSE, 2004; OCSE, 2007; Roye, 2011; Dyke, 2010).

In Maryland, five counties – Baltimore, Dorchester, Frederick, Howard, and Prince George’s – piloted case stratification for six months between November 2010 to April 2011. The goal of the pilot was to determine whether varying the enforcement strategies based on payment history is effective in getting delinquent cases to start paying and for cases in good standing to continue payments.

This report will provide information about payments among cases included in the pilot. The following questions will be answered:

- 1) What percent of sample cases made payments compared to comparison group?
- 2) What percent of recent non-paying sample cases made a payment during the pilot?
- 3) What percent of severely delinquent sample cases made a payment during the pilot?

Case stratification, as a means to improve payment compliance, could be a successful endeavor for agencies as it involves assessment of a case and the obligor in order to determine the best case management strategy for that case. To address the effectiveness of the Maryland case stratification pilot, we will determine the frequency of payments made by pilot cases. Initially, we will provide some background on case stratification in general and in Maryland. Each findings chapter, separated by the three strata of cases created by the Maryland stratification criteria, will discuss the characteristics of the cases within that stratum and the payment frequencies of those cases compared to a comparison group.

BACKGROUND

Nationally, Child Support Enforcement Agencies (CSEA) collected an average of 62 percent of current support due in FY2010 (OCSE, 2011). While CSEAs have been successful in collecting a majority of current support, challenges do remain. Across the nation, there is still almost 40% of current support that is not collected and 93% of arrears that is not collected (OCSE, 2011). The remaining current support cases tend to be the hard-to-enforce cases that all CSEAs have difficulty in managing and arrears collection is an area that CSEAs have not gained much success. Case stratification is a method that some CSEAs are piloting to determine if more current support or arrears can be collected.

The theory behind case stratification presumes that caseworkers who are able to vary their enforcement strategies based on characteristics of cases, may be more effective in encouraging payments by NCPs. Under this method, cases are separated into different groups or strata based on particular characteristics. Of those child support agencies that have implemented case stratification, implementation has varied on how cases were grouped into strata. The grouping has been based either on payment history, ability and willingness to pay, or some combination. Implementation has also varied on the assignment of the caseload to caseworkers – caseworkers can be assigned to enforce payments with one stratum or individuals can be trained on each enforcement strategy and assigned cases from each stratum. An advantage to creating caseworker specialists for a specific stratum of cases is that caseworkers are able to perfect a particular enforcement strategy and agencies are able to vary each caseworker's caseload size by the complexity of the strategy (Roye, 2011).

For example, in Missouri, cases were sorted into four groups: 1) no payment, but NCP is incarcerated, receives public assistance, or cannot be located; 2) no payment in the last three months; 3) NCP lives out of state; and 4) payment has been made for a minimum of

three consecutive months. Instead of assigning cases to an individual caseworker, the cases were managed by a team consisting of specialists trained in one particular enforcement strategy so that as a case moved into a different stratum, the team of specialists for that stratum began implementing the enforcement strategy designed for those cases. The goal of this pilot was to get more NCPs into the fourth strata where a payment had been made for at least three consecutive months. In the first six months of the Missouri pilot, there was a seven percent increase in the number of strata four cases and a 17.4% rise in these cases during statewide implementation (OCSE, 2007; Roye, 2011).

In Minnesota, cases were sorted into the following groups: 1) NCPs willing to pay; 2) NCPs who lack information; 3) NCPs are unable to pay; 4) NCPs are reluctant to pay; and 5) NCPs are actively evading payment (Turetsky, 2000). Caseworkers were trained in a specific enforcement strategy and then assigned cases based on their payment history. Before case stratification, “the nonpaying cases were most likely not to be worked because the paying cases generate an extremely high level of activity,” (OCSE, 2004). After implementation, caseworkers reported an improved ability to monitor changes within cases and respond appropriately by sorting NCPs into these groupings (OCSE, 2004).

While there is a range of options when specifying the characteristics of the strata, most agencies have focused the stratification of the caseload by payment history and then additionally separating out the NCPs that are not able to pay. As mentioned, there is also variation in the case management approach, from assigning teams to a particular stratum of cases to assigning one skilled caseworker per stratum. Maryland's approach to case stratification was designed with these variations in mind and the understanding that implementation of the pilot would need to meet the specific needs of the local agencies.

Maryland Case Stratification Pilot

A workgroup composed of child support directors from five local child support enforcement agencies (CSEA) in Maryland convened to determine the specifications for the case stratification approach for Maryland. These five CSEAs piloted case stratification in order to determine whether this strategy would result in the increased frequency of payments from non-payers. The five CSEAs that piloted case stratification are Baltimore County, Dorchester County, Frederick County, Howard County, and Prince George's County.

The five pilot CSEAs requested that the Family Welfare Research and Training Group (FWRTG) within the University of Maryland, School of Social Work provide them with a sample of cases to pilot case stratification. All sample cases were active IV-D cases in every month from October 2009 to September 2010 with either a current support-ordered amount or an arrears balance due in September 2010. Among the sample, cases were divided into three strata based on the most recent distribution of child support payments¹:

Strata 1: The case had a distribution in the last three months.

Strata 2: The case had a distribution in the last 4 to 12 months, but not in the last three months.

Strata 3: The case had no distributions in the last 12 months.

The five CSEAs then developed case management strategies for each stratum to be implemented by select caseworkers while comparison cases would continue to be managed in the typical manner. The following case management strategies were outlined at the beginning of the pilot.

Strata 1 Case Management

Strata 1 cases had a distribution within the last three months, so caseworkers monitored the case every 30 days to ensure continued compliance. With every payment made, a thank you note was sent to the NCP.

If a Strata 1 case missed a payment during the pilot, caseworkers called the NCP to verify the missed payment or they called the employer to verify employment status if there was an established wage-withholding. If the NCP was still employed, caseworkers determined the reason for the missed payment and discussed court order compliance with the employer.

If the NCP was unemployed, caseworkers offered employment services through the Noncustodial Parent Employment Program (NPEP). Additionally, the right to an order modification was explained. The caseworker also followed-up with a gentle reminder letter concerning past-due collection.

Strata 2 Case Management

Strata 2 cases had a distribution within the last year, but not within the last three months; therefore, the first step was to verify employment status. If the NCP was working, then an automated earnings withholding (AEW) was issued.

If the NCP was not working, the caseworker called the NCP and asked for a payment to be made on a specific day. However, if the NCP was not working and unreachable, a dunning notice, similar to a past due notice, was sent.

The caseworker then monitored the case to verify if a payment was made. If a payment was made, then a thank you note was sent. If payment was not made, the caseworker determined whether the NCP had any assets to obtain. The final step for nonpayment was to file contempt of court requesting a court-ordered referral to the NPEP program.

¹ Payments were not collected by way of lottery, income tax intercept, or unemployment insurance benefit intercept.

Strata 3 Case Management

Strata 3 cases have not had a single distribution in a full year, therefore caseworkers verified the status of the NCP in the following areas: employment, receipt of disability payments or TANF, incarceration, or bankruptcy. If employment or a detachable disability payment was found, caseworkers processed an AEW. If neither of those was found and the NCP was not incarcerated, then the caseworkers called the NCP to discuss their inability to pay their child support. Based on that discussion, caseworkers made the appropriate referral including the NPEP program, order modification, or other local support programs. If, during the discussion about nonpayment, the NCP revealed that he/she was not able to work for medical reasons, then the caseworker requested verification. The final step with Strata 3 cases was for caseworkers to determine if case closure was warranted.

Pilot Implementation

With the case management strategies in place and the pilot sample selected, the local agencies implemented the pilot for six months between November 2010 and April 2011. Most of the pilot counties chose to designate one caseworker to manage the sample cases for the pilot. Therefore, each caseworker administered each of the different case management strategies for each stratum. Also, due to staffing concerns, most of the caseworkers focusing on the pilot still maintained their regular caseload.

The implementation of any pilot requires some flexibility in order to continue to meet the current needs of the caseload. Local agencies have limited resources with which to ensure they are meeting current requirements as well as the demands of the day-to-day caseload while also taking steps to improve their enforcement efforts for a smaller yet still important caseload of non-payers.

Another consideration during this pilot implementation is the larger economic factors that can affect the implementation of the program and are beyond the control of local agencies. The most notable factor for this

pilot is the Great Recession, whose official dates occurred from December 2007 to June 2009. Although this pilot occurred after these official dates, it is largely acknowledged that the effects of the Great Recession are long lasting and still relevant even at the release of this report.

Unemployment in Maryland reached 7.5% in 2010 compared to 3.4% in November 2007, the month before the start of the recession (DLLR, 2011). Among the pilot counties, unemployment ranged from 5.5% in Howard County to 10.7% in Dorchester County. NCP unemployment clearly affects their ability to maintain their child support obligation, and for the first time, the nation has seen a decrease in child support payments, suggesting the deep impact of the recession on individuals and families (OCSE, 2010). Regardless of the case management strategies employed by this pilot, if an NCP is unemployed, then payments for child support are unlikely. Even referrals to an employment program will likely not result in payments during this six month pilot considering the high unemployment and the time necessary to secure new employment and begin complying with child support obligations.

While the local agencies developed an implementation plan ranging from the criteria for selecting the sample to the varying case management strategies, we must still consider the shaping of pilot results due to external economic and internal staffing factors. The next section outlines the outcomes analyzed at the conclusion of the pilot and how the pilot implementation attempted to control for some of these external economic factors.

Case Stratification Outcomes

The pilot CSEAs are interested in several outcome measures to determine if case stratification is effective and should be implemented for all cases in the pilot CSEAs and possibly statewide. Outcome measures for this pilot are related to the distributions to sample cases compared to comparison group of cases in each of the stratum.

The sample cases and comparison cases, both selected from the same jurisdiction and meeting the same criteria for each stratum, are treated differently by the caseworkers. The sample cases received the new case management strategies summarized above while the comparison group continued to be managed in the typical manner. By creating a sample and comparison group, we are able to control for external economic factors such as unemployment, because we are able to assume that all NCPs within each stratum are affected similarly by unemployment in the jurisdiction.

Since we have these two groups of cases, we compare the sample and comparison groups for each stratum on the percent of cases that:

- Had distributions to current support or past-due arrears;
- Were closed;
- Had a new AEW order;
- Received support order modifications; and
- Received a referral to NPEP.

The next chapter details the methods used to create the sample and comparison groups and to analyze the results. The remainder of the report includes a discussion of the findings and a summary of the conclusions.

METHODS

Sample

The pilot sample is made of the pilot group (n=1,776) and the comparison group (n=1,755)². All cases were drawn randomly from the universe of IV-D cases in every month from October 2009 to September 2010, with either a current support-ordered amount or arrears balance due in September 2010. The comparison cases were obtained from the same county as the sample cases to ensure that the case management of the comparison group is the typical implementation of that county.

Data Sources

Three administrative data sources, the Child Support Enforcement System (CSES), the Client Automated Resources and Eligibility System (CARES), and the Maryland Automated Benefits System (MABS), were used to help us review the child support case stratification pilot conducted between November of 2010 and April of 2011.

