

THE PERFORMANCE OF THE CHILD SUPPORT ENFORCEMENT SYSTEM:
TWO POINTS OF VIEW

By Paula Roberts
(Nov. 2000)

Two government agencies have recently issued reports that describe the state of child support enforcement efforts in this country. The United States Census Bureau issued CHILD SUPPORT FOR CUSTODIAL MOTHERS AND FATHERS, P 60-212 (October 2000), which indicates that the percentage of custodial parents receiving child support has gone down slightly in the last few years. Also diminished is the average amount of child support received by custodial parents.

At the same time, the federal Office of Child Support Enforcement (OCSE) issued its TWENTY THIRD ANNUAL REPORT TO CONGRESS, which indicates that progress is being made for those using the government subsidized child support enforcement system operated pursuant to Title IV-D of the Social Security Act. This was followed by CHILD SUPPORT ENFORCEMENT FY 1999 PRELIMINARY DATA REPORT (October 2000),¹ which concludes that such progress is continuing. Each of these reports is discussed below. Also discussed is what can be made of the seemingly contradictory results.

CHILD SUPPORT FOR CUSTODIAL MOTHERS AND FATHERS

The Census Bureau report examines the experience of **all** custodial parents with children under the age of 21. It is based on **self-reports** made during the spring of 1998 about experience in the prior year. This report indicates:

- There are 14 million custodial parents. Approximately 85 percent of these custodial parents are mothers and 15 percent are fathers.
- These parents have 22.9 million children under the age of 21. This means that roughly one-quarter of all children under the age of 21 live in absent-parent families.
- Of the 14 million custodial parent families, 7.9 million (56%) have some type of child support agreement or order.
- Of those with an order, 41 percent received all of the support due them in 1997. The average amount received by this group was \$4700.
- Of those with an order, 27 percent received partial payment. The average amount received by this group was \$1900.

¹ The Census Bureau document may be viewed online at www.census.gov/hhes/www/chldsupt.html. The OCSE documents can be obtained online at www.acf.dhhs.gov/programs/cse/rpt/99report/index.html.

- Between 1993 and 1997, the percent receiving full payment went up by 7 percent while the percent receiving partial payment went down by 8 percent. While this is a positive trend, the net result is that the percentage of custodial parent families receiving at least some of their ordered support dropped slightly from 69 percent to 67.4 percent. Moreover, a third of parents with orders continue to receive no payments.
- When the percentage of parents without orders or agreements (44%) is combined with the percentage that have agreements but no payments (33%), it can be seen that the vast majority of families eligible for child support (77%) go without this potential source of income on a regular basis.²
- An aggregate of \$29.1 billion of current child support was due in 1997. Of this amount, \$17.1 billion (58.8%) was collected.
- While the average amount of support due rose between 1993 and 1997—from \$3972 to \$4152—the average amount received dropped slightly from \$2449 to \$2440.
- Receipt of child support has a significant anti-poverty affect. Among custodial parents who received all the support due, the poverty rate was 15.2 percent; among those obtaining partial payment the poverty rate was 29.2 percent; and among those receiving none of their ordered support the poverty rate was 35.7 percent.
- About one-quarter of non-custodial parents provide health insurance coverage for their children. While most of this coverage was pursuant to a support order, a significant amount (13.5%) was voluntary.
- Many noncustodial parents provide their children with birthday/holiday presents, clothing, food or groceries, medical expenses, childcare or summer camp fees. Over half (56.4%) of custodial parents report receiving at least one type of such support from the noncustodial parent. Of interest, noncustodial parents with child support orders are more likely to provide such help than were those not subject to an order (63.2% vs 47.5%).
- For those with child support orders, payment rates are significantly higher when the order provides for some form of joint custody or visitation. However, for

² It should be noted, however, that the Census Bureau finds that about \$2.1 billion was received by families with no current support order. These are contributions for children whose awards officially start after 1997, and those whose orders have expired as well as those without an order but whose parents contribute voluntarily to their support.

those without orders, joint custody or visitation agreements do not seem to lead to payment.³

THE TWENTY THIRD ANNUAL REPORT TO CONGRESS

This report examines the experience of **parents who are using the services of the state child support enforcement (IV-D) program**. These families comprise approximately 60 percent of the child support-eligible population⁴ so the 23rd Annual Report to Congress deals with a smaller and somewhat different universe of cases than the Census Bureau report. In addition, this report is based on data **reported by the states** to the federal Office of Child Support Enforcement (OCSE) rather than reports from individual parents. Moreover, this report covers fiscal year 1998—a **slightly different time period** than covered by the Census Bureau. Finally, the OCSE data defines a case as a *non-custodial* parent who is or may be obligated under law for the support of one or more children while the Census Bureau tabulations are based on *custodial* parents. Thus, data from the two reports is not comparable.

