Overcoming the Barriers to Collection

Jo Peters, Ph.D.

Final Report of the Research Project
Child Support Performance Measurements:
A Test for Working Hard-to-Collect Cases

June 1999

Final Report for Grant Number 90FF003801
Submitted to the Office of Child Support Enforcement,
Administration for Children and Families,
U.S. Department of Health and Human Services,
Washington, D.C.

Washington State Division of Child Support
Economic Services Administration
Department of Social and Health Services
P.O. Box 9162
Olympia, Washington 98507-9162

Acknowledgments

This project was partially funded by a grant from the federal Office of Child Support Enforcement, Administration for Children and Families, Department of Health and Human Services. We wish to thank Joyce Pitts, our grant officer in Washington, D.C., for facilitating a one-year extension on the grant. This extension permitted us to track the sample cases longer, conduct more thorough analysis, and produce a much more adequate report.

Early in the project, we met twice to discuss our progress with Vince Herberholt from the OCSE Region X office. We appreciated Mr. Herberholt's interest and participation in these Olympia meetings with DCS management and project staff.

We wish to thank DCS Director Meg Sollenberger for agreeing to the project and for her early interest and support as we got underway. Georgiann DeKay, DCS chief of field operations, graciously agreed to take the Special Collections Unit under her administrative wing and to facilitate the staff's work on the sample cases.

The project director and I wish to express our respect for the successive members of the Special Collection Unit (SCU) staff for their commitment, hard work, and professionalism as they carried out the core experiment of the project. At start-up, Nan Hulse and Jan Husby established SCU's procedures and set the course. As barriers surfaced, they remained committed to the work's importance and to making a difference in collections, while recognizing that the research priority must be accurate representation of the real environment of child support enforcement. Jan Husby remained with the project through much of the follow-up analysis period. With grace and (generally) good humor, she endured the successive transitions from familiar SEO pursuits of "skip tracing," "bank hits," and phone negotiations to less-favored research activities of tallying parents in prison and coding data capture sheets.

Ken Forgy and Thea Mounts, both MAPS Unit staff members at the time, provided indispensable technical assistance with the sampling and periodic data runs. Nina Woodward turned my vague idea into a finished cover design.

Finally, I wish to thank Carol Welch for offering the opportunity to be research investigator on this project and for her constant support as the process unfolded. She provided leadership in holding together the diverse elements within the project while granting freedom to pursue the research where it led. Those who have worked with Carol know her special combination of qualities as a manager: a ready sense of humor, constant support, leadership in developing initiatives, and respect for individual judgment. Her first priority is the integrity of research. Research is of no value to policy makers, managers, or other researchers unless it provides an accurate picture of what exists.

This final report relies on the hard work of numerous individuals. Nevertheless, the responsibility for data analysis, interpretation of findings, and research judgments is entirely my own.

Jo Peters

Contents

page

Executive Summary ix

1. Project Plan 1

Research Design 2
Expected Outcomes 6

2. Project Work and Initial Findings 9

Special Collections Unit Work and Evaluation Plan 10
Facing the Barriers to Collection 15
Preliminary Reports and Other Project Work Products 18

3. Characteristics of the Sample Cases at Selection 21

Significance of Effective Order 23
Three Perspectives on the Cases 27
How Many Had Paid and How Much? 30

4. Profile of Noncustodial Parents and Their Child Support Debt 33

Multiple Cases and Debt Status at the Time of Sample Selection 34
Impact of Multiple Cases on Sample Case Payment Status 38
Multiple Cases in the Payment History of Cohort 1 46
Payments to Multiple Cases (October 1996-September 1997) 49

5. Project Collection Outcomes 57

Payment Composition 57
Relationship of Project Collections to Prior Payment Record 58
Effective Order Type and Project Collections 60
Treatment and Control Group Outcomes 61
Comparing Groups by Cohort 63
The Impact of Multiple Cases on Project Outcomes 67
Project Payment Outcomes by Case Type 74
Nonassistance Cases 80
Subro-Only Cases 82
Explaining the Special Collection Unit's Success 87
Current Public Assistance Cases 89
A Closer Look at Current Public Assistance Cases 89
What Are the Prospects? 94
New Federal Reporting Categories and Project Outcomes 94

page

Identifying the Underlying Barrier 97
Explaining the Puzzle 99
A Network of Need 102

6. Comparing Private Collection Agency and Special Collection Project Outcomes 103

DCS Experiment with Private Collections on Subro Cases 103
Looking at Outcomes: A Three-Stage Comparison 105
Stage 2: Revised Comparison 106
The Problem of Multiple Cases 107
Standardizing the Unit of Comparison 108
A Note of Caution 109
Stage 3: Is It Harder to Collect on Cases When More Than Two Years Have Elapsed Since Payment? 112
How Important Are the First Six Months? 113
The Critical Difference Between Child Support and Other Debts 116
Is Privatization the Answer for Hard-to-Collect Cases? 117

7. Summary and Recommendations 119

Project Findings and Public Policy 120
Alternatives for Current Assistance Cases 121
Should DCS Use Specialized Collection Units? 122
Defining the Focus and Strategy of a Special Unit 123
Can a Special Unit Be Cost Effective? 124
Should DCS Refer Cases for Private Collection? 126
Case Closure Recommendations 127
Recommendations for Improving Collections 129
Other Recommendations for DCS 131
Conclusion 133

Appendixes

A. Project Time Line 135

B. Special Collection Unit Recommendations 139

1. Overview and Recommended Best Practices
2. Implementing Specialized Collection Units in Field Offices
3. Work Flow Chart

C. Final Review Form 152

D. Project Staff 155

Exhibits

page

Tables

3.01 Case Characteristics at Sample Selection 22

3.02 Effective Order Type and Payment Status of Cases at Sample Selection 24

3.03 Effective Order, Case Type, and Payment Status at Sample Selection 25

3.04 Total Collected on Sample Cases Before Sample Selection by Payment Level and Share of Total Dollars 30

3.05 Percentage of Cases with Current Support Collected Prior to Sample Selection. 32

4.01 Profile of Noncustodial Parents and Their Child Support Obligations by Number of NCP's Cases. 36

4.02 Case Payment and Debt Status at Time of Sample Selection by Number of Noncustodial Parent's Cases. 39

4.03 Contribution to Total Sum Collected on Sample Cases Before Selection: By Number of Noncustodial Parent's Cases (in Percentage). 41

4.04 Debt Status of Sample Cases at Selection, by Case Type and Number of Noncustodial Parent's Cases. 42

4.05 Payment History of Noncustodial Parents in Cohort 1 for Two Years Prior to Sample Selection. 47

4.06 Payments Made by Noncustodial Parents in the Sample to All of Their Cases (October 1996-September 1997). 50

4.07 Impact of the Algorithm on Payment Patterns of Noncustodial Parents (October 1996-September 1997). 54

5.01 Relationship of Project Collections and Prior Collections 59

5.02 Project Payment Outcomes by Effective Order Type. 60

5.03 Comparison of Treatment and Control Group Payment Outcomes 62

5.04 Payment Outcomes by Cohort: Comparing Treatment and Control Groups. 65

page

5.05 Child Support Debt Status of Noncustodial Parents at Project's End. 69

5.06 Payment Outcomes on the Sample Case by Number of Noncustodial Parent's Cases. 70

5.07 Payments Made by Noncustodial Parents in the Sample to All of Their Cases (October 1996-June 30, 1998) 73

5.08 Summary of Project Payment Outcomes by Category of Sample Cases 75

5.09 Comparison of Payment Outcomes by Case Category and Group 78

5.10 Payment Outcomes on Cases That Changed Type 79

5.11 Nonassistance Cases: Comparison of Payment Outcomes 81

5.12 Subro-Only Cases: Comparison of Payment Outcomes 83

5.13 Subro-Only Payment Outcomes by Number of Cases and Group 85

5.14 Current Assistance Cases: Comparison of Payment Outcomes 90

5.15 Current Public Assistance Cases, Case Type Changes, and Project Payments 92

5.16 Payment Comparisons on Current Public Assistance Cases with Type Changes (Detail on Table 5.15) 93

5.17 Federal Public Assistance Status of Sample Cases and Payment Outcomes 96

5.18 Public Assistance Patterns/Associations of Treatment Cases 98

5.19 Comprehensive Assistance Patterns of Treatment Group Cases and Noncustodial Parents 101

6.01 Preliminary Comparison of Private Agency and DCS Project Collections on Cases Initially Defined as Subro-Only 106

6.02 Comparing Payments on Subro-Only Cases: Special Collections Project and Private Collection Agency Outcomes 111

6.03 Comparing SCP and Private Agency Collections: A Look at Subro-Only Cases with No Payments in Previous Two Years 113

6.04 Significance of First Six Months to Project Collections on a Subsample of Subro-Only Cases 115

Page

7.01 Measuring the Cost of Lessons Learned 125

7.02 Special Collections Unit Expenses (October 1996-June 1998) 126

7.03 Possible Next Steps for Treatment Group Cases: Final Reviews by SCU Staff..... 128

Figures

3a. Sample cases by case type. 28

3b. Share of total arrears on cases at selection. 29

3c. Sample cases in proportion to total collected prior to selection. 29

4a. Proportion of noncustodial parents with multiple cases..... 35

4b. Sample cases by case type and number of noncustodial parent's cases. 43

4c. Total arrears on sample cases by case type and number of noncustodial parent's cases. 44

4d. Total collected on sample cases by case type and number of noncustodial parent's cases. 45

4e. Payment patterns of parents in cohort 1 (October 1994-September 1996). 46

4f. Payments made by noncustodial parents in cohort 1 (October 1994-September 1996). 48

4g. Comparison of total amount (summed) paid to sample cases and all noncusodial parents' cases (October 1996-September 1997). 51

4h. Total paid on all cases by number of noncustodial parent's cases (October 1996-September 1997). 52

4i. Total paid on the sample case by number of noncustodial parent's cases (October 1996-September 1997). 52

4j. Payment patterns of the noncustodial parents in the sample (October 1996-September 1997). 53

4k. Impact of the algorithm on sample case payments (October 1996-September 1997). 55

page

4l. Payment patterns by case type (October 1996-September 1997). 56

5a. Source of payments on sample cases during project. 58

5b. Cumulative collections over time (excluding IRS offsets, L&I, and unemployment compensation). 63

5c. Payment patterns of the noncustodial parents in the sample (October 1996-June 1998). 71

5d. Allocation of total sum collected from noncustodial parents in the sample among all their cases (October 1996-June 1998). 72

5e. Cumulative collections on sample cases by case type during project (including all payments) 77

5f. Cumulative collections on subro-only cases (excluding IRS offsets, L&I, and unemployment compensation) 84

5g. Source of payments on subro-only cases: treatment group 86

5h. Source of payments on subro-only cases: control group 87

Executive Summary

This final report presents the findings of the research project Child Support Performance Measurements: A Test for Working Hard-to-Collect Cases. The Washington State Division of Child Support (DCS) began this project in October 1996 with federal funding assistance to study how to improve collections on delinquent child support cases. DCS set up the project to determine whether improved collections on difficult cases might improve performance on five of the federal performance indicators.

The research project was partially funded by a grant from the federal Office of Child Support Enforcement. Originally approved as a seventeen-month project beginning in October 1996, it was extended for another year (through February 1999).

The purpose of the project was to improve collections on hard-to-collect child support cases. Hard-to-collect cases were defined as open IV-D cases with debts over $500, on which DCS had not collected a payment within the preceding six months, except for IRS offsets. The core experiment of the project was to assess the effectiveness of assigning hard-to-collect cases to a specialized unit within the child support agency.

The project examined a sample of 3,937 cases meeting the central definition, drawn in eight cohorts. Half the group was randomly assigned to a treatment group and half to a control group. DCS created a small unit, the Special Collections Unit (SCU), to work the treatment group cases. The control group cases remained within the regular field office case load, and staff could not identify them as sample cases. SCU applied comprehensive and aggressive locate and collection methods to the treatment cases, attempted to reach noncustodial parents by telephone and letter, and negotiated payment arrangements. Collection work and tracking of the cases continued through June 1998.

Payment Outcomes

The Special Collections Unit formed for this project did produce higher payment outcomes than the control group. Taking treatment and control group cases together, DCS collected a total of $1,903,585 on the sample cases during the project tracking period. The treatment group provided 52.2 percent of this amount, compared to the control group's share of 47.8 percent. When we exclude automated matches (IRS, L&I, unemployment compensation), the treatment group contributed 54.6 percent, compared to the control group's 45.4 percent, a difference of 9.2 percent. The difference in the proportion of cases

making a payment (treatment 34.1 percent; control 30.2 percent) was statistically highly significant.

One of the difficulties in comparing collections on sample cases is that many noncustodial parents have more than one child support case. Payments are distributed according to the distribution algorithm, and do not necessarily end up applied to the sample cases. When we compared payments by noncustodial parents to all their cases, we found that treatment group parents were more likely to make a payment and the difference in group means was 14.6 percent higher for the treatment group parents. Both of these differences were statistically significant.

The difference SCU made in collections was in fact limited to particular case types. The greatest contrast was on subro-only cases. Depending on the measure selected, the treatment group paid from 1.7 to 2.7 times as much as the control group on subro-only cases. SCU also made a significant difference on nonassistance cases. However, treatment and control results were approximately equal for cases that changed type during the project. We also found that SCU work made no difference on current assistance cases, the most disappointing result to staff.

Barriers to Collection

Apart from payment outcomes, the most notable finding of the project was the pervasiveness of serious, recurring barriers to collection. The documentation of the extent of such obstacles was new to DCS. We believe these findings may be of interest to other child support agencies as well.

Three major barriers were noteworthy from the beginning.

1. The prevalence of multiple cases. Almost half of the noncustodial parents have multiple child support cases ranging from two to twelve. Taken together, the current support and total arrears owed on their cases may be impossible to pay. Moreover, multiple cases are not simply an indication that the parent has more than one child. Rather, they are frequently an indicator of family instability and continuing problems.

2. The number of noncustodial parents currently and recurrently on public assistance or SSI. Over 30 percent of treatment group parents received grants at least part of the project period. Many cases reveal long histories of intermittent employment, physical or mental illness, substance abuse, or other problems.

3. The extraordinary number of noncustodial parents with corrections records. Of treatment group noncustodial parents, at least 12.2 percent were incarcerated at some time during the project, and at least 30.6 percent had Department of Corrections (DOC) records.

These barriers are an important factor in explaining project collection outcomes on current assistance cases. Many current assistance cases appear to be part of a network of need that unites the sample case family, the noncustodial parent, and other children of that parent in other cases. In looking at this network, it is important to consider both federal and state-funded assistance, the sample families and noncustodial parents, and the additional child support cases that parent has—often with other children on public assistance. Rather than viewing the noncustodial parent as the independent individual whose child support could help in removing the family from public assistance, it may be more appropriate to see that parent as part of the community of need that the Department of Social and Health Services exists to serve.

Implications and Recommendations

This project began in response to changes in federal child support regulations that accompanied welfare reform. Under these changes, reimbursement will be based on the child support agency's performance as measured on several indicators. Reimbursement rates will also differentiate among cases that are current public assistance, former public assistance, and never assistance.

Welfare reform has been an important effort of Washington State agencies. Agencies work together to implement job training and help parents find employment to get off and stay off welfare. And as welfare reform and economic boom have lowered welfare rolls, pressure grows to increase collections on the remaining current assistance cases. Improving collections on current assistance cases is of great concern to DCS. Statewide agency and local field office task forces wrestle with the issue.

Yet project findings suggest that DCS is least likely to improve collections on the category of cases that federal reimbursement regulations now favor. They strongly indicate that special collections units aimed at current assistance cases are not worthwhile.

In the face of these findings, we suggest two alternative approaches for special units formed to improve collections on current assistance cases.

SCU's role in the project just concluded was to demonstrate the value of aggressive collection work--the traditional work of support enforcement officers or other bill collectors, but done better than by the average worker. That traditional purpose is to maximize collections.

If a special unit wishes to adopt this traditional purpose of maximizing collections through good support enforcement practices, they could target current assistance cases, but also refine the sample to exclude those noncustodial parents with barriers to collection. That is, exclude current assistance cases if the noncustodial parent has a personal history of public assistance or SSI, or the parent has multiple child support cases, or the parent was recently incarcerated. If these restrictions leave only a small sample of cases available, that in itself is important information to gain.

An alternative approach is to target current assistance cases precisely because there are barriers to collection—because the noncustodial parent has multiple cases or an unfavorable history. This approach requires an alliance with another agency whose function is to help adults with the particular problem. Even better would be an interagency effort to provide multiple assistance to individuals with difficult employment histories. For this approach negotiation skills and willingness to work with representatives of other agencies are the primary skills demanded of the SEO rather than locate and traditional "skip trace" know-how.

There are several recommendations from this project.

Use of internal special units for targeted collection efforts. An internal special collection unit can be a valuable tool for DCS in pursuing certain kinds of hard-to-collect cases.

The critical question is to define the focus and strategy of a special collection unit. *What will be its purpose, and what kind of cases will be assigned to it?*

In the research project just concluded, the Special Collections Unit's purpose was to maximize collections through aggressive collection methods, demonstrating the value of traditional support enforcement work when practiced well. They undertook this exercise on a broad random sample of delinquent child support cases. This sample included many cases with severe, recurring barriers to collection.

There is not a point in simply replicating the research project we have just concluded. *It is not cost effective to combine such a broad sample (focus or target) with the strategy of maximizing collections through traditional support enforcement collection work.*

Will the unit's purpose be to intensify locate and collection activity on a group of cases to maximize collections? Then the first step must be to screen the cases—to develop an effective sample—that eliminates noncustodial parents with the barriers to collection discussed in these findings.

One reason for such a unit is quality control. When a group of cases, such as subro-only cases, do not have active champions, a special unit can provide representation for such "orphan" cases. A special unit can also pursue other delinquent cases effectively, provided that the sample is adequately selected.

Such a unit could be established within state office or, more likely, within a field office. Selected cases should be removed from the regular field case load and assigned temporarily to the special unit. Dual control of cases—shared responsibility between field and special staff—does not work well. Consequently, the case load per staff member in the special unit should be smaller than the SCU case load in the project, probably a maximum of 300 per support enforcement officer.

Where the purpose of the special unit is locate of debtors and assets, we recommend that staff be assigned on a rotating basis for six to nine months, but certainly with overlapping terms. Cases should be assigned to this unit for limited periods of time (perhaps about nine months).

On the other hand, there are other purposes for a special collections unit, even one that deals exclusively with hard-to-collect cases. Here barriers to collection are precisely the focus of the effort and the reason for choosing the sample. For such specialized units, frequent rotation of staff and cases probably does not make sense. Rather, continuity will be important so that the SEO can develop ongoing communications with the noncustodial parent and other agency representatives.

This second type of special collections effort will probably not produce immediate results. It may require DCS to be willing to lower payment amounts and write off some arrears. Because it is intensive, it will be expensive. Ultimately, however, it may improve child support collections in Washington State. The reason is that it will harness the assistance of other agencies in removing barriers to collection.

Should DCS refer delinquent cases for private collection? One purpose of this project was to help determine whether DCS should refer hard-to-collect cases to a private collection agency.

DCS had initiated an experiment to see whether a private agency could improve collections on subro-only cases meeting certain criteria. We conducted a three-way comparison of private collection agency results with treatment group and control group collections in the project. We found that on every measure treatment group outcomes were much better than private collection outcomes. On some measures control group outcomes were fairly equivalent to those of the private collection agency.

We do not recommend referral to private collection. To improve collections on very delinquent subro-only cases, it makes more sense to use an internal special unit. The internal unit will collect more money, and it will be cost effective for an internal unit to do so when the proper screening of cases is provided.

Case closure recommendations. Current federal closing criteria are quite restrictive. Despite the large proportion (37.7 percent) of sample cases on which DCS has never received a payment, very few can be closed under current criteria. After the project tracking period ended, federal closure criteria were eased slightly, but even the new criteria would only permit closing a handful of the uncollectible treatment group sample cases. Basically, the old criteria remain. Moreover, the old federal closure criteria do not mesh well with the new reimbursement rules. The mass of uncollected arrears on uncollectible cases enlarges the denominator in the federal reimbursement equation. Child support agencies are in a difficult position.

Given the size of the barriers to collection, child support agencies need a broadening of the case closure permissions. Presently some case closure reasons permit no reopening, others permit reopening if circumstances change. Perhaps cases could be closed for particular reasons with an automatic review for reopening in two or three years. One such reason for closing would be when the noncustodial parent remains on SSI or other assistance for a year. Another would be incarceration of the noncustodial parent.

In addition to changing the restrictive federal case closure criteria, DCS would be helped by certain changes in Washington State law and regulations. Washington has a very long statute of limitations on child support debts. We recommend that DCS management and DSHS reconsider the advisability of such a long statute and make appropriate recommendatons.

Most of the debt owed on these hard-to-collect cases is owed to DSHS or the state of Washington as subrogated arrears. Provisions exist to forgive such debt under certain circumstances. The procedure, however, is cumbersome and requires expensive staff time. The combination of a long statute of limitations and cumbersome procedures for forgiving debt makes it difficult to remove many unworkable cases from the books. We recommend that the state review the provisions and, in cooperation with DCS management, design streamlined procedures to implement them.

Recommended best practices. Special Collections staff developed a set of recommended best practices. These were presented to DCS management and made available to staff through the intranet. (See Appendix B.)

Despite considerable obstacles, SCU staff did make a difference in collections on the treatment group cases. Their recommended best practices have the broadest applicability of any project recommendations for improving collections. The work of special units can make an impact only on limited categories of cases. Without broad changes in state and federal regulations, DCS cannot close most of the cases with serious barriers to collection. Consequently, the best hope for improving collections is to strive to improve SEO work in the field.

Other recommendations for DCS. Other recommendations include developing a data match with the Department of Corrections, enhancements to SEMS screens, and providing a more efficient means of determining whether a case is currently workable.

Overcoming the Barriers to Collection

This final report presents the findings of the research project Child Support Performance Measurements: A Test for Working Hard-to-Collect Cases. The Washington State Division of Child Support began this project in October 1996 with federal funding assistance to study how to improve collections on delinquent child support cases.

The Division of Child Support (DCS) has worked with the federal Administration for Children and Families and Office of Child Support Enforcement to develop strategic plans that include performance-based results, service quality, and customer satisfaction. Washington State has been a pilot state for the early performance indicators developed by OCSE. DCS set up the project to help improve performance on the test cases in five of the adopted performance indicators. Those indicators are: (1) Total dollar amount collected in IV-D test cases; (2) collection rate for current support; (3) percentage of IV-D cases with orders where some child support is paid; (4) collection rate for arrearage; and (5) total dollars collected per $1 of expenditures.

The research project was partially funded by a grant from the Office of Child Support Enforcement. Originally approved as a seventeen-month project beginning in October 1996, it was extended by OCSE for another year (through February 1999).

1. Project Plan

The purpose of this project was to improve collections on hard-to-collect child support cases. Hard-to-collect cases were defined as open IV-D cases with debts over $500, on which DCS had not collected a payment within the preceding six months, except for IRS offsets. The core experiment of the project was to assess the effectiveness of assigning hard-to-collect cases to a specialized unit within the child support agency.

Project staff included collections personnel and a research investigator. The manager of the research unit (Management and Program Services [MAPS Unit]

in DCS state office provided overall project supervision. The full-time project research investigator was part of the MAPS Unit. Two other MAPS staff members provided occasional assistance by drawing cohort samples and extracting data from the flatfile that the project researcher then used to develop the project data files.

DCS created a small collections unit for the project in state office, called the Special Collections Unit (SCU). SCU staff participated in project staff meetings and communicated frequently with the research investigator and MAPS manager. However, they were hired by and reported to the chief of Field Operations, who supervises the field office managers.[1] Initially, SCU consisted of two trained support enforcement officers and a support enforcement technician. The leadworker had specialized "skip trace" training in the private sphere before joining DCS and also had extensive collections experience both in a DCS field office and state headquarters. The other support enforcement officer (SEO) came directly from a field office and contributed up-to-date knowledge of field practice. From March through June 1998 two collection officers remained to complete the collection activity. Project collection work ended June 30, 1998. One SEO remained on staff into November 1998 to assist with final evaluation.

Research Design

Samples were drawn from the periodic flatfile of cases in the DCS support enforcement case management computer system (SEMS). Sample cases had to meet the project's definition of hard-to-collect cases: open IV-D cases with debts over $500, with no payments in the preceding six months except for IRS offsets. Cases also were screened for additional exclusion criteria (see Sampling Criteria, below).

The central research strategy of the project was an experimental design. Half of the sample cases were randomly assigned to an experimental (test or treatment) group; the other half to a control group. More precisely, each time a list of eligible cases was drawn from a flatfile, a random sample was drawn for the treatment group, and another random sample of equal number was drawn for the control group.

The Special Collections Unit applied comprehensive and aggressive collection methods to the cases within the treatment (experimental) group. At the same time, a treatment group case remained within a field office caseload. The field office responsible support enforcement officer (RSEO) was expected to continue normal case maintenance.[2] Both the RSEO and SCU staff posted case

[1] The MAPS Unit is part of DCS Fiscal Operations, so the MAPS manager reports to the chief of Fiscal Operations.

[2] This system of dual control over cases was adopted so that the small project staff could work a rather large sample of cases. SCU staff could not pursue intensive locate

comments, set review codes, and so forth. Field office staff could identify experimental group cases by information on the SEMS screens. If the noncustodial parent (NCP) called the field office regarding an action taken by SCU, the RSEO was instructed to tell the parent to contact SCU.

By contrast, field office staff could not identify control group cases. Only project staff and some SEMS staff knew which cases had been selected for the control group. SCU staff did not work control group cases. These cases continued to be worked by field offices within normal caseload management standards.

Over the period of the project, project research staff tracked the treatment and control group cases to see whether SCU methods substantially improved collection outcomes for the experimental group. The larger numbers provided by the combined sample also provided a useful basis for analyzing the cases to determine underlying patterns. Different patterns might suggest differentiated treatment.

Cohort Selection

The research design provided for drawing the total sample in increments over the first twelve months of the project. The first cohort was selected almost immediately after the project opened, in October 1996. We drew the final cohort sample in September 1997.

We chose an incremental sampling strategy to ensure SCU staff "fresh" cases. It was obviously not possible for this tiny staff to set up and work 2,000-2,500 cases at once. Had we drawn the entire sample at the outset, case information would have been out-of-date by the time staff could assess all the cases.

Even so, by the third quarter of the project, SCU staff were hard pressed to keep up with new case intake at the rate originally planned. If they continued to process a new group of 250-300 cases each month, they could not maintain adequate follow-up on the earlier cohorts. Consequently, we decided that it would be better to allow adequate follow-up to work the existing cases, even at the cost of sample size. We hoped for a total sample of between 4,000 and 5,000 cases in ten cohorts. Ultimately, we ended up with 3,937 cases divided among eight cohorts.

Although the incremental sampling strategy was chosen by necessity, we gained some added flexibility by its use. For some purposes we compared the total treatment group sample to the total control group. However, where we chose to do so, we had several cohorts to track and compare. For example, we compared the treatment group cases to control group cases within specific cohorts. One research hypothesis we tested was whether the "collections gap" we anticipated between the two groups would be widest for the first cohort, then gradually

---

and collection activity on a sample of any size and still do all necessary normal case maintenance on the cases.

narrow by the final cohort. Another issue was whether the "collections gap" would continue to widen or would peak within six months, indicating that the benefits of a special collections effort were likely to be short-lived.