CSES

The Child Support Enforcement System (CSES) contains child support data for the state. Maryland counties converted to this system beginning in August 1993 with Baltimore City completing the statewide conversion in March 1998. The system includes identifying information and demographic data on children, noncustodial parents and custodial parents receiving services from the IV-D agency. Data on the child support cases and court orders including paternity status and payment receipt are also available. CSES supports the intake, establishment, location, and enforcement

functions of the Child Support Enforcement Administration.

MABS

Our data on quarterly employment and earnings come from the Maryland Automated Benefits System (MABS). MABS includes data from all employers covered by the state's Unemployment Insurance (UI) law and the unemployment compensation for federal employees (UCFE) program. Together, these account for approximately 91% of all Maryland civilian employment. Independent contractors, commission-only salespeople, some farm workers, members of the military, most employees of religious organizations, and self-employed individuals are not covered by the law. Additionally, informal jobs—for example, those with dollars earned “off the books” or “under the table”—are not covered.

The MABS system only tracks employment in Maryland. The state shares borders with Delaware, Pennsylvania, Virginia, West Virginia, and the District of Columbia, and out-of-state employment is somewhat common. Overall, the rate of out-of-state employment by Maryland residents (17.4%) is roughly five times greater than the national average (3.6%). Out-of-state employment is particularly prevalent among residents of two very populous jurisdictions (Montgomery County, 31.3%, and Prince George's County, 43.8%), which have the 5th and 2nd largest welfare caseloads in the state, respectively. One consideration, however, is that we cannot be sure the extent to which these high rates of out-of-state employment also describe welfare recipients or leavers accurately.

Finally, because UI earnings data are reported on an aggregated, quarterly basis, we do not know, for any given quarter, how much of that time period the individual was employed (i.e. how many months, weeks or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salary from these data. It is also important to

² The original sample for the pilot had a total of 3,628 cases split evenly between the sample and comparison cases (1,824 cases for each group); however, 117 cases were not included in the final pilot analysis because these cases made payments in October 2010 before the pilot began in November 2010 and did not make another payment during the pilot. Therefore, the Strata 1 designation received by these cases was not due to the effects of the case stratification pilot.

remember that the earnings figures reported do not necessarily equal total household income; we have no information on earnings of other household members, if any, or data about any other income (e.g. Supplemental Security Income) available to the family.

Data Analysis

The analysis of the child support case stratification pilot uses univariate statistics to describe various characteristics of the child support cases in the sample, including non-custodial parent (NCP) demographics, their payment history and payments during the pilot, and NCP employment participation. We compare the payments of the pilot group and

comparison group cases using Chi-square and ANOVA tests.

All analyses within this study aggregate the five pilot jurisdictions rather than provide information at the county level. Additionally, we compare the sample and comparison cases for each stratum separately, so that only Strata 1 cases are compared to each other and the same for the other two strata. While there are no analyses comparing Strata 1 to the results of the other two strata, we do conclude the report with some observations about the differences among the strata.

FINDINGS – STRATA 1 CASES: ALL PILOT JURISDICTIONS

Approximately seven out of 10 cases targeted for case stratification were cases in which a recent payment was made. These are referred to as “Strata 1” cases or recent payers, and they had at least one distribution in the three months prior to the beginning of this pilot. As mentioned, we compare sample cases to a comparison group of cases that did not receive any of the piloted case management strategies outlined in a previous chapter. The findings in this chapter compare the sample (n=1,273) and comparison (n=1,261) cases in terms of characteristics and outcomes.

Case Characteristics

The case characteristics listed in Table 1 are the characteristics in the month in which these cases were sampled as part of the case stratification pilot. Hence, this data is from September 2010, and therefore, during the actual pilot the case type may have changed or the percent of cases with a current support or arrears order may have increased or decreased. The purpose of examining the case characteristics in September is to demonstrate the similarity between the sample and comparison group at the beginning of the pilot.

We find about half of the sample (54.1%) and comparison (55.6%) cases have never received TANF, while three percent were

receiving TANF in September 2010 (2.7%-sample; 2.5%-comparison). Both the sample and comparison cases have an average of 1.3 children on the child support case.

Due to specifications set for the criteria of the sample, the cases in this study all had an active child support obligation to current support, arrears, or both. The large majority of both the sample (84.1%) and the comparison (86.7%) groups had an order for current support. The average current support-ordered amount is under \$500 per month (\$475-sample; \$462-comparison). Seven in ten sample (71.4%) and comparison (71.3%) cases had an arrears order with an average monthly amount of \$131 for sample cases and \$113 for comparison cases. Overall, sample cases owed \$494 in total support and comparison cases owed \$483.

NCP Characteristics

Table 2 provides the characteristics of the NCPs in both the sample and comparison groups. The average NCP that is a recent payer is a 41 year old, African American man. There is minimal difference between the sample and comparison cases among recent payers. About 95% of NCPs are men and three-fifths are African American (61.7%-sample; 60.2%-comparison). Seven in 10 NCPs are 36 years old or older with less than five percent at age 25 or younger.

Table 1. Characteristics of Child Support Cases: Strata 1 Cases

	Sample (n=1,273)	Comparison (n=1,261)
Case Type		
Current TANF	2.7% (35)	2.5% (32)
Former TANF	43.1% (549)	41.9% (528)
Never TANF	54.1% (689)	55.6% (701)
Number of Children on the Case³		
One	75.9% (865)	75.4% (863)
Two	19.3% (220)	19.3% (221)
Three or more	4.8% (55)	5.2% (60)
Mean	1.29	1.31
Current Support-Ordered Amount (Monthly)		
Has an order for current support	84.1% (1,071)	86.7% (1,093)
Mean	\$475	\$462
Median	\$402	\$400
Standard deviation	\$310	\$297
Range	\$8 – 3,900	\$20 – \$3,500
Arrears-Ordered Amount (Monthly)		
Has an arrears order	71.4% (909)	71.3% (899)
Mean	\$131	\$113
Median	\$83	\$75
Standard deviation	\$364	\$132
Range	>\$1 - \$10,322	>\$1 - \$1,688
Total Support-Ordered Amount (Monthly)		
Mean	\$494	\$483
Median	\$422	\$415
Standard deviation	\$449	\$334
Range	\$5 - \$10,735	\$5 - \$4,375

Note: Valid percentages are reported. There were no statistically significant differences between the sample and comparison groups.

³ There were 250 cases in our sample where the total number of participating children listed in the case in the critical month was zero. The vast majority of these cases (186) were arrears-only cases in the critical month. The remaining cases were active, but may have either been missing data in the “total number of children” field within CSES or were later coded as arrears-only cases after our data were retrieved. Regardless of the reason, these cases were excluded from the analyses presented in Table 1, and the mean number of children presented represents only those cases with at least one child listed in the critical month. Valid percents are reported.

Table 2. Characteristics of Noncustodial Parents: Strata 1 Cases

	Sample (n=1,273)	Comparison (n=1,261)
Gender		
Female	4.7% (59)	4.8% (60)
Male	95.3% (1,204)	95.2% (1,194)
Race		
African American	61.7% (669)	60.2% (679)
Caucasian	33.5% (364)	35.0% (395)
Other	4.8% (52)	4.7% (53)
Age		
17 - 25 years	2.5% (32)	3.1% (39)
26 - 30 years	9.8% (124)	9.3% (116)
31 - 35 years	17.4% (220)	17.2% (215)
36 and older	70.3% (890)	70.4% (882)
Mean	41.12	40.84
Median	40.57	40.61
Standard Deviation	8.79	8.37
Range	20.98 – 81.52	19.77 – 78.24

Note: Valid percentages are reported. There were no statistically significant differences between the sample and comparison groups.

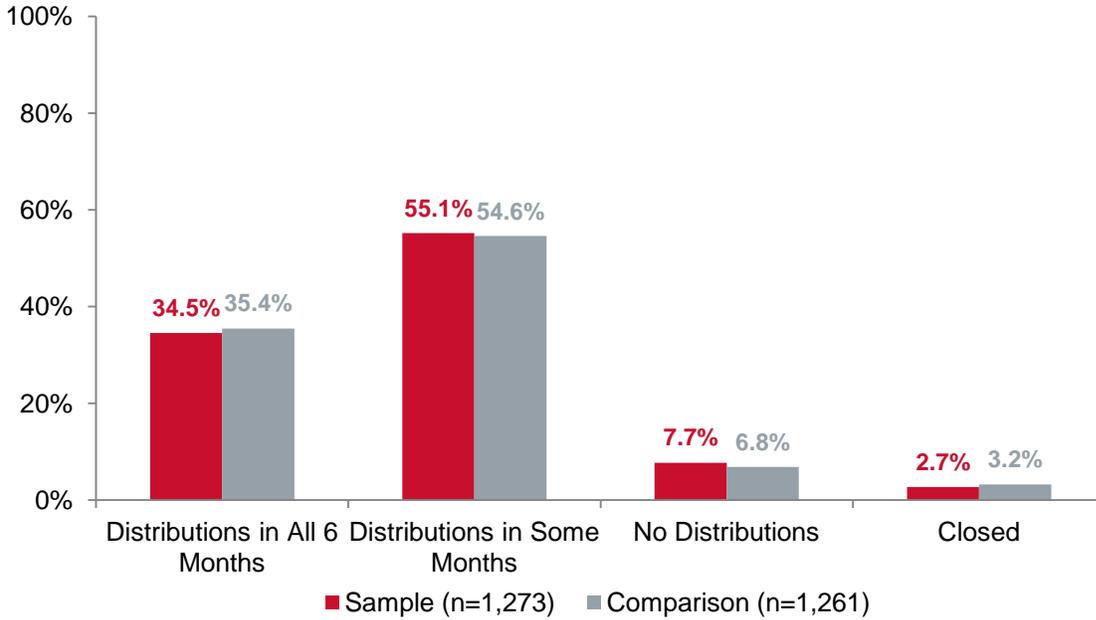
Payment Distributions

Strata 1 cases are recent payers, so there is some level of expectation that these cases will continue to receive distributions with limited contact from the caseworkers in the local agencies. Considering this expectation, we should expect similar results from both the sample and comparison groups since the caseworkers are less likely to focus valuable time on paying cases.

Figure 1 below illustrates the percent of these recent payers that had a distribution to either

current support or arrears in all six months of the pilot, in at least one month during the pilot, no distributions during the pilot, or the case closed during the pilot. As expected, there is little difference between the sample and comparison groups. Few cases had no distributions during the pilot (7.7%-sample; 6.8%-comparison). About 35% of cases had a distribution to either current support or arrears in every month of the pilot with another 55% having at least one distribution during the pilot. About three percent of sample and comparison cases were closed during the pilot.

