

The Effectiveness of Various Texas Child Support Collection Strategies

Executive Summary

Deanna T. Schexnayder
Jerome A. Olson
Jennifer Beck
Ying Tang

Hyunsub Kum
Daniel Schroeder
Patricia Norman
Daniel P. O'Shea

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Ray Marshall Center for the
Study of Human Resources



Lyndon B. Johnson School of Public Affairs
The University of Texas at Austin
3001 Lake Austin Blvd., Suite 3.200 Austin, TX 78703 (512) 471-7891

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Overview and Policy Implications of Research Findings

by Deanna T. Schexnayder

The Child Support Division of the Texas Office of the Attorney General (OAG) contracted with the Ray Marshall Center for the Study of Human Services at The University of Texas at Austin (RMC) to study the effectiveness of several child support collection strategies in increasing the total amount of child support collected from the noncustodial parents on its caseload. Three of these strategies are analyzed in the following chapters of this report. They include:

1. Increasing the child support ‘pass-through’ to families receiving Temporary Assistance for Needy Families (TANF)
2. Arresting noncustodial parents who are delinquent in their child support payments through a coordinated effort known as a ‘round-up’
3. Participating in an ‘access and visitation’ program when conflict among the parents created the need for some type of supervised visitation or exchange.

The fourth, which studied the effectiveness of noncustodial parent referrals to local workforce services, was published in a separate report (O’Shea et. al., 2001).

This overview briefly summarizes the findings from each of the three analyses described in this report, then discusses the policy implications of all four of these child support collection strategies for low-income families.

INCREASING TANF PASS-THROUGH

Federal law governs the collection of child support for families receiving Temporary Assistance for Needy Families (TANF). Under current law, the federal government retains a portion of the collected child support, and the remainder is divided between a state government and the custodial parent who is receiving TANF. Funds retained by the government partially reimburse the cost of providing welfare for these poor families. Any child support actually given to the families prior to a state retaining its share of collections is known as the ‘pass-through’. Currently, each state determines

the amount of child support to be passed through to custodial parents in TANF families. In Texas, the pass-through equals the first \$50 of child support collected.

Research Questions and Methods

This research estimated the impact of increasing Texas' pass-through policy for TANF families on the total amount of child support collected from noncustodial parents (NCPs). Using various scenarios, estimates were developed regarding the distribution of any increased collections to the federal government, the state government and the custodial parents in TANF families.

First, descriptive statistics were calculated to describe the relationship between the earnings, child support obligations, and child support payments of noncustodial parents on the OAG's Title IV-D caseload. Then, thirty-five different scenarios were computed using different pass-through amounts and assuming different increases in overall child support paid by noncustodial parents in response to each pass-through amount.

Summary of Findings

A one-month statistical snapshot of the noncustodial parents in the sample revealed the following:

1. Child support collections were received for 22 percent of the cases with child support orders. The median amount collected was \$150 per month.
2. Nearly half (46 percent) of the NCPs earned no wages in the quarter of the snapshot. Those with wages earned an average of \$975 per month.
3. Over 90 percent of the child support orders were less than \$300 per month. Most were in the \$100-\$150 range.
4. Nearly 90 percent of the sample paid less than the amount of child support ordered for that month.

A review of outcomes from all thirty-five scenarios reveals that the state would lose money under any scenario that increases the pass-through amount. There are two ways that increasing the pass through amount could cause the state to increase its positive cash flow. First, if a large enough share of NCPs began to pay child support or increase

their payments, the additional revenue generated could be enough to cover the additional payments to the custodial parents and the federal government, while still increasing the flow of funds to the state. The state also could gain a larger cash flow from increasing the pass through if the additional child support payments caused a large number of TANF cases to enter grant jeopardy. If this happened, savings would accrue from reduced outlays for welfare benefits. Given the evidence discussed in this analysis, neither of these scenarios is very likely.

Under a realistic set of assumptions, an increase in the amount of child support collections distributed to TANF families could increase total collections by a modest amount. Under these scenarios and current federal law, however, all of the benefits from increased collections would accrue to the federal government and the families. Unless the unlikely conditions discussed above occurred, the state could be expected to lose money under any of the scenarios being considered.

ROUND-UPS

Child support round-ups are planned and organized procedures during which law enforcement personnel exclusively devote their efforts to locating and arresting noncustodial parents who are delinquent in their child support payments. Persons can be arrested if they have an outstanding *capias* (a civil misdemeanor warrant) for failure to appear in court after being contacted about their delinquent payments.

Local officials cite three reasons for conducting round-ups:

- To increase child support collections during and shortly after a round up when individuals who are behind in their payments come forward and make voluntary payments to avoid being arrested in future round-ups.
- To communicate to the public that non-custodial parents are responsible for the financial support of their children and that failure to meet this responsibility is punishable by law.
- To provide law enforcement officials with a method for dealing with a backlog of outstanding *capias* for individuals whose physical whereabouts are not known.

Research Questions and Methods

This research assessed the effectiveness of using round-ups to increase child support collections for families on the Title IV-D caseload. Specifically, the research explored whether child support collections increased in the counties conducting round-ups in the time periods during and shortly after round-ups. Separate analyses were conducted for the following groups of NCPs: all persons on the OAG caseload, persons with high arrears balances, persons with outstanding capias, and persons arrested during a round-up.