On the other hand, the incremental sampling strategy had the ensuing disadvantage of providing different collection periods to track. The first cohort was tracked for twenty months, the last for only nine months. Obviously, using the mean amount collected for the project as the main outcome measure would disguise a great deal of variation. Consequently, we devised an alternative measure, the average monthly collections per case, which divides the amount collected on the case by the months that case was tracked within the project.

However, we still found it necessary to have a consistent time period to analyze the impact of temporary hardship and multiple cases on the payment records of noncustodial parents in the sample. Consequently, we gathered additional payment detail extending back before the project on some cases and constructed two additional project data files. (These data files are discussed below in chapter 4.)

Sampling Criteria

To be included within the sample, a case had to meet all of the following selection criteria.

- Open, IV-D case.
- Washington case or Responding Interstate (not Initiating Interstate).
- No payment within the past six months, excluding IRS offsets.
- Arrears on the case greater than $500.

Sample criteria permitted both arrears-only cases and cases with current support owed. Sample cases included nonassistance, AFDC, AFDC foster care, subro-only, state-funded foster care, and medical enforcement only case types.

Sample criteria excluded cases with any of the following characteristics:

- Closed case of any type.
- Initiating Interstate case.
- Payment Services Only (non-IV-D) case.
- Medical or Paternity-Related Subro only case.
- Retained Support case (i.e., debt owed by custodial parent).
- *Level A good cause* case.
- Tribal Services/Collections case.
- Payment applied to the case within six months before the sample draw date, other than IRS offset.
- Arrears below $500.
- Bankruptcy stay.
- Noncustodial parent deceased.
- Case referred to prosecutor's office for contempt.
- Noncustodial parent has another case already drawn for the sample.

Research Hypotheses

In comparing collection outcomes we began with four hypotheses:

1. Overall, treatment group cases should show a higher average (mean) amount paid. While control group cases reflected regular field office attention, treatment group cases would receive SCU staff's intensive collection efforts as well as normal field case maintenance.

2. Special collection efforts should have greater impact on some case types than on others. We expected that the differential between treatment and control groups would be greatest in nonassistance cases. Collection rates are higher among nonassistance cases anyway, and in general there appears to be more disposable income among noncustodial parents in nonassistance cases. Where there is more disposable income, skilled collectors should make more impact. Parents in particular case types may be much more likely to have severe financial problems. We recognized that SCU's concentrated efforts might not improve collections in some categories because the money was not there to collect. For example, payment rates in AFDC foster care cases have always been especially low. These parents appear to be the "poorest of the poor" among the DCS case load.

3. SCU work should have more impact in collecting payments that are not automatically generated by computer matches. The more initiative required by the collector, the more impact SCU would have. By contrast, there would be little, if any, difference between the treatment and control groups on amounts collected through automated matches.

Three types of payments collected through automatic computer matches are important sources of child support payments. The largest amount is collected through IRS offsets. Each year DCS and all other state child support agencies certify their list of debtors to the IRS. The IRS then matches the list against taxpayers due to receive federal tax refunds. The amounts withheld from tax refunds and sent to DCS are the only payments received on some child support cases. DCS also has automated data matches with the Washington State Department of Labor & Industries and with Employment Security. When a match is found with a noncustodial parent, child support can be withheld from unemployment compensation or worker's compensation (L&I, disability payments). These automated matches do not require the SEO's locate efforts.

By comparison, locating a noncustodial parent's source of income or assets without the data matches that SEMS provides requires the SEO's time, initiative, effort, knowledge of resources, and skill.

The DCS cash processing system uses distinctive payment type codes for IRS offsets, L&I, and unemployment compensation collections. We therefore were able to track these automated payments separately. We expected that the gap

between treatment and control group payments would widen if we excluded IRS offsets from the total. We expected that the gap would widen even more when we excluded L&I and unemployment compensation payments as well.

4. We expected that SCU efforts would show increasing momentum over time. Therefore the spread between treatment and control group outcomes should be greater for the earlier cohorts drawn. The difference should narrow with each successive cohort drawn.

Expected Outcomes

As outlined in the original research proposal, DCS expected at least three outcomes from the project:

- On some cases, "DCS will improve both current support and arrears collections."
- On other cases, "DCS will improve collections but determine that our costs exceed a reasonable threshold. As a result, DCS may recommend that certain types of cases be referred to a private collection agency. Or we may recommend changes to federal case closure rules."
- DCS will "document best practices which we can use in training field staff on hard-to-collect cases. In those best practices, we expect to determine optimum caseload sizes for hard-to-collect cases and recommend 'skip trace' methods that can be adopted by the field and other states."

As explained above, the major purpose of the project was to improve collections on hard-to-collect cases. Demonstrated successes of the Special Collections staff would be used to improve field staff collections of both current support and arrears—to enhance DCS performance as measured by the federal performance indicators.

Documentation of Effective Collection Practice

As outlined in the proposal, the second goal of the project was to develop collection techniques for hard-to-collect cases that could be applied broadly to other states' case management practices as well. From the outset an objective of the project was to build documentation of effective practices and from this documentation to develop formal recommendations for best practices.

Special Collection Unit staff developed a set of recommended best practices. This information was presented to management, incorporated into training modules, and made available to staff over the intranet.

The challenge, however, for a research project was to develop documentation for these practices that went beyond impressionistic or anecdotal snapshots. In the last months of collection activity, project staff together designed a data

capture (Final Review) form. The form was developed to help collection staff translate their assessment of a case into data that could be entered into project data files. We intended to use the reviews to enhance our case profiles and to provide evidence to support best practice recommendations. The form was scannable so that after the staff member filled out the paper copy the form could be scanned into a computer file. A copy of the form is included as an appendix to this report. The success of the Final Review form is discussed further in the second chapter.

Comparison of Special Collection Unit and Private Collection Agency Effectiveness

In recent years a number of states have attempted privatization of some child support functions. At the request of the Washington State Legislature, in 1997 DCS began an experiment of sending some difficult-to-work cases to private collection. All of the cases selected were subro-only. Subros seemed to be requiring much staff effort for little pay-off. Except for case type limitation, the criteria for sample selection were somewhat similar. We had a comparable period for comparison. And the cases were all DCS child support cases with records on SEMS.

The private collection agency experiment was not conducted by MAPS and had no formal connections. However, we were able to obtain this DCS data and build a file of subro-only cases using both the Private Collection and Special Collection Project cases. This allowed us to go beyond our proposal. Rather than assume that referral to private collection would be a viable next step, we compared outcomes-—private collection, SCU treatment group cases, and field control group cases—to see whether private collection agencies produce better results. This study is included as chapter 6.

Recommendations for Case Closure

Our proposal stated (p. 34) that:

"DCS will determine whether the project results indicate that DCS should close cases in which we have not collected support. If DCS determines that case closure in the most appropriate action, we will provide a profile of case characteristics which we believe indicate that closure is the most appropriate action. In addition, we will recommend revised case closure rules to OCSE."

Obviously, we could expect that among these hard-to-collect cases are many that field office staff would have been happy to close. If cases had met the federal criteria for case closure, they would probably have already been closed. During the project, as SCU staff reviewed the cases, they did recommend to field staff that they close a few of them. And over the period of the project, 388 sample cases were closed for various reasons. But most sample cases were not closable. Hence the weight of this provision is on recommendations for revised closure criteria.

In building data files we collected extensive information about the history of the case and the noncustodial parent. We correlated payment outcomes with these variables and attempted to construct a profile of cases that are not collectible. We also studied payment patterns in an attempt to understand what kind of cases are likely to have temporary periods of nonpayment and which are likely to be constantly in arrears. A major finding of this study was the high proportion of hard-to-collect cases on which there are serious long-standing barriers to collection. These barriers are discussed extensively throughout this report, especially in chapters 2, 4, and 5. A summary and some recommendations are presented in the concluding chapter.

2. Project Work and Initial Findings

Project work can be divided into three stages. For the first fourteen months project staff went through an intensive process of setting up procedures, training staff, and beginning work on each successive cohort sample. For collection staff this involved intake, locate, and initial collection actions on over 1,900 treatment group cases.

The project began on schedule in October 1996. Staff were hired and trained. The new Special Collections Unit was set up with equipment and a new 1-800 telephone number. SCU staff and research staff met several times to discuss the work plan, refine the sampling criteria, review the first cohort sample in detail, and update each other on the work. Full-time project staff consisted of a research investigator and three SCU staff members (two support enforcement officers and a clerical support enforcement technician).

The DCS Director of Field Operations sent a memo to field offices describing the research project. The memo explained the status of experimental group cases and requested staff cooperation.

During the first quarter (October-December 1996) we drew the first two cohort samples (both very large). Through the next months we selected six more with the eighth and final cohort selected in September 1997. Intake and initial actions were concluded by the end of October.

In February and again in June of 1997 project staff met with members of the federal Office of Child Support Enforcement (OCSE) Region X Advisory Group. Members of DCS management also participated in these meetings. These informal discussions about the project's initial findings were part of the ongoing cooperation of DCS with Region X in developing performance indicators.

The second stage of project work began in November 1997 and continued through June 1998. During this period collection staff (SCU) concentrated on follow-up locate and collection work. They continued to pursue locate and collection actions on the treatment group cases. They intensified their telephone contacts with noncustodial parents. One SEO worked alternate hours one evening per week in order to reach parents and locate sources by telephone. The second checked again on those noncustodial parents who had been on TANF, searching ACES (the public assistance data management system) and other sources to see whether the parent had found employment.

Project staff met numerous times to discuss initial findings and payment outcomes. Together they developed a data capture form, used to translate SCU actions and case assessments into elements for a data file.

In addition to regular quarterly progress reports, the research investigator wrote a larger Interim Report summarizing characteristics of the sample cases, the debt histories of the noncustodial parents, and initial project collection outcomes.

In February 1998 the support enforcement technician's position ended. In June one SEO returned to the field office, since collection work was completed.

As collection activity ended, the Chief of Field Operations sent an update on the project status to field office staff. The message informed them that the project staff would be directing further customer contact to the field office.

The final stage of the project began in July 1998. The SCU leadworker remained with the project until November 1998. During that period she completed final case reviews and returned copies of legal notices to field offices. She drafted recommendations for best practices and submitted them to DCS management. She had completed data capture forms on about half of the treatment cases before accepting a permanent field office position. The research investigator remained on the project to complete data analysis and write the final report.

Please refer to the *Project Plan Time Line Chart* (Appendix A) for more detail on the sequence of project work.

Special Collections Unit Work and Evaluation Plan

Special Collections Unit (SCU) staff began work on schedule in October. They created a detailed work plan outlining the steps to be taken when they receive a case. The plan detailed the tasks to be done and provided for various contingencies, depending upon whether a current employer was found, the noncustodial parent responded to the first letter, etc. The plan included a case checklist (emphasizing locate sources) used for each case. A flow chart summarizing the process is included as *Appendix B. Part 3*.

The initial research proposal provided for a warning letter to noncustodial parents in the sample cases. As explained in the proposal, part of the goal of this experiment was to test whether a warning letter would cause an obligated parent to pay all or part of the support debt.

SCU staff accordingly drafted a warning letter to inform debtors that DCS intended to enforce collection of their debt through the Special Collections Unit. It told them the possible legal collection methods that SCU might use to secure collection of the debt. SCU also drafted a follow-up letter to use if an obligated parent responded to the letter by promising to make payment, but then failed to follow through with the promise.

Aside from the warning letter experiment, SCU staff emphasized five major themes in their work. Two of these reflected traditional emphases among child support collectors and other bill collectors. Three others were newer and more controversial for the agency.

1. Their major emphasis was traditional "skip trace" work. The support enforcement officers believed—a belief shared by many seasoned DCS collection staff and supervisors—that in recent years newer staff have not received hard-core, intensive, detail-oriented, locate training. This change occurred partly because staff numbers ballooned in a brief period and partly because of broader training requirements imposed on the agency. Ironically, it also resulted from the help of automated computer data matches. The latter makes many additional resources available, but it also enables staff to set automated review codes and perhaps "coast" a bit.

Accordingly, SCU staff emphasized meticulous, intensive locate work. They used credit bureau reports extensively and searched through state data bases (such as the public assistance computer system called ACES, the Department of Health system, and the Department of Corrections system). They made telephone calls to relatives, ex-spouses, neighbors, and former employers.

2. Use of the telephone was also a traditional tool that SCU staff emphasized. Again, a frequent complaint about new field office staff is that they are "afraid of the telephone." They used the telephone as a locate resource, as mentioned above. They also attempted to establish a working relationship with the noncustodial parent, to gain cooperation, to communicate options and warnings about consequences in a friendlier manner than the official letter, and to negotiate partial payments.

Thus far the role of SCU appeared to be a conservative one of demonstrating the continuing value of traditional DCS collection methods. The traditional methods, however, included continuous upgrading of computer skills and familiarity with new databases.

The initial proposal provided that "SCU members will:

- Vary their hours as needed to enhance collection,
- Use discretion in trying innovative locate and enforcement techniques, and
- Utilize a team approach in ensuring caseload coverage."

3. SCU made only a limited experiment in using nontraditional hours. In spring 1998, they rearranged work hours to allow one staff person to make telephone calls in the early evening one night a week. This proved to be a somewhat complicated procedure because SEMS, the automated case record system, closes down at 6 p.m. each evening. (This is done so that SEMS unit staff can run backups, produce required reports for management and field offices, and perform necessary upkeep tasks.) Consequently, an SEO working in the evening could not access case screens while speaking with a noncustodial parent or relative over the telephone.

Staff therefore printed the screens they expected to need ahead of time, preparing notes for use, and then taking notes on the conversations to record on SEMS the next day. However, this was not the most effective way to conduct business. The SEO could not enter case comments on the conversation or initiate sending of a form until the next working day. There was the risk that something would not get recorded fully. And there was also the risk of a field office SEO not knowing about SCU's previous evening's conversation in time to avoid working at cross purposes.

If such evening hours proved effective and useful, DCS would need to change some aspects of SEMS operation in order to implement an alternate hours environment. As a minimum, SEMS would need to be running one or two evenings each week, and possibly some Saturdays.

4. SCU utilized a team approach in covering the treatment group case load, as suggested in the proposal. SCU used a single staff identification number for the whole team in entering case comments on SEMS screens. They shared responsibility for each case, rather than following the strict individual responsibility characteristic of field office case loads. There was some division of labor for certain tasks, since the leadworker had administrative duties and the SET had clerical duties and could not initiate withholds. However, they all shared locate and telephone tasks. The SEOs trained the SETS to become skilled at locate. (In fact, within a few months, the first SET left to become a field office SEO.)

The team approach appeared to work effectively among SCU staff members. Sharing tasks and cases did not seem to increase friction. Rather, the team approach appeared to enhance morale.[3]

However, SCU staff also shared each case with a field office SEO. Here the experience of sharing was far more uneven. From the outset SCU staff recognized the possibility of friction. They knew collection staff often have a strong sense of ownership of their cases (despite periodic field office reshuffling of case loads). As bill collectors, SEOs often show a strong sense of individual responsibility and competitiveness.

At the beginning of the project, the chief of Field Operations sent out a memo to the field explaining the purpose of the project and eliciting field office cooperation. In setting up their unit procedures, SCU staff attempted to minimize friction. For example, when a new cohort sample was selected, SCU screened the cases to be sure the field office had not initiated a withholding action. If an action was pending, SCU left the case alone until the results were known.

---

[3] The small size and composition of SCU may have played a role here. The leadworker had a large role in selecting the two coworkers initially. There were never more than three individuals at any one time. All were female. It may be that a larger, more diverse group would have shown different results.

Nevertheless, in numerous instances SCU staff encountered conflict with field office staff. Sometimes the field SEO would delete review codes, making it difficult for SCU to track their cases. Occasionally field office staff sabotaged payment arrangements SCU staff had negotiated with a noncustodial parent. Such rivalry was not universal. Many field office collection staff cooperated with SCU and continued to work cases productively. However, the negative interactions generated considerable tension and ill will. They certainly reduced SCU morale.

To summarize, a team approach seemed effective. Sharing case responsibility within a team was workable. But sharing case responsibility between a field office and a headquarters special collections unit does not seem to be a good idea. We suspect that sharing case responsibility within a field office between a special collections unit and a regular staff SEO would also not work. For future projects we would recommend transferring cases out of the regular case load and assigning full responsibility to the special collections team, however defined.

5. Finally, the proposal stated that SCU would use discretion in trying innovative locate and enforcement techniques. Here SCU's most important tool was negotiation with noncustodial parents.

Negotiation is, of course, not new for DCS. It is an everyday aspect of business—in conference boards, in SEO agreements for temporary release of liens so that the noncustodial parent can buy or sell property, in agreements with noncustodial parents for lowered payments on arrears in exchange for waiver of the statute of limitations, etc.

But with the project's sample of hard-to-collect cases, SCU staff dealt with noncustodial parents who had limited income, accumulated arrears, and frequently monthly payment amounts set far too high for them to manage. Even the monthly order amounts for current support seemed unmanageable, let alone the arrears. SCU staff found it valuable to negotiate partial payments with noncustodial parents to encourage them to begin paying.

In a number of instances, they built rapport with noncustodial parents who had found field office staff unreasonable. Noncustodial parents reported that field office staff had rejected partial payments. Field office policy was that the parent had to pay the full current support amount plus some scheduled amount on the arrears.[4] When faced with this scenario, these parents had decided the prudent course was at best to ignore the problem and at worst to drop out of sight.

---

[4] It is not clear when the noncustodial parent was encountering field office policy and when the parent was encountering the "hard line" of a particular staff supervisor or SEO. In discussions of this issue, some current DCS employees insist that it was not general DCS policy or field office practice to be so rigid. However, others say at least some field offices followed this policy in past years. The sample cases are, of course, generally old cases. We have not surveyed field offices regarding current practice.

Here SCU staff found themselves in opposition to a frequently held old-line DCS position. In part, SCU staff decided simply that "something is better than nothing." In part, they wished to avoid the long-time problem faced by collection staff who locate the debtor after considerable effort, try to set up a payment plan, only to have the debtor flee again because field office policy was too rigid to accommodate the parent's situation. But perhaps a more important factor was their perception of the psychology of encouraging regular payment. They attempted to establish rapport through telephone contact. They acknowedged the debtor's income limitation while reaffirming that the debt needed to be paid. They assured the parent of their willingness to work out an accommodation. Partial payments would be acceptable for the time being, so long as the parent lived up to the agreement and kept SCU informed of changes. When income increased, so would payments. If the parent did not live up to the agreement, there would be consequences. The advantage of the approach was to encourage regular (though small) payments and responsible communication.

Documenting Case Assessments

As outlined in the proposal, the second goal of the project was to develop collection techniques for hard-to-collect cases that could be applied broadly to other states' case management practices as well. From the outset an objective of the project was to build documentation of effective practices and from this documentation to develop formal recommendations for best practices.

Special Collection Unit staff developed a set of recommended best practices. This information was presented to management, incorporated into training modules, and made available to staff over the intranet.

The challenge, however, for a research project was to develop documentation for these practices that went beyond impressionistic or anecdotal snapshots. In the last months of collection activity, project staff together designed a data capture (Final Review) form. The form was developed to help collection staff translate their assessment of a case into data that could be entered into project data files. We intended to use the reviews to enhance our case profiles and to provide evidence to support best practice recommendations. The form was scannable so that after the staff member filled out the paper copy the form could be scanned into a computer file. Our original plan was to complete review forms for all the treatment group cases. We hoped also to fill out shortened versions on a sample of control group cases (using just the questions on field staff contacts and locate work).

In the end, however, we ended up with final review forms filled out on only about 45 percent of the treatment group cases and none of the control group. The two collection staff members (support enforcement officers) found it disruptive to do the reviews while trying to complete collection activity. They also feared inconsistency if two persons did the reviews. Consequently, the reviews were done by one person, almost entirely after the end of June 1998.

We encountered technical difficulties with the software program used to scan the paper copies and read them into a data base. Some forms had to be redone—in fact, redone more than once. There were many delays in getting a reliable data file. After that, the data file still had to be read into SPSS, integrated with other data, manipulated, and analyzed. Consequently, there was not an opportunity for valuable staff interaction and feedback while the final reviews were being done. In early November the last SCU member left the project.

Some valuable information was compiled from the data review forms (discussed below). However, the larger lessons were of a different sort. We should have gotten a review form finalized much earlier and worked out the technical difficulties. We could have had SCU staff fill out the forms in different sections. That is, we could have saved the final section of the form (with recommendations) for the end of the project and had a staff member complete that later.

Facing the Barriers to Collection

The purpose of the Special Collection Unit was to demonstrate how much an internal unit could improve collections on cases that were seriously in arrears. The staff's primary focus was on effective locate work—that is, finding employers, locating assets, and, if necessary, locating missing noncustodial parents for whom DCS lacked addresses and sometimes social security numbers. The leadworker had specialized "skip trace" training. Within DCS she had previously worked on a unit that specialized in finding assets of debtors with no evident employment or regular income. SCU staff aggressively pursued locate leads. They used credit bureau inquiries to obtain leads on credit accounts, recent applications for loans, etc. On the basis of credit bureau reports, they initiated subpoenas for bank account and other financial information.

Soon after beginning work, however, it became evident that the major hurdles were not finding parents or assets, serious as those matters were. Rather, the immediate problem was the high proportion of unworkable cases. Behind that was the larger problem of serious, recurring barriers to collection.

Upon screening the first cohort, SCU staff discovered that almost half of the cases (48 percent) were presently unworkable for various reasons. A year later, with all sample cohorts selected, staff found that about 40 percent of the treatment group cases were currently unworkable. In many instances the hindrances were merely temporary. SCU staff reviewed the cases periodically and were able to work many of them later.

The Final Review forms provided for 887 of the treatment cases are instructive here. Of these cases, SCU did not initially pursue 509, or 57.4 percent. Subsequently, they were able to pursue about 30 percent of the 509 cases.

Certainly, it was no surprise to SCU staff that at any one time part of a case load was unworkable. This is the usual experience of field staff as well in working a regular case load. The SEO finds a case temporarily unworkable, sets a reminder code to check again in a few weeks or months, and pursues collection when possible. Dogged persistence is the key to success. But in working a regular case load the pervasiveness of recurrent barriers is not so salient. The SEO works a case load individually, facing a computer screen much of the day, talking with custodial parents by telephone, and facing day-to-day pressures in keeping up with requirements.

By contrast, SCU staff were screening a large number of cases at once, all new to them. The sample included only cases defined as hard-to-collect. Moreover, they were working as a team and discussing cases with one another. When they screened cases and discovered a striking proportion of noncustodial parents were receiving public assistance, or were incarcerated, the patterns became much more obvious. The patterns were discussed with research staff and became part of a data base.

In some respects, the difference in perspective is like the contrast between a clinical and public health perspective. The clinical worker sees individual patients and may have the impression that “there are a lot of these symptoms.” But it takes a public health perspective to assess that “a lot” is an epidemic, or a social problem rather than an individual one.

One option might have been to refine the sampling criteria to exclude more unworkable cases. This would have required a labor-intensive intermediate screening process, because the necessary information would not have been available through an automated sampling process. We lacked the staff to undertake this for control cases.

But, more importantly, had we screened out these cases, the point of the research project would have been lost. We would not have had an accurate representation of the problematic cases with which DCS field staff deal. We would have been assuming something which we needed to prove: i.e., that when cases are seriously in arrears, it is because staff are not effective at locating noncustodial parents, their employers, and their assets. Other factors may also be significant.

Hence the Special Collection Unit continued to work on a sample representative of the population of DCS child support cases that are seriously delinquent.

Temporary roadblocks—such as a bankruptcy stay or finding that a noncustodial parent was living out of state and not reachable through simplified UIFSA methods—were only part of the problem. Far more troubling were the larger number of sample cases with recurrent or ongoing barriers to collection. In some of these cases, DCS was unlikely to collect either during the project or ever in the future. In others, DCS might collect in the future, but only with difficulty and only small amounts of the debt owed. Generally, these are cases in which the parent has severe, intractable problems. Sometimes there are also factors that legally prohibit DCS from collecting.

Three major barriers were noteworthy from the very beginning.

- **The high number of noncustodial parents with multiple cases.** Almost half of the noncustodial parents in our sample had more than one case at sample selection. Over one-fifth had three or more cases each. Taken together, the current support and total arrears owed on their cases may create severe financial burdens for the families and in some cases are impossible to pay. (This issue is discussed in detail in chapter 4.)

- **The number of noncustodial parents currently and recurrently on public assistance or SSI**.

DCS cannot attach this grant money for child support. Moreover, when government agencies award these grants, it is because they believe that the clients lack other financial resources to support themselves. Welfare reform intends to reduce the number of public assistance grants and, moreover, to reduce the length of time an individual can receive assistance. To the extent that the combination of economic boom and such reform succeed in keeping such individuals employed, DCS can collect child support. But removing a grant does not necessarily mean an individual is employable and educated. Many of the sample cases reveal long histories of intermittent employment, illness, and personal problems.

During the project, at least 588 noncustodial parents in the treatment group (30.1 percent) received grants at least part of the time.

- **The extraordinary number of noncustodial parents with Department of Corrections records.**

Our initial estimate was about 40 percent; our count in October 1997 indicated conviction rates of at least 30 percent. (We did not have out-of-state correctional histories.) Moreover, the percentage appeared to be increasing. The percentage ranged from about 38 percent in older child support cases to about 45 percent in new child support cases (probably reflecting younger NCPs). By the end of the project, we had identified 598 treatment group NCPs with correctional histories (30.6 percent).

In March 1997 SCU staff found that in approximately 7 percent of treatment group cases in cohorts 1-4, the noncustodial parents were presently incarcerated. These parents had an average prison stay of 69 months, and one-fourth of them had a projected release date after January 1, 2000. At the end, we calculated that at least 238 noncustodial parents in the treatment group had been incarcerated at some time during the tracking period. This is 12.2 percent of the treatment group sample.

Following release, while a parent is under supervision, he or she may have an incentive to cooperate with DCS. If the SEO reaches the probation or parole officer, a plan can often be worked out to have the NCP pay at least small amounts of support. This depends, however, on the NCP having some

employment income beyond that required to pay fines and other required expenses.

However, although many of these parents with corrections records are not currently in prison, jail, or work release, their arrest records are a significant indicator of problems that can interfere with their ability to hold regular jobs and pay child support. Following release, case comments often indicate that the former inmate is homeless, without income, or receiving assistance.

A DOC number is a significant indicator of problems with the law. DOC issues numbers after a conviction (mainly felonies, but some misdemeanors) when the offenders fall under DOC supervision/control/custody. There are usually some conditions of sentencing that DOC monitors (drug/alcohol treatment, anger management classes, community service, etc.). Persons sentenced for less than one year serve this time in jail, while those sentenced to over one year go to prison.

Of course, a DOC number by itself is not evidence that a noncustodial parent will never be able to pay child support. However, it is certainly an indicator of problems—with substance abuse, stability, anger control, work history, and a host of other problems.

While noncustodial parents are actively on public assistance or incarcerated, they are not likely sources of child support—at least, not in any significant amount. During the project, at least 813 of the noncustodial parents in the treatment group, 41.6 percent of the sample, were incarcerated or on public assistance at least part of the time.

Even if we exclude the noncustodial parents with multiple cases, the proportion of sample cases with barriers to collection approached 55 percent. If our sample accurately reflects the larger population of DCS cases with long-term delinquencies (as we believe), this proportion has far-reaching significance for the agency. If we cannot change collection outcomes, we may at least be able to find more cost-effective means to deal with these cases.

Preliminary Reports and Other Project Work Products

Throughout the project, Special Collections Unit staff assisted the DCS Training Unit by presenting the locate module in the DCS academy for new support enforcement officers. This training module was presented several times each year. Project staff attempted to present effective locate methods and inform field staff about lessons learned even while the project was in process. The first SCU leadworker left the project for a permanent position in the Training Unit after the first year. Her successor as project leadworker also presented the locate module for the academy.