Figure 1. Distributions Made to Strata 1 Cases



Since Figure 1 combines the payment frequency of both current support and arrears, Tables 3 and 4 provide more detailed information about the distributions to current support and arrears separately. Table 3 provides the following information about Strata 1 distributions to current support: the percent with a distribution, the distribution amount, and the percent of current support distributed of all cases owed current support (also known as the collection rate). About eight in 10 cases received a distribution to current support during the pilot (79.2%-sample; 81.2%-comparison). The average amount received was around \$2,300;

however distributions ranged from \$15 to over \$24,000 in the sample group and from \$25 to nearly \$20,000 in the comparison group.

The collection rate is calculated as the percent of current support collected from all cases owing support regardless if a payment was received for all cases. Approximately 75% of all current support due from both the sample (75.47%) and comparison (75.20%) groups was paid throughout the pilot. For both the sample and comparison groups, 6.7% of cases did not receive any distribution to current support while two-thirds of the cases received 75% to 100% of what was owed.

Table 3. Distributions Made to Current Support: Strata 1 Cases

	Sample (n=1,239)	Comparison (n=1,221)
Percent Owing Current Support	84.8% (1,051)	87.0% (1,062)
Percent with a Distribution	79.2% (981)	81.2% (991)
Total Amount Distributed		
Mean**	\$2,388	\$2,329
Median***	\$2,050	\$1,978
Standard Deviation***	\$1,875	\$1,825
Range***	\$15 - 24,385	\$25 - \$19,654
Collection Rate		
0%	6.7% (70)	6.7% (71)
1-25%	7.5% (79)	7.4% (79)
26-50%	8.5% (89)	9.4% (100)
51-75%	9.2% (97)	9.3% (99)
76-100%	68.1% (716)	67.1% (713)
Mean***	75.47%	75.20%
Median***	94.00%	94.00%
Standard Deviation***	33.37%	33.50%

Note: Cases closed during the pilot are excluded from this analysis. Valid percentages are reported.

*p<.05, **p<.01, ***p<.001

Table 4 below shows the percent of Strata 1 cases with a distribution to arrears, the distribution amount, and the percent of arrears that was distributed. About three-fifths of these cases had a distribution to arrears (56.7%-sample; 59.0%-comparison). The average amount distributed to arrears was \$541 for the sample group and \$515 for the comparison group. Of those cases with a distribution, just over 30% of what was owed was distributed (33.80%-sample; 31.30%-

comparison). About one in five (21.1%) sample cases and 17.6% of comparison cases received more than 75% of what was owed in arrears. In comparison to current support, Strata 1 cases received less in arrears; however, it is still important to note that more than half of Strata 1 NCPs are making payments towards their arrears balance in addition to maintaining their current support.

Table 4. Distributions Made to Arrears: Strata 1 Cases

	Sample (n=1,239)	Comparison (n=1,221)
Percent with a Distribution	56.7% (703)	59.0% (720)
Total Amount Distributed**		
Mean	\$541	\$515
Median	\$300	\$300
Standard Deviation	\$745	\$740
Range	>\$1 - \$11,346	>\$1 - \$7,848
Percent of Arrears Distributed (of those with a distribution)		
1-25%	60.2% (423)	61.8% (445)
26-50%	11.1% (78)	13.9% (100)
51-75%	7.7% (54)	6.7% (48)
76-100%	21.1% (148)	17.6% (127)
Mean*	33.80%	31.30%
Median*	14.00%	15.00%
Standard Deviation*	36.85%	34.89%

Note: Cases closed during the pilot are excluded from this analysis. Valid percentages are reported.

*p<.05, **p<.01, ***p<.001

NCP Employment

While not the only factor in meeting a child support obligation, employment of the NCP is certainly a major part. The importance of employment in payment compliance is evidenced in the Office of Child Support Enforcement's recognition that NCP employment programs are one of the best practices to encourage cooperation with NCPs, especially those that otherwise might be unlikely to pay (OCSE, 2006). Therefore, in this section we will review the employment history of NCPs and explore how employment and distributions are related in both the sample and comparison cases.

Table 5 provides the percent of NCPs employed in a Maryland unemployment insurance (UI) covered job in the two years before the pilot, in the year prior to the pilot, and the quarter before the pilot. The table also illustrates the number of quarters worked

and earnings for those who were working. Of our recent payers, 62.6% of the sample cases worked in the two years prior to the pilot compared to 60.6% of the comparison cases. Both sample and comparison cases worked about six of the eight quarters in the previous two years, and of sample cases working, they earned \$9,209 per quarter, on average, compared to \$8,529 for the comparison cases.

Just over half of the NCPs were working in the year before the pilot and working 3.4 quarters of the four quarters. These working sample cases earned \$9,437 per quarter, on average, compared to \$8,972 for the comparison cases. In the quarter before the pilot (July 2010 to September 2010), less than half of the NCPs were working, but the quarterly earnings, for those working, had increased slightly to \$10,311 for sample cases and to \$9,432 for comparison cases.

Table 5. Employment History in a Maryland UI-Covered Job: Strata 1 Cases

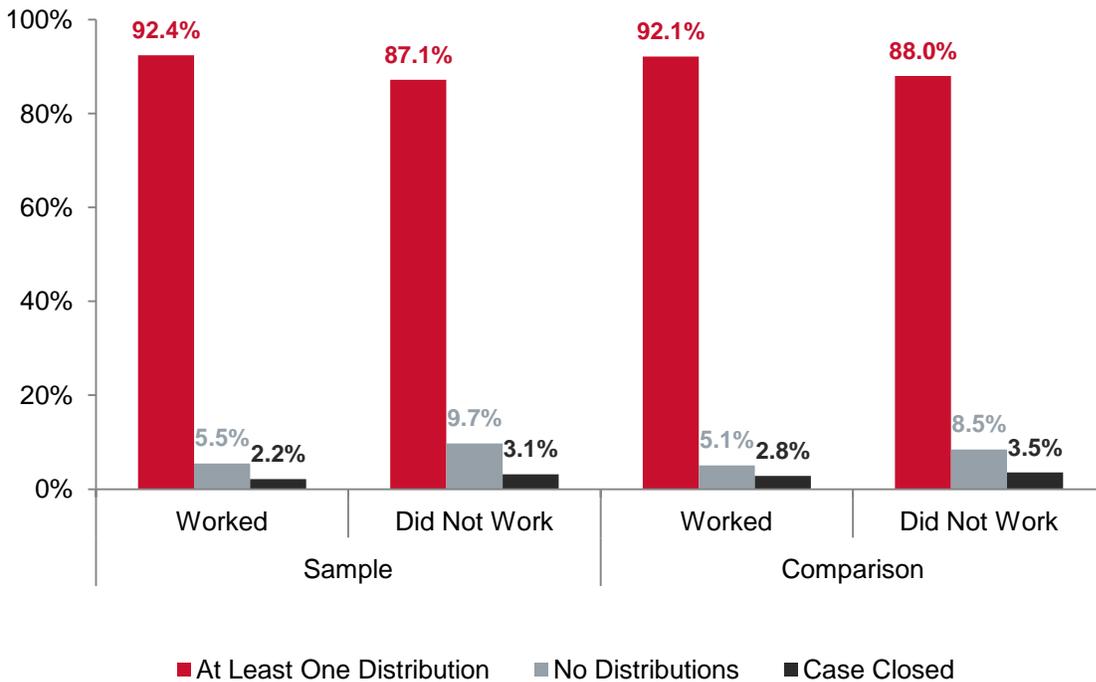
	Sample (n=1,273)	Comparison (n=1,261)
Two Years before Critical Study Date <i>July 2008 – June 2010</i>		
% Working	62.6% (797)	60.6% (763)
Mean # of Quarters Employed	6.15	6.30
Quarterly Earnings Mean [Median]*	\$9,209 [\$7,531]	\$8,529 [\$7,904]
Total Earnings Mean [Median]	\$63,265 [\$50,653]	\$60,336 [\$53,430]
One Year before Critical Study Date <i>July 2009 – June 2010</i>		
% Working	55.9% (712)	54.0% (680)
Mean # of Quarters Employed	3.41	3.49
Quarterly Earnings Mean [Median]	\$9,437 [\$7,964]	\$8,972 [\$8,211]
Total Earnings Mean [Median]	\$34,940 [\$29,460]	\$33,722 [\$31,149]
Quarter of Critical Study Date <i>July 2010 – September 2010</i>		
% Working	47.5% (605)	48.4% (610)
Total Earnings Mean [Median]	\$10,311 [\$8,901]	\$9,432 [\$8,674]

Note: Employment data are shown only for individuals who were aged 16 or older in the critical month, with a unique identifier in CSES. Valid percents are reported. Earnings figures are standardized to 2010 dollars. Earnings figures and quarters employed include only those working during that time period. Also, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed from these data. *p<.05, **p<.01, ***p<.001

To address any potential relationships between employment and distributions, Figure 2 illustrates the percent of Strata 1 cases with at least one distribution during the pilot, no distributions, or the case closed by the employment status of the NCP in the critical quarter. The pattern of employment and distributions is consistent between the sample and comparison groups. Overwhelming, most of both sample and

comparison Strata 1 cases had at least one distribution during the pilot. Not surprisingly, however, cases with a NCP that was not working were more likely to have no distributions or have the case closed during the pilot. For example, of the sample cases, those with an unemployed NCP were four percentage points more likely to have no distribution (9.7% compared to 5.5%).

Figure 2. Distributions Made to Strata 1 Cases by NCPs Work Status in the Critical Quarter *



*p<.05 **p<.01 ***p<.001

Other Outcomes

While increasing the frequency of distributions is the goal of this pilot, the implementers were also interested in other outcomes that may provide insight into further implementation. These other outcomes include any new automatic earnings withholdings (AEWs) issued during the pilot, modifications to the support order, and referrals to the Noncustodial Parent Employment Program.

Automatic Earnings Withholding (AEW)

AEWs are the garnishment of the NCP's employment wages. This is viewed as an outcome, because if employment is discovered through this new case management strategy and an AEW is issued, then child support payments become guaranteed as long as the NCP remains employed.

According to Table 6, about 15% of both sample (14.6%) and comparison (15.1%) cases were issued a new AEW during the pilot. On average, it took more than three months (95 days) to establish the AEW for both groups. While most Strata 1 cases with a new AEW issued during the pilot continue to remain a Strata 1 case, 14.0% of sample cases and 11.6% of comparison cases

receiving a new AEW were Strata 2 cases by the end of the pilot. The movement of Strata 1 cases to Strata 2 by the end of the pilot suggests that at least three consecutive payments were missed for these cases. It is likely that after the AEW was issued, the NCP lost employment and was unable to make payments.

Table 6. New Automatic Employment Withholdings: Strata 1 Cases

	Sample (n=1,273)	Comparison (n=1,261)
Percent with a New AEW	14.6% (186)	15.1% (190)
Number of Days to AEW		
1-30 days	15.1% (28)	15.8% (30)
31-60 days	11.3% (21)	12.6% (24)
61-90 days	14.0% (26)	14.2% (27)
91 days or more	59.6% (111)	57.4% (109)
Mean [Median]	94.79 [101]	94.66 [100]
Strata Designation at End of Pilot		
Closed	2.2% (4)	2.1% (4)
Strata 1	83.9% (156)	86.3% (164)
Strata 2	14.0% (26)	11.6% (22)
Strata 3	0.0% (0)	0.0% (0)

Support Order Modifications

Modifications to support orders can be a tool to promote regular child support payments. If the support order is an amount reasonable to a NCP's income, then they may be more likely to make payments. Modifications would be especially useful when a NCP's income changes which has likely happened to many NCPs due to the effects of the Great Recession on employment and earnings.