Researchers reviewed administrative reports from all Texas counties that conducted round-ups between January 1998 and June 2000. Three local sites — Cameron County, Lubbock County, and Travis County — then were selected to provide a detailed description of the contextual and operational features of round-ups and to collect data about the costs of conducting a round up. Finally, a quantitative analysis of detailed child support collection data was conducted to observe any changes in child support collection patterns in the periods surrounding a round up.

Summary of Findings

Few significant impacts on child support collections were found in the eleven counties analyzed for any of the following groups: all NCPs, NCPs with high arrears, and NCPS with past capias. Although round-ups may have temporarily increased the amount collected from persons actually arrested, the limited available evidence suggests that having been arrested does not influence the regularity of these individuals' future child support payments.

As discussed in the report, round-ups may serve other purposes despite the absence of their impact on child support collections. In general, round-ups are generally a low-cost strategy for collecting child support that provide:

5. a method of stigmatizing NCPs who are failing to meet the core parental responsibility of financially supporting their children;
6. an increase in the number of new child support cases that are opened;
7. large provisions of information from custodial parents detailing the physical whereabouts of NCPs; and

8. an increase in employee morale by increasing the prospects that heavily-sought evaders will be apprehended.

While any of these reasons may be valid ones for continuing to conduct round-ups, no evidence was found to suggest that they increase child support collections.

ACCESS AND VISITATION PROGRAMS

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 authorized a new federal grant program to fund state child access and visitation initiatives. The purpose of the grant program is "...to establish and administer programs to support and facilitate non-custodial parents' access to and visitation [with] their children by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pick-up), and development of guidelines for visitation and alternative custody arrangements."

In federal fiscal year 1997, the Office of Child Support Enforcement (OCSE) of the U.S. Department of Health and Human Services (DHHS) began to award these grants to every state according to a formula based in part on the number of children in a state who did not live with both biological or legal parents. The child support enforcement agency in each state serves as the grantee or the administrator of the grant in that state. States may administer the programs directly or through contracts or sub-grants with courts, local public agencies, or non-profit organizations.

Research Questions and Methods

Initially, researchers planned to determine the cost effectiveness of access and visitation programs as a means to increase child support collections from noncustodial parents on the IV-D caseload. However, an initial assessment of available data revealed that data limitations precluded such an analysis. Thus, the agreement was amended to address the following research questions:

- Describe the access and visitation programs operating in Texas, the number and types of families participating in the programs and the share of participants who receive child support collection services from the OAG.
- Conduct an in-depth analysis of two selected grantees for whom detailed program and participant data are available; and
- Determine the types of data that must be collected in order to assess the cost effectiveness of these programs in increasing child support at some future date.

RMC researchers reviewed data and documents collected from the OAG, interviewed personnel of the access and visitation programs, appropriate social service professionals, collaborative service providers and judges, and observed services provided at the following two sites: the Cooperative Parenting Program operated by the Travis County Domestic Relations Office and the Family Visitation Center operated by the Child Crisis Center of El Paso, Inc.

Quantitative analysis of the local programs was conducted through an analysis of program participant data collected by the local grantees and, when feasible, matching of records for local program participants with the administrative child support collections data maintained by the OAG for all persons on the IV-D caseload.

Summary of Findings

The access and visitation program has been operating in Texas for four years. RMC researchers found that family law judges, program staff, and service recipients clearly see the value of the services. Programs in Travis County and in El Paso reported that they are struggling with dramatic cuts in grant money — 46 percent and 27 percent, respectively — for a service to families and children that all persons interviewed felt is greatly needed.

Most of the families served by access and visitation programs earned less than \$20,000 per year. Access and visitation programs in Texas served more families on the OAG IV-D caseload than perceived by either service providers or the OAG. An exact determination of the degree to which access and visitation programs serve these families would require the ability to match records from both programs through the use of a common identifier.

At a minimum, the ability to conduct future research on these programs would require the collection of participant Social Security numbers or some other common identifier to enable program participant records to be linked with other administrative data files. Program records also should be maintained in an electronic format and archived over time. Provisions should be included in grantees' conditions of award that would allow for the use of confidential participant data for research purposes.

Several other questions about these programs emerged as this study was underway that were outside the scope of this report. These questions, which are discussed in the detailed report, should be considered as policy makers determine the amount of future financial support that should be given to access and visitation programs.

POLICY IMPLICATIONS OF RESEARCH FINDINGS

In general, none of the approaches investigated in this report showed much promise for increasing the total amount of child support collected from the noncustodial parents on the OAG Title IV-D caseload. Regardless of the sub-group being analyzed, earnings of noncustodial parents were quite low. Nearly half of the NCPs of children in TANF families were unemployed, while earnings for employed NCPs in this group averaged less than \$12,000 per year. Persons targeted for round-ups often had low earnings. Families served by access and visitation programs typically earned less than \$20,000 per year. Noncustodial parents referred to local workforce services earned even lower amounts than the IV-D caseload as a whole, with persons referred to these programs averaging quarterly wages of only \$2,500.

Society as a whole agrees that both parents should share the responsibility for the financial support of their children. However, this research indicates that efforts focused solely on increasing collections will produce only limited results. Future efforts to increase the financial support that low-income noncustodial parents contribute to their children's well-being must consider the current earnings potential of these individuals and develop a broader view of the types of support — both financial and non-financial — that noncustodial parents can provide to their children.