DCS management asked SCU staff to develop a training module to present to field office staff following the project. The two former leadworkers prepared a preliminary draft of the module and presented it to field office administrators and to two field offices. The module has since been edited and is now available on the DCS intranet web site.

SCU completed the Special Collection Unit's final best practices recommendations and submitted them to the DCS Chief of Field Operations. The leadworker presented the recommendations to the DCS Expanded Management Team meeting in November 1998. The recommendations were circulated among DCS managers, quality improvement teams, and the DCS task force concerned with improving collections on TANF cases. Moreover, the recommendations are now available to all staff on the DCS intranet web site. *(See Appendix B. Part 1. Overview and Special Collections Project (SCP) Recommended Best Practices.)*

Heightened concern about innovation in collecting child support arises from several sources. Federal welfare reform with its consequent impact upon state agency policy and budgets has triggered new interest in child support collection, particularly on current and former public assistance cases. Quality improvement training has been instituted throughout DCS. Numerous quality improvement teams are searching for methods to try to improve collections, and these teams have been informed about the project. Some of these groups have been interested in implementing specialized collection units in field offices to focus on particular kinds of hard-to-collect cases.

Some DCS field offices and statewide groups have indicated interest in replicating the SCU experiment or in building a specialized unit along related lines. Therefore SCU also submitted a set of recommendations to the Chief of Field Operations for implementing such units. This document presents suggestions on case size, staffing, and other technical issues based on SCU experience. *(See Appendix B. Part 2. Implementing Specialized Collection Units in Field Offices.)*

From the project's beginning, quarterly reports presented substantive research findings in addition to chronological reports on the progress of slated tasks. The first quarter's report discussed case characteristics for the first cohorts. It also initiated the ongoing discussion of the high proportion of noncustodial parents in the sample with multiple child support cases. Beginning with the second quarter, each report contained updated comparisons of payment outcomes on treatment and control group cases. The second through fourth quarter's reports discussed barriers to collection, especially the proportion of noncustodial parents receiving public assistance and the number either currently incarcerated or with prison records.

Of particular importance is the ***Interim Report*** issued in March 1998. It was provided in lieu of the fifth quarter's report. This longer document (63 pages, 19 tables) included a number of graphics and explanations intended to make the material usable by a broader readership. The ***Interim Report*** concentrated on two major areas: (1) payment patterns among noncustodial parents before

project selection, and (2) the problems presented by noncustodial parents with multiple cases. Some of the major issues contained in the ***Interim Report*** are summarized in chapters 3 and 4 of the present report.

The progress report for the eighth quarter of the project (dated October 16, 1998) is a research report on subro-only collections. This report provided a detailed comparison of results obtained by a private collection agency with collections on sample cases in the Special Collection project. An updated version of this analysis is included below as chapter 6.

3. Characteristics of the Sample Cases at Selection

In this section we will look at the status of the sample cases at the time of their selection for the project. We will not distinguish between test and control group cases. The arrears and total collected figures included here do not reflect payments received during the project.

The sample consisted of eight cohorts, selected between October 1996 and September 1997. Ultimately, the sample included 3,937 cases. There are also 3,937 different noncustodial parents in the sample. In screening cases we excluded a case if the noncustodial parent was already included as the debtor on a sample case from an earlier cohort.

The sample included six case types: Nonassistance, AFDC, AFDC Foster Care (AFDC-FC), State-Only Foster Care (SO-FC), Medical Only, and Subro-Only. The Subro-Only cases include three types of subros: AFDC, AFDC-FC, and SO-FC.

Table 3.01 summarizes information about the sample cases when selected, grouping them by case type (and subro type if subro-only). This is the case type listed when the case was selected for the project. The case may have changed types several times before or since it was selected.[5]

Nonassistance cases comprise the largest category, totaling 1,558, or almost 40 percent of the sample. AFDC cases make up the next largest, with 1,242 cases, or 31.5 percent. There are a total of 986 subro-only cases—25 percent of the sample cases. Of these, 941 are federally funded public assistance subro types (AFDC and AFDC-FC), while 45 are state-funded foster care subros. Smaller numbers of the other case types are represented in the sample.

---

[5] For example, a nonassistance case may originally have been opened as an AFDC case. When the family left public assistance, the case would change as DCS would stop collecting current support to reimburse DSHS. If the custodial parent did not request collection services at this time, the case would become subro-only, and DCS would attempt to collect the DSHS arrears (subrogated debt, or subro). If the custodial parent did request collection services, the case would change to a nonassistance case. Here the nonassistance case would usually still have a subro attached. If enough child support is collected, some money would be applied to the DSHS arrears after distributing current support to the family. There are some limits on changes: a foster care case may change to a foster care subro-only, but DCS would not use the same case number to track child support owed for *foster care* and for family support, even for the same child and same noncustodial parent. Cases may, however, change back and forth between nonassistance, AFDC, subro-only, and medical only, depending on circumstances.

Table 3.01

Case Characteristics at Sample Selection

DCS had not collected any money on 1,896 of these cases (48.2 percent) prior to sample selection.

Case Type	Age Of NCP	Monthly Order Amount	Total Arrears	Arrears DSHS	Total Money Received on Case	Months Since Last Payment	Months Since Last Non-IRS Payment
Nonassistance							
N	1,549	1,558	1,558	1,558	1,558	948	887
Mean	37	$ 180.98	$ 13,799.39	$ 6,248.21	$3,008.58	32.4	34.8
Median	36	125.00	9,226.09	1,262.41	325.41	24.5	28.2
Minimum	19	.00	500.00	.00	.00	1.0	6.0
Maximum	71	1,800.00	135,097.80	108,678.00	66,031.82	135.5	135.5
AFDC							
N	1,235	1,242	1,242	1,242	1,242	527	488
Mean	33	$ 191.29	$ 12,089.84	$ 12,088.94	1,270.80	31.0	32.3
Median	32	143.03	7,067.35	7,067.35	.00	24.7	26.6
Minimum	17	.00	500.00	500.00	.00	2.9	6.1
Maximum	62	1,208.00	102,067.00	102,067.00	39,429.62	135.8	135.8
AFDC Foster Care							
N	46	46	46	46	46	10	10
Mean	33	$ 86.76	$ 3,553.24	$ 3,553.24	146.55	25.8	25.8
Median	33	37.50	1,687.50	1,687.50	.00	20.1	20.1
Minimum	20	.00	504.96	504.96	.00	9.1	9.1
Maximum	49	474.00	18,413.82	18,413.82	2,867.54	56.7	56.7
Subro-Only (AFDC)							
N	891	891	891	891	891	491	446
Mean	37		$ 7,377.23	$ 7,377.23	$ 1,405.05	33.5	37.0
Median	36		3,424.53	3,424.53	79.50	28.1	32.4
Minimum	19		502.36	502.36	.00	.1	6.0
Maximum	63		101,695.95	101,695.95	24,541.65	133.2	142.8
Subro-Only (AFDC-FC)							
N	50	50	50	50	50	11	9
Mean	35.4		$ 3,409.91	$ 3,409.91	$ 108.82	28.2	30.6
Median	34.5		1,745.60	1,745.60	.00	27.5	27.5
Minimum	21.3		500.00	500.00	.00	2.2	10.6
Maximum	58.1		23,594.57	23,594.57	2,301.93	65.0	65.0
State-Only Foster Care							
N	48	49	49	49	49	13	11
Mean	35	$ 102.70	$ 4,664.36	$ 4,664.36	$ 577.06	31.4	32.1
Median	35	25.00	1,517.29	1,517.29	.00	27.4	26.6
Minimum	20	.00	550.00	550.00	.00	10.2	10.2
Maximum	55	467.00	40,954.60	40,954.60	12,348.52	72.3	90.4

Case Type	Age Of NCP	Monthly Order Amount	Total Arrears	Arrears DSHS	Total Money Received on Case	Months Since Last Payment	Months Since Last Non-IRS Payment
Subro-Only (SO-FC)							
N	45	45	45	45	45	18	18
Mean	38		$ 3,424.58	$ 3,424.58	$ 383.03	33.7	36.5
Median	37		1,500.00	$ 1,500.00	.00	32.5	32.5
Minimum	20		512.30	512.30	.00	6.6	10.7
Maximum	53		26,788.05	26,788.05	5,127.05	66.1	75.8
Medical Only (MEO)							
N	56	56	56	56	56	31	27
Mean	37	$ 240.28	$ 14,902.19	$ 6,069.19	$ 2,814.83	35.9	36.6
Median	36	191.75	10,677.00	2,725.84	62.79	35.5	38.9
Minimum	22	.00	512.50	.00	.00	4.9	6.7
Maximum	52	802.00	94,408.81	56,821.81	36,539.76	96.0	87.6
Total							
N	3,920	3,937	3,937	3,937	3,937	2,049	1,896
Mean	36	$ 138.32	$ 11,338.40	$ 8,224.22	$ 1,964.17	32.3	34.6
Median	35	25.00	6,158.87	3,181.54	32.42	25.5	28.5
Minimum	17	.00	500.00	.00	.00	.1	6.0
Maximum	71	$1,800.00	$135,097.80	$108,678.00	$66,031.82	135.8	142.8

For the sample as a whole, the average age of the noncustodial parent was 36 at sample selection. The average monthly order amount (current support) was just under $140 ($138.32), but the median was much lower: $25.00. The average amount collected prior to sample selection was just under $2,000 ($1,964.17), but this reflects some high payments on a few cases. The median amount collected is much lower, at $32.42. On average, it had been almost three years since the parent had made a payment on the case (34.6 months) other than an IRS offset. The arrears owed on the sample cases averaged $11,338.40.

However, as Table 3.01 shows, there are substantial differences between case types in the average debt and the average amount collected. We will look at these differences in more detail below.

Significance of Effective Order

While Table 3.01 groups the cases according to case type at sample selection, Table 3.02 provides an alternative perspective. Here the cases are grouped according to the type of effective order at sample selection. This variable is the type of order that provides the legal authority for DCS child support collection.

Table 3.02
Effective Order Type and Payment Status of Cases at Sample Selection

Effective Order Type at Sample Selection	*Number of Cases*	*Paying Cases (Percent)*[a]	*Amount Paid (Mean)*	*Monthly Order Amount (Mean)*	*Total Arrears (Mean)*
Paternity	1,095	48.9	$ 1,304.85	$ 145.95	$ 11,932.56
Dissolution	895	71.8	3,683.00	154.26	14,985.21
Administrative Default	818	30.2	395.60	113.03	8,390.40
Modification (Court Order)	240	76.3	5,655.15	147.87	13,064.96
Other Court Order	204	46.1	1,564.70	174.96	11,315.45
Administrative	196	52.6	2,111.12	116.81	11,354.93
Paternity Judgment	175	26.9	454.77	151.34	8,685.91
Agreed Settlement	87	71.3	2,365.61	67.50	4,687.80
Default 9710	70	35.7	414.55	143.00	7,267.54
Consent Order	64	75.0	1538.65	52.80	5,232.77
Miscellaneous[b]	89	59.6	2,032.67	160.54	9,571.01
Total	3,934	51.9	$ 1,965.67	$ 138.40	$ 11,345.87

[a] Paying case here means only that at least one payment was received on the case prior to sample selection.

[b] This category includes temporary court orders, URESA, contempt, nonpaternity judgments, dependency, 9710 administrative, 9710 agreed settlements, and administrative modifications.

The order types are arranged according to the number of sample cases with that order type. Paternity orders rank first in frequency, with 1,095 cases, 27.8 percent of the sample. Divorce/dissolution orders rank second, with 895 cases, 22.7 percent of the sample. Together these two order types make up half of the sample (50.5 percent).

In addition to showing the average (mean) amount paid, the monthly order amount, and the average arrears owed, this table shows the percentage of cases that had made any payment by the time of sample selection. Clearly, just as case type makes a difference in debt and amount paid, so does order type. The

percentage of paying cases varies greatly, from 76.3 percent among court-ordered modifications to 26.9 percent among paternity judgments.

What relationship is there among case type, order type, and the payment/debt status variables? Table 3.03 addresses this issue.

Table 3.03

Effective Order, Case Type, and Payment Status at Sample Selection

Order Type	*Case Type*	*Number in Category*	*Percentage of Sample Cases*	*Paying Cases in Group (Percent)*	*Amount Paid (Mean)*	*Percentage of Total Sum Collected*
Paternity						
	Nonassistance	370	9.4	57.3	$ 2,130.73	10.2
	AFDC & AFDC-FC	449	11.4	41.0	837.04	4.9
	Subro-Only	257	6.5	51.8	991.56	3.3
	MEO, SO-FC	19	0.5	31.6	514.55	0.1
	Subtotal	1,095	27.8	48.9	1,304.85	18.5
Divorce/Dissolution						
	Nonassistance	522	13.3	75.5	4,183.56	28.2
	AFDC & AFDC-FC	160	4.1	61.9	2,970.21	6.1
	Subro-Only	186	4.7	72.0	3,116.80	7.5
	MEO, SO-FC	27	0.7	59.3	2,129.75	0.7
	Subtotal	895	22.8	71.8	3,683.00	42.6
Administrative Default						
	Nonassistance	213	5.4	31.0	516.21	1.4
	AFDC & AFDC-FC	295	7.5	23.1	249.21	1.0
	Subro-Only	253	6.4	38.3	479.66	1.6
	MEO, SO-FC	58	1.5	29.3	327.70	0.2
	Subtotal	819	20.8	30.3	395.40	4.2
Modification (Court Order)						
	Nonassistance	135	3.4	78.5	6,891.47	12.0
	AFDC & AFDC-FC	79	2.0	73.4	4,288.32	4.4
	Subro-Only	22	0.6	72.7	2,315.02	0.7
	MEO, SO-FC	4	0.1	75.0	9,294.78	0.5
	Subtotal	240	6.1	76.3	5,655.15	17.6
Other Court Order						
	Nonassistance	116	2.9	50.0	1,811.66	2.7
	AFDC & AFDC-FC	54	1.4	38.9	1,399.63	1.0
	Subro-Only	26	0.7	38.5	559.38	0.2
	MEO, SO-FC	8	0.2	62.5	2,365.35	0.2
	Subtotal	204	5.2	46.1	1,564.70	4.1

Order Type	Case Type	Number in Category	Percentage of Sample Cases	Paying Cases in Group (Percent)	Amount Paid (Mean)	Percentage of Total Sum Collected
Administrative						
	Nonassistance	63	1.6	57.1	3,359.31	2.7
	AFDC & AFDC-FC	61	1.6	57.4	2,111.62	1.7
	Subro-Only	57	1.4	47.4	1,001.43	0.7
	MEO, SO-FC	15	0.4	33.3	1,083.44	0.2
	Subtotal	196	5.0	52.6	2,111.12	5.4
Paternity Judgment						
	Nonassistance	54	1.4	25.9	569.46	0.4
	AFDC & AFDC-FC	79	2.0	19.0	379.73	0.4
	Subro-Only	37	0.9	40.5	333.28	0.2
	MEO, SO-FC	5	0.1	60.0	1,300.86	0.1
	Subtotal	175	4.4	26.9	454.77	1.0
Agreed Settlement						
	Nonassistance	17	0.4	82.4	4,677.36	1.0
	AFDC & AFDC-FC	29	0.7	55.2	1,066.89	0.4
	Subro-Only	35	0.9	80.0	1,715.17	0.8
	MEO, SO-FC	6	0.2	66.7	5,886.96	0.5
	Subtotal	87	2.2	71.3	2,365.61	2.7
Default 9710						
	Nonassistance	14	0.4	42.9	2862.56	0.2
	AFDC & AFDC-FC	28	0.7	32.1	125.47	0.0
	Subro-Only	25	0.6	36.0	291.92	0.1
	MEO, SO-FC	3	0.1	33.3	343.98	0.0
	Subtotal	70	1.8	35.7	414.55	0.4
Consent Order						
	Nonassistance	18	0.5	83.3	2381.42	0.6
	AFDC & AFDC-FC	19	0.5	63.2	823.26	0.2
	Subro-Only	25	0.6	80.0	1533.03	0.5
	MEO, SO-FC	2	0.1	50.0	820.11	0.0
	Subtotal	64	1.6	75.0	1538.65	1.3
Miscellaneous						
	Nonassistance	36	0.9	63.9	2299.52	1.1
	AFDC & AFDC-FC	33	0.8	48.5	1128.22	0.5
	Subro-Only	18	0.5	72.2	3382.73	0.8
	MEO, SO-FC	2	0.1	50.0	2.48	0.0
	Subtotal	89	2.3	59.6	2032.67	2.3
All		3,934	100.0	51.9	$ 1,965.67	100.0

Clearly, both case type and order type make a difference. When we look at paternity orders in Table 3.03, we see that nonassistance cases within that category differ considerably from subro-only cases in average amount paid and in percentage that have made a payment at all. Yet when we look at nonassistance cases governed by dissolution orders, we see that they differ considerably on both measures from the nonassistance cases under paternity orders.

Three Perspectives on the Cases

Thus far in our review of the sample cases we have adopted what might be called a *case level* perspective. For this perspective one case counts the same as any other case. Here 100 percent means 100 percent of the cases. This perspective asks:

> *How many cases are there? What percentage of the cases fall into a particular category? What is the mean or median amount collected per case? What is the average debt? On what percentage of the cases is DCS collecting? On what percentage of the cases is there an order established? On what percentage of cases has paternity been established?*

This first perspective—the case level—is important to the Division of Child Support. It is important to the custodial parents as well. When a custodial parent telephones the local field office for help, he or she wants to be confident that the support enforcement officer (SEO) will give respectful attention to that case, regardless of the amount of support collected or owed or the number of children involved, or the type of case. Families want equal consideration, regardless of the impact their particular case may have on the SEO's collection statistics or the intensive work required to collect even a small amount of money on that case. This first perspective is also important to the legislature. A state legislator does not want angry letters from constituents; the legislator knows that the degree of unhappiness is not necessarily related to the size of the arrears or the amount collected on that case.

However, DCS has a specific function as a bill collector. In collecting child support its dual mission is to reduce the financial burden on government and help custodial parents get support for their children. Given this function and mission, two other perspectives should also be important to DCS.

The *second perspective* looks at the debt. It asks:

> *Where does the largest debt lie? Who owes the debt that DCS wishes to collect, the money that would reduce that burden and help custodians and dependents? And to whom is the debt owed? What part of it belongs to custodians? What part is assigned to DSHS?*

If 100 percent is 100 percent of the debt, our concern is not necessarily with the number of cases.

The *third perspective* looks instead at the sources of money collected so far.

> *What have been the most productive so far? From whom has DCS collected the most? Is the total collected concentrated among a small number of paying cases? Or is it widespread from a large number of noncustodial parents who each pay small amounts?*

To make policy choices aimed at improving collections, DCS may need to look more at the second and third perspectives. However, such perspectives do not assume that each case is equally important. And the two perspectives also differ from one another. If we look at where we have been "successful" so far rather than at where we have the most uncollected, we are not looking at the same segment of cases.

Figures 3a-3c help to illustrate the differences in these perspectives, using numbers available in Table 3.01. For graphic purposes, we have combined some case types in these figures.[6] Figure 3a reflects the first, or case level, perspective. Here 100 percent of the pie is 100 percent of the cases. It displays the sample of cases proportionally by case type.

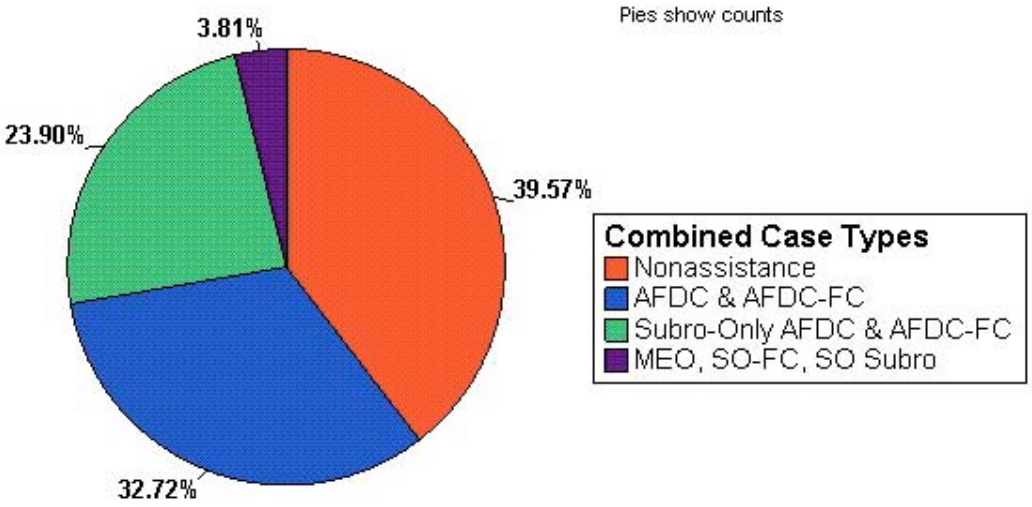


Fig. 3a. Sample cases by case type.

The proportions change when we examine the sample from two other perspectives: the total arrears summed for all the cases, and the total collected for all the cases. Figures 3b and 3c display these different perspectives quite dramatically.

---

[6] We combined case types here mainly because the small sample numbers of some case types make graphic display awkward (and produce misleading statistics). The combinations also reflect the distinction between federally funded public assistance and state-funded and other considerations related to federal reporting. These distinctions are discussed later in the report.

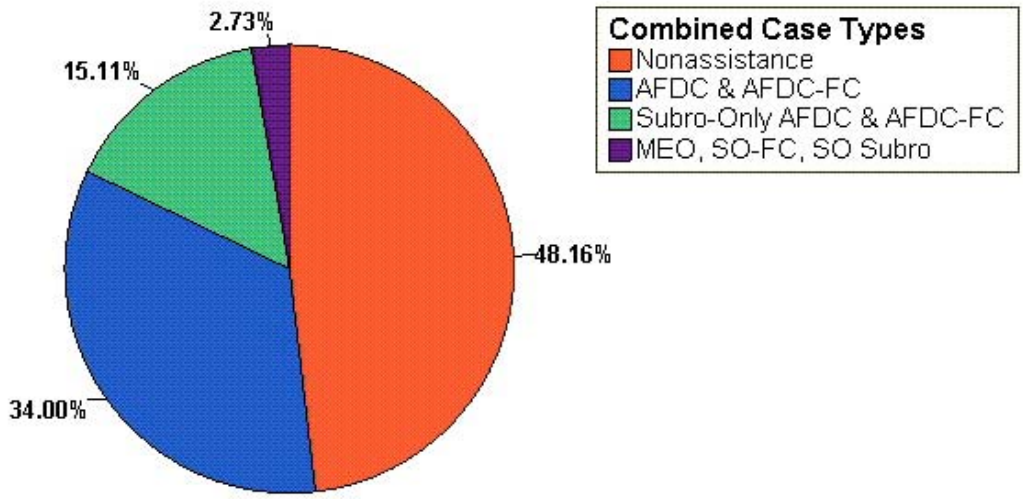


Fig. 3b. Share of total arrears on case at selection.

Nonassistance cases constitute 39.6 percent of the sample cases, and 48.2 percent of the total arrears. Nevertheless, nonassistance cases provided 60.6 percent of the total amount collected on sample cases prior to selection for the project. AFDC cases constitute 31.5 percent of the cases and 33.6 percent of the total arrears, but only 20.4 percent of the money collected on these sample cases up to their selection for the project.

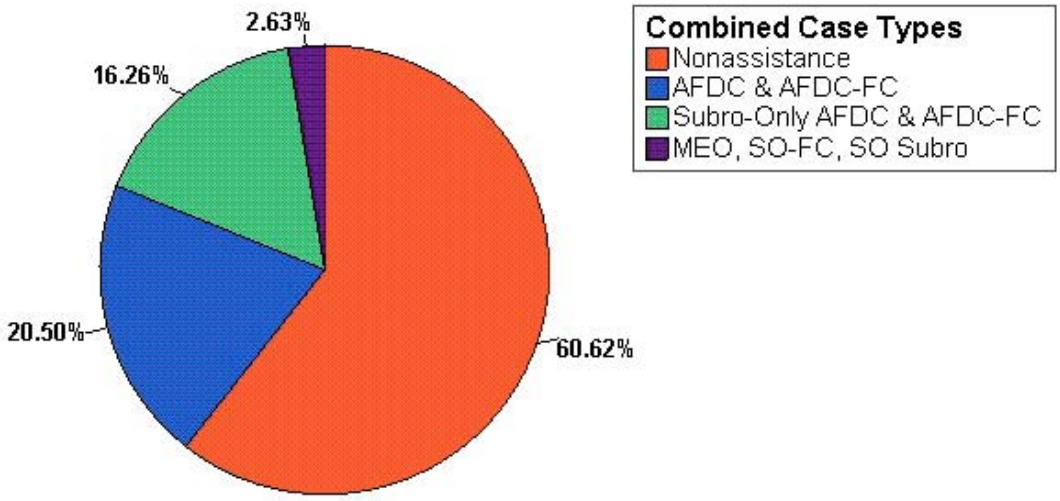


Fig. 3c. Sample cases in proportion to total collected prior to selection.

Table 3.01 provides a column for the total arrears due on the cases at the time of selection and a column for the portion of those total arrears that are assigned to DSHS. Of the total arrears, 72.4 percent were DSHS arrears. Even the nonassistance cases show a significant column of DSHS arrears, amounting to 45.3 percent of the total arrears on nonassistance cases. In medical-only cases, 40.7 percent of total arrears are DSHS arrears. (The DSHS arrears column reflects cash assistance; it does not include the funds expended by the state on medical support.) Of nonassistance cases, 983 (63 percent) owed DSHS arrears, indicating that at least 63 percent have at some time been public assistance cases. Simply on the basis of case type and DSHS arrears showing at the time of sample selection, it is clear that at least 85 percent of sample cases have been public assistance cases.

These figures point to an important aspect of hard-to-collect cases. Looked at from the perspective of the arrears owed, the chief creditor on whose behalf DCS attempts to collect is DSHS or the state of Washington.

How Many Had Paid and How Much?

Table 3.01 shows the mean and median amount collected by case type for these cases at the time they were selected. However, this does not reveal the significant proportion of cases on which no payment had been made. DCS had not collected any money on 1,896 of these cases (48.2 percent of the sample) prior to their selection for the project.

Table 3.04 displays the sample cases by payment level and share of total dollars collected on the sample cases prior to the project.

Table 3.04

Total Collected on Sample Cases Before Sample Selection by Payment Level and Share of Total Dollars

Total Collected on Case Before Selection	*Number of Cases*	*Percentage of Sample Cases*	*Sum of Dollars Collected*	*Percentage of Dollars Collected*
$.00	1,896	48.2	.00	0.0
Less Than $500	616	15.6	123,674.21	1.6
$500 - 1,999	509	12.9	569,900.01	7.4
$2,000 - 4,999	425	10.8	1,360,361.93	17.6
$5,000 - 9,999	288	7.3	2,053,132.06	26.6
$10,000 - 19,999	152	3.9	2,098,665.83	27.1
$20,000 or more	51	1.3	1,527,192.21	19.7
Total	3,937	100.0	$ 7,732,926.25	100.0

As the table shows, the amount collected on sample cases before selection varied widely. Very little had been collected on the majority of cases. Nothing had been collected on almost half. DCS had collected less than $2,000 on another 29 percent. At the other end of the scale, DCS had collected more than $10,000 on only the top 5 percent of cases. But when we look at the right hand side of the table, we see virtually an inverse relationship between the share of cases and the contribution to total dollars collected.