Of note from the 23rd Annual Report is that, in FY 1998:

- The IV-D program contained 19.4 million cases. A collection of some kind was made in 4.5 million (23%) of the cases.
- There is a child support order in 11.5 million (59 %) of the IV-D cases. In 7.3 million of these cases, there was an obligation to pay current support. In 8.6 million there was an obligation to pay arrears.
- In the 7.3 million cases in which current support was due, a collection of some kind was made in 4.5 million (62%) of the cases.
- In dollar figures, \$18.7 billion was due while \$9.5 billion (51%) was collected. This amounts to an average of \$1304 per case with an order and \$2122 per case with both an order and a collection.
- These numbers show slight improvement over 1993, a year in which a collection was made in 60 percent of the 5.7 million cases with current support orders and an average of \$1197 per case was collected on cases with orders and \$1990 was collected on cases with orders and a collection.
- When the percentage of cases in which there is no order (41%) is combined with the percentage in which there is an order for current support but no collection was

³ Table B suggests that of the 6.1 million custodial parents without support orders or agreements, 3.8 million have joint custody or visitation arrangements. For these families, there is no correlation between payment and custody/visitation agreements.

⁴ Mathew Lyon, *Characteristics of families Using Title IV-D Services in 1995*, US Dept. of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (May 1999).

made (38%) it can be seen that the vast majority of families in the IV-D system (79%) go without this potential source of income on a regular basis.⁵

- About thirty-five percent of IV-D orders include health insurance for the children.

CHILD SUPPORT ENFORCEMENT FY 1999 PRELIMINARY DATA REPORT

This OCSE document provides an update to the 23rd Annual Report by providing information for FY 1999. See Table 1. More importantly, it also gives—for the first time—data that differentiate between current assistance, former assistance and never assistance cases. This provides the reader with the ability to see how the IV-D system is performing for the most vulnerable families and to get a picture of where collected support is actually going. See Table 2.

Highlights from this report include:

- Caseload has declined from 19.4 million to 16.4 million. This decline is likely the result of case clean up that has occurred as part of states efforts to automate their systems.
- Reflecting the decline in the TANF caseload, there has been a steep climb in the number of child support cases in which the family currently receives assistance. Indeed, current assistance cases now make up only 22 percent of the child support caseload.
- At the same time, there are a large number of former assistance cases in the child support caseload. Indeed, 63 percent of the child support caseload is current and former recipients of assistance.
- The number of new paternities and new orders established each year has remained almost flat. However, total collections have risen from \$14.3 billion in FY 1998 to \$15.8 billion in FY 1999.
- The bulk of collections (\$9.5 billion) are being made for never assistance families. Nonetheless, \$6.3 billion was collected for current and former assistance families.
- For current assistance families, the bulk of the collection (\$1.3 out of \$1.5 billion) went to reimburse the state for assistance provided to those families. Thus, these families were not substantially better off as a result of child support collected on their behalf.

⁵ It should be noted that 227 thousand families in the system did not have orders but some support (\$128 million) was collected on their behalf. However, this number is so small that it does not change the basic point.

- For former assistance families, the bulk of the collections (\$3.8 billion out of \$4.83 billion) went to the families. Thus, these families saw a substantial benefit from the collection.
- While more support was collected, the percentage of current support collected rose only 1 percent and the percentage of arrears collected went down by one percentage point. In part, this reflects a substantial adjustment in the amount of arrears due. The amount has now reached almost \$72 billion.

While the overall tone of this report is positive, some of the individual state data is troubling. Some states are making dramatic strides while others are performing even worse than they were a year ago. For example:

- In fiscal year 1999, sixteen states increased the number of support orders established by more than 10 percent over the prior year's performance. In five of these states (Guam, New Jersey, Texas, Virginia and Wyoming) the improvement was more than 50 percent. However, 22 states saw a drop of more than 10 percent in that number. In seven of these states (Alaska, Arkansas, Connecticut, Georgia, New Mexico, Puerto Rico, and South Carolina), the drop was more than 50 percent. See Table 3.'
- In fiscal year 1999, thirty-two states increased the number of paternities established by more than 10 percent over the previous year's performance. In fourteen of these states (Connecticut, District of Columbia, Idaho, Indiana, Iowa, Maine, North Dakota, Ohio, Oklahoma, Pennsylvania, Tennessee, Virginia, Wisconsin and Wyoming) the improvement was more than 50 percent. However, sixteen states saw a drop of more than 10 percent in that number. Of these states, six (Arkansas, Kansas, New Hampshire, North Carolina, Puerto Rico, and South Carolina) experienced declines of more than 50 percent.
- Seven states (Alaska, Arkansas, Missouri, New Hampshire, North Carolina, Puerto Rico, Rhode Island) saw a substantial drop in performance in both establishing support orders and in establishing paternities. Seven states (Guam, Idaho, New Jersey, Oklahoma, Pennsylvania, Virginia, and Wyoming) saw substantial improvement in both categories.
- Of the seven states with a substantial drop in performance between fiscal years 1998 and 1999, four (Alaska, North Carolina, Puerto Rico, and Rhode Island) also had a decline in their success in establishing support orders and/or paternities between fiscal years 1997 and 1998 according to the 23rd Annual Report to Congress. While three year's worth of data is not enough to draw conclusions, there is clearly a need to watch these states to see if FY 1999 was an aberration or a harbinger of potential problems.