Table 7 provides information about Strata 1 cases that received a modification to the support-ordered amount. Very few cases received a modification to the support order.

Only 2.2% of sample cases and 1.9% of comparison cases had an order modified with most occurring in the latter part of the pilot between February 2011 and April 2011. The average modification decreased the support order by \$56 for the sample group and \$43 for the comparison group. Over 90% of the cases receiving a modification were able to continue making payments and remain a Strata 1 case. However, about four percent of both sample and comparison cases became Strata 2 cases (missed at least three consecutive payments) and 3.6% of sample cases obtaining a modification were closed at some point during the pilot.

Table 7. Modification to Support-Ordered Amounts: Strata 1 Cases

	Sample (n=1,273)	Comparison (n=1,261)
Percent with a Modification	2.2% (28)	1.9% (24)
Month of Modification		
November 2010	10.7% (3)	16.7% (4)
December 2010	14.3% (4)	12.5% (3)
January 2011	14.3% (4)	8.3% (2)
February 2011 - April 2011	60.7% (17)	62.5% (15)
Difference in Support-Ordered Amount		
Mean [Median]	-\$55.88 [-\$57.50]	-\$43.19 [-\$135.50]
Strata Designation at End of Pilot		
Closed	3.6% (1)	0.0% (0)
Strata 1	92.9% (26)	95.8% (23)
Strata 2	3.6% (1)	4.2% (1)
Strata 3	0.0% (0)	0.0% (0)

Referrals to NPEP

The Noncustodial Parent Employment Program (NPEP) is a Maryland program designed to provide employment services to noncustodial parents who are unable to meet their child support obligations. For an analysis of the NPEP program, please see “The Noncustodial Parent Employment Program: Employment & Payment Outcomes” (Born, Ovwigho, & Saunders, 2011) (<http://www.familywelfare.umaryland.edu/reports/npep.pdf>).

Table 8 shows the number of NCPs that were referred to the NPEP program. A total of 10 NCPs were referred to NPEP – five in both the sample and comparison group. The low referral rate is likely due to this program being viewed as a court mandated program rather than a tool for caseworkers to utilize in appropriate cases. While NCPs are able to volunteer for this program, many NCPs are mandated by the court to participate in the program. All five NPEP referrals from the comparison group remained as Strata 1 cases; however, two of the five sample cases became Strata 2 cases, thereby missing three consecutive payments.

Table 8. NPEP Referrals: Strata 1 Cases

	Sample (n=1,273)	Comparison (n=1,261)
Percent with a NPEP Referral	0.4% (5)	0.4% (5)
Number of Days to Referral		
Mean (Median)	98.40 (114)	81.80 (92)
Strata Designation at End of Pilot		
Closed	0.0% (0)	0.0% (0)
Strata 1	60.0% (3)	100.0% (5)
Strata 2	40.0% (2)	0.0% (0)
Strata 3	0.0% (0)	0.0% (0)

Summary of Strata 1 Cases

As expected, Strata 1 cases, those case with at least one payment in the three months before the pilot, continued to make payments regardless of their designation as sample or comparison cases. About 80% of both sample and comparison cases had a distribution to current support meeting a collection rate of 75%. Nearly 60% of these cases had a distribution to arrears. At least half of the NCPs on these cases were employed in the two year period before the pilot with average

quarter earnings near \$10,000. These cases have NCPs that are regular payers or have an automatic earnings withholding (AEW) established to ensure regular payments to their child support orders. These are cases that will likely continue to have distributions regardless of the case management strategy implemented. Therefore, it is likely that caseworkers can spend minimal time on the cases meeting the criteria for Strata 1 and simply monitor the case to ensure distributions are received.

FINDINGS – STRATA 2 CASES: ALL PILOT JURISDICTIONS

One in ten cases selected for case stratification were cases in which there was a distribution within the last year but not recently. These are referred to as “Strata 2” cases. Specifically, these cases received a distribution within in one year before the pilot but not within the most recent three months of the pilot. We compare sample cases to a comparison group of cases that did not receive any of the piloted case management strategies. The findings in this chapter compare the sample (n=183) and comparison (n=182) cases in terms of characteristics and outcomes.

Case Characteristics

The case characteristics listed in Table 9 are the characteristics in the month in which these cases were sampled as part of the case stratification pilot. Hence, this data is from September 2010, and therefore, during the actual pilot the case type may have changed or the percent of cases with a current support or arrears order may have increased or decreased. The purpose of examining the case characteristics in September is to demonstrate the similarity between the sample and comparison group at the beginning of the pilot.

About half of the comparison cases (49.5%) have never received TANF while 43.7% of the sample cases also had never received TANF. Nearly seven percent (6.6%) of comparison cases were currently receiving TANF in September 2010 compared to 4.9% of sample cases; however, more sample cases had received TANF in the past (51.4% compared to 44.0%). Furthermore, sample cases had slightly more children on the case: 1.31 children compared to 1.23 children.

As required for selection into this study, all cases had an active obligation to current support, arrears, or both. Most of the Strata 2 cases had an arrears balance (97.8%-sample; 98.4%-comparison) with an average monthly amount of \$140 for the sample cases and \$126 for comparison cases. Fewer than seven in 10 of Strata 2 cases owe current support (65.6%-sample; 68.1%-comparison) with an average monthly amount under \$400.

The higher percent of cases owing arrears may be a rationale for their Strata 2 status. The NCPs may be less likely to pay an arrears balance leading to few payments within a year’s time. This results in a case where an NCP has made at least one payment in a year, but has not made any recent payments. Nonetheless, since these are cases that have received distributions in the past year, local agencies may have success in getting these NCPs to make payments through the case stratification program.

NCP Characteristics

Table 10 indicates that the average Strata 2 NCP is a 40 year old, African American man. There is minimal difference between the sample and comparison cases. Nearly all (94.5%) NCPs are men and 64.0% of sample and 65.9% of comparison cases are African American. Six in 10 sample NCPs (63.5%) and seven in 10 comparison NCPs (72.5%) are 36 years old or older. Between the sample and comparison cases, there is a nine percentage point difference in the percent of cases between the ages of 31 and 35 (19.3%-sample; 10.4%-comparison), although not statistically significant. The sample group also had more cases between the ages of 17 and 25 (7.7% compared to 5.5%).

Table 9. Characteristics of Child Support Cases: Strata 2 Cases

	Sample (n=183)	Comparison (n=182)
Case Type		
Current TANF	4.9% (9)	6.6% (12)
Former TANF	51.4% (94)	44.0% (80)
Never TANF	43.7% (80)	49.5% (90)
Number of Children on the Case⁴		
One	71.6% (101)	80.1% (117)
Two	26.2% (37)	17.8% (26)
Three or more	2.1% (3)	2.1% (3)
Mean	1.31	1.23
Current Support-Ordered Amount (Monthly)		
Has an order for current support	65.6% (120)	68.1% (124)
Mean	\$388	\$368
Median	\$338	\$297
Standard deviation	\$264	\$372
Range	\$34 - \$1,802	\$50 - \$4,000
Arrears-Ordered Amount (Monthly)		
Has an arrears order	97.8% (179)	98.4% (179)
Mean	\$140	\$126
Median	\$82	\$73
Standard deviation	\$153	\$171
Range	\$5 - \$1,073	\$5 - \$1,148
Total Support-Ordered Amount (Monthly)		
Mean	\$395	\$379
Median	\$335	\$319
Standard deviation	\$299	\$412
Range	\$6 - \$2,031	\$10 - \$5,000

Note: Valid percentages are reported. There were no statistically significant differences between the sample and comparison groups.

⁴ There were 78 cases in our sample where the total number of participating children listed in the case in the critical month was zero. The vast majority of these cases (53) were arrears-only cases in the critical month. The remaining cases were active, but may have either been missing data in the "total number of children" field within CSES or were later coded as arrears-only cases after our data were retrieved. Regardless of the reason, these cases were excluded from the analyses presented in Table 9, and the mean number of children presented represents only those cases with at least one child listed in the critical month. Valid percents are reported.

Table 10. Characteristics of Noncustodial Parents: Strata 2 Cases

	Sample (n=183)	Comparison (n=182)
Gender		
Female	5.5% (10)	5.5% (10)
Male	94.5% (173)	94.5% (172)
Race		
African American	64.0% (105)	65.9% (108)
Caucasian	32.9% (54)	29.3% (48)
Other	3.0% (5)	4.9% (8)
Age		
17 - 25 years	7.7% (14)	5.5% (10)
26 - 30 years	9.4% (17)	11.5% (21)
31 - 35 years	19.3% (35)	10.4% (19)
36 and older	63.5% (115)	72.5% (132)
Mean	40.11	41.32
Median	40.08	41.49
Standard Deviation	9.61	9.11
Range	19.23 – 62.56	21.67 – 69.42

Note: Valid percentages are reported. There were no statistically significant differences between the sample and comparison groups.

Payment Distributions

Strata 2 cases are those cases that have made payments in the most recent year, but not within three months of this pilot. There is some level of expectation, that with additional contact from the caseworker, that these cases could become recent payers. By implementing case management strategies specific to these cases, we would expect to see more payments from the sample group than the comparison group whose cases continue to receive the typical case management.

Figure 3 below illustrates the percent of Strata 2 cases that had a distribution to either current support or arrears in one to three

months of the pilot, four to six months of the pilot, had no distributions, or the case was closed during the pilot. As expected, more distributions were made by the sample cases. One-third of sample cases (30.6%) made one to three distributions during the pilot compared to one-quarter (25.3%) of comparison cases. Furthermore, 18.0% of sample cases made four to six distributions during the pilot compared to 16.5% of comparison cases. Fewer sample cases made no distributions, but slightly more were closed during the pilot. Closed cases are also a positive finding, because this suggests that a caseworker has discovered an appropriate reason for a case closure and therefore the case no longer requires manpower to try to obtain payments.