That is, even within the sample of hard-to-collect cases, contribution to amount collected is highly skewed. Almost half (48.2 percent) of the cases have contributed nothing. But at the opposite level of collections, 5.2 percent of the cases have contributed a little less than half (46.8 percent) of the total collected. If we divide the total cases into eighths, we find that approximately four-eighths paid nothing, another three-eighths contributed 26.6 percent (a little more than one-fourth) of the total collected, and the top one-eighth contributed 73.4 percent (about three-fourths) of the money.

Even in nonassistance cases, collections are highly skewed. Nonassistance cases contributed 60.6 percent of the total collected. Yet almost 40 percent of them paid nothing. However, just 7.7 percent of the nonassistance cases contributed almost half (48.8 percent) of the total amount collected by DCS on all the sample cases.

Looking again at the total amount collected on these cases before sample selection, how did DCS distribute the money? How much went to current support? And of that current support, how much went to the custodian (indicating that at the time, it was a nonassistance case) and how much to DSHS? Was most of the money collected applied to arrears? If so, we know that these cases were always delinquent, that money was not collected while current support was owed.

Table 3.05 helps to address these issues. Of the total amount collected on these cases prior to sample selection, almost half (49.8 percent) was applied to current support. Almost one-third of the money collected (31.7 percent) went to the custodian.

This payment of current support is fairly widespread among the cases; it is not concentrated among a few. In Table 3.05, the three columns at the right refer to the percentage of cases rather than percentage of the total dollar amount. To begin with, we should recall that DCS had not collected anything on almost half (about 48 percent) of the cases when selected. But of the cases on which money had been collected, most had paid some current support. DCS had collected something on roughly 52 percent of the sample cases; over 40 percent of the total cases had paid some current support. The custodian had received some current support in about one-fourth of the total cases.

Of course, the foster care cases show no money distributed as current support to custodians because current support here would be—and was—distributed to

DSHS for providing the foster care. Current support was collected on varying percentages of foster care cases, ranging from 10.0 to 22.2 percent, depending on the category.

Table 3.05

Percentage of Cases with Current Support Collected Prior to Sample Selection

Case Type at Selection	*Percentage of Total Amount Collected Applied to Current*			*Cases That Paid Current Support Prior to Sample Selection (by Percentage of Case Category)*		
	All Current	*CP Current*	*DSHS Current*	*All Current*	*CP Current*	*DSHS Current*
Nonassistance	53.2	42.2	11.0	51.9	40.8	22.3
AFDC	51.1	17.7	33.4	34.7	13.3	27.5
AFDC Foster Care	56.6	0.0	56.6	20.0	0.0	19.6
Subro-Only (AFDC)	35.8	11.6	24.2	34.3	15.3	27.7
Subro-Only (AFDC-FC)	22.2	0.0	22.2	10.0	0.0	10.0
State-Only Foster Care	43.6	0.0	43.6	18.4	0.0	18.4
Subro-Only (SO-FC)	27.0	0.0	27.0	22.2	0.0	22.2
Medical Only	51.8	29.4	22.4	42.9	30.4	25.0
Total	49.8	31.7	18.1	40.7	24.2	25.0

To summarize, about half of the total money collected was current support. About half of the sample cases had received any money prior to selection. Of those cases, most had received some payments timely enough to be distributed as current support. Moreover, about one-fourth of the total sample cases had received money distributed as current support to custodians, indicating that regardless of current case type, at some time they were not public assistance cases. Among the current nonassistance cases, 22.3 percent had some current support paid to DSHS, indicating that at some time they were public assistance cases.

Looking at the half of the sample cases that paid, a common pattern appears to be that the noncustodial parent paid some current support but not enough current support to avoid the accumulation of unpaid arrears. Eventually, most of these arrears ended up assigned to DSHS as the families went on public assistance. The arrears columns on the nonassistance and medical-only cases show that the majority of the debt is still owed to the custodial parents; even here, however, the arrears owed to DSHS are sizable.

4. Profile of Noncustodial Parents and Their Child Support Debt

A significant proportion—almost half—of noncustodial parents in the sample had multiple open cases on which they owed child support.[7] This finding is of concern for several reasons. First, as the number of cases grows, so does the total current support and arrears obligation. Taken together, the current support and total arrears owed on their cases may create severe financial burdens for the families. In some cases, these obligations are impossible to pay.

Second, multiple cases are not a simple reflection of the number of children; rather, they are an indicator of multiple problems and instability. That is, one case can contain a dozen children if the physical custodian and noncustodial parent do not change. And one child can appear on three different cases if the physical custodian continues to change.

If we find a noncustodial parent with seven cases (and we found fourteen individuals with seven cases in our sample), we may be viewing the results of an individual's temporary liaisons with seven partners. Alternatively, we may be viewing the impact of mental illness or other disability, or substance abuse, or catastrophic illness, either of a parent or child. Such events can produce multiple shifts in custody, from parents to grandparents to foster care to group homes. Whatever the cause, the proportion of noncustodial parents with at least three cases (22 percent of the sample) is an indicator of social problems far beyond the inability to pay child support.

Third, when a noncustodial parent has multiple cases and cannot or does not pay the full obligation due each month, by federal law DCS must divide the payment in complex ways that favor some cases over others. For example, if a noncustodial parent has a nonassistance case and an AFDC/TANF case both

---

[7] In this discussion we include only the *open* cases on which the noncustodial parent owed support at the time of sample selection. We are not looking here at the noncustodial parents' past history of cases. A case that was already closed would not be counted here or included in the sum of monthly order amounts or sum of arrears. That is, noncustodial parents in the sample may have made payments on other cases not documented here, and may have owed debts that do not appear here.

Moreover, this is not a total picture of their current involvement with the child support agency. Here we only include cases in which the person is the noncustodial parent, or debtor. However, many of these parents are custodial parents on other cases. They may have custody now or have had past custody of some children while owing support to DSHS or a custodial parent for other children. The actual web of involvement in child support cases is much larger than it appears here, grim though these present statistics may appear.

for current support and arrears, as well as a subro-only case, the algorithm will split the available payment money first to cover current support on both cases. If any money remains, it will cover arrears owed to the nonassistance custodian. After that, the algorithm will split any remaining money among the arrears owed to the state. In other words, except for money obtained through IRS offset, arrears owed to the state will be the last paid.

In the hypothetical situation outlined above, the nonassistance custodian must share payment money so long as current support is owed on more than one case. If the children on the nonassistance case are emancipated first, that custodian will only get a share of payments on the arrears owed when current support is met on the AFDC case. But after current support ends on both cases, the former nonassistance custodian will be repaid arrears owed before the state is paid arrears. In practical terms, custodians in such situations must feel as though they live in a continual lottery.

For project research, one practical impact is the complexity of interpreting payment records. Special Collections staff may have successfully located the employer of an elusive parent and initiated wage withholding. However, if that parent had multiple cases and our sample case was a subro-only, the payments might never reach the subro case in our sample.[8] We cannot meaningfully compare payment records between cases of different types if they involve a mix of current support and arrears. We can compare the payment records of treatment cases and control cases because the sample case criteria are identical.

To assess the overall impact of SCU efforts, we would need to compare total payments to all cases involving noncustodial parents in our sample, not just the sample cases themselves. On the other hand, it would be unreasonable to expect SCU locate and collection work on the sample cases to fix all problems on a noncustodial parent's other cases.

Multiple Cases and Debt Status at the Time of Sample Selection

Of the noncustodial parents in our sample, 54.3 percent had one case at the time of sample selection. The other parents had multiple cases, ranging from two to twelve each. Almost one-fourth of the parents (24.7 percent) had two cases on which they owed child support. As we might expect, the percentage drops with each additional case: three cases, 11.4 percent; four cases, 5.4 percent, etc. Figure 4a displays the noncustodial parents in the sample by the number of their cases.[9]

---

[8] Given this frustration, the striking difference in subro-only collections between control and treatment cases is particularly noteworthy. SCU collected over twice as much on test group subro-only cases.

[9] Here 100 percent is 100 percent of the *noncustodial parents* in our sample. However, the chart can also be viewed as showing the *sample cases* in proportion to the number of cases the noncustodial parent has. (In our staggered cohort sampling strategy, we excluded potential cases from selection if the NCP already had another case selected for

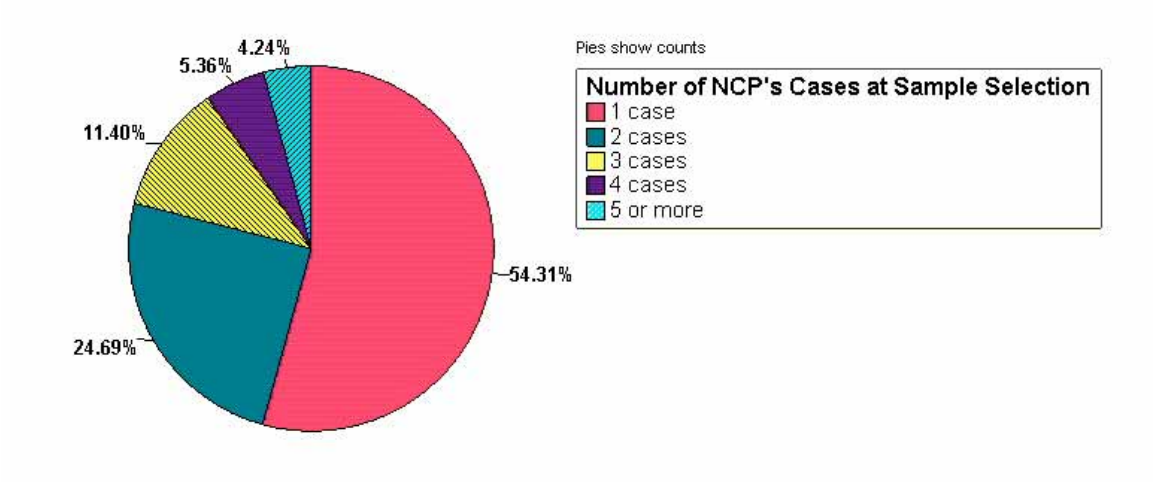


Fig. 4a. Proportion of noncustodial parents with multiple cases.

To examine the impact of the multiple case problem, we begin by adopting a *fourth perspective* on the sample cases: the noncustodial parent's total child support obligation. This perspective asks:

> *What is this noncustodial parent's total child support obligation? What is the total monthly current support amount? If the parent does not pay enough each month to cover all the current owed, what payment distribution pattern will result?*

Rather than looking at the debt on the (sample) case, we are concerned with the parent's total debt for child support, combining all the cases where that person is the noncustodial parent (NCP) or debtor. We look at the combined monthly order amount when all of the NCP's monthly order amounts are summed.

We examine the payment pattern that results. This pattern can be very complicated, especially if the parent's payments are not large enough to meet all current support. (For example, what is the impact on our sample case of the noncustodial parent's other cases?)

We try to assess whether the combined monthly order amounts show a sensitivity to multiple cases. That is, do judges and administrative agencies, either by specific design or as a consequence of other decisions, set order amounts that vary according to the number of cases?

Table 4.01 summarizes the total child support debt of the noncustodial parents at the time of sample selection.

---

the sample.) Therefore this figure can be compared with Figures 3a as an alternative way of looking at the count of cases by category.

Table 4.01

Profile of Noncustodial Parents and Their Child Support Obligations by Number of NCP's Cases

Number of NCP's Cases	Gender of NCP			Age of NCP	NCP's Total Support Obligation	
	Male	Female			Sum of MOA	Sum of Arrears
1	1,570	568	N=2,138			
			Mean	36	$ 159.16	$ 11,944.36
			Median	36	50.00	6,321.95
		.	Minimum	17	.00	500.00
			Maximum	71	1,800.00	135,097.80
2	789	183	N=972			
			Mean	34	184.19	15,076.35
			Median	34	100.88	9,943.94
			Minimum	17	.00	500.00
			Maximum	62	1,302.00	131,522.99
3	385	64	N=449			
			Mean	35	241.11	22,155.07
			Median	35	188.00	15,769.00
			Minimum	20	.00	518.47
			Maximum	67	1,506.00	151,519.40
4	186	25	N=211			
			Mean	34	313.76	29,354.19
			Median	34	250.00	22,710.61
			Minimum	20	.00	805.00
			Maximum	53	1,530.51	137,185.80
5	82	12	N=94			
			Mean	34	396.55	38,030.74
			Median	34	341.50	28,289.10
			Minimum	22	.00	1,755.00
			Maximum	51	1,642.00	147,360.22
6	38	3	N=41			
			Mean	33	437.41	38,767.37
			Median	34	424.00	32,228.93
			Minimum	22	.00	2,936.31
			Maximum	48	1,439.00	98,996.31
7	14	0	N=14			
			Mean	31	513.00	56,406.70
			Median	29	235.00	35,982.72
			Minimum	20	125.00	4,876.50
			Maximum	44	2,416.00	294,601.00
8	10	0	N=10			
			Mean	31	716.30	63,516.97
			Median	30	735.50	52,953.57
			Minimum	26	225.00	25,720.05
			Maximum	42	1,267.00	128,691.75
9	5	0	N=5			
			Mean	37	526.52	56,993.96
			Median	36	420.59	52,451.01
			Minimum	28	125.00	21,377.00
			Maximum	46	1,254.00	87,230.28

Number of NCP's Cases	Gender of NCP			Age of NCP	NCP's Total Support Obligation	
	Male	Female			Sum of MOA	Sum of Arrears
10	1	0	N=1	33	929.00	121,018.24
11	1	0	N=1	32	417.00	84,957.16
12	1	0	N=1	39	378.63	87,124.22
Total	3,082	855	N=3,937			
			Mean	36	194.99	16,129.01
			Median	35	100.00	9,693.87
			Minimum	17	.00	500.00
			Maximum	71	2,416.00	294,601.00
			Sum		$ 767,689.95	$63,499,903.26

The table displays the sum of the monthly order amounts and total arrears for noncustodial parents in the sample according to the number of cases they had with DCS on which they owed child support. The column *Sum of MOA* shows the current monthly order amount at sample selection for the total of their cases. The *Sum of Arrears* column shows the total debt for all the cases of that noncustodial parent at the time of sample selection.[10]

This table shows that the noncustodial parent's monthly order amount and total arrears tend to increase together up through the total of eight cases. After that, the numbers become quite erratic.[11]

Earlier we pointed out that for the sample cases as a whole, the average monthly order amount was just under $140, while the median was much lower, at $25.00, and the maximum was $1,800. When we look at the comparable figures for the noncustodial parents' obligations, rather than the sample case obligations, we get a more somber picture. The average SMOA (monthly order amount summed for all the parent's cases) is $195, while the median is $100, and the maximum is $2,416. But both the average (mean) and median figures reflect the impact of the noncustodial parents with only one case.

However, if we look at the situation for parents with multiple cases, the average and median grow considerably. For example, the comparable numbers for parents with three cases are $241 and $188, respectively. For parents with six cases, the mean SMOA is about $440 and the median is $424.

[10]Because of the age of some of these cases, some debt has been lost to the statute of limitations.

[11]In fact, however, the number of noncustodial parents in each category declines so drastically after we exceed four cases that we must combine categories in order to examine relationships usefully. For this reason, most of the tables and graphs that follow combine five or more cases into one category.

Of course, while the sum of monthly order amounts is increasing, so is the sum of arrears. Up through eight cases, the average SMOA remains about 1 percent of the average sum of arrears. But there is a considerable difference between a debt of $12,000 (average for parents with one case) and a debt of $63,500 (average for parents with eight cases).

The impact can be staggering. Suppose, for example, that our representative parent with eight cases has ten years left before the statute of limitations affects the debt. To pay off $63,516.97 plus the current support in those ten years, the monthly payment would be $529 on the arrears alone plus the current support of $716.30, for a total monthly payment of about $1,245. This is about $14,940 a year, or $149,400 for ten years.

On the one hand, we can say that $15,000 a year would not keep a family of four afloat very well, let alone whatever number of families produced eight cases. This seems like a modest requirement. On the other hand, how likely is it that a noncustodial parent, with a history of unemployment or other financial problems and the multiple complications that eight cases represent, can continuously make these payments and still meet his or her own minimal economic needs? And, in fact, the arrears range much higher--$135,098, $151,519, $294,601 . . . .

Impact of Multiple Cases on Sample Case Payment Status

Table 4.02 looks at the impact of multiple cases on our sample case rather than on the noncustodial parent's total debt. All of the information in this table reflects the payment status of the case at the time of sample selection.

The average monthly order amount for parents with only one case (about $160) is somewhat higher than if the parent has multiple cases. For some unexplained reason, for parents with three cases, the average order amount drops by over one-third, to about $95. However, the average monthly order amount for parents with two, four, or five or more cases is roughly constant at about $118 to $120. The total arrears on the sample cases also is rather constant, with the average ranging between $10,000-$12,000. The proportion of paying cases (that is, cases that had made a payment prior to sample selection) remains in the range between 47.7 and 59.1, and does not show a decrease as the number of cases increases. Nevertheless, the total amount collected on the case declines as the number of cases increases.

Table 4.02

Case Payment and Debt Status at Time of Sample Selection by Number of Noncustodial Parent's Cases

Number of NCP's Cases at Selection	*Paying Sample Cases (Percent)*	*Total Collected on Sample Case*	*Order Amount on Sample Case*	*Total Arrears on Sample Case*
1 case	52.1			
N=2,138				
Mean		$ 2,336.14	$ 158.94	$ 11,944.35
Median		47.87	50.00	6,321.95
Sum		4,994,676.23	339,808.45	25,537,022.58
2 cases	47.7			
N=972				
Mean		$ 1,665.47	$ 120.96	$ 10,125.07
Median		.00	25.00	5,662.08
Sum		1,618,835.46	117,573.04	9,841,568.08
3 cases	57.0			
N=449				
Mean		$ 1,410.93	$ 94.40	$ 10,707.25
Median		83.18	25.00	5,892.36
Sum		633,505.49	42,384.19	4,807,553.55
4 cases				
N=211	59.2			
Mean		$ 1,540.49	$ 117.76	$ 12,003.94
Median		120.36	25.00	6,213.00
Sum		325,043.68	24,847.49	2,532,830.73
5 or more cases	49.7			
N=167				
Mean		$ 963.27	$ 119.40	$ 11,498.82
Median		.00	25.00	7,586.44
Sum		160,865.39	19,940.51	1,920,303.39
Total	51.8			
N=3,937				
Mean		$ 1,964.17	$ 138.32	$ 11,338.40
Median		32.42	25.00	6,158.87
Sum		7,732,926.25	544,553.68	44,639,278.33

This seems somewhat puzzling. How can the total arrears on the case remain rather constant if the total collected declines as the number of cases increases? One possible explanation is that the relationship among the three variables—number of cases, total arrears on the sample case, and total collected on the sample case—is not simply oneway. That is, perhaps in Washington's case system, the number of cases tends to increase in response to the noncustodial parent's increasing debt. In another case system, the dynamics might be different.

Earlier, when we looked at distribution by case type, we discovered that most of the dollars collected on the cases before sample selection came from a rather narrow proportion of the nonassistance cases. *(See above, Table 3.04.)* What relationship is there between the distribution of dollars collected on sample cases and the total number of cases the noncustodial parent has? Table 4.03 addresses this question.

The parallels with the earlier tables on payment differences by case type are striking. Noncustodial parents with one case play a similar role to nonassistance cases in the earlier tables. Noncustodial parents with one case paid 64.6 percent of the total collected. In fact, 316 noncustodial parents with one case each--8 percent of the noncustodial parents in the sample—paid over half (50.3 percent) of the total collected. And 85.5 percent of the total collected came from noncustodial parents with one or two cases.

Table 4.04 examines the interaction between case type and number of cases. It looks at the debt and payment status of the sample cases at the time of selection by case type. Within case type, it breaks down the number of cases the noncustodial parent has.

We have already pointed out that slightly more than half (54.3 percent) of the noncustodial parents in the sample have only one case. About three-fourths of these cases are nonassistance and AFDC cases. The order amounts in nonassistance and AFDC cases as a whole have a higher average than for the general sample. The order amounts for nonassistance and AFDC cases in which the noncustodial parent has only one case are noticeably higher. The column for *Amount Paid (Mean)* reveals the much higher collections on nonassistance cases, particularly when the noncustodial parent has only one case.

Table 4.03

Contribution to Total Sum Collected on Sample Cases Before Selection: By Number of Noncustodial Parent's Cases (in Percentage)

Total Collected on Case at Selection	Number of Cases NCP Had at Sample Selection										Total	
	1 case		2 cases		3 cases		4 cases		5 cases or more			
	% of NCPs	% of Dollars	% of NCPs	% of Dollars	% of NCPs	% of Dollars	% of NCPs	% of Dollars	% of NCPs	% of Dollars	% of NCPs	% of Dollars
$.00	26.0	0.0	12.9	0.0	4.9	0.0	2.2	0.0	2.1	0.0	48.2	0.0
Less than $500	7.5	0.8	3.6	0.4	2.5	0.3	1.2	0.1	0.9	0.1	15.6	1.6
$500-1,999	6.9	4.0	2.8	1.6	1.7	1.0	0.8	0.5	0.6	0.4	12.9	7.4
$2,000-4,999	5.8	9.5	2.8	4.5	1.3	2.1	0.6	1.0	0.3	0.5	10.8	17.6
$5,000-9,999	4.3	15.9	1.7	6.1	0.7	2.3	0.4	1.3	0.3	0.9	7.3	26.6
$10,000-19,999	2.7	19.2	0.7	4.5	0.3	2.2	0.1	0.9	0.1	0.3	3.9	27.1
$20,000 or more	1.0	15.2	0.2	3.9	0.0	0.3	0.0	0.4	0.0	0.0	1.3	0.0
Total	54.3	64.6	24.7	20.9	11.4	8.2	5.4	4.2	4.2	2.1	100.0	100.0

Table 4.04

Debt Status of Sample Cases at Selection, by Case Type and Number of Noncustodial Parent's Cases

Sample Case Type by Number of NCP's Cases	*Number in Category*	*Percentage of Sample*	*Amount Paid (Mean)*	*Share of Total Collected (Percent)*	*Order Amount (Mean)*	*Arrears on Sample Case (Mean)*
Nonassistance						
1	995	25.3	$ 3,288.19	42.3	$ 196.18	$13,767.11
2	322	8.2	2,935.72	12.2	153.70	12,205.99
3	130	3.3	2,265.91	3.8	138.39	15,241.37
4	70	1.8	1,709.24	1.5	166.00	17,308.90
5 or more	41	1.0	1,368.25	.7	187.02	16,532.99
Subtotal	1,558	39.6	3,008.58	60.6	180.98	13,799.39
AFDC & AFDC-FC						
1	673	17.1	1,447.71	12.6	195.76	12,300.63
2	344	8.7	908.34	4.0	180.54	10,451.52
3	140	3.6	900.15	1.6	165.98	11,687.82
4	75	1.9	1,648.74	1.6	176.03	11,197.59
5 or more	56	1.4	868.21	.6	201.53	14,808.39
Subtotal	1,288	32.7	1,230.65	20.5	187.56	11,784.96
Subro-Only (AFDC, AFDC-FC)						
1	394	10.0	1,525.95	7.8	.00	6,863.36
2	263	6.7	1,199.03	4.1	.00	7,899.03
3	158	4.0	1,311.73	2.7	.00	7,082.76
4	63	1.6	1,256.32	1.0	.00	7,509.44
5 or more	63	1.6	863.04	.7	.00	5,870.33
Subtotal	941	23.9	1,336.18	16.3	.00	7,166.43
MEO, SO-FC, SO-FC Subro						
1	76	1.9	1,939.37	1.9	155.62	11,266.61
2	43	1.1	1,063.25	.6	107.48	5,545.87
3	21	.5	269.61	.1	48.90	3,371.59
4	3	.1	864.46	.0	8.33	2,764.58
5 or more	7	.2	253.71	.0	141.00	6,192.90
Subtotal	150	3.8	1354.29	2.6	123.25	8,114.55
Total	3,937	100.0	$ 1,964.17	100.0	$ 138.32	$11,338.40

Looking at Table 4.04, order amounts do not seem particularly sensitive to the number of cases on which the noncustodial parent is expected to pay. Except for the higher amounts set for parents with only one case, the order amounts remain relatively constant, rather than showing the inverse relationship to number of cases that one might predict.

Table 4.04 provides the average arrears and average collected by case type and number of cases. However, this format makes it difficult to see at a glance the total impact on DCS collections. To supplement this information, three stacked bar graphs display totals by number of noncustodial parent's cases.

Figure 4b displays the count of sample cases. Sample case types are represented proportionally within the bar for the number of noncustodial parent's cases. The size of the stack shows the count of cases. The stacks are much more even in size here than in the next two bar graphs, where the stacks show amounts of money.

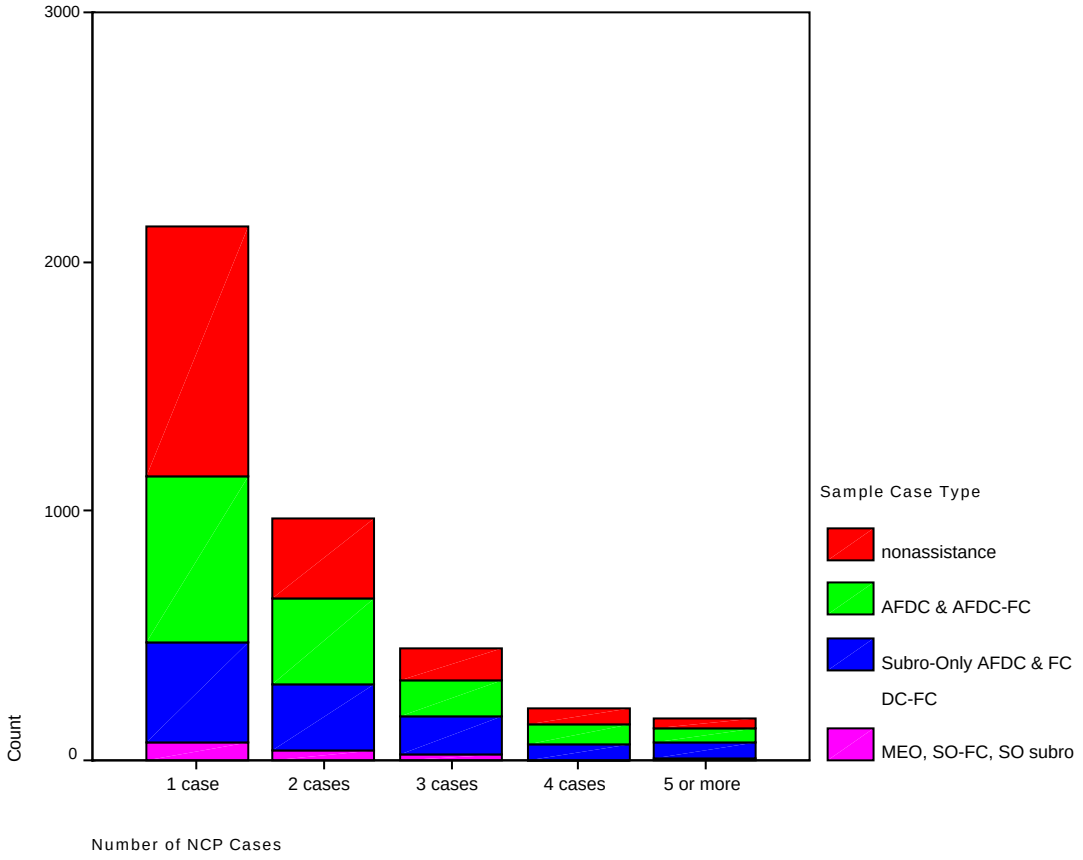


Fig. 4b. Sample cases by case type and number of noncustodial parent's cases.