CONCLUSION

The three reports suggest that the child support system is making slow progress. In many states there has been substantial improvement in program performance. However, this success is counterbalanced by the number of states where progress is either very slow or non-existent. Much still needs to be done to make child support a reliable source of income for children being raised in single-parent families.

Table 1

Comparison of IV-D Program Performance FY 1998 and 1999

	1998	1999
Total Caseload	19.4 million	16.4 million
Current assistance	5.6 million	3.6 million
Former assistance	NA	6.8 million
Never assistance	NA	6 million
Number Paternities Established		
IV-D	1.4 million	1.5 million
Other	848,171	811,201
Other	614,385	734,975
Number Orders Established		
Current assistance	1.1 million	1.1 million
Former assistance	412,529	303,872
Never assistance	NA	383,045
Never assistance	NA	466,565
Total Collections		
Current assistance	\$14.3 billion	\$15.8 billion
Former assistance	\$ 2.6 billion	\$1.5 billion
Never assistance	NA	\$4.8 billion
Never assistance	NA	\$9.5 billion
Amount Current Support Due		
Amount Current Support Collected	\$18.7 billion	\$21 billion
% Current Support Collected	\$9.5 billion	\$11 billion
% Current Support Collected	51%	52%
Amount Arrears Due		
Amount Arrears Collected	\$47 billion	\$71.9 billion
% Arrears Collected	\$3.9 billion	\$5 billion
% Arrears Collected	8%	7%
Total Cost		
Federal share	\$3.6 billion	\$4 billion
State share	\$2.4 billion	\$2.7 billion
State share	\$1.2 billion	\$1.3 billion
Cost Effectiveness	\$4.00	\$3.92

Sources: OCSE's 23rd Annual Report to Congress for FY 1998 and Child Support Enforcement FY 1999 Preliminary Data Report, Table 2.

Table 2

Preliminary FY 1999 Performance Data for Assistance,
Post-Assistance and Never Assistance IV-D Cases

	Total	TANF/ IV-E	Post Assistance	Never Assistance
Number of Cases	16.4 million	3.6 million	6.8 million	6 million
Number of Cases with an Order	9.9 million	1.6 million	4.5 million	3.9 million
% of Cases with an Order	60%	44%	66%	64%
Number of Cases with an Order and a Collection	6.1 million	871 thous	2.7 million	2.5 million
% of cases with an Order and a Collection	62.5%	55%	62%	66%
% of All cases in Which a Collection is made	37%	24%	40%	42%
Total Distributed Collections	\$15.8 billion	\$1.5 billion	\$4.83 billion	\$9.54 billion
Disbursement of Distributed Collections:				
Assistance Reimbursement	\$2.3 billion	\$1.3 billion	\$1 billion	\$0
Medical Support	\$95 million	\$21 million	\$36 million	\$39 million
Family	\$13.4 billion	\$113 million	\$3.8 billion	\$9.5 billion

Source: OCSE's Child Support Enforcement FY 1999 Preliminary Data Report

Table 3

State Changes in Performance in Establishing Orders and Paternities
Between FY 1998 and FY 1999

State	% Increase/Decrease in # of Orders Established	% Increase/Decrease in # of Paternities Established
ALABAMA	+15	+20
ALASKA	-67	-30
ARIZONA	+15	-49
ARKANSAS	-55	-74
CALIFORNIA	-10	+10
COLORADO	-15	+24
CONNECTICUT	-65	+101
DISTRICT OF COLUMBIA	-3	+52
DELAWARE	+16	-3
FLORIDA	NA	-21
GEORGIA	-81	+48
GUAM	+65	+31
HAWAII	-32	+12
IDAHO	+44	+55
ILLINOIS	+6	-38
INDIANA	+14	+59
IOWA	-20	+97
KANSAS	+18	-55
KENTUCKY	0	+4
LOUISIANA	+5	-32
MAINE	-29	+56
MARYLAND	+18	-41
MASSACHUSETTS	+19	+1
MICHIGAN	-9	+43
MINNESOTA	-41	+47
MISSISSIPPI	+5	+13
MISSOURI	-37	-30
MONTANA	-23	+30
NEBRASKA	-14	-9
NEVADA	0	+23
NEW HAMPSHIRE	-15	-74
NEW JERSEY	+71	+33
NEW MEXICO	-63	+45
NEW YORK	-2	+12
NORTH CAROLINA	-20	-51
NORTH DAKOTA	+7	+83
OHIO	-7	+56

State	% Increase/Decrease in # of Orders Established	% Increase/Decrease in # of Paternities Established
OKLAHOMA	+34	+152
OREGON	+8	+25
PENNSYLVANIA	+45	+67
PUERTO RICO	-84	-100
RHODE ISLAND	-24	-11
SOUTH CAROLINA	NA	-59
SOUTH DAKOTA	-32	+2
TENNESSEE	NA	+64
TEXAS	+131	+15
UTAH	-34	+22
VERMONT	+11	-35
VIRGINIA	+89	+65
VIRGIN ISLANDS	NA	NA
WASHINGTON	-11	+12
WEST VIRGINIA	+9	-45
WISCONSIN	0	+119
WYOMING	+84	+88