Figure 3. Distributions Made to Strata 2 Cases

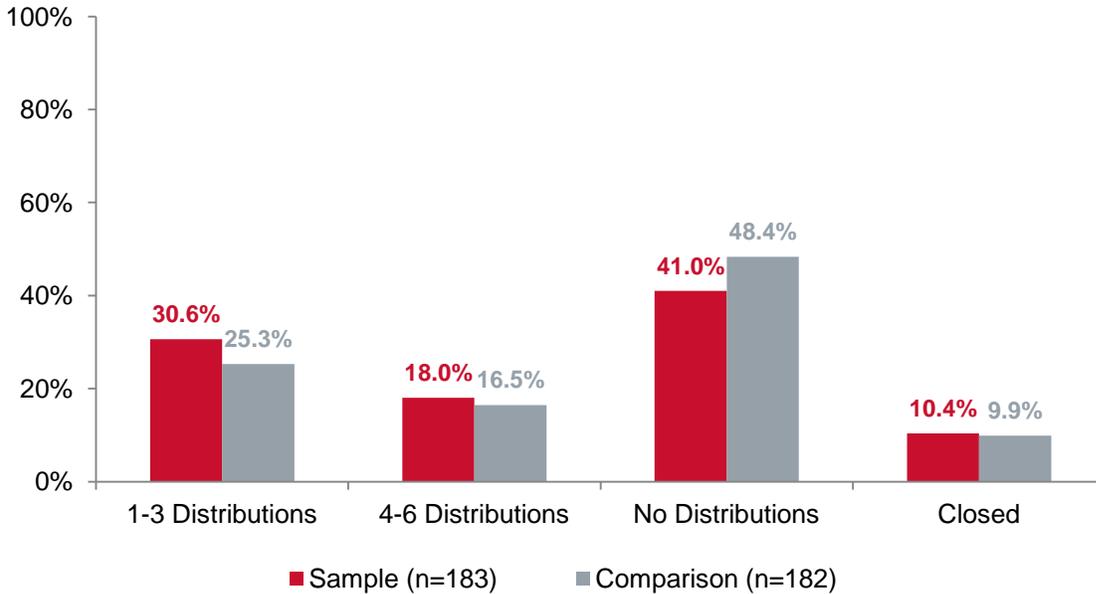


Table 11 provides more specific information on the distributions to current support of the Strata 2 cases. While slightly more sample cases had a distribution to current support (40.2%-sample; 37.8%-comparison), the comparison cases had a higher total average distribution of \$958 compared to \$808 for the sample cases.

The collection rate determines the percent of current support collected from all cases owing

support regardless if a payment was received for all cases. About one quarter of all current support due from both the sample (23.88%) and comparison (24.58%) groups was paid during the pilot. More comparison cases, by nearly seven percentage points, had no distributions to current support throughout the pilot (45.1% compared to 38.3%); however the comparison cases also had slightly more cases paying more than 75% of their obligation (11.5% compared to 8.4%).

Table 11. Distributions Made to Current Support: Strata 2 Cases

	Sample (n=164)	Comparison (n=164)
Percent Owing Current Support	65.2% (107)	68.9% (113)
Percent with a Distribution	40.2% (66)	37.8% (62)
Total Amount Distributed		
Mean	\$808	\$958
Median	\$501	\$667
Standard Deviation	\$816	\$950
Range	\$23 - \$3,250	\$15 - \$4,158
Collection Rate		
0%	38.3% (41)	45.1% (51)
1-25%	27.1% (29)	21.2% (24)
26-50%	16.8% (18)	10.6% (12)
51-75%	9.3% (10)	11.5% (13)
76-100%	8.4% (9)	11.5% (13)
Mean**	23.38%	24.58%
Median**	8.00%	8.00%
Standard Deviation**	29.48%	32.51%

Note: Cases closed during the pilot are excluded from this analysis. Valid percentages are reported.

*p<.05, **p<.01, ***p<.001

Table 12 provides the distribution amounts made to arrears for Strata 2 cases. Slightly more sample cases (38.4%) had a distribution during the pilot than comparison cases (36.0%). Sample cases also had a larger total

average distribution to arrears (\$494 compared to \$424). Sample cases with a distribution received 13.97% of their arrears obligation while comparison cases received 11.64% of their obligation.

Table 12. Distributions Made to Arrears: Strata 2 Cases

	Sample (n=164)	Comparison (n=164)
Percent with a Distribution	38.4% (63)	36.0% (59)
Total Amount Distributed		
Mean	\$494	\$424
Median	\$281	\$198
Standard Deviation	\$603	\$653
Range	>\$1 - \$3,006	\$2 - \$4,199
Percent of Arrears Distributed (of those with a distribution)		
1-25%	84.13% (53)	86.44% (51)
26-50%	9.52% (6)	5.08% (3)
51-75%	1.59% (1)	5.08% (3)
76-100%	4.76% (3)	3.39% (2)
Mean	13.97%	11.64%
Median	5.00%	3.00%
Standard Deviation	22.42%	21.11%

Note: Cases closed during the pilot are excluded from this analysis. Valid percentages are reported. *p<.05, **p<.01, ***p<.001

NCP Employment

Employment is recognized as a necessary component to maintaining payment compliance. Hence, several states have implemented employment programs designed specifically for unemployed NCPs to address this barrier. Therefore, in this section we will review the employment history of NCPs and explore how employment and distributions are related in both the sample and comparison groups.

Table 13 provides the percent of NCPs employed in a Maryland unemployment insurance (UI) covered job in the two years before the pilot, in the year prior to the pilot, and the quarter before the pilot. The table also illustrates the number of quarters worked and earnings for those who were working. Three-fifths (60.1%) of sample case NCPs were working in the two years before the critical study date compared to slightly fewer comparison case NCPs (56.4%). The average quarterly earnings were slightly higher for the comparison case NCPs (\$4,609 compared to \$4,398). Employment participation decreased

to less than half for both groups within one year of the critical study date to 42.1% for sample case NCPs and 44.8% for comparison case NCPs. Average quarterly earnings decreased by \$645 to \$3,964 for the comparison cases while earnings only decreased by \$241 for the sample cases.

Employment participation decreased significantly by the quarter before the critical study date. Only 12.0% of sample case NCPs and 19.9% of comparison case NCPs were working during this time period and average quarterly earnings had decreased yet again.

The decrease in employment participation, particularly so close to the pilot may be the reason these cases were labeled as Strata 2 cases. The criterion for a Strata 2 case is no distributions in the three months prior to the pilot, but at least one payment in the prior year. Without employment in the quarter before the pilot, it would be difficult for these NCPs to make a payment to their child support orders during this quarter, thereby, categorizing them as Strata 2 cases.

Table 13. Employment History in a Maryland UI-Covered Job: Strata 2 Cases

	Sample (n=183)	Comparison (n=182)
Two Years before Critical Study Date <i>July 2008 – June 2010</i>		
% Working	60.1% (110)	56.4% (102)
Mean # of Quarters Employed	4.27	4.51
Quarterly Earnings Mean [Median] *	\$4,398 [\$3,398]	\$4,609 [\$3,336]
Total Earnings Mean [Median]	\$22,021 [\$11,653]	\$23,092 [\$13,847]
One Year before Critical Study Date <i>July 2009 – June 2010</i>		
% Working	42.1% (77)	44.8% (81)
Mean # of Quarters Employed	2.60	2.70
Quarterly Earnings Mean [Median]	\$4,157 [\$2,843]	\$3,964 [\$2,761]
Total Earnings Mean [Median]	\$12,492 [\$7,475]	\$12,571 [\$7,591]
Quarter of Critical Study Date <i>July 2010 – September 2010</i>		
% Working	12.0% (22)	19.9% (36)
Total Earnings Mean [Median]	\$2,590 [\$2,277]	\$3,304 [\$1,822]

Note: Employment data are shown only for individuals who were aged 16 or older in the critical month, with a unique identifier in CSES. Valid percents are reported. Earnings figures are standardized to 2010 dollars. Earnings figures and quarters employed include only those working during that time period. Also, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed from these data. *p<.05, **p<.01, ***p<.001

Figure 4 provides further information about the relationship between employment and distributions to Strata 2 cases. Overall, cases with a non-working NCP in the quarter before the pilot were more likely to have no distributions during the pilot.

First we will focus the differences between the working and non-working NCPs before comparing the pilot groups. Looking at the sample cases, of those with a working NCP, only 18.2% did not receive a distribution compared to 44.1% of a non-working sample case NCP. Furthermore, more of the non-working sample cases were closed during the pilot (11.2% compared to 4.5%). The pattern holds true for the comparison cases in which 36.1% of comparison cases with a working NCP did not receive a distribution compared to 51.4% of non-working comparison cases.

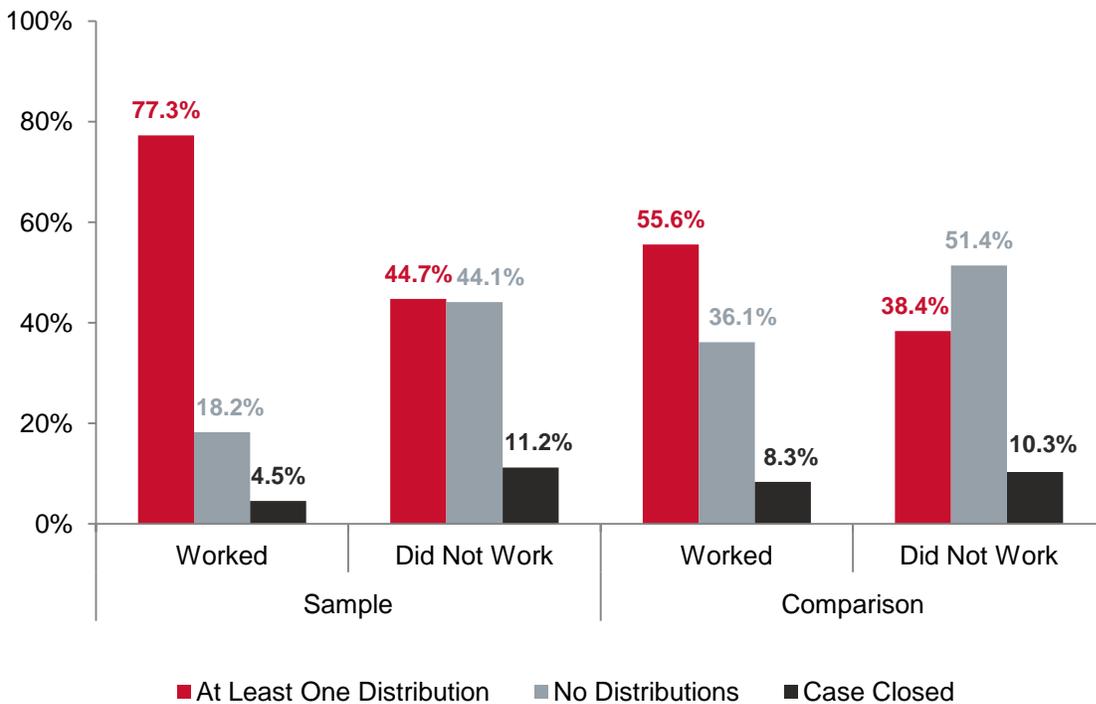
When comparing the sample and comparison cases by working NCPs, we find that more sample cases had at least one distribution during the pilot, while more comparison cases had no distributions. Specifically, three-fourths (77.3%) of sample cases with a working NCP received a distribution compared to 55.6% of comparison cases with

a working NCP. Nearly four in ten (36.1%) comparison cases with a working NCP had no distribution compared to 18.2% of sample cases with a working NCP.