Figure 4c shows the combined arrears owed on the sample cases at the time of their selection. Once again, each bar shows the number of cases the

noncustodial parent has, and within that, the proportional representation of sample case types. When we compare Figure 4c to Figure 4b, the proportions seem relatively similar (although of course the scale is vastly different), except that noncustodial parents with only one case make up a larger proportion of total arrears than they make up of the number of cases.

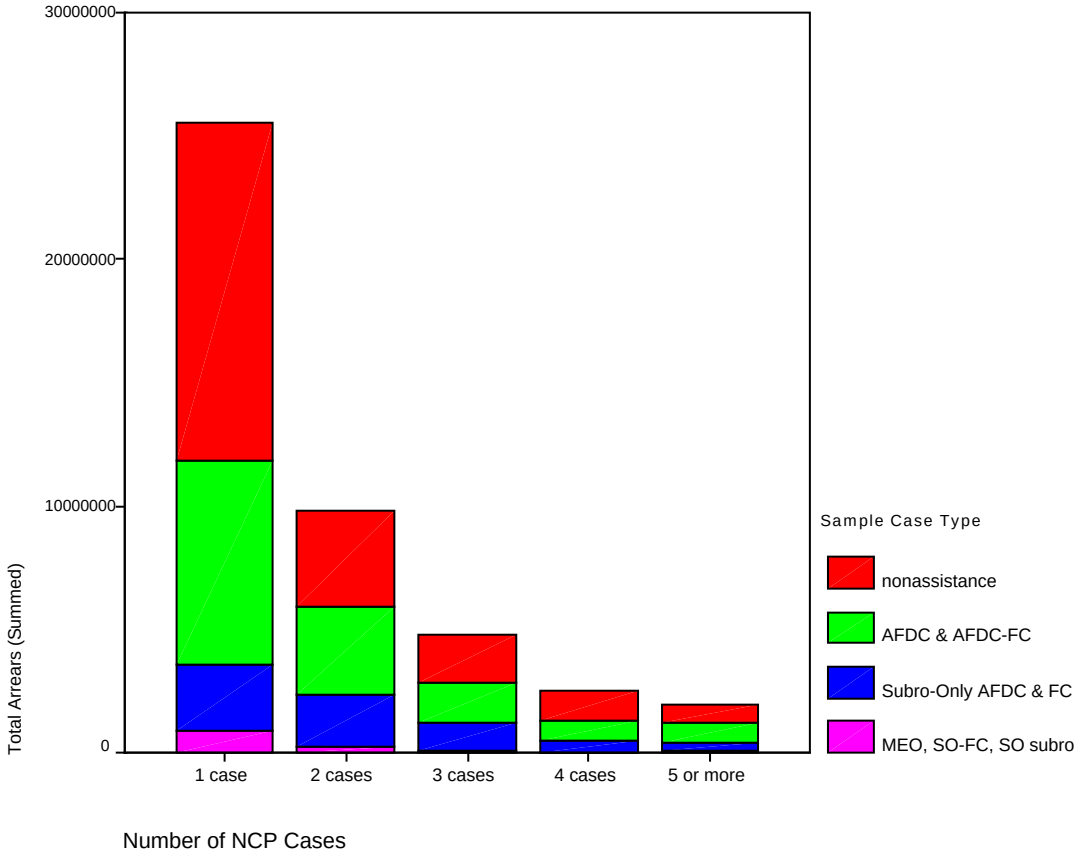


Fig. 4c. Total arrears on sample case by case type and number of noncustodial parent's cases.

Figure 4d provides a look at the total money collected on the cases prior to sample selection. The proportions have grown even more uneven. Once again, sample cases in which the noncustodial parent only has that one case are extremely important in total collections. And within that one-case stack, nonassistance cases make up more than three-fifths. On the other hand, the height of the stack for parents with more than five cases has shrunk by comparison with Figure 4b.

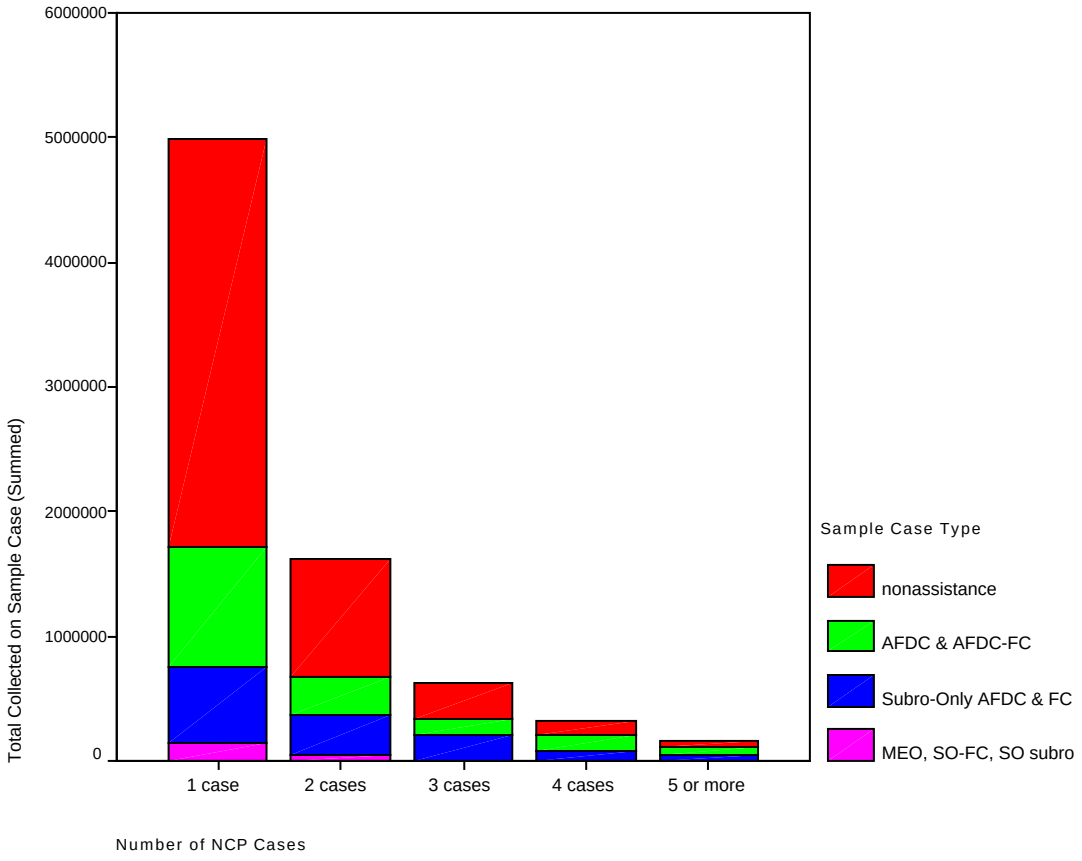


Fig. 4d. Total collected on sample case by case type and number of noncustodial parent's cases.

Thus far, the analysis of multiple cases has been based on a snapshot of the sample cases and noncustodial parents at the time of sample selection. We wanted to look at the problem to see how multiple cases affect distribution patterns on the sample cases over time. To look at multiple cases in more detail, we built two additional data files.

First we collected payment information on cohort 1 for the two years prior to the project, that is, for the period October 1994 through September 1996. These records cover payments to all the cases of the noncustodial parents in cohort 1.

Second, we built an additional data file covering all the noncustodial parents in the sample (cohorts 1-8). It includes all the payments made within the same one-year period, rather than just the payments made after the case was selected for the sample. (Because of our staggered sampling strategy, the regular project payment file contains longer payment records on cohort 1, for example, than on cohort 8. This makes it very difficult to analyze payments to multiple cases of the same noncustodial parent.)

Multiple Cases in the Payment History of Cohort 1

To look at the impact of multiple cases over a longer period of time, we gathered additional data on the payment history of cohort 1 prior to sample selection. We compared payments applied to what later became the sample cases with total payments to all the noncustodial parent's cases over a two-year period.

Table 4.05 summarizes information on these payment histories by year, comparing payments to the sample cases with those to all of the noncustodial parents' cases. Two major conclusions seem evident from this examination.

First, the operation of the algorithm when the noncustodial parent had more than one case certainly had an impact on payments to the sample case. A total of $570,763.86 was collected from the noncustodial parents in cohort 1 in the two years prior to sample selection. Of that amount, $141,479.63, approximately 25 percent of the money collected, was applied to the noncustodial parents' nonsample cases.

The impact of the algorithm is illustrated in Figure 4e. This pie chart shows that approximately one-fourth of the noncustodial parents had money applied to cases other than the sample case. One-third had made a payment only to the sample case. To be more specific, 216 (40.8 percent) had paid nothing, while 176 had paid only on the sample case. Of 533 noncustodial parents, 127 had payments split between the sample and other cases, while 11 paid only on their nonsample cases.

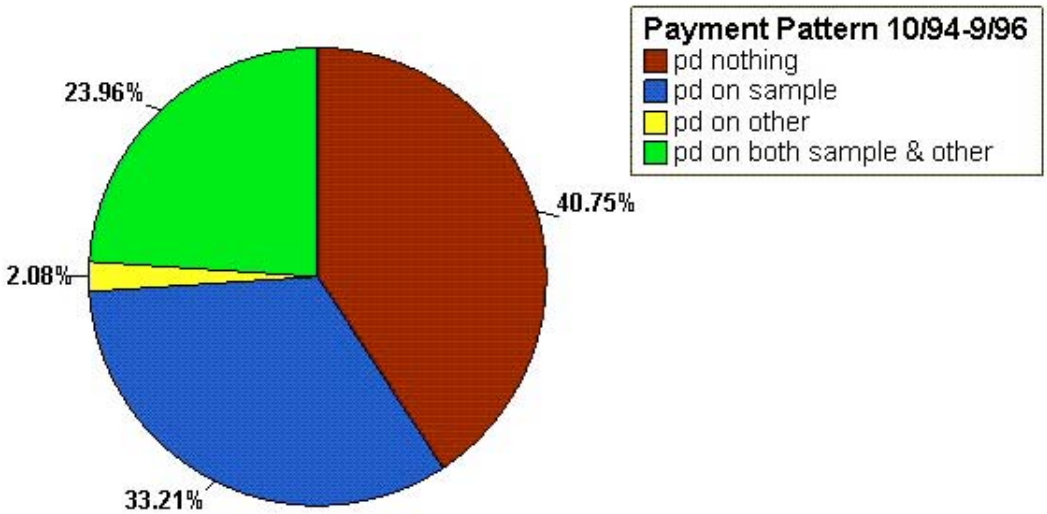


Fig. 4e. Payment patterns of parents in cohort 1 (October 1994-September 1996).

Table 4.05

Payment History of Noncustodial Parents in Cohort 1 for Two Years Prior to Sample Selection

Number of NCP's Cases	Amount Paid 10/01/94-9/30/95		Amount Paid 10/01/95-9/30/96		Total Amount Paid in 2 Years (10/01/94-9/30/96)		
	Sample Case	All NCP's Cases	Sample Case	All NCP's Cases	Sample Case	Other Cases	All NCP's Cases
1 [N=294]							
Mean	$ 877	$ 960	$ 261	$ 285	$ 1,138	$ 106	$ 1,244
Sum	257,825	282,103	76,679	83,684	334,503	31,284	365,787
2 [N=128]							
Mean	403	639	113	221	516	345	860
Sum	51,536	81,835	14,446	28,257	65,982	44,110	110,092
3 [N=63]							
Mean	254	650	24	164	278	536	814
Sum	15,993	40,957	1,510	10,331	17,503	33,784	51,287
4 [N=31]							
Mean	167	431	34	136	201	366	567
Sum	5,175	13,361	1,053	4,210	6,228	11,343	17,571
5 [N=11]							
Mean	239	749	195	1,464	434	1,779	2,213
Sum	2,627	8,243	2,146	16,101	4,773	19,571	24,344
6-8 [N=6]							
Mean	37	258	13	23	49	231	281
Sum	220	1,546	75	137	295	1,388	1,683
Total [N=533]							
Mean	625	803	180	268	805	265	1,071
Sum	$ 333,376	$ 428,045	$ 95,908	$ 142,719	$ 429,284	$ 141,480	$ 570,764

However, the second factor appears to be more significant: namely, a severe downturn in financial circumstances in the year before sample selection. There is a dramatic difference in amount collected from the parents between the two years. In the period October 1994 through September 1995 DCS collected $428,045 from the parents, but in the following period (October 1995-September 1996) DCS collected only $142,719, just one-third of the previous amount. This is a significant decline. For the sample case the decline is even more significant: from $333,376 to $95,908, about 29 percent of the earlier figure. Figure 4f helps to highlight these differences.

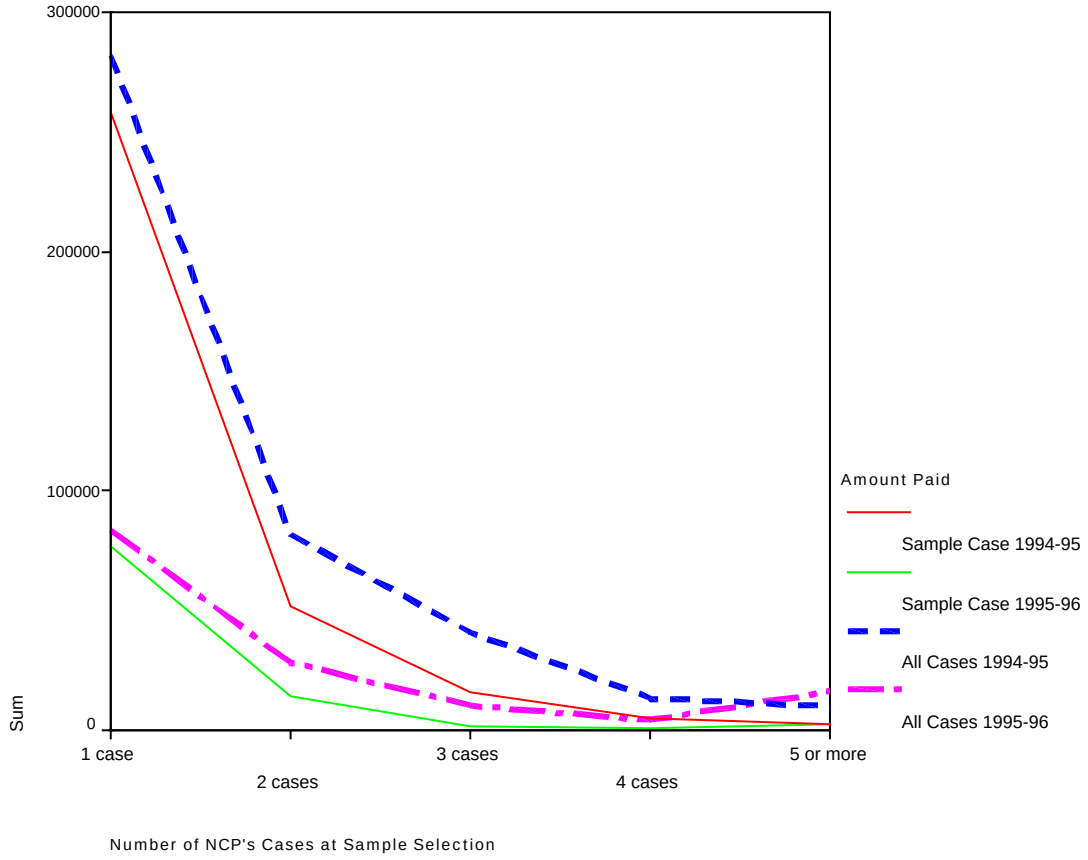


Fig. 4f. Payments made by noncustodial parents in cohort 1 (October 1994-September 1996).

Certainly the operation of the algorithm in multiple cases has an impact. We can see this in the difference between the lines for the sample case and all cases in 1994-95 and again in the difference between the two lines for 1995-96. But the larger differences appear to be for the years. This is particularly significant when we note the much larger sums involved where the parent had only one or two cases (evident in the line graph). Where the noncustodial parent has a large number of cases (in cohort 1 the maximum number was eight cases), the payments usually are relatively small.

Payments to Multiple Cases (October 1996-September 1997)

In addition to the examination of cohort 1 discussed above, we collected data on all the noncustodial parents in the sample to show payments to all their cases for a concentrated period. This information differs from our main sample case data file in three ways. First, it covers payments to all of their cases, not just the sample cases.

Second, it gives comprehensive payment information for all the noncustodial parents in the sample for one consistent period of time. Because of our incremental sampling strategy, our "start time" of data coverage differed by cohort in the project data file. The period chosen was October 1996-September 1997. This period was the first year of our project. However, most of the cases were not selected for the sample until after October. In fact, cohort 8 was selected only in September 1997.

Consequently, third, this data provides a mix of pre- and post-selection information on the noncustodial parents. For parents in cohort 1, the slice of time represented covers their first year as part of the project sample. For others, the time period covers partly the months before their selection (when we know they made no payments other than involuntary IRS offsets) and partly months during the project, when some of them encountered special collection efforts. In other words, this data set bridges the period before and after sample selection for most of the noncustodial parents in the sample.

Since the data bridge the period of sample selection in this way, this discussion differs from the previous analysis of case characteristics at the time of sample selection.

Table 4.06 summarizes payments of noncustodial parents to all of their cases for October 1996 through September 1997. The table groups the noncustodial parents according to the total number of their cases *at the time of sample selection*. (Because this table covers a year, even a parent with one case at sample selection may have made payments on two or more cases.)

Clearly, again, the algorithm has an impact on payments to our sample case. The greater the number of cases, the smaller the average amount applied to the sample case. The table also shows the percentage of noncustodial parents who made a payment on their sample case as well as the percentage who made any payment at all. When noncustodial parents have more than one case, there is a consistent gap between the two columns of percentages.

Table 4.06
Payments Made by Noncustodial Parents in the Sample to All of Their Cases (October 1996 - September 1997)

Number of Noncustodial Parent's Cases			Payments (October 1, 1996 – September 30, 1997)			
			Payments on Sample Case		Payments to All NCP's Cases	
			Percentage That Paid on Sample Case	Amount Paid on Sample Case	Percentage That Made a Payment	Total Amount (All NCP's Cases)
1 case	N=2,138		19.4		19.5	
		Mean		$ 275.74		$ 278.70
		Sum		589,529.44		595,850.84
2 cases	N=972		18.9		22.1	
		Mean		137.44		249.85
		Sum		133,587.31		242,855.81
3 cases	N=449		15.4		20.7	
		Mean		95.33		313.34
		Sum		42,805.00		140,687.68
4 cases	N=211		18.5		22.7	
		Mean		80.64		279.63
		Sum		17,015.49		59,002.30
5 or more	N=167		16.8		22.2	
		Mean		33.17		411.79
		Sum		5,538.63		68,768.35
Total	N=3,937		18.7		20.5	
		Mean		$ 200.27		$ 281.22
		Sum		$ 788,475.87		$1,107,165.00

Figure 4g compares the total summed amount paid to the sample cases with the amount paid to all of the noncustodial parents' cases for the period. As the line chart shows, most of the money collected came from parents with one or two cases, and the lines are quite similar; i.e., most of the money went to the sample case. After that, however, the gap widens.

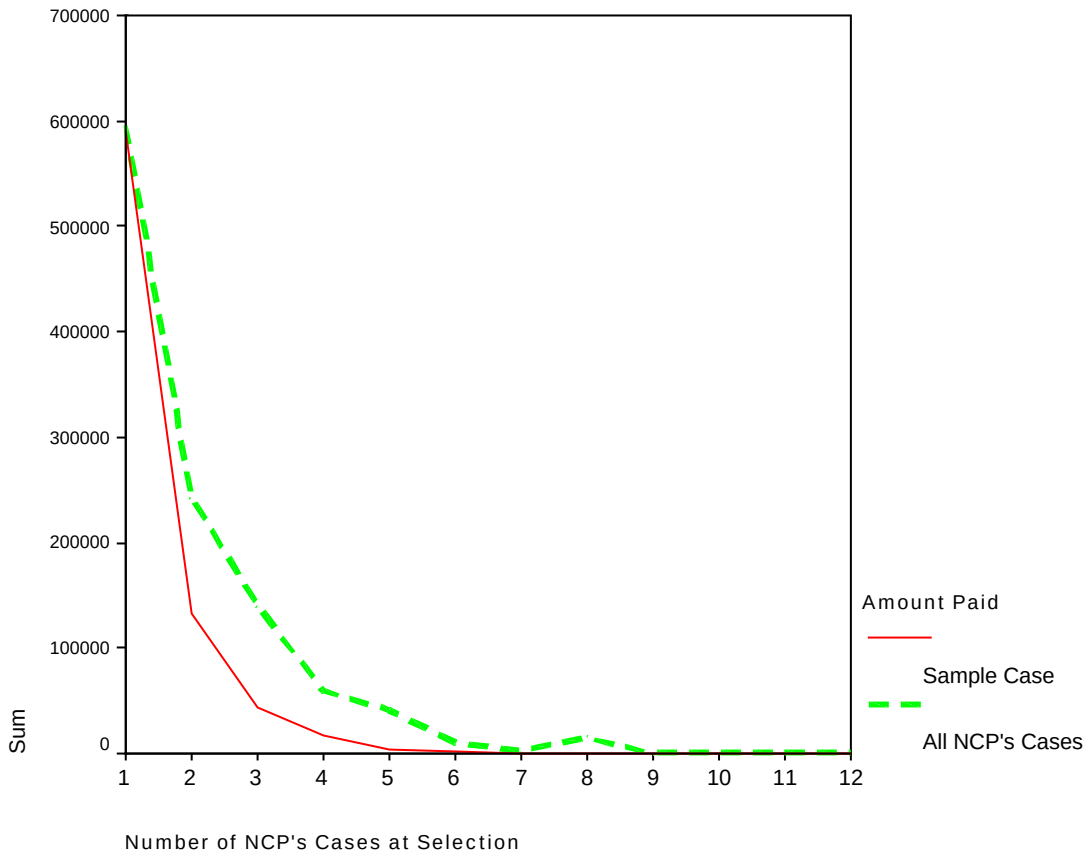


Fig. 4g. Comparison of total amount (summed) paid to sample cases and all noncustodial parents' cases (October 1996 - September 1997).

Figures 4h and 4i also highlight the payment sum data but provide more detail. The pie chart in Fig. 4h represents the total amount paid by the noncustodial parents to all of their cases during the time period. Interestingly enough, the slices representing share of total collected mirror the proportion of noncustodial parents quite closely. That is, 54.3 percent of the parents have one case, and they paid 53.8 percent of the total collected. Parents with two cases (24.7 percent of the sample) paid 21.9 percent of the total collected, while parents with 3 cases (11.4 percent) paid 12.7 percent. Even when we reach a higher number of multiple cases, the proportion paying stays rather congruent with the share of total collected. Parents with 4 cases (5.4 percent) paid 5.3 percent, and parents with five or more cases (4.2 percent of the sample) paid 6.2 percent of the total collected. This presents a marked contrast with payment shares on the sample case.

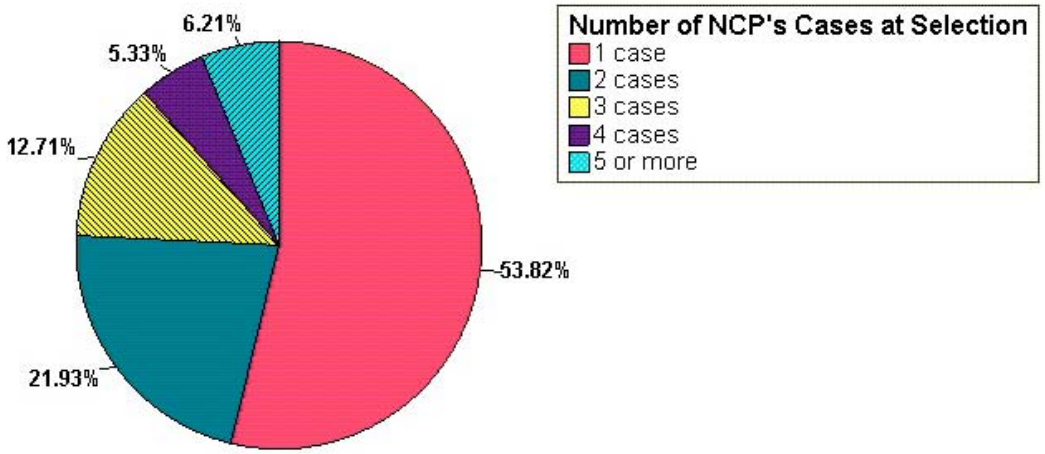


Fig. 4h. Total paid on all cases by number of noncustodial parent's cases (October 1996-September 1997).

By comparison, Figure 4i represents the total amount paid on the *sample cases*. Here parents with one case are considerably overrepresented, providing three-fourths (74.8 percent) of the total collected. Parents with two cases provided 16.9 percent of the total, and those with three cases drop to 5.4 percent of the amount collected.

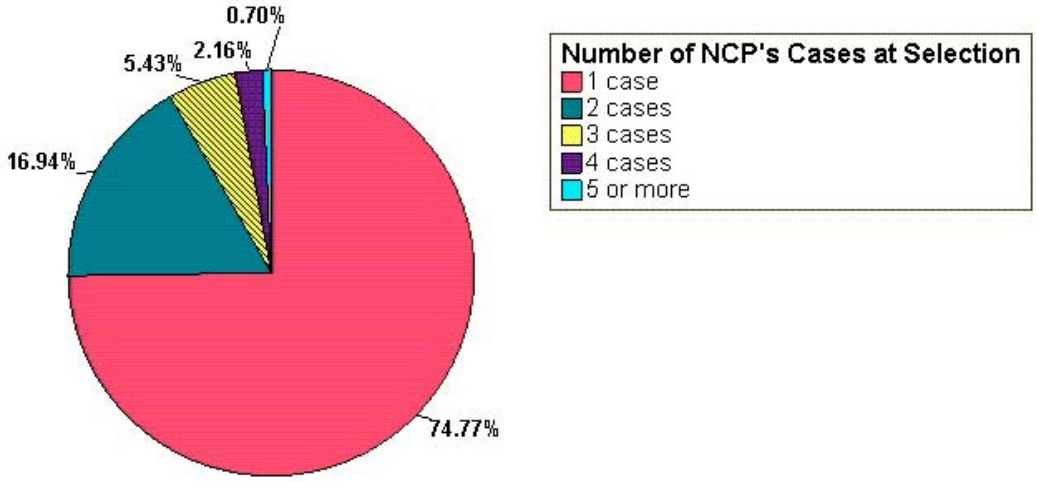


Fig. 4i. Total paid on the sample case by number of noncustodial parent's cases (October 1996-September 1997).

Thus far the information presented shows little detail on the payment patterns of these noncustodial parents. How many paid nothing? How many paid on all of their cases?

Table 4.07 provides an accounting of the parents' payment patterns for the time period, according to the number of their cases. Almost 80 percent paid nothing. Most of those who paid something made payments that applied partly at least to the sample case.

Figure 4j illustrates these proportions.