When comparing the sample and comparison cases by non-working NCPs, we find the same pattern where more sample cases had a distribution during the pilot while more comparison cases did not have a distribution. One in four (44.7%) sample cases received a distribution compared to 38.4% of comparison cases. More than half (51.4%) of comparison cases with a non-working NCP had no distribution during the pilot compared to 44.1% of sample cases.

Whether from the sample or comparison group, a Strata 2 NCP employed in the quarter before the pilot was more likely to make a payment to their child support order than those that were unemployed. However, when comparing the two groups, sample cases received more payments than the comparison cases. It is likely that the case management strategy undertaken by the caseworkers was effective in obtaining more distributions for the sample child support cases.

Figure 4. Distributions Made to Strata 2 Cases by NCP’s Work Status in the Critical Quarter*



*p<.05 **p<.01 ***p<.001

Other Outcomes

While increasing distributions is the goal of this pilot, the participating pilot counties were also interested in other outcomes that may provide insight into further implementation. These other outcomes include any new AEWs issued during the pilot, modifications to the support order, and referrals to NPEP.

Automatic Earnings Withholding (AEW)

AEWs are the garnishment of the NCP’s employment wages. This is viewed as an outcome, because employment has been discovered and an AEW is issued, which results in guaranteed child support payments as long as the NCP remains employed.

Table 14 provides information on the Strata 2 cases that received a new AEW. About one-third of cases received a new AEW during the pilot with the sample cases receiving slightly more at 32.2% compared to 30.2% of comparison cases. On average, it took 10 days longer for the AEW to be issued to sample cases (93.34 days compared to 83.42 days). Of those cases with a new AEW established during the pilot, most became Strata 1 cases suggesting that at least one distribution was received during the pilot. It is the goal of the pilot to get Strata 2 cases and Strata 3 cases to become Strata 1 cases. However, about five percent of cases became a Strata 3 case regardless of the AEW, which means that employment was probably lost by the NCP and they reached a full year without any payments to their cases.

Table 14. New Automatic Employment Withholdings: Strata 2 Cases

	Sample (n=183)	Comparison (n=182)
Percent with a New AEW	32.2% (59)	30.2% (55)
Number of Days to AEW		
1-30 days	11.9% (7)	20.0% (11)
31-60 days	15.3% (9)	18.2% (10)
61-90 days	15.3% (9)	12.7% (7)
91 days or more	57.6% (34)	49.1% (27)
Mean (Median)	93.34 (98)	83.42 (80)
Strata Designation at End of Pilot		
Closed	5.1% (3)	1.8% (1)
Strata 1	76.3% (45)	72.7% (40)
Strata 2	13.6% (8)	20.0% (11)
Strata 3	5.1% (3)	5.5% (3)

Support Order Modifications

Modifications to support orders can be a tool to promote regular child support payments. If the support order is an amount reasonable to a NCP's income, then they may be more likely to make payments. Modifications would be especially useful when a NCP's income changes which has likely happened to many NCPs due to the effects of the Great Recession on employment and earnings.

Table 15 provides information about Strata 2 cases that received a modification to the

support-ordered amount. Only five sample cases and four comparison cases received a modification to their support-ordered amount. On average, the sample cases' support ordered amount decreased by \$183.00 compared to \$42.50 for the comparison cases. Additionally, all five of the sample cases with a modification became a Strata 1 case and three of the four comparison cases did the same suggesting that the modification encouraged NCPs to make at least one payment during the pilot.

Table 15. Modification to Support-Ordered Amounts: Strata 2 Cases

	Sample (n=183)	Comparison (n=182)
Percent with a Modification	2.7% (5)	2.2% (4)
Month of Modification		
November 2010	20.0% (1)	0.0% (0)
December 2010	0.0% (0)	50.0% (2)
January 2011	0.0% (0)	25.0% (1)
February 2011 - April 2011	80.0% (4)	25.0% (1)
Difference in Support-Ordered Amount		
Mean [Median]	-183.00 [-130.00]	-42.50 [-92.50]
Strata Designation at End of Pilot		
Closed	0.0% (0)	0.0% (0)
Strata 1	100.0% (5)	75.0% (3)
Strata 2	0.0% (0)	25.0% (1)
Strata 3	0.0% (0)	0.0% (0)

Referrals to NPEP

The Noncustodial Parent Employment Program (NPEP) is a Maryland program designed to provide employment services to noncustodial parents who are unable to meet their child support obligations. For an analysis of the NPEP program, please see “The Noncustodial Parent Employment Program: Employment & Payment Outcomes” (Born, Ovwigho, & Saunders, 2011) (<http://www.familywelfare.umaryland.edu/reports/npep.pdf>).

Table 16 provides information on the Strata 2 cases with a NPEP referral. Only one sample case was referred to NPEP and four comparison cases were referred. The one sample case was likely not successful in obtaining employment during this pilot in order to meet the child support obligation because the case became a Strata 3 case suggesting it had reached a full year with no distributions to the case. Of the four comparison cases with a NPEP referral, two cases remained a Strata 2 case, one became a Strata 1 case, and the other became a Strata 3 case.

Table 16. NPEP Referrals: Strata 2 Cases

	Sample (n=183)	Comparison (n=182)
Percent with a NPEP Referral	0.5% (1)	2.2% (4)
Number of Days to Referral Mean [Median]	101.00 [101]	54.50 [39]
Strata Designation at End of Pilot		
Closed	0.0% (0)	0.0% (0)
Strata 1	0.0% (0)	25.0% (1)
Strata 2	0.0% (0)	50.0% (2)
Strata 3	100.0% (1)	25.0% (1)

Summary of Strata 2 Cases

Since Strata 2 cases had at least one distribution in the year prior to the pilot, although not in the most recent three months, caseworkers can assume that these cases have potential to become regular payers as they have evidence of payments in the recent past. With intensive case management, the goal was to have these cases receive regular distributions, and while not an overwhelmingly sizeable finding, Strata 2 sample cases did have more distributions than Strata 2 comparison cases.

Looking simply at total Strata 2 distributions, sample cases had 2.4 percentage points more in distributions to both current support and arrears than the comparison cases. Again, this is not overwhelming evidence, but when we look at distributions based on the employment status of NCPs in the quarter

before the pilot, we can see some clearer evidence of the effectiveness of case stratification.

Whether from the sample or comparison group, an employed NCP from Strata 2 was more likely to make a payment to their child support case than those that were unemployed. However, when comparing the two pilot groups, sample cases received more payments than the comparison cases. For example, three-fourths (77.3%) of sample cases with an employed NCP received a distribution compared to 55.6% of comparison cases with a working NCP. Furthermore, when we review distributions for unemployed NCPs, we again find that the sample group had more distributions than the comparison group. It is likely that the case management strategy of the pilot was effective in obtaining more distributions for the sample cases.

FINDINGS – STRATA 3 CASES: ALL PILOT JURISDICTIONS

About 18% of sample cases and 16.3% of comparison cases were selected for the case stratification pilot based on no payments for at least one year before the pilot. These cases are referred to as “Strata 3” cases or “non-payers”. We compare a sample group to a comparison group of cases that did not receive any of the piloted case management strategies. The findings in this chapter compare the sample (n=320) and comparison (n=312) cases in terms of characteristics and outcomes.

Case Characteristics

The following case characteristics listed in Table 17 are the characteristics in the month in which these cases were sampled as part of the case stratification pilot. Hence, this data is from September 2010, and therefore, during the actual pilot the case type may change or the percent of cases with a current support or arrears order may increase or decrease. The purpose of examining the case characteristics in September is to demonstrate the similarity between the sample and comparison group at the beginning of the pilot.

Less than half of the sample cases (45.0%) and four in ten comparison cases (39.4%) have never received TANF while 6.3% of sample cases and 5.4% of comparison cases were currently receiving TANF. Both sample

and comparison cases had an average of 1.31 children on their cases.

Nearly all non-payer cases had an arrears order while about half had a current support order (55.0%-sample; 46.5%-comparison). The arrears orders amounted to an average of \$141 per month for the sample cases compared to \$152 for comparison cases. The current support-ordered amount was around \$300 (\$315-sample; \$300-comparison).

The higher percent of cases owing arrears may be a rationale for their Strata 3 status. The NCPs may be less likely to pay an arrears balance leading to few payments. Eventually this results in a case with no distributions for an entire year.

NCP Characteristics

Table 18 indicates that the average “non-payer” NCP is an African American man in his early 40’s. Nearly all (92.5%-sample; 91.0%-comparison) NCPs are men and about 70% are African American (69.8%-sample; 71.6%-comparison). Nearly eight in 10 NCPs are 36 years old or older.

Table 17. Characteristics of Child Support Cases: Strata 3 Cases

	Sample (n=320)	Comparison (n=312)
Case Type		
Current TANF	6.3% (20)	5.4% (17)
Former TANF	48.8% (156)	55.1% (172)
Never TANF	45.0% (144)	39.4% (123)
Number of Children on the Case⁵		
One	75.7% (171)	75.7% (153)
Two	19.9% (45)	18.8% (38)
Three or more	4.4% (10)	5.4% (11)
Mean	1.31	1.31
Current Support-Ordered Amount (Monthly)		
Has an order for current support	55.0% (176)	46.5% (145)
Mean	\$315	\$300
Median	\$286	\$251
Standard deviation	\$169	\$179
Range	\$50 - \$1,000	\$25 - \$1,117
Arrears-Ordered Amount (Monthly)		
Has an arrears order	95.0% (304)	93.9% (293)
Mean	\$141	\$152
Median	\$81	\$89
Standard deviation	\$160	\$173
Range	>\$1 - \$1,650	\$5 - \$1,238
Total Support-Ordered Amount (Monthly)		
Has either current support or arrears	96.3% (308)	94.9% (296)
Mean	\$319	\$298
Median	\$300	\$260
Standard deviation	\$220	\$217
Range	\$10 - \$1,650	\$10 - \$1,238

Note: Valid percentages are reported. There were no statistically significant differences between the sample and comparison groups.

⁵ There were 204 cases in our sample where the total number of participating children listed in the case in the critical month was zero. The vast majority of these cases (151) were arrears-only cases in the critical month. The remaining cases were active, but may have either been missing data in the "total number of children" field within CSES or were later coded as arrears-only cases after our data were retrieved. Regardless of the reason, these cases were excluded from the analyses presented in Table 17, and the mean number of children presented represents only those cases with at least one child listed in the critical month. Valid percents are reported.

Table 18. Characteristics of Noncustodial Parents: Strata 3 Cases

	Sample (n=320)	Comparison (n=312)
Gender		
Female	7.5% (24)	9.0% (28)
Male	92.5% (294)	91.0% (284)
Race		
African American	69.8% (199)	71.6% (199)
Caucasian	27.0% (77)	25.9% (72)
Other	3.2% (9)	2.5% (7)
Age		
17 - 25 years	3.5% (11)	2.3% (7)
26 - 30 years	7.3% (23)	7.1% (22)
31 - 35 years	12.9% (41)	11.0% (34)
36 and older	76.3% (242)	79.7% (247)
Mean	42.77	44.01
Median	42.68	44.18
Standard Deviation	9.12	9.28
Range	21.49 – 65.29	19.03 – 69.78

Note: Valid percentages are reported. There were no statistically significant differences between the sample and comparison groups.

Payment Distributions

Strata 3 cases are those cases without a distribution for a full year. Therefore, these are going to be the most difficult cases for caseworkers to obtain payments for. These NCPs likely have barriers such as long-term unemployment that prohibit them from meeting their child support obligation. Therefore, the expectation for these cases is that few Strata 3 cases will have distributions during the pilot, but that sample cases may have slightly more distributions due to the case management strategies of the pilot.

Figure 5 below illustrates the percent of Strata 3 cases that had a distribution to either

current support or arrears in one to three months of the pilot, four to six months of the pilot, had no distributions, or the case was closed during the pilot. As expected, most cases did not receive any distributions during the pilot. Less than 20% of Strata 3 cases had a distribution (16.9%-sample; 15.1%-comparison). Both sample and comparison cases had 10.6% receive one to three distribution during the pilot. However, 6.3% of the sample cases had four to six distributions compared to 4.5% of comparison cases. Also, slightly more of the sample cases were closed during the pilot suggesting that caseworkers were somewhat better able to identify those cases ideal for closure.

Figure 5. Distributions Made to Strata 3 Cases

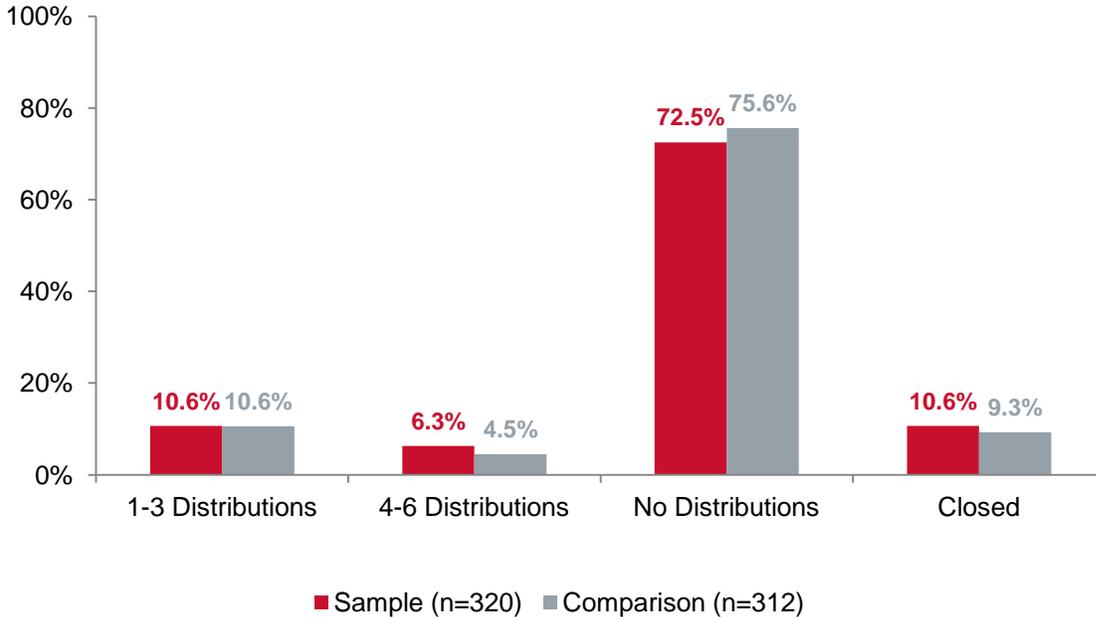


Table 19 provides more specific information on the distributions to current support of the Strata 3 cases since Figure 5 combines distributions to both current support and arrears. While very few cases had a distribution to current support, 12.6% of sample cases received a distribution compared to 8.1% of comparison cases. The total average distribution was \$789 for the

sample cases and \$626 for comparison cases.

The collection rate determines the percent of current support collected from all cases owing support regardless if a payment was received for all cases. Only 10% of all current support due from sample cases was collected during the pilot compared to 5.9% for comparison cases.

Table 19. Distributions Made to Current Support: Strata 3 Cases

	Sample (n=286)	Comparison (n=283)
Percent Owing Current Support	53.1% (152)	45.9% (130)
Percent with a Distribution	12.6% (36)	8.1% (23)
Total Amount Distributed		
Mean	\$789	\$626
Median	\$600	\$336
Standard Deviation	\$606	\$765
Range	\$21 - \$2,130	\$50 - \$3,554
Collection Rate		
% who owe current support	53.1% (152)	45.9% (130)
0%	76.3% (116)	82.3% (107)
1-25%	7.9% (12)	9.2% (12)
26-50%	7.2% (11)	4.6% (6)
51-75%	3.9% (6)	1.5% (2)
76-100%	4.6% (7)	2.3% (3)
Mean	10.02%	5.86%
Median	0.00%	0.00%
Standard Deviation	23.11%	17.47%

Note: Cases closed during the pilot are excluded from this analysis. Valid percentages are reported.

*p<.05, **p<.01, ***p<.001

Table 20 provides the distribution amounts made to arrears for Strata 3 cases. About 14% of both sample and comparison cases received a distribution to arrears (14.3% compared to 13.8%). The total average distribution to arrears was \$497 for the sample cases amounting to 4.95% of what was due to those cases. Comparison cases received a total average distribution of \$422 which was 4.10% of what was due to those cases.

When comparing the distributions to current support and arrears, we find that Strata 3 cases were more likely to make a payment towards arrears than towards their current support balance. For example, slightly more sample cases received a distribution to the arrears balance than they received for current support (14.3% compared to 12.6%). However, there was nearly a six percentage point increase in the percent of comparison cases that received a distribution to arrears than to current support (13.8% compared to 8.1%).

Table 20. Distributions Made to Arrears of Strata 3 Cases

	Sample (n=286)	Comparison (n=283)
Percent with a Distribution	14.3% (41)	13.8% (39)
Total Amount Distributed**		
Mean	\$497	\$422
Median	\$285	\$200
Standard Deviation	\$624	\$692
Range	\$5 - \$3,006	\$5 - \$3,808
Percent of Arrears Due Distributed (of those with a distribution)		
1-25%	97.6% (40)	97.4% (38)
26-50%	2.4% (1)	2.6% (1)
51-75%	0.0% (0)	0.0% (0)
76-100%	0.0% (0)	0.0% (0)
Mean***	4.95%	4.10%
Median***	2.00%	2.00%
Standard Deviation***	6.44%	6.46%

Note: Cases closed during the pilot are excluded from this analysis. Valid percentages are reported.
*p<.05, **p<.01, ***p<.001

NCP Employment

While not the only factor in meeting a child support obligation, employment of the NCP is certainly a major part. As we will find, unemployment is a major barrier to payment compliance for Strata 3 cases. In this section we will review the employment history of NCPs and explore how employment and distributions are related in both the sample and comparison groups.

Table 21 provides the percent of Strata 3 NCPs employed in a Maryland unemployment insurance (UI) covered job in the two years before the pilot, in the year prior to the pilot,

and the quarter before the pilot. The table also illustrates the number of quarters worked and earnings for those who were working. In the two years before the pilot only two in ten NCPs were working (20.6%-sample; 20.2%-comparison). This decreased to one in ten working NCPs in the year before the pilot and down to 3.1% in the quarter before the pilot for the sample cases and 4.8% for the comparison cases.

For those few NCPs that were working in the two years prior to the pilot, average quarterly wages were around \$2,500 for sample cases and \$3,100 for comparison cases. The average quarterly earnings decreased by

more than \$400 for the sample cases and more than \$600 for the comparison cases within one year of the pilot. For the very few NCPs working in the quarter before the pilot, their quarterly earnings had increased. This is likely due to the fact that we are viewing earnings for a very small group of NCPs who, since they have been able to maintain employment, may have a higher earning potential than the NCPs that were not working during this time period.

Low wages among Strata 3 NCPs are certainly an issue concerning child support payments, but when so few NCPs are actually working, child support payments become nearly impossible. These NCPs lack the ability to meet their obligations to their children and likely need assistance in obtaining employment. Caseworkers also reported that some Strata 3 NCPs were incarcerated or receiving other government benefits; therefore, employment may not be the only barrier to meeting their child support obligations.

Table 21. Employment History in a Maryland UI-Covered Job: Strata 3 Cases

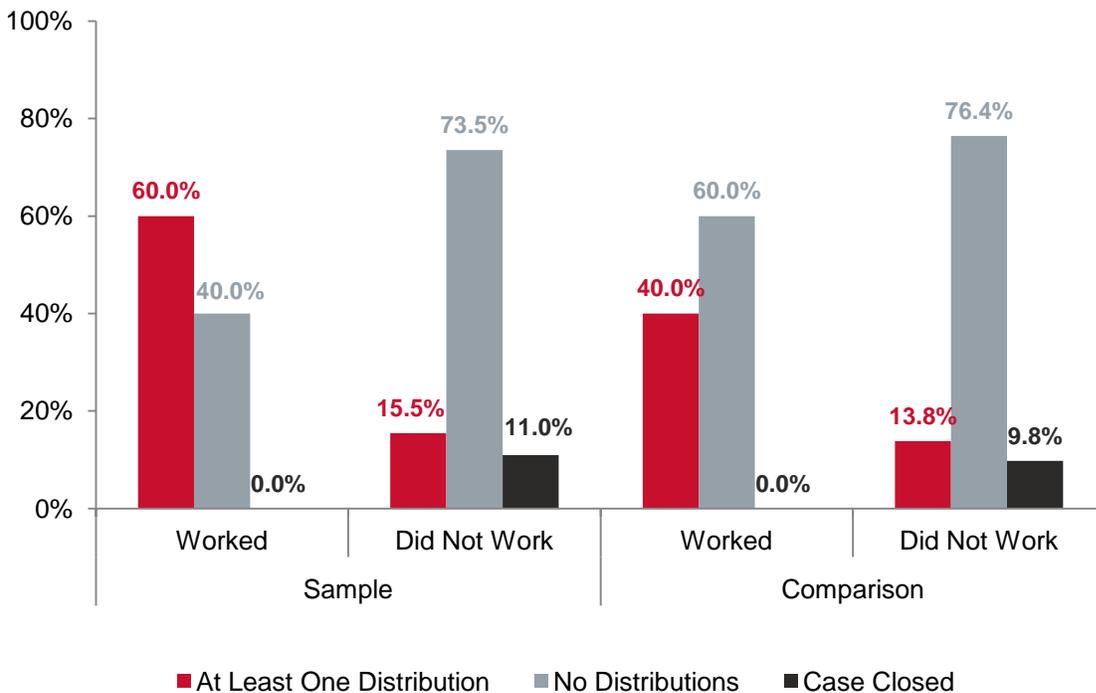
	Sample (n=320)	Comparison (n=312)
Two Years before Critical Study Date <i>July 2008 – June 2010</i>		
% Working	20.6% (66)	20.2% (63)
Mean # of Quarters Employed	2.70	2.59
Quarterly Earnings Mean [Median] *	\$2,478 [\$1,645]	\$3,161 [\$1,887]
Total Earnings Mean [Median]	\$8,436 [\$4,144]	\$9,806 [\$3,981]
One Year before Critical Study Date <i>July 2009 – June 2010</i>		
% Working	9.7% (31)	10.9% (34)
Mean # of Quarters Employed	1.55	1.41
Quarterly Earnings Mean [Median]	\$2,045 [\$968]	\$2,530 [\$1,288]
Total Earnings Mean [Median]	\$4,040 [\$1,311]	\$4,116 [\$1,460]
Quarter of Critical Study Date <i>July 2010 – September 2010</i>		
% Working	3.1% (10)	4.8% (15)
Total Earnings Mean [Median]	\$4,335 [\$4,927]	\$3,141 [\$1,522]