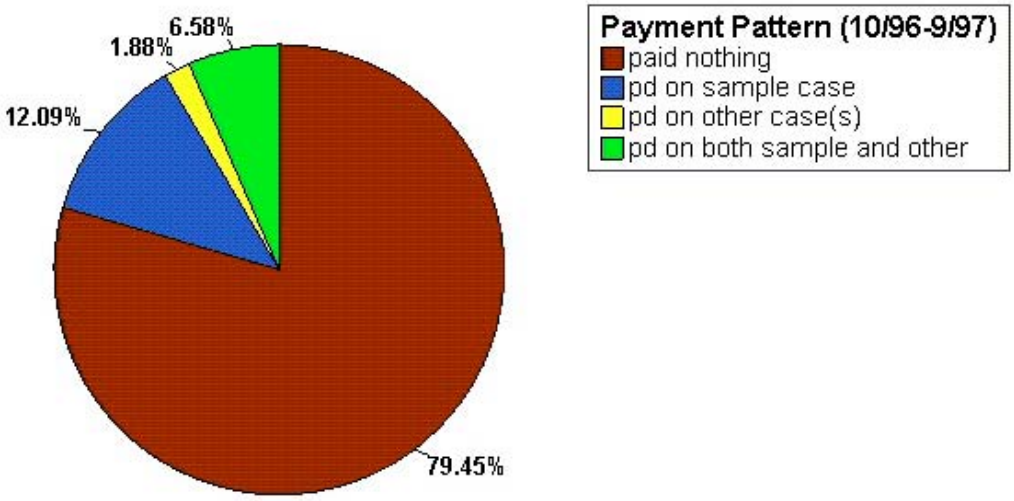


Fig. 4j. Payment patterns of the noncustodial parents in the sample (October 1996-September 1997).

Looking only at those noncustodial parents who paid something, how did the algorithm distribute the amount collected? (Here we are looking at what happened to the money rather than the proportion of parents who paid.)

Figure 4k shows how the algorithm affected sample case payments. Of the total dollar amount collected, 56.2 percent was applied to the sample case alone; 37.2 percent was split between the sample case and other cases; and 6.6 percent was applied only to nonsample cases.

When the algorithm split the payments, how many cases received a share? Can we predict this by knowing how many cases the noncustodial parent has? We found that the results of the algorithm's work are quite scattered, even though the algorithm itself is quite precise. The problem is that the outcome depends on several factors: the amount of the payment, the presence of current support, the particular combination of case types, the type of arrears, the source of the payment.

Table 4.07
Impact of the Algorithm on Payment Patterns of Noncustodial Parents (October 1996-September 1997)

Number of NCP's Cases	*Noncustodial Parents in Payment Pattern Category (and Percentage Share of Total Sample)*									
	Paid Nothing		*Paid on Sample Case*		*Paid on Other Case(s)*		*Paid on Both Sample and Other*		*Total*	
1 case	1,722	(43.7)	406	(10.3)	1	(0.0)	9	(0.2)	2,138	(54.3)
2 cases	757	(19.2)	61	(1.5)	31	(0.8)	123	(3.1)	972	(24.7)
3 cases	356	(9.0)	5	(0.1)	24	(0.6)	64	(1.6)	449	(11.4)
4 cases	163	(4.1)	3	(0.1)	9	(0.2)	36	(0.9)	211	(5.4)
5 cases	75	(1.9)	0	(0.0)	5	(0.1)	14	(0.4)	94	(2.4)
6 cases	29	(0.7)	1	(0.0)	3	(0.1)	8	(0.2)	41	(1.0)
7 cases	12	(0.3)	0	(0.0)	0	(0.0)	2	(0.1)	14	(0.4)
8-12 cases	14	(0.4)	0	(0.0)	1	(0.0)	3	(0.1)	18	(0.5)
Total	3,128	(79.5)	476	(12.1)	74	(1.9)	259	(6.6)	3,937	(100.0)

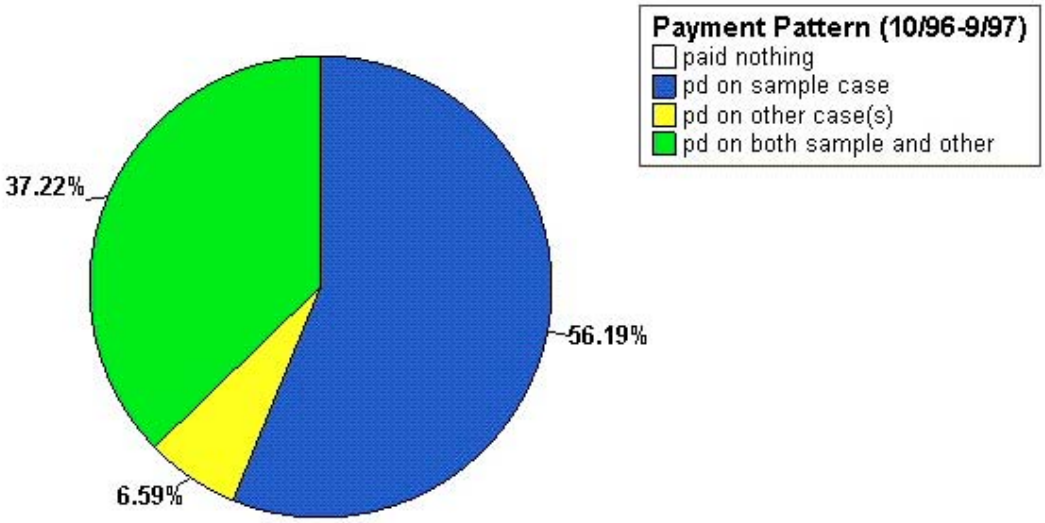


Fig. 4k. Impact of the algorithm on sample case payments (October 1996-September 1997). **Allocation of total collected from noncustodial parents in the sample among their cases.**

Finally, how do these payment data for the time period October 1996-September 1997 compare to the information we looked at earlier, showing the total sample at the time of sample selection? There we emphasized differences by case type.

For comparison, in Figure 4l we have provided a stacked bar chart showing the distribution of payment patterns by *sample case type*. Again, across all case types the majority paid nothing during the time period. The number who paid on both sample and other cases is surprisingly similar for nonassistance (96), AFDC/AFDC-FC (71), and subro-only (81) sample cases. The taller bar of the nonassistance cases is accounted for by the larger number of those noncustodial parents who paid nothing or who paid only on the sample case. As we might expect from our earlier analysis, of the parents who paid only on the sample case, 44 percent had one case, and it was a nonassistance case.

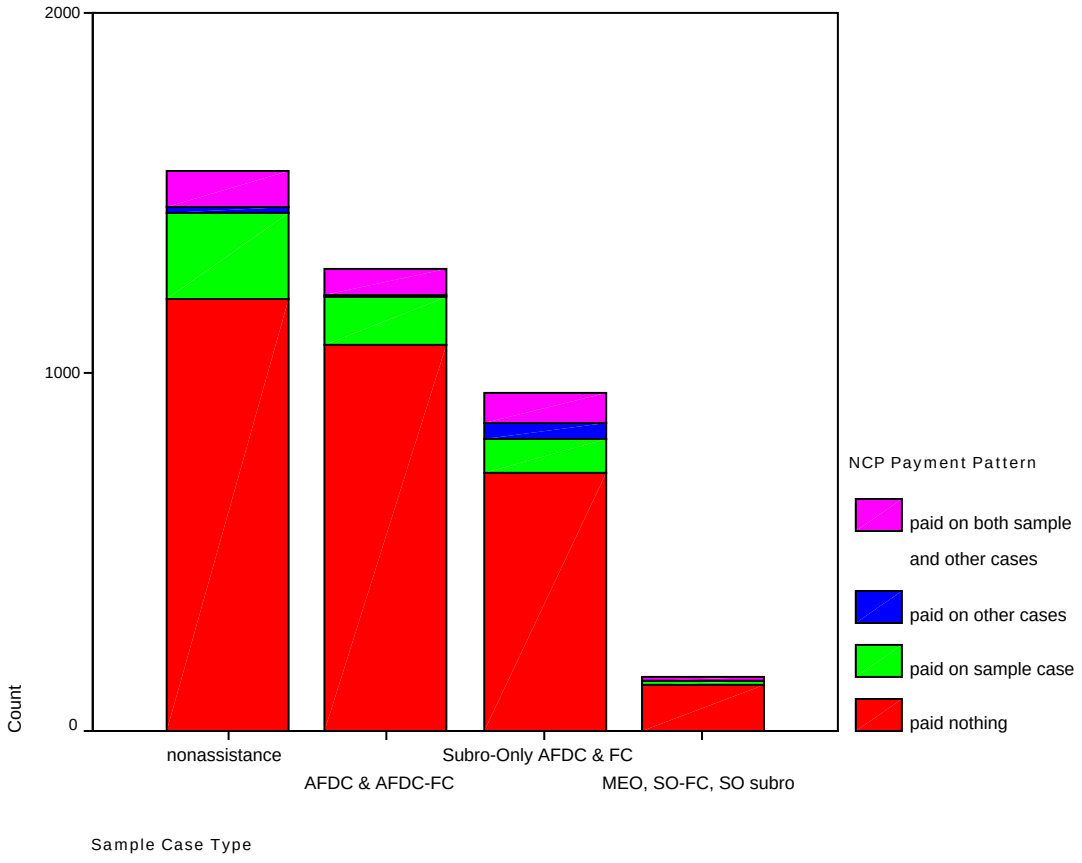


Fig. 4l. Payment patterns by case type (October 1996 - September 1997).

5. Project Collection Outcomes

DCS collected a total of $1,903,585 on the sample cases during the project tracking period. The overall mean collected was $483.51. In fact, however, the total collected came from just 32.1 percent of the cases. The total collected was split rather evenly between the custodial parents (51 percent) and DSHS (49 percent). Of the total collected, 28 percent was distributed to current support and 72 percent to arrears.

If only 32.1 percent paid, what happened to debt status on sample cases during the project? Of the 3,549 cases that remained open through the project, 890 (one-fourth) decreased their debt. The debt increased on 1917 (54 percent) of the open cases, and remained the same on 742. At the end of the project, DCS had still collected nothing—either before or during the project--on 1,486 cases, 37.7 percent of the sample.

DCS field offices closed one-tenth of the sample cases during the project. Of the 388 cases closed, 111 showed a zero debt balance at closing. However, only 60 of these cases had made a payment during the project. The remaining zero balances were due to debt adjustments. Taken as a group, 23.2 percent (90) of the closed cases had made a payment during the project. The mean amount paid during the project was $617.03. Of the cases that closed, 96 (25 percent) showed the same debt at closing as they had at the beginning of the project. Another 156 (40 percent) decreased their debt, while 136 (35 percent) showed an increased debt by the time of closure.

Payment Composition

Where did the payments come from? As Figure 5a illustrates, 20 percent came from IRS offsets. That is, of the total collected, $381,459.67 came from money withheld from noncustodial parents' federal income tax refunds. Another 7.5 percent was withheld from unemployment compensation and L&I. This totalled $142,359.06. The remaining $1,379,811.38 came from other sources, mainly from employers as direct withholding from wages.

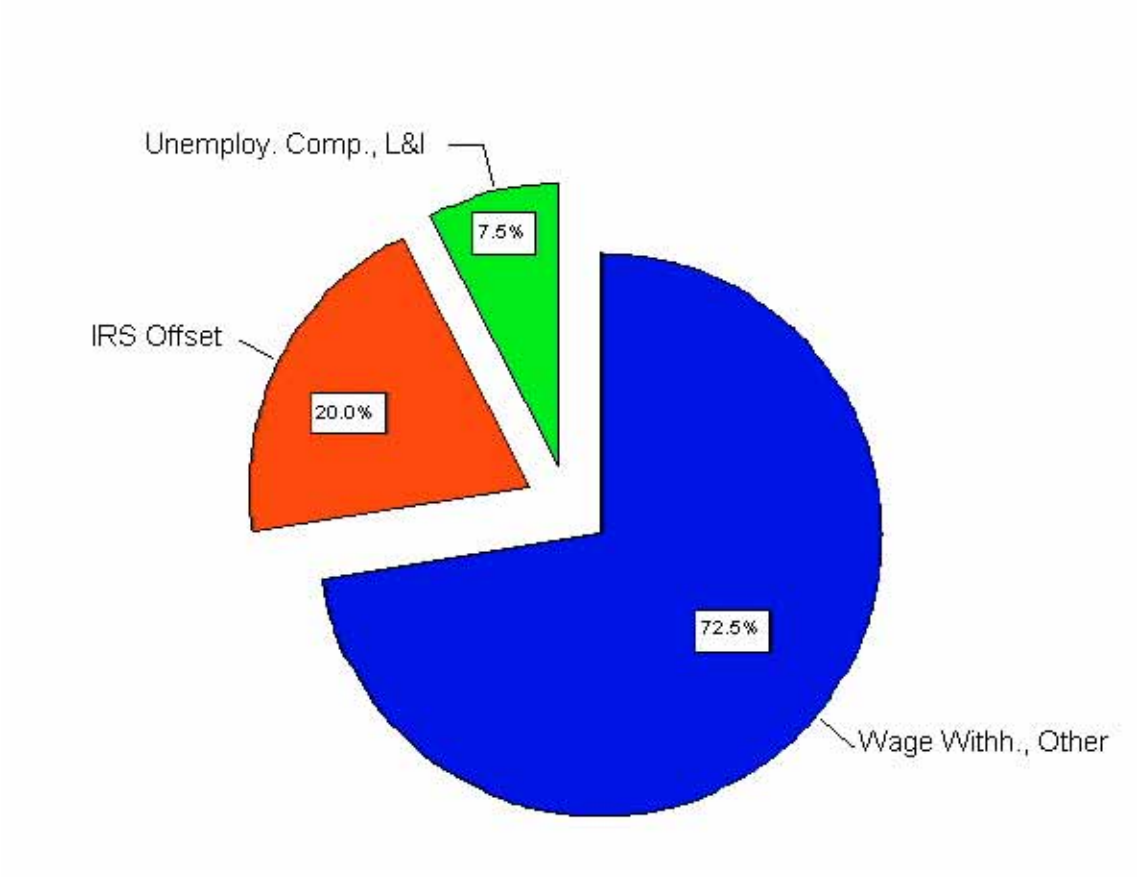


Fig. 5a. Source of payments on sample cases during project.

Relationship of Project Collections to Prior Payment Record

Earlier we presented a table showing the total collected on the cases prior to sample selection by payment level (see Table 3.04). Of the sample cases, 48.2 percent had paid nothing prior to the project. The table showed that the percentage of cases decreased as the payment level increased. It also showed an inverse relationship between percentage of cases and percentage of total collected.

Table 5.01 takes some of the information in that table and relates it to project collections to show how prior payment record is correlated with project collections.

Table 5.01

Relationship of Project Collections and Prior Collections

Total Collected on Case at Selection	*Sample Cases*		*Percentage of Pre-Project Collections*	*Project Collections*	
	Number	*Percentage of Sample Cases*		*Percentage of Sum Collected*	*Percentage That Paid*
$.00	1,896	48.2	0.0	26.8	21.6
Up to $500	616	15.6	1.6	11.8	34.3
$500-1,999	509	12.9	7.4	13.1	40.1
$2,000-4,999	425	10.8	17.6	16.9	45.2
$5,000-9,999	288	7.3	26.6	15.2	47.2
$10,000-$19,999	152	3.9	27.1	10.7	53.3
$20,000 or more	51	1.3	19.7	5.5	58.8
Total	3,937	100.0	100.0	100.0	32.1

How useful is prior payment level as a predictor of project payments? Not very, it seems.

Well over a quarter (26.8 percent) of project collections came from sample cases on which nothing had been collected previously.[12] Over half of project collections (51.7 percent) came from cases that had provided about 9 percent of collections on the sample cases prior to selection. There is very little relationship between the column for percentage of pre-project collections and the column for percentage of project collections.

Although prior payment amount is not particularly useful in predicting relative amount paid during the project, it is somewhat correlated with the *likelihood* of collecting a payment during the project. The percentages in the column for cases that paid during the project increase consistently with the payment level of pre-project collections. That is, the higher the level of payments prior to the project, the more likely the case was to make a payment during the project.[13]

---

[12]In the Interim Report we examined this issue in somewhat more detail. We did not find that the new payments on cases that previously had no collections could be attributed to Special Collections work. On the contrary, both treatment and control group cases left the ranks of zero collections, and more of the cases were control cases. This is simply additional evidence of the volatility and unpredictability of hard-to-collect child support cases.

[13]Although the table does not show this directly, 67.6 percent of cases that made a payment during the project had also made a payment earlier. Moreover, 55.6 percent of cases that did not pay during the project also did not pay before the project.

Effective Order Type and Project Collections

In our discussion of case payment status at the time of sample selection, we showed that the cases differed in payment records both by case type and effective order type. Table 5.02 looks at project payment outcomes by effective order type.

Table 5.02

Project Payment Outcomes by Effective Order Type

Effective Order Type (at Sample Selection)	*Percentage of Sample Cases*	*Paying Cases (Percent)*[a]	*Amount Paid (Mean)*	*Monthly Collections Per Case (Mean)*	*Percentage of Total Sum Collected*
Paternity	27.8	32.3	$ 423.25	$ 24.88	24.3
Dissolution	22.7	33.9	702.33	51.33	33.0
Administrative Default	20.8	23.7	228.14	14.78	9.8
Modification (Court Order)	6.1	42.1	745.44	45.71	9.4
Other Court Order	5.2	35.8	732.70	52.29	7.9
Administrative	5.0	33.2	571.66	38.92	5.9
Paternity Judgment	4.4	31.4	339.19	20.53	3.1
Agreed Settlement	2.2	42.5	454.61	33.33	2.1
Default 9710	1.8	30.0	286.79	17.76	1.1
Consent Order	1.6	37.5	209.73	14.26	0.7
Miscellaneous[b]	2.3	39.1	563.77	58.49	2.7
Total	100.0	32.1	$ 483.51	$ 32.66	100.0

[a]Paying case here means only that at least one payment was made on the case during the project.

[b]This category includes diverse orders grouped only because of their small numbers: temporary court orders, URESA, contempt, nonpaternity judgments, dependency, 9710 administrative, 9710 agreed settlements, and administrative modifications. The payment rates and amounts paid differ considerably.

If we compare this table with the earlier tables on effective order type (Tables 3.02 and 3.03), we certainly see similarities in trends. The categories with higher percentages of paying cases prior to sample selection tend also to have higher rates during the project. Categories with higher average amount paid pre-project also tend to have higher averages during the project. However, there are also substantial differences. For example, cases with paternity orders performed much better during the project relative to other order types than one would have anticipated from their pre-project statistics.

In this table we have added a measure for average monthly collections per case As explained above (see *Research Design*), we developed this measure to standardize our comparisons. Because of the staggered sampling strategy, some cohorts were tracked for a longer time than others. To compensate for this problem, we computed the time (in months) that each case was tracked. We then computed a measure for average collections per case per month (monthly mean per case). We developed a similar measure for monthly mean per case excluding automated matches.

Treatment and Control Group Outcomes

Special Collection Unit staff efforts made a difference in payment outcomes between the two groups. Comparing the two groups as a whole, the treatment group did better in percentage of cases making a payment, in total collections, and in payments excluding IRS, L&I, and unemployment compensation withholds. In statistical terms, only the difference in percentage of sample cases receiving a payment is highly significant—i.e., significant beyond the .01 level. However, as Table 5.03 shows, the differences in means between the two groups are often sizable.

When we compare the groups on payments during the project to sample cases, the treatment group mean is 10.6 percent ($48.87) higher than the control group mean. If we compare the means on payments excluding automated computer matches, the difference in means climbs to 21.9 percent. As we explained in the *Research Design* section above, this second comparison is more useful as a measure of Special Collections Unit effectiveness. Automated computer matches require little effort or skill on the part of the support enforcement officer.

In the *Research Design* section we also explained the reasons for developing two additional measures, *monthly mean collections per case* and *monthly mean collections per case excluding automated matches*. Because of the incremental sampling strategy, different cohorts were tracked for different periods of time in the project. These two measures provide a standardized unit of comparison. If we compare the monthly mean for the two groups, the treatment mean was 19.2 percent higher than the control group mean. For the reasons explained, the best measure of comparison is the monthly mean excluding automated

Table 5.03

Comparison of Treatment and Control Group Payment Outcomes

	Treatment	*Control*	*Difference*
Percentage of cases in group that made a payment	34.1	30.2	3.9%**
Project payments (mean)	$ 508.13	$ 459.26	$48.87
Payments, excl. IRS, UC, L&I (mean)	$ 385.35	$ 316.10	$69.25
Average (mean) monthly collections per case, all payments	$ 35.54	$ 29.82	$ 5.72
Average (mean) monthly collections, excluding IRS, UC, L&I	$ 26.39	$ 20.80	$ 5.59
Share of total project collections on sample cases (percentage)	52.2	47.8	4.4%
Share of total, excluding IRS, UC, L&I	54.6	45.4	9.2%

**This difference between treatment and control groups is statistically significant beyond the .01 level.

matches (IRS, UC, L&I). On that measure the treatment group mean was 26.9 percent higher.

Once established, the treatment group lead remained rather consistent throughout the project. Figure 5b displays the progress of project collections, showing cumulative payments through successive payment data runs.

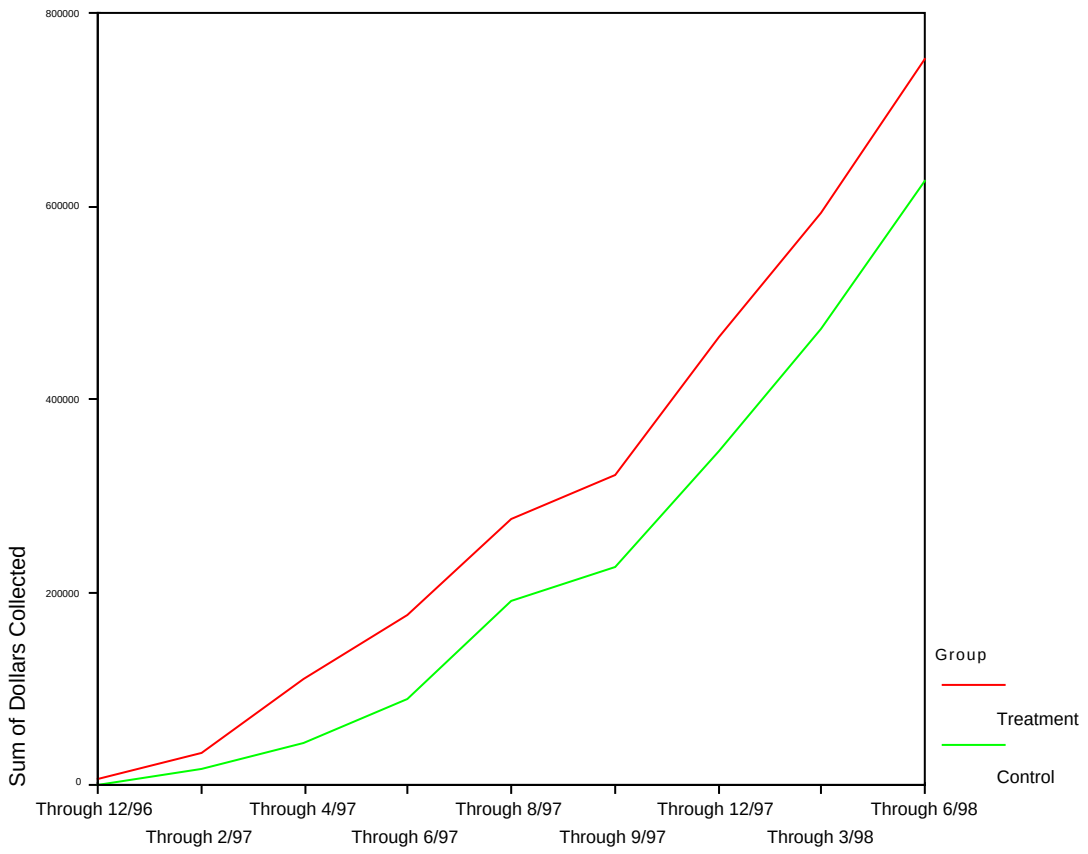


Fig. 5b. Cumulative collections over time (excluding IRS offsets, L&I, and unemployment compensation)

Comparing Groups by Cohort

We hypothesized that Special Collection efforts would have more impact on sample cases and noncustodial parents the longer they were in the project. That is, we expected that cohort 1 cases would show higher payment means than cohort 3, cohort 3 than cohort 5, etc. This differential would appear for two reasons. First, the longer the case was tracked, the more opportunity for payments. Hence, the measures for project payment means and payment means excluding automated matches should be higher for earlier cohorts than for later ones.

Second, the intensive case scrutiny and ongoing personal contact of Special Collection staff with noncustodial parents should show an impact over time on motivation and payment behavior. Therefore, the earlier cohorts should show higher means on the monthly mean per case measures, even though these were standardized to compensate for different tracking period lengths.

On the other hand, we recognized that countervailing pressures would exist. As the sample size grew through successive cohort selections, there would be increasing time pressure on Special Collections staff. Could they keep up? Moreover, upon initial contact with SCU staff, a noncustodial parent might be motivated to send payments for a period of time. After that, motivation might flag.

Table 5.04 examines payment outcomes by cohort. As the table reveals, we did not find the patterns we had hypothesized. For four out of the eight cohorts, the control group showed slightly higher means than the treatment group. When group differences are examined by cohort, only cohort 1 reveals sizable differences between treatment and control groups. We found no evidence that the treatment group developed more consistent habits of paying over time than the control group did.

To what extent do the actual patterns revealed in the table support the alternative proposition that the treatment group became too large to work effectively as sampling continued? Or that noncustodial parents lost motivation over time? We have already reported that SCU staff found themselves hard pressed to keep up part way through, and we therefore cut down sample size. However, the pattern displayed does not show a gradual diminishing of the differential between treatment and control groups. The more important factors appear to be the following.

1. Greater selectivity of the first cohort.

When the first cohort sample was drawn, we requested a larger sample so that project staff could screen the cases carefully to check for problems in sampling criteria and other issues that should be addressed early. Special Collections Unit staff were able to delete a number of unworkable cases in which the noncustodial parent was living out-of-state, or was incarcerated for years to come, or was on a grant. Although SCU quickly screened control cases as well, most of their time was spent on the treatment group cases. Consequently, the first cohort—especially the treatment group section—included a slightly smaller proportion of unworkable cases.

At the beginning we assumed the unworkable cases were a rather small segment—simply a distraction from the main sample of cases to be examined. Once we had drawn the second and third cohorts without time and “extras” in the sample, we realized the enormity of the problem. The substantial proportion of “unworkables” was exactly part of the issue we needed to study, not get rid of.

However, the issue of cohort selectivity should not be overemphasized. Even after the initial screening, SCU staff found a large number of unworkable cases in cohort 1. As we reported in the first quarter’s report, SCU still found 132 of the first cohort’s cases initially unworkable.

Table 5.04

Payment Outcomes by Cohort: Comparing Treatment and Control Groups

Cohort	*Total*	*Treatment*	*Control*	*Difference*
Cohort 1				
Number	533	268	265	
Percentage Paying	50.8	54.1	47.5	6.6%
Payments (mean)	$ 911.53	$1,039.85	$ 781.75	$ 258.10
Payments excl. IRS, UC, L&I (mean)	$ 657.17	$ 842.79	$ 469.45	$ 373.34
Monthly mean, all payments	$ 56.57	$ 72.84	$ 40.12	$ 32.72
Monthly mean, excl. IRS, UC, L&I	$ 42.78	$ 61.84	$ 23.51	$ 38.33
Cohort 2				
Number	687	349	338	
Percentage Paying	37.1	42.4	31.7	10.7%
Payments (mean)	$ 676.91	$ 713.62	$ 639.01	$ 74.61
Payments excl. IRS, UC, L&I (mean)	$ 498.04	$ 517.90	$ 477.53	$ 40.37
Monthly mean, all payments	$ 43.96	$ 45.07	$ 42.81	$ 2.26
Monthly mean, excl. IRS, UC, L&I	$ 32.75	$ 32.63	$ 32.88	$ -0.25
Cohort 3				
Number	685	342	343	
Percentage Paying	38.5	41.8	35.3	6.5%
Payments (mean)	$ 618.82	$ 674.87	$ 562.93	$ 111.94
Payments excl. IRS, UC, L&I (mean)	$ 443.00	$ 498.47	$ 387.69	$ 110.78
Monthly mean, all payments	$ 38.27	$ 40.78	$ 35.77	$ 5.01
Monthly mean excl. IRS, UC, L&I	$ 27.10	$ 28.94	$ 25.28	$ 3.66
Cohort 4				
Number	455	211	244	
Percentage Paying	32.1	32.2	32.0	0.2%
Payments (mean)	$ 437.79	$ 388.56	$ 480.35	$ -91.79
Payments excl. IRS, UC, L&I (mean)	$ 327.83	$ 271.01	$ 376.96	$-105.95
Monthly mean, all payments	$ 32.96	$ 35.59	$ 30.68	$ 4.91
Monthly mean excl. IRS, UC, L&I	$ 21.00	$ 17.37	$ 24.14	$ -6.77
Cohort 5				
Number	185	89	96	
Percentage Paying	24.9	22.5	27.1	- 4.6%
Payments (mean)	$ 377.12	$ 336.31	$ 414.95	$ -78.64
Payments excl. IRS, UC, L&I (mean)	$ 283.55	$ 265.67	$ 300.12	$ -34.45
Monthly mean, all payments	$ 27.58	$ 23.57	$ 31.29	$ -7.72
Monthly mean excl. IRS, UC, L&I	$ 21.15	$ 18.57	$ 23.54	$ -4.97
Cohort 6				
Number	579	289	290	
Percentage Paying	25.4	26.6	24.1	2.5%
Payments (mean)	$ 75.83	$ 277.89	$ 273.77	$ 4.12
Payments excl. IRS, UC, L&I (mean)	$ 192.76	$ 201.05	$ 184.50	$ 16.55
Monthly mean, all payments	$ 21.19	22.57	$ 19.83	$ 2.74
Monthly mean, excl. IRS, UC, L&I	$ 14.90	$ 16.44	$ 13.37	$ 3.07

Cohort	Total	Treatment	Control	Difference
Cohort 7				
Number	583	292	291	
Percentage Paying	17.3	17.1	17.5	- 0.4%
Payments (mean)	$ 132.21	$ 119.86	$ 144.61	$ -24.75
Payments excl. IRS, UC, L&I (mean)	$ 97.70	$ 105.58	$ 89.79	$ 15.79
Monthly mean, all payments	$ 12.51	$ 11.63	$ 13.40	$ -1.77
Monthly mean excl. IRS, UC, L&I	$ 9.31	$ 10.31	$ 8.32	$ 1.99
Cohort 8				
Number	230	114	116	
Percentage Paying	14.8	13.2	16.4	- 3.2%
Payments (mean)	$ 100.29	$ 62.39	$ 137.54	$ -75.15
Payments excl. IRS, UC, L&I (mean)	$ 59.78	$ 53.74	$ 65.71	$ -11.97
Monthly mean, per case, all payments	$ 10.24	$ 6.37	$ 14.05	$ -7.68
Monthly mean excl. IRS, UC, L&I	$ 6.11	$ 5.49	$ 6.71	$ -1.22

Note: Differences between cohort means were highly significant (significant beyond the .01 level) for all variables. However, differences for group means (between treatment and control groups) and for group*cohort were not significant.]

In this table the first cohort does appear to constitute much of the treatment group's edge. If the superior performance of the treatment group cases depended consistently on the first cohort, the project results would be troubling. However, in fact, the treatment group's margin does not depend solely on the first cohort—as we will see in our examination of project results by case type, below.

2. The impact of SCU staff changes and other commitments.

Here the effect shows particularly in cohorts 4 and 5. SCU staff members were asked to help another state office unit meet a crisis. This took an important portion of staff time for several weeks. Then the first staff change led to a slowdown in the SCU process while they selected and trained the replacement person. The combined effect of these events was to set SCU back severely in their processes of sample intake, searches for assets, and contacts with noncustodial parents. As the table shows, SCU staff never made up the lost ground in collections on cohorts 4 and 5. The timing of the interferences was most unfortunate.

Near the end of 1997, after all the samples were selected, another staff change left SCU short staffed for about two months. This probably affected collection efforts on cohorts 7 and 8 in particular but would also have hurt follow-up work on earlier cohorts.

On the other hand, staff changes probably had positive effects as well. As the project wore on, SCU staff began to find the special case load a bit tiresome. Dealing entirely with hard-to-collect cases became tedious and also stressful after awhile. Regular field office case loads offer more variety, change of pace, more successes, more of the positive interactions. Consequently, changing a support enforcement officer in January 1998 probably provided a temporary boost in energy and enthusiasm. In their recommendations for other units instituting specialized collection teams, SCU staff suggested making such appointments temporary—perhaps six to nine months.

However, staff interruptions and changes during the hectic period of adding cohorts in successive samples took their toll and put the unit behind in a period when the work demanded concentrated attention.

3. The cyclical pattern of hardship among many sample cases.

In our examination of the two-year payment history of cohort 1 prior to project selection (discussed above), we discovered that approximately one-fourth of the cases exhibited a temporary pattern of hardship. There was a marked difference between payment means for the first year and second year. Even without the recent booming economy in Washington State, we could expect the income of a certain portion of the sample's noncustodial parents to improve over the period of the project. Temporary job losses and other problems would be remedied within a few months. Cases in the earlier cohorts would be more likely to show payment resumption simply because of the longer elapsed time since sample selection.

To compensate for the staggered cohort sampling, we developed standardized measures that corrected for the varying lengths of project tracking time. Nevertheless, when we examine the total column (for the two groups combined), Table 5.04 shows a consistent pattern for the monthly mean to drop with each successive cohort. This suggests the significance of temporary hardships in project payment outcomes.

The Impact of Multiple Cases on Project Outcomes

In the discussion of multiple cases above, we provided an assessment of the total child support obligations of noncustodial parents in the sample. *(See especially Table 4.01.)* At the time of sample selection 3,937 noncustodial parents had a total of 6,792 open IV-D cases. The number of open cases per parents ranged from one to twelve. The average number of cases was 1.8. The parents owed an average of $16,129.01 in arrears on their combined cases. But this figure reflected the situation of parents with one case. Those with multiple cases had much higher average arrears.

What happened to the child support obligations of these parents during the project? We are able to provide appropriate information for comparison on 3,457 of the noncustodial parents whose sample case remained open through June 1998. At the end of June 1998, these parents had a total of 6,699 open

cases, ranging from one to ten each. On average, their arrears had increased by $1,757. During the project, total arrears decreased for 843 parents, stayed the same for 427, and increased for 2,187.

Table 5.05 summarizes the total child support debt status of the noncustodial parents with open sample cases through the end of the tracking period (June 30, 1999). Parents with one case at sample selection (52.4 percent of the noncustodial parents in the sample) owed 38.3 percent of the total sum of arrears at project's end. At the other end of the spectrum parents who had four or more cases at the beginning (10.2 percent) owed 21.7 percent of the total debt at the end.

Given the high debt burden of noncustodial parents with multiple cases as well as the operation of the payment distribution algorithm, there are substantial limits to the impact the SCU could be expected to make on sample case outcomes. Table 5.06 shows, not surprisingly, that the treatment group's positive margin is pretty much limited to situations in which the noncustodial parent's only case was the sample case.

This, however, is not an adequate comparison of payment outcomes in situations where the noncustodial parent had multiple cases. Because of the distribution algorithm's operation, a payment might be split among several cases, even if the payment was obtained through work of Special Collections staff on behalf of a sample case. Indeed, in some situations none of the money would end up on the sample case. An analysis of collection outcomes therefore requires looking at payments applied to all of the cases on which the sample's noncustodial parents owe debts.

To compare payments here, we updated the multiple case data file used earlier for Table 4.06 and accompanying graphs. This file includes payments made by noncustodial parents in the sample to all of their cases, not the particular cases selected for the sample. To provide a consistent time period in which to observe the algorithm's operation, it tracks payments beginning in October 1996, which is before the parents ended up in the sample.

Originally we had used September 1997 as the ending period. To update the file and still provide a consistent end date as well, we have included only those noncustodial parents whose sample case remained open through the end of the project tracking period, i.e., through June 1998. Therefore this analysis includes 3,556 noncustodial parents rather than the 3,937 included in most other tables.

Table 5.05

Child Support Debt Status of Noncustodial Parents at Project's End

Number of NCP's Cases at Sample Selection	*Number of Open Cases on 6/30/98*	*Sum of MOA on 6/30/98*	*Debt Status on 6/30/98*			
			Arrears Owed to Custodial Parent	*Arrears Owed to DSHS*	*Total Arrears*	*Debt Increase Since Sample Selection*
1 case						
Number of NCPs =1,813						
52.4%						
Mean	1.09	$ 140	$ 4,551	$ 8,833	$ 13,454	$ 1,232
Sum	1,980	254,306	8,251,771	16,013,360	24,392,932	2,233,568
2 cases						
Number of NCPs = 879						
25.4%						
Mean	2.04	166	3,768	13,282	17,110	1,549
Sum	1,789	145,483	3,311.692	11,674,721	15,039,932	1,361,948
3 cases						
Number of NCPs = 413						
11.9%						
Mean	3.03	222	4,085	20,971	25,206	2,545
Sum	1,250	91,618	1,686,906	8,661,002	10,409,888	1,051,000
4 cases						
Number of NCPs = 197						
5.7%						
Mean	3.94	294	6,700	25,337	32,163	2,851
Sum	777	57,993	1,319,993	4,991,446	6,336,148	561,577
5 or more cases						
Number of NCPs = 155						
4.5%						
Mean	5.83	420	7,755	40,696	48,705	5,588
Sum	903	65,078	1,202,055	6,307,942	7,549,202	866,151
Total						
Number of NCPs = 3,457						
Mean	1.94	$ 178	$ 4,562	$ 13,783	$ 18,435	$ 1,757
Median	1.00	75	0	6,652	11,572	553
Maximum	10	2,336	178,679	270,773	304,145	240,928
Sum	6,699	614,479	15,772,416	47,648,471	63,728,101	6,074,244

Table 5.06

Payment Outcomes on the Sample Case by Number of Noncustodial Parent's Cases

Number of Noncustodial Parent's Cases at Sample Selection	*Total*	*Treatment*	*Control*	*Difference*
1 Case				
Number	2,138	1,056	1,082	
Percentage paying	33.6	35.7	31.5	4.2%
Payments (mean)	$ 618.32	$662.32	$ 575.37	$ 86.95
Payments excl. IRS, UC, L&I (mean)	$ 461.58	$ 520.28	$ 404.29	$ 115.99
Monthly mean, all payments	$ 42.68	$ 48.84	$ 36.67	$ 12.17
Monthly mean, excl. IRS, UC, L&I	$ 31.76	$ 37.61	$ 26.05	$ 11.56
2 Cases				
Number	972	493	479	
Percentage paying	32.0	32.5	31.5	1.0%
Payments (mean)	$ 370.87	$ 409.33	$ 331.29	$ 78.04
Payments excl. IRS, UC, L&I (mean)	$ 255.92	$ 278.49	$ 232.70	$ 45.79
Monthly mean, all payments	$ 23.54	$ 25.31	$ 21.73	$ 3.58
Monthly mean, excl. IRS, UC, L&I	$ 15.72	$ 16.17	$ 15.26	$ .91
3 Cases				
Number	449	212	237	
Percentage paying	29.4	32.5	26.6	5.9%
Payments (mean)	$ 332.30	$ 263.17	$ 394.13	$ -130.96
Payments excl. IRS, UC, L&I (mean)	$ 210.93	$ 183.32	$ 235.62	$ -52.30
Monthly mean, all payments	$ 22.50	$ 15.53	$ 28.74	$ -13.21
Monthly mean excl. IRS, UC, L&I	$ 14.70	$ 10.70	$ 18.28	$ - 7.58
4 Cases				
Number	211	113	98	
Percentage paying	27.5	31.0	23.5	7.5%
Payments (mean)	$ 244.27	$ 233.65	$ 256.52	$ -22.87
Payments excl. IRS, UC, L&I (mean)	$ 163.33	$ 185.09	$ 138.23	$ 46.86
Monthly mean, all payments	$ 14.06	$ 13.92	$ 14.21	$ - .29
Monthly mean excl. IRS, UC, L&I	$ 9.35	$ 10.93	$ 7.53	$ 3.40
5 or More Cases				
Number	167	80	87	
Percentage paying	26.9	31.3	23.0	8.3%
Payments (mean)	$ 122.14	$ 118.51	$125.47	$ -6.96
Payments excl. IRS, UC, L&I (mean)	$ 89.98	$ 81.07	$ 98.18	$ -17.11
Monthly mean, all payments	$ 8.23	$ 6.60	$ 9.73	$ -3.13
Monthly mean excl. IRS, UC, L&I	$ 6.28	$ 4.62	$ 7.80	$ -3.18

Note: Differences between payment means for number of NCP's cases were highly significant (significant beyond the .01 level). However, differences for group means (between treatment and control groups) and for group*number of NCP's cases were not statistically significant.

Figure 5c portrays the payment pattern of noncustodial parents during the period October 1996-June 1998.

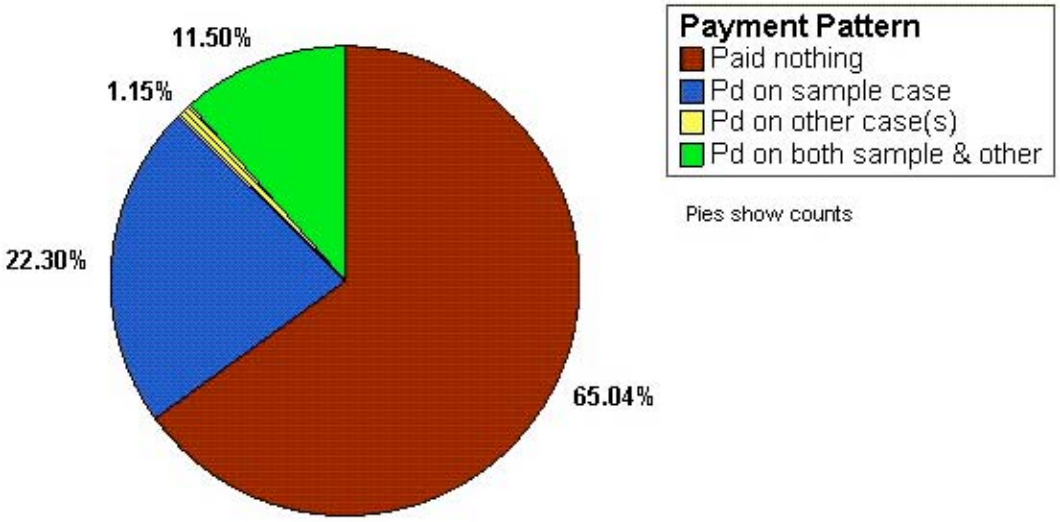


Fig. 5c. Payment patterns of the noncustodial parents in the sample (October 1996-June 1998).

This chart is based on the count of noncustodial parents whose *sample case* remained open through June 1998. However, it records the payment patterns of the parents on all their cases. Those who paid nothing (two-thirds) paid nothing on any of their cases. This large slice dominates the chart, so that the slices devoted to those who paid only on their nonsample cases (*Other*) and those who paid on both sample and nonsample appear quite small.

By comparison, Figure 5d directs our attention to the one-third of the sample who made payments. Here the pie measures contribution to the total sum collected on all their cases. In this view the contribution of noncustodial parents whose payments were distributed partially to other nonsample cases appears much more significant. In fact, 24 percent ($558,814.50) of the total sum collected went to nonsample cases.

Table 5.07 is based on this data file tracking the total amount collected from noncustodial parents whose sample case remained open through June 1998. It includes payments made to all their cases, rather than just those to sample cases. Again, the time period used is October 1996 through June 1998.

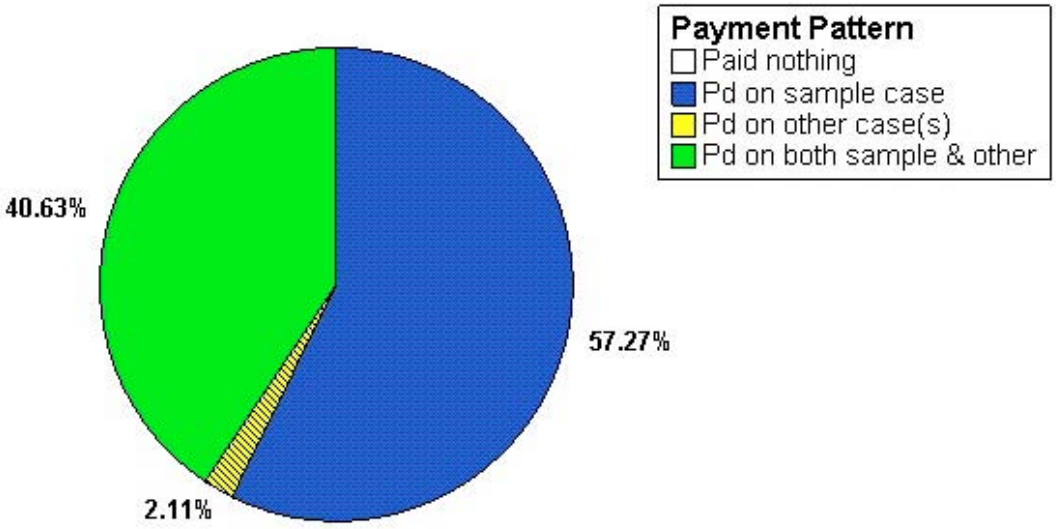


Fig. 5d. Allocation of total sum collected from noncustodial parents in the sample among all their cases (October 1996-June 1998).

The *percentage paying* item here means that the noncustodial parent made at least one payment on at least one case during the 21-month period, not necessarily on the sample case and certainly not on all the parent's cases. Overall, 35 percent of the noncustodial parents made a payment during the period. There is a difference of 3.6 percent between the two groups, with 36.8 percent of treatment group parents paying, compared to 33.2 percent of the control group parents. This difference is statistically significant.

The parents paid an average (mean) of $626.77 on all their cases during the period. There is a large difference between treatment and control group outcomes on this measure, with treatment group parents averaging $669.63, compared to the control group mean of $584.11, a difference of $85.52 in the average. That is, the treatment group mean was 14.6 percent higher, and is statistically significant.

The table also breaks out payment outcomes according to the number of cases the noncustodial parent had at sample selection. Here we see a few measures on which the control group scored higher than the treatment group. Yet in all but one category the treatment group showed a higher percentage of parents who paid, and usually it showed a higher mean on payments to all the parent's cases. The comparison is particularly striking when we look at parents with five or more cases. Here the treatment group payment rate was 13.4 percent higher, and the parents paid an average of over three times as much as the control group parents.

Table 5.07

Payments Made by Noncustodial Parents in the Sample to All of Their Cases (October 1996 – June 30, 1998)

Number of Noncustodial Parent's Cases at Sample Selection	*Payments by NCPs in Sample, October 1996–June 1998*			
	All NCPs[a]	*Treatment Group*	*Control Group*	*Difference Between Groups*
1 Case				
Number	1,886	935	951	
Percentage paying	35.5	37.2	33.9	3.3%
Mean paid on sample case	$ 602.95	$ 626.47	$ 579.82	$ 46.65
Mean paid on all cases	609.39	629.53	589.59	39.94
2 Cases				
Number	897	463	434	
Percentage paying	35.2	35.0	35.5	-0.5%
Mean paid on sample case	$ 393.46	$ 440.75	$ 343.01	$ 97.74
Mean paid on all cases	637.50	715.03	554.79	160.24
3 Cases				
Number	419	198	221	
Percentage paying	33.7	36.9	30.8	6.1%
Mean paid on sample case	$ 331.99	$ 290.51	$ 369.15	$ -78.64
Mean paid on all cases	675.79	653.23	696.01	-42.78
4 Cases				
Number	198	104	94	
Percentage paying	34.3	39.4	28.7	10.7%
Mean paid on sample case	$ 256.24	$ 239.97	$ 274.23	$ -34.26
Mean paid on all cases	643.52	651.79	634.38	17.41
5 or More Cases				
Number	156	74	82	
Percentage paying	30.8	37.8	24.4	13.4%
Mean paid on sample case	$ 96.56	$ 129.36	$ 66.96	$ 62.40
Mean paid on all cases	622.39	961.21	316.63	644.58
Totals				
Number	3,556	1,774	1,782	
Percentage paying	35.0	36.8	33.2	3.6%*
Mean paid on sample case	$ 476.66	$ 497.11	$ 456.30	$ 40.81
Mean paid on all cases	626.77	669.63	584.11	$ 85.52*
Sum paid on sample case	$1,694,994.55	$ 881,872.17	$ 813,122.38	$ 68,749.79
Sum paid on all cases	2,228,809.04	1,187,920.43	1,040,888.61	$147,031.80
Share of total sum paid on all NCPs' cases (percentage)	100.0	53.3	46.7	6.6%

[a]This table includes all noncustodial parents whose sample case remained open through June 1998. The payments include all those made to all their cases between October 1996 and June 1998, including those made before sample selection.

*This difference is significant beyond the .05 level.

Together, the views provided by Table 5.06 and Table 5.07 provide a richer understanding of the work done by the Special Collections Unit during the project. When we compare collection outcomes on sample cases alone, the treatment group advantage is largely limited to situations in which the sample case was the noncustodial parent's only case. When we broaden the perspective to include multiple cases—that is, when we look at the payments noncustodial parents made to all of their cases—we see that SCU staff still made an overall difference. They collected 53.3 percent of all the money paid on the combined cases, a difference of 6.6 percent over collections on the cases of the control group parents. Here the most striking outcome is the difference SCU made in collections from parents with five or more cases.

This contrasting perspective also highlights a problem for child support agencies in assessing collection outcomes. Many of the parents owing child support in Washington State have obligations on multiple cases. As we saw earlier, current support amounts set on particular cases do not seem to show adequate sensitivity to the number of other cases the debtor has. This undoubtedly contributes to the skyrocketing increase in sum of arrears as the number of cases rises. Many parents cannot pay the total required monthly payment of current support and arrears. Added to this problem is the operation of the payment distribution algorithm, which divides a payment in particular ways benefiting some debts at the expense of others.

As a result, it is not reasonable to assess delinquency solely on the basis of whether all current support was paid each month and each case received a payment toward arrears. It is not reasonable in assessing the individual parent's delinquency, and it is not reasonable in assessing a child support agency's comparative performance.

Project Payment Outcomes by Case Type

Our earlier reports compared collections by case type as well as by other categories. These tables showed that average collections differ considerably according to case type, whether we look at collections prior to sample selection or at payment outcomes during the project. However, in our earlier reports we categorized cases according to type at time of sample selection. During the project, at least one-fourth of these cases changed type.

Table 5.08 summarizes project payment outcomes on the sample cases, without dividing the cases into treatment and control groups. Of the cases that did not change type while part of the project,[14] nonassistance cases were the largest category (1,284 cases). They were also the cases on which the most was

[14]In this section the categories include cases that remained open throughout the project as well as cases that closed during the project so long as they did not change type while open.

collected, with an overall mean of almost $695. During the project at least one payment was received on 35 percent of these nonassistance cases. Looking at the total sample, nonassistance cases that did not change type during the project made up 32.6 percent of the cases and contributed almost half--46.8 percent--of the total collected.

Table 5.08

Summary of Project Payment Outcomes by Category of Sample Cases

Case Category During Project[a]	*Number of Cases*	*Percentage That Paid*	*Payments During Project*		*Percentage of Total Dollars Paid*	*Percentage of Total Sample Cases*
			Mean	*Sum*		
Nonassistance	1,284	35.0	$694.50	$ 891,740.59	46.8	32.6
Current Assistance (FPA)[b]	824	26.6	305.23	251,505.96	13.2	20.9
Subro-Only[b]	853	30.6	343.91	293,355.16	15.4	21.7
All Others[c]	976	34.3	478.47	466,983.31	24.5	24.8
Total Sample	3,937	32.1	$483.51	$1,903,585.00	100.0	100.0

[a]The first three categories here include only cases that remained the same type throughout the project. The remaining sample cases are included under the category *All Others*.

[b]The categories *Current Assistance* and *Subro-Only* here include only federally funded public assistance cases, abbreviated as FPA. Current assistance cases are AFDC/TANF and AFDC foster care. Subro-only cases are AFDC subro-only and AFDC foster care subro-only.

[c]The category *All Others* includes state-funded foster care, medical enforcement only, and cases that changed type during the project (including, for example, cases that changed between nonassistance and public assistance, or from current assistance to subro-only).

The second category, current assistance cases, includes federally funded public assistance cases that did not change type while they were open during the project. Most of these are AFDC/TANF cases, while a few are AFDC foster care. No matter which measure we look at, current assistance cases performed poorly compared to nonassistance cases. The average (mean) collected is less than half (44 percent) of that for nonassistance cases. Here 20.9 percent of the sample cases paid only 13.2 percent of the dollars collected.

The third category consists of cases that remained subro-only while they were open during the project. That is, they were cases on which DCS was attempting to collect only arrears owed to DSHS. Most are AFDC subros, but a few are AFDC foster care subros. By comparison with the current assistance cases, subro-only cases performed better on percentage of paying cases and on the mean collected, yet again the percentage of total dollars collected is smaller than their share of the sample cases.

The final category included in Table 5.08 is simply a residual. It includes all the cases that changed case type during the project as well as the small number of state-funded foster care cases and medical enforcement only cases.

Figure 5e displays payment outcomes for these four categories over time. After September 1997 both the mean and sum of payments increase at a distinctly sharper slope. In part the September 1997 watershed reflects the staggered sampling strategy. We collected the sample in eight cohorts between October 1996 and September 1997. The rather jagged line of the mean collected per case until September reflects the impact of new cohorts.

However, after this point the categories show different rates of increase in payment sums. The *Nonassistance* category shows the steepest slope. Yet both the residual *All Others* (*Other cases*) category and the *Current Assistance* (*AFDC, AFDC-FC*) category show impressive increases over time as well. The *Subro-Only* category is a more gradual slope. In fact, it appears that over time the *Current Assistance* category might have caught up with *Subro-Only* collections.

Table 5.09 compares treatment group and control group payment outcomes. The sample cases are divided into the same case category scheme as in Table 5.08. Overall, treatment group cases contributed 52.2 percent of the sum collected during the project. The percentage of paying cases was 34.1 for the treatment group compared to 30.2 for the control group. The mean collected was about 10 percent higher for treatment group cases than for control group cases.

However, when we use the case categories adopted here, the treatment group advantage was limited to *Nonassistance* and *Subro-Only* categories. In the *Nonassistance* category 38.3 percent of treatment group cases made at least one payment, compared to 31.6 percent of control group cases. But other differences are rather modest: treatment group cases paid only about 6 percent more. In fact, the treatment group advantage is almost entirely due to collections on subro-only cases. Here the difference is striking: the mean for treatment group cases is 70 percent higher than for control group cases.

By contrast, on the category of cases that remained current public assistance, the two groups are very close, and, as a matter of fact, the control group numbers are a nudge higher. On the residual *All Others* category, the mean collected was almost precisely the same for the two groups, although a higher percentage of treatment group cases made a payment.