Note: Employment data are shown only for individuals who were aged 16 or older in the critical month, with a unique identifier in CSES. Valid percents are reported. Earnings figures are standardized to 2010 dollars. Earnings figures and quarters employed include only those working during that time period. Also, these are aggregate quarterly earnings. We do not know how many weeks or hours an individual worked, so hourly wage cannot be computed from these data. *p<.05, **p<.01, ***p<.001

Figure 6 provides further information about the relationship between employment and distributions to Strata 3 cases. Of the 10 sample case NCPs working in the quarter before the pilot, six (60%) made at least one payment during the pilot, while 15.5% (n=48) of those who did not work also made a payment. Of the 15 comparison case NCPs working in the quarter before the pilot, six (40%) NCPs made at least one payment during the pilot compared to 13.8% (n=41) of non-working NCPs.

When comparing the sample and comparison cases to each other, we find little difference in the distributions received by cases with unemployed NCPs; however, for employed NCPs, it seems that the case management strategy implemented with the sample cases was slightly more effective than the status quo strategies. Of sample cases with a working NCP, 60% had at least one distribution during the pilot compared to 40% of comparison cases with a working NCP.

Figure 6. Distributions Made to Strata 3 Cases by NCP’s Work Status in the Critical Quarter ***



*p<.05 **p<.01 ***p<.001

Other Outcomes

While increasing distributions is the goal of this pilot, the pilot organizers were also interested in other outcomes that may provide insight into further implementation. These other outcomes include any new AEWs issued during the pilot, modifications to the support order, and referrals to NPEP.

Automatic Earnings Withholding (AEW)

AEWs are the garnishment of the NCP’s employment wages. This is viewed as an outcome, because if employment is discovered by this new case management strategy and an AEW is issued, then child

support payments become guaranteed as long as the NCP remains employed.

Table 22 provides information on any Strata 3 cases that had a new AEW during the pilot. Considering the low employment participation of Strata 3 cases, it is not surprising that few AEWs would be established during the pilot; however, 12.8% of sample cases and 10.3% of comparison cases had a new AEW issued. On average, it took 10 weeks (77.15 days-sample; 74.09 days-comparison) for the AEW to be issued. More than half of the cases that received a new AEW became a Strata 1 case suggesting, as known by child support agencies, that AEWs result in regular distributions to child support cases.

Table 22. New Automatic Employment Withholdings: Strata 3 Cases

	Sample (n=320)	Comparison (n=312)
Percent with a New AEW	12.8% (41)	10.3% (32)
Number of Days to AEW		
1-30 days	22.0% (9)	25.0% (8)
31-60 days	14.6% (6)	18.8% (6)
61-90 days	24.4% (10)	18.8% (6)
91 days or more	39.0% (16)	37.5% (12)
Mean [Median]	77.15 [64.00]	74.09 [65.50]
Strata Designation at End of Pilot		
Closed	9.8% (4)	9.4% (3)
Strata 1	58.5% (24)	53.1% (17)
Strata 2	14.6% (6)	21.9% (7)
Strata 3	17.1% (7)	15.6% (5)

Support Order Modifications

Modifications to support orders can be a tool to promote regular child support payments. If the support order is an amount reasonable to a NCP's income, then they may be more likely to make payments. Modifications would be especially useful when a NCP's income changes which has likely happened to many NCPs due to the effects of the Great Recession on employment and earnings.

Table 23 provides information about Strata 3 cases that received a modification to the support-ordered amount. Only three sample cases and two comparison cases had a modification to the support order resulting in an average decrease of \$132 for sample cases and \$65 for comparison cases. Two of the three sample cases with a support order modification became a Strata 1 case and one of the two comparison cases became a Strata 1 case as well.

Table 23. Modification to Support-Ordered Amounts: Strata 3 Cases

	Sample (n=320)	Comparison (n=312)
Percent with a Modification	0.9% (3)	0.6% (2)
Month of Modification		
November 2010	33.3% (1)	0.0% (0)
December 2010	33.3% (1)	0.0% (0)
January 2011	0.0% (0)	0.0% (0)
February 2011 - April 2011	33.3% (1)	100.0% (2)
Difference in Support-Ordered Amount		
Mean [Median]	-\$131.52 [-\$117.00]	-\$64.93 [-\$64.93]
Strata Designation at End of Pilot		
Closed	0.0% (0)	0.0% (0)
Strata 1	66.7% (2)	50.0% (1)
Strata 2	0.0% (0)	0.0% (0)
Strata 3	33.3% (1)	50.0% (1)

Referrals to NPEP

The Noncustodial Parent Employment Program (NPEP) is a Maryland program designed to provide employment services to noncustodial parents who are unable to meet their child support obligations. For an analysis of the NPEP program, please see “The Noncustodial Parent Employment Program: Employment & Payment Outcomes” (Born, Ovwigho, & Saunders, 2011)

(<http://www.familywelfare.umaryland.edu/reports/npep.pdf>).

Table 24 shows the number of NCPs that were referred to the NPEP program. While none of the comparison cases were referred to NPEP, only two sample case NCPs were referred to the program. One of those cases became a Strata 1 case while the other remained a Strata 3 case.

Table 24. NPEP Referrals: Strata 3 Cases

	Sample (n=320)	Comparison (n=312)
Percent with a NPEP Referral	0.6% (2)	0.0% (0)
Number of Days to Referral Mean [Median]	131.00 [131.00]	- -
Strata Designation at End of Pilot		
Closed	0.0% (0)	0.0% (0)
Strata 1	50.0% (1)	0.0% (0)
Strata 2	0.0% (0)	0.0% (0)
Strata 3	50.0% (1)	0.0% (0)

Summary of Strata 3 Cases

Strata 3 cases are the most difficult cases to work. These are cases with no distributions for an entire year suggesting that future payments are also doubtful. These cases will take much more time and effort to obtain payments because these NCPs likely possess barriers including unemployment that prohibit them from meeting their obligation.

Overall, very few Strata 3 cases had any distributions to current support or arrears. However, slightly more sample cases had

distributions to both current support and arrears. When we look at the employment participation for Strata 3 cases, it becomes clear why so few are meeting their child support obligations – no more than 20% were working at any point in the two years prior to the pilot. Regardless of the case management strategy employed on Strata 3 cases, if the NCP was not working there was little difference in the distributions. However, for those Strata 3 cases that were working, 60% of sample cases had a distribution compared to 40% of the comparison cases.

CONCLUSIONS

Case stratification of child support cases exemplifies the concept that one size does not fit all by encouraging agencies to customize their enforcement practices by case type. Instead of providing all NCPs with the same type of communication and enforcement style regardless of individual situations, case stratification allows caseworkers to individualize their technique based on the type of case.

Within the Maryland case stratification pilot, it appears that implementing a specific case management strategy based on payment history yielded more child support distributions compared to cases that continued to be managed in the typical manner. As expected, Strata 1 cases, those cases with at least one distribution in the three months before the pilot, continued to make payments regardless of their designation as sample or comparison cases. Therefore, caseworkers from the pilot jurisdictions reported that intervention into these cases was minimal due to the fact that NCPs made payments at the beginning of the pilot and continued to do so throughout the pilot. Caseworkers simply monitored the cases to ensure distributions were received.

The success of Strata 2 cases, those cases with a distribution in the last year but not in the most recent three months of the pilot, can be found when examining NCP employment and distributions together. Regardless of employment status of the NCP, Strata 2 sample cases were more likely to have a distribution during the pilot, suggesting that the case management strategy implemented during the pilot was effective at encouraging payments as compared to the normal management of these cases. While it appears that the case management strategy designated for Strata 2 cases was successful, caseworkers within the pilot jurisdictions reported that these were the most difficult cases to work and required much more time to locate, determine employment, and determine if a payment was likely from this NCP.

Strata 3 cases, those cases without any distributions in the previous year, had very few distributions throughout the pilot. Likely a major reason for the lack of Strata 3 distributions is the fact that very few NCPs were employed before the pilot. While caseworkers were able to increase the payment compliance of unemployed NCPs from Strata 2 cases, caseworkers did not have the same success with Strata 3 unemployed NCPs. Also, caseworkers reported that many of the Strata 3 NCPs were incarcerated, receiving some type of government benefit, or they were unable to locate the NCP. However, on a positive note, of the few Strata 3 NCPs with employment, the case management strategy appears to have been successful since more sample cases had a distribution during the pilot than the comparison cases.

For further implementation, resources available to support NCPs must be considered. This is especially true for unemployed NCPs who need support in obtaining employment. However, if there are no available services in certain counties, especially the more rural counties, then payments from these NCPs, specifically those from Strata 3, will be unlikely. Child support agencies are limited in the resources they are able to provide NCPs, so caseworkers will likely need outside resources to offer NCPs that will assist these individuals in removing their barriers to employment so that child support payments can be made.

Additionally, jurisdictions should ensure that caseworkers have the time to dedicate to case stratification in any additional pilot attempts. Many of the pilot counties reported that caseworkers had their case stratification caseload as well as their regular caseload, forcing the caseworkers to split their time between the pilot and their regular work. Also, pilot counties reported that varying levels of time were spent on this project based on available resources and staffing in each agency. It is likely that the full effectiveness of the pilot was diminished due to the variation of time spent on the pilot across jurisdictions.

Another consideration for jurisdictions, if implementation should continue, is developing experts on each of the stratum, so that caseworkers who are effective at obtaining payments from Strata 2 or 3 cases can focus on those types of cases while other caseworkers can monitor to ensure consistent payments are made by Strata 1 cases. The ability for a caseworker to focus their efforts on one type of case instead of changing strategies based on the case status would likely result in more efficient results.

Even with these considerations, the pilot jurisdictions reported that the case

stratification project had potential based on the results they observed. The jurisdictions agree that the varying levels of time devoted to the project likely lowered the effectiveness of the program. Nonetheless, we did learn important lessons from the pilot: Strata 1 cases require minimal intervention to maintain payment compliance; Strata 2 cases require more time and effort, but the results of the case management strategies can be most effective with this stratum; and Strata 3 cases have NCPs with many barriers to payment compliance including unemployment, incarceration, and receipt of other government benefits.

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