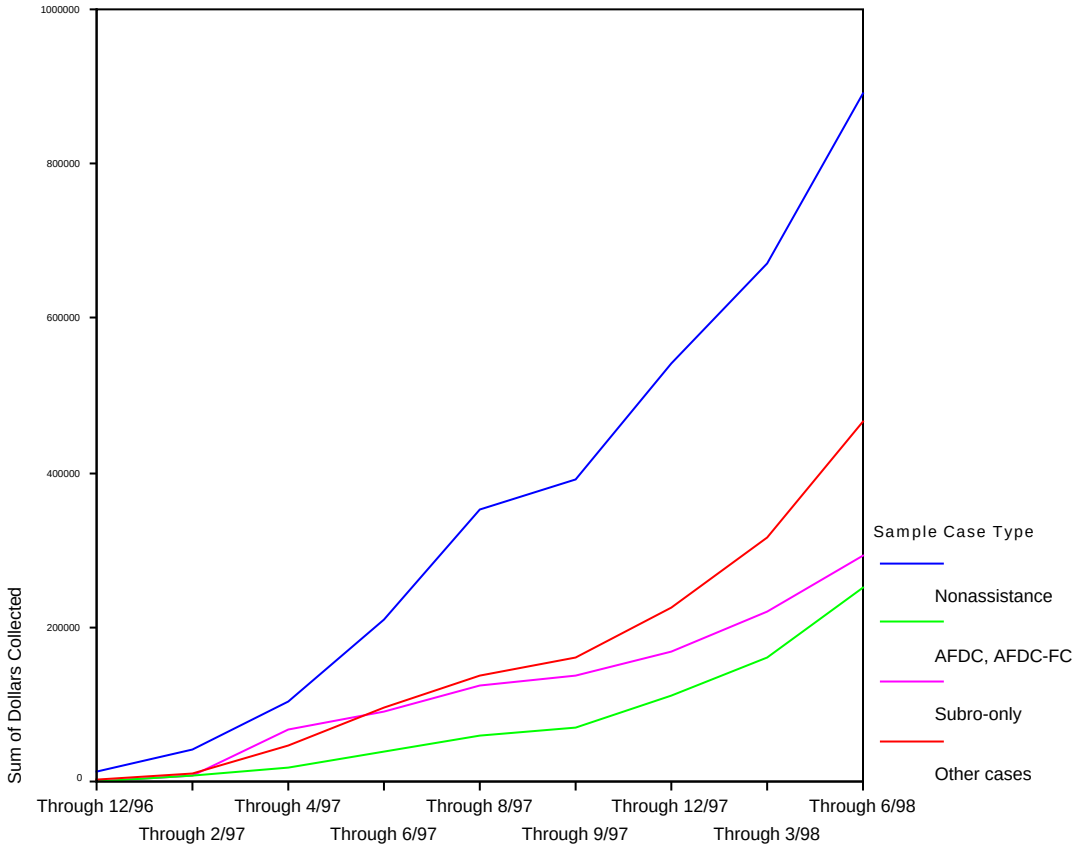


Fig. 5e. Cumulative collections on sample cases by case type during project (including all payments).[15]

In the sections that follow we will devote more attention to the cases that did not change type during the project. We will examine outcomes on each of these case categories in more detail to help pinpoint the areas in which special collection activity made a difference.

First, however, we will take a quick look at the residual category *All Others*. In Table 5.08 we saw that this category is one-fourth of the sample, and that it ranks second in percentage paying and in payment mean, just below nonassistance cases. Figure 5e shows that, again, it ranks second below nonassistance cases in sum of payments. Table 5.09 shows that the percentage of cases that made a payment is noticeably higher for the treatment group than the control group. Nevertheless, treatment and control group means are almost precisely the same.

[15]Sample cases are grouped here according to their type while they were open during the project. The category *Other cases* includes medical enforcement only, state-only foster care current and subros, and all cases that changed type during the project.

Table 5.09

Comparison of Payment Outcomes by Case Category and Group

Case Category During Project[a]	Treatment Group				Control Group			
	Number of Cases	Percentage Paying	Mean Paid During Project	Sum of Payments During Project	Number of Cases	Percentage Paying	Mean Paid During Project	Sum of Payments During Project
Nonassistance	642	38.3	$ 716	$459,486	642	31.6	$ 673	$432,255
Current Public Assistance[b]	414	25.6	302	125,137	410	27.6	308	126,369
Subro-Only[b]	439	32.1	430	188,735	414	29.1	253	104,620
All Others[c]	459	37.7	478	219,525	517	31.3	479	247,458
Total	1,954	34.1	$ 508	$992,882	1,983	30.2	$ 459	$910,703
Percentage of Total Collections				52.2				47.8

[a]The first three categories here include only cases that remained the same case type during the time they were open during the project. The remaining sample cases are included under the category All Others.

[b]The categories Current Public Assistance and *Subro-Only* here include only federally funded public assistance cases. Current assistance cases are AFDC/TANF and AFDC foster care. Subro-only cases are AFDC subro-only and AFDC foster care subro-only.

[c]The category All Others includes state-funded foster care, medical enforcement only, and cases that changed type during the project (including, for example, cases that changed between nonassistance and AFDC/TANF, or from AFDC/TANF to subro-only).

The cases in Table 5.10 fall into two groupings: minor case types and cases that changed type during the project. Is changing case type itself correlated with different payment outcomes?

When we look at Table 5.10, we see great variety among the case types and combinations that make up this residual category. Medical and State-Only Foster Care cases paid very little. The combinations show differing means, but all are substantial, as are the percentages of paying cases. However, when we compared treatment and control group results, we found no consistent patterns. Payment means and monthly means per case shift, with the advantage going sometimes to treatment, sometimes to control group, with no stability. We conclude that when case types change, they reflect periods of instability in which special collection efforts make little impact.

Table 5.10

Payment Outcomes on Cases That Changed Type

Case Types	*Number of Cases*	*Percentage Paying*	*All Payments (Mean)*	*Payments Excl. IRS, L&I, UC*
State Only Foster Care and SO-FC subros	94	28.7	$226.77	$129.75
Medical Enforcement Only	47	21.3	$278.53	$211.34
Combinations (changed from one type to another):				
Nonassistance and Current Assistance	436	35.3	$551.89	$406.38
Nonassistance and Subro-Only	182	39.0	$474.32	$350.62
Current Assistance and Subro-Only	172	32.6	$476.53	$315.90
Miscellaneous combinations	45	37.8	$525.26	$337.13

We turn now to a detailed analysis of payment outcomes on the sample cases that did not change type. Our purpose is to pinpoint the location of differences in payment outcomes more precisely. We have added differentiation within the categories for this reason. We have also added more detail on payments.

As explained elsewhere, total payments include many generated by automated computer matches. Of these, the most important are IRS offsets. Through automated matches, DCS also collects child support by withholds from Labor & Industries and unemployment compensation checks. These automated data base matches occur regardless of support enforcement staff efforts. If the Special Collections Unit were able to make a difference, it would show up on other types of payments.

Nonassistance Cases

Table 5.11 looks at the cases that remained nonassistance while they were in the project. The table distinguishes between cases without a subro and those with subros. A nonassistance case can carry a subro (that is, a debt owed to DSHS) even though current support, and sometimes arrears as well, are payable to the custodial parent.

This distinction turns out to be important in comparing collection outcomes. Nonassistance cases without subros paid an average of $902.54 overall, and $772.26 if we excluded automated data matches. By comparison, nonassistance cases with subros averaged $533.08 including all payments and $336.57 excluding the automated matches. In other words, when a subro was present, overall collections on the nonassistance cases were 59 percent of collections on cases without subros. If we exclude IRS, L&I, and unemployment compensation, the difference is even larger: cases with subros averaged 43.6 percent of collections on nonassistance cases without subros.[16]

Looked at from the viewpoint of share of project collections, nonassistance cases without subros contributed far more than their numbers would predict: 14.2 percent of the sample paid 26.6 percent of the money (31.4 percent, excluding automated data matches). By contrast, nonassistance cases with subros contributed a share rather proportional to their share of the cases.

When we compare treatment group and control group collection outcomes, we still find that treatment group cases paid more within each of these subcategories. Excluding the automated matches, treatment group collections averaged $856.27 on nonassistance cases without subros, a difference of 23.4 percent over the control group's $693.76. For cases with subros, treatment group collections averaged $402.89, while control group collections averaged $266.66. Here treatment group collections appear over 50 percent higher than the control group.

[When we look at average monthly collections per case, the difference between the two groups disappears for nonassistance cases with subros. However, excluding automated matches, the difference for cases without subros is a sizable 20 percent in favor of treatment group cases ($58.55 versus $48.66).

Among cases that remained nonassistance without subros while in the project, 37.6 percent of treatment group cases paid, compared to 32.3 percent of control group cases. The corresponding percentages for cases with subros are treatment group cases, 38.6 percent; and control group cases, 31.1 percent.

---

[16] If the subro is attached to the particular case, payments collected will still be applied to that case number. The presence of the subro may affect distribution of funds collected within the case, but does not take away from the case.

Table 5.11

Nonassistance Cases: Comparison of Payment Outcomes

	Nonassistance Without Subro			*Nonassistance With Subro*		
	Treatment	***Control***	***Combined***	***Treatment***	***Control***	***Combined***
Number of cases	271	290	561	371	352	723
Number of paying cases	102	93	195	144	110	254
Percentage of paying cases	37.6	32.1	34.8	38.8	31.3	35.1
Mean collected, all payments	$ 942	$ 866	$ 903	$ 550	$ 515	$ 533
Mean collected, excluding IRS, L&I, UC	$ 856	$ 694	$ 773	$ 403	$ 267	$ 337
Monthly collections per case	$ 64	$ 58	$ 61	$ 34	$ 33	$ 33
Monthly collections per case, excluding IRS, L&I, UC	$ 59	$ 49	$ 53	$ 24	$ 18	$ 21
Sum of payments	$255,284	$251,042	$506,326	$204,202	$181,213	$385,415
Sum of payments, excluding IRS, L&I, UC	$232,048	$201,191	$433,239	$149,472	$ 93,866	$243,338
Percentage of all project collections			26.6			20.2
Percentage of all project collections excluding IRS, L&I, UC			31.4			17.6
Percentage of all sample cases			14.2			18.4

To summarize, the presence of a DSHS debt is correlated with significantly lower average collections on nonassistance cases. The cases discussed here were tracked for periods between 10 and 20 months. The residue of a public assistance debt remains associated with lower payments over a continuing period even after the case becomes nonassistance.

Even so, however, average collections on nonassistance cases with subros are much higher than those on other case types. Moreover, Special Collections staff were able to make a considerable difference in collection outcomes on these cases. Extra collection staff attention to nonassistance cases paid dividends that could result in eventual payment of public assistance debts as well as provide current support to families not receiving assistance.

Subro-Only Cases

Table 5.12 provides a more detailed look at the subro-only cases. As explained above, this category includes both cases with AFDC subros and cases with AFDC foster care subros. Most of the cases included are AFDC subros (807 compared to 46). Collections differ considerably between these subcategories. Average collections for AFDC subros, including all payments, are $360.28, while they average $56.75 for foster care subros. When automated matches are excluded, the averages are $232.57 and $45.43, respectively. The percentage of paying cases differs greatly as well: 31.5 percent of AFDC subros made a payment, compared with 15.2 percent of AFDC-FC subros.

Special Collections staff made a difference on both kinds of subros, as the table shows. Let us look at AFDC subro-only cases first. On average collected, treatment group cases paid 73 percent more than control group cases. On average collected excluding automated matches, treatment group cases paid 2.23 times as much. On average monthly collections per case, treatment cases paid 2.28 times as much as control cases. On monthly collections excluding automated matches, treatment cases paid 2.74 times as much.

When we look at AFDC foster care subros, the differences appear even more pronounced. Yet, of course, foster care subros are a very small share of the sample, and results can be misleading.

Figure 5f shows subro-only collections over time. The control group slope is rather gradual. The treatment group slope is extremely steep after September 1997. Clearly, the treatment group advantage continued to widen through June 1998 with no sign of slackening.

Table 5.12

Subro-Only Cases: Comparison of Payment Outcomes

	AFDC Subro			*AFDC Foster Care Subro*		
	Treatment	***Control***	***Combined***	***Treatment***	***Control***	***Combined***
Number of cases	411	396	807	28	18	46
Number of paying cases	137	117	254	4	3	7
Percentage of paying cases	33.3	29.5	31.5	14.3	16.7	15.2
Mean collected, all payments	$ 454	$ 263	$ 360	$ 73	$ 32	$ 57
Mean collected, excluding IRS, L&I, UC	$ 319	$ 143	$ 233	$ 59	$ 25	$ 45
Monthly collections per case	$ 46	$ 20	$ 34	$ 11	$ 2	$ 7
Monthly collections per case, excluding IRS, L&I, UC	$ 31	$ 11	$ 21	$ 8	$ 2	$ 6
Sum of payments	$186,702	$104,043	$290,745	$2,034	$ 577	$2,611
Sum of payments, excluding IRS, L&I, UC	$131,142	$ 56,545	$187,688	$1,641	$ 448	$2,090
Percentage of all project collections			15.3			0.1
Percentage of all project collections excluding IRS, L&I, UC			13.6			0.2
Percentage of all sample cases			20.5			1.2

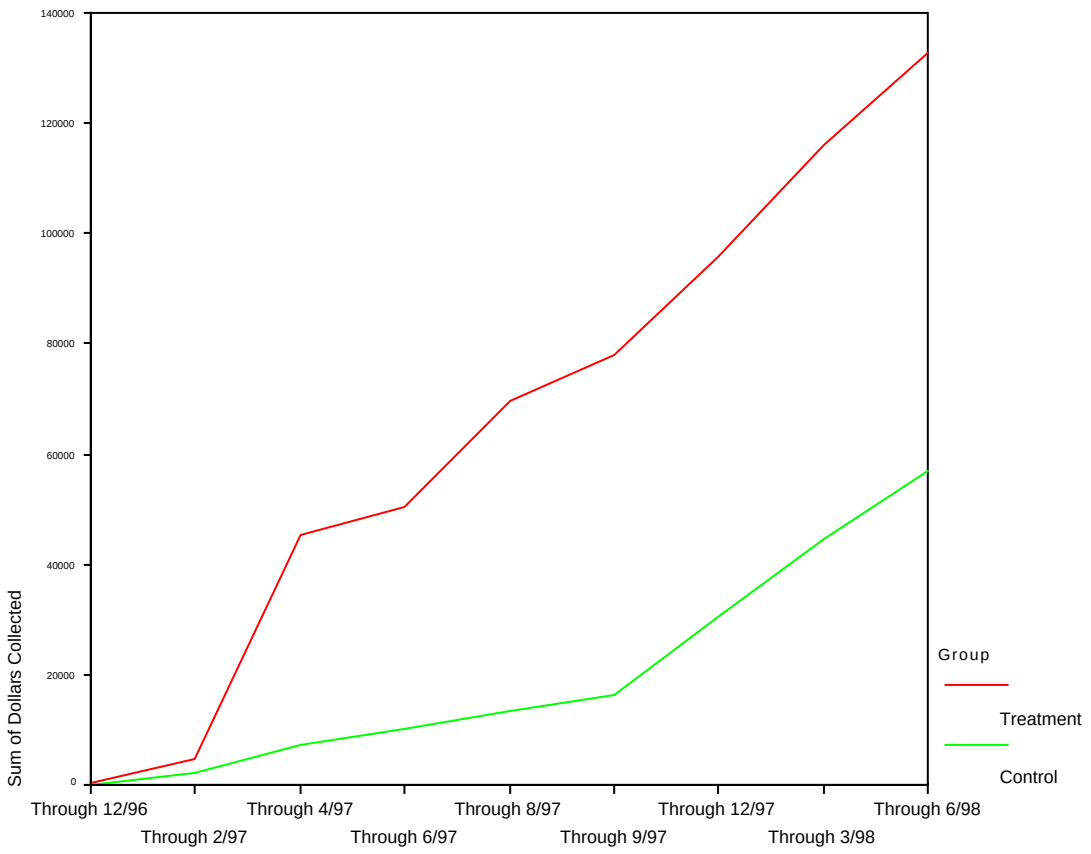


Fig.5f. Cumulative collections on subro-only cases (excluding IRS offsets, L&I, and unemployment compensation)[17]

Most of the treatment group advantage on subro-only collections comes from situations where the noncustodial parent had one or at most two cases. *(See Table 5.13)* The difference between treatment and control group collections, excluding automated matches, is $ 75,790. If we limit this comparison to noncustodial parents with one or two cases, the difference between treatment and control groups increases to $79,250. As the number of cases the noncustodial parent has increases, the algorithm diminishes any advantage of treatment group collections on the parent's sample case.

[17] This figure includes cases that remained subro-only (AFDC and AFDC foster care) while they were open during the project. That is, it includes cases that closed before June 30, 1998, but not cases that changed type.

Table 5.13

Subro-Only Payment Outcomes by Number of Cases and Group

Number of NCP's Cases at Sample Selection	*All Subro-Only*	*Treatment Group*	*Control Group*
1 case			
Number	351	182	169
All payments (mean)	$558.48	$742.24	$360.59
Payments excl. IRS, L&I, UC (mean)	385.06	567.37	188.72
2 cases			
Number	244	127	117
All payments (mean)	$222.84	$274.28	$167.00
Payments excl. IRS, UC, L&I (mean)	140.02	165.54	112.31
3 cases			
Number	141	71	70
All payments (mean)	$197.34	$157.17	$238.08
Payments excl. IRS, L&I, UC (mean)	86.74	83.17	90.35
4 cases			
Number	58	33	25
All payments (mean)	$114.89	$180.35	$ 28.50
Payments excl. IRS, L&I, UC (mean)	43.99	57.82	25.73
5 or more cases			
Number	59	26	33
All payments (mean)	$143.51	$ 65.56	$204.92
Payments excl. IRS, L&I, UC (mean)	96.23	26.38	151.25

The contrast between treatment group and control group payment outcomes on subro-only cases was evident from early in the project and was reported in every quarterly progress report. The size and consistency of the difference is surprising when one considers the disadvantage of subro-only cases in situations where the noncustodial parent owes obligations on multiple cases. As we have discussed before, the distribution algorithm penalizes cases with no current support owed and particularly cases where the arrears are owed only to DSHS. The only circumstance in which DSHS arrears are favored is when DCS receives an IRS offset.

This suggests that payment type might be an important issue in subro-only cases. A look at the source of payments on subro-only sample cases is instructive in explaining treatment and control group differences. Figure 5g shows the composition of treatment group payments.

Fig. 5g. Source of payments on subro-only cases: treatment group.

As Figure 5g shows, slightly more than one-fourth (26.2 percent) of treatment group payments on subro-only cases came from IRS offsets. Another 3.4 percent came from L&I and unemployment compensation withholds. Over 70 percent of the total collected on the sample case came from wage withholding and other sources.

By comparison, control group payments on subro-only cases are heavily dependent on automated computer matches—especially IRS offsets. (See Figure 5h). In fact, 43.9 percent of control group payments came from IRS offsets. Together, IRS, L&I, and unemployment compensation provided 45.6 percent of control group payments.

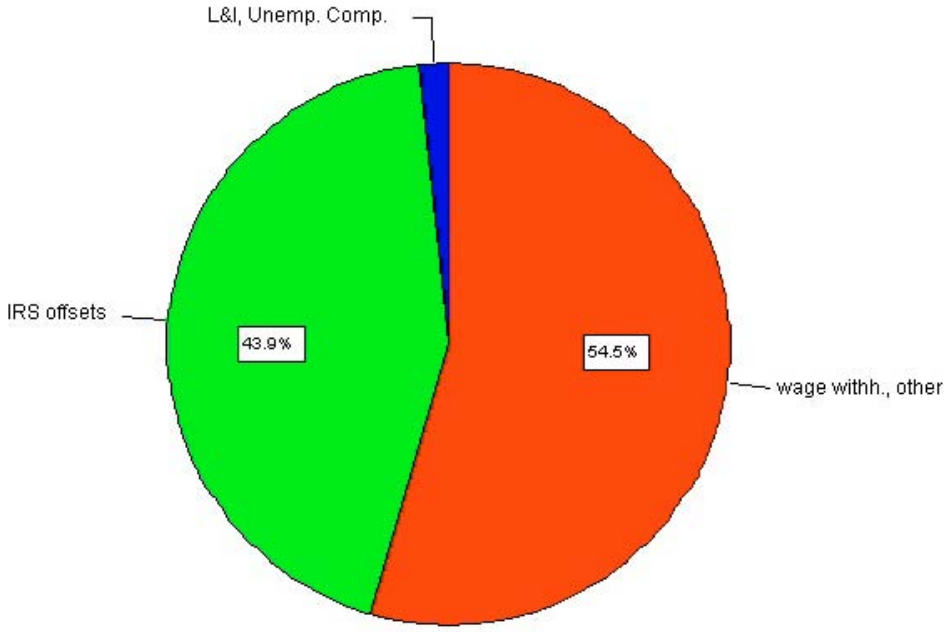


Fig. 5h. Source of payments on subro-only cases: control group.

Explaining the Special Collection Unit's Success

The evidence seems quite clear that field offices did not devote much attention to collections on subro-only cases. To a large extent, the control group subro-only cases coasted along on automated matches. Taking the sample cases as a whole—all case types, both treatment and control groups—20 percent of collections during the project came from IRS offsets. The control group dependence on IRS offsets for subro-only collections is therefore quite extraordinary.

But why does this happen? The difference between treatment and control group collections on subro-only cases became evident early in the project. When informed of this, several DCS supervisors spontaneously replied, "Of course! Field staff do not get complaints about subros! It's custodial parents they hear from!" In other words, subros do not have a constituency to care about them. They are just left-over debts owed to the state Department of Social and Health Services.

But such an explanation is likely to be misinterpreted. It seems to suggest that support enforcement officers consider the case type and make decisions about how much effort to devote to a case. That is, the explanation may be interpreted as meaning that field staff deliberately work different kinds of cases differently. This does not seem probable when we consider how computer-screen dependent the process of working a case is. Basically, SEOs spend

much of their time working review codes that SEMS (the support enforcement computer management system) puts before them. Their time is limited, and they often are hard pressed to keep up with the review codes. Case work does not depend on opening paper files and reviewing case types, applications, etc. There is almost no paperwork involved.

Moreover, most cases change types. Not only do they change from current assistance to subros, but they often flip back and forth between nonassistance, medical only, and public assistance.

Special Collection Unit staff strongly denied that support enforcement staff consider the case type and make decisions about working a case on that basis. Despite the great difference SCU staff made in collections on subro-only cases, they rejected any suggestion that their improved results reflected field staff disinterest in particular case types. Other state office staff agreed that the subro-only difference did not reflect any deliberate decision; it was an unplanned consequence.

In other words, the outcome was another illustration of that vernacular expression, "the squeaky wheel gets the grease." Field staff, hard pressed for time to keep up with their cases, respond to complaints from vociferous custodial parents. Sometimes, a supervisor commented, the complaint comes from a nonassistance custodian who regularly gets the $700 a month child support but is unhappy because the check always arrives on the fifth instead of the first of the month. But often the telephone call comes from a custodial parent who says, "How come you can't find my ex-spouse's employer when I just saw [him or her] driving a new car?" Or, "I heard a rumor that [he or she] is working at a car agency in Puyallup." The call provokes an additional locate search and perhaps a credit bureau report.

Although the process is not perfect, field staff do respond to a constituency, namely the custodial parents. Parents in the DCS caseload do have an impact on DCS. The problem is that such an impact is not evenly distributed.

This suggests that one reason for the Special Collection Unit's success was its function of representing other constituents. Cases were selected for the sample because the debt had reached a certain size and no payments had been received in six months other than IRS offsets. It seems odd to think of DSHS, the parent agency of DCS, as a constituent with a weak voice. Nevertheless, individual cases with subrogated debts do not provoke telephone calls.

Assigning subro-only cases to the Special Collection Unit provided them with an advocate whose only function was to improve payments on hard-to-collect cases. Assigning such cases on a rotating basis to a special unit may be an effective means of compensating for imperfect representation within a bureaucracy.

Current Public Assistance Cases

Table 5.14 examines the current public assistance cases more closely. Most (786) of these cases are AFDC/TANF cases, while a small number (38) are current AFDC foster care cases. Because of these small foster care numbers, statistical comparisons of the two subcategories can be rather misleading.[18] However, the general picture is congruent with the summary above in Table 5.08. The percentage of paying AFDC cases is 26.8, with treatment cases a bit lower and control cases slightly higher. The average collected per case is almost exactly the same (approximately $311.00) when we include all payments. Control group cases did better when we exclude automated data matches. When we look at average monthly collections per case, the two groups are substantially equal.

Looking at the foster care cases, the control group averages are better than the treatment group's, whether we look at percentage of paying cases or amount collected. However, the small sample makes these results meaningless.

We conclude that a Special Collection staff effort made no difference in collections on current assistance cases.

These results were very disappointing to Special Collection Unit staff. Collections on current public assistance cases were a topic of great interest and concern for the agency through much of the project period. But from the beginning of payment tracking, treatment group collections on current assistance cases showed little difference from the control group.

Between January and June 1998 SCU staff paid particular attention to noncustodial parents on cases that had previously been unworkable. They reviewed computer records on the public assistance case management system looking for evidence of noncustodial parents who had left assistance and found jobs. The concentrated effort SCU staff made to follow up on the cases paid dividends on other case types, but not on current public assistance cases.

A Closer Look at Current Public Assistance Cases

Because of welfare reform, there has been heightened agency interest in collections on current assistance cases over the past year. We therefore looked with particular care at project collection outcomes on current assistance cases. Over the period of the project, 1,445 of the sample cases were at some time classified as current public assistance, either AFDC/TANF or AFDC foster care. The majority of these cases (824) remained consistently within this classification while they were open during the project. We have looked at them in previous tables (Tables 5.08, 5.09, 5.14).

[18]Because of the small number of cases, one control case with a payment total much higher than others had a considerable impact on the average for the group.

Table 5.14

Current Assistance Cases: Comparison of Payment Outcomes

	AFDC/TANF			AFDC Foster Care		
	Treatment	Control	Combined	Treatment	Control	Combined
Number of cases	398	388	786	16	22	38
Number of paying cases	104	107	211	2	6	8
Percentage of paying cases	26.1	27.6	26.8	12.5	27.3	21.1
Mean collected, all payments	$ 312	$ 311	$ 311	$ 70	$ 257	$ 178
Mean collected, excluding IRS, L&I, UC	$ 204	$ 246	$ 225	$ 58	$ 141	$ 106
Monthly collections per case	$ 18	$ 20	$ 19	$ 4	$ 14	$ 10
Monthly collections per case, excluding IRS, L&I, UC	$ 12	$ 15	$ 14	$ 3	$ 8	$ 6
Sum of payments	$124,024	$120,723	$244,748	$ 1,112	$ 5,646	$ 6,758
Sum of payments, excluding IRS, L&I, UC	$ 81,197	$ 95,590	$176,787	$ 934	$ 3,109	$ 4,043
Percentage of all project collections			12.9			0.4
Percentage of all project collections excluding IRS, L&I, UC			12.8			0.3
Percentage of all sample cases			20.0			1.0

But 464 cases that began as current public assistance cases at sample selection changed to other case types during the project. A smaller number—157—became current public assistance after sample selection.

Welfare reform and Washington's very strong economy together reduced the state's total public assistance case load dramatically during this same period. We hypothesized that if a family remained on public assistance through this period, the economic, health, or other circumstances of both custodial and noncustodial parents might be particularly unfavorable to employment. (That is, looking as a whole at the current assistance child support cases, it might be harder on average to collect on a current assistance case in June 1998 than in October 1996.) However, if the family left assistance, the economic position of both parents might have improved. Enhanced child support collections should be correlated with leaving assistance. These changes should also provide an opportunity for a special collections effort to make a difference.

The results of our examination are displayed in Tables 5.15 and 5.16. In these tables the left-hand columns list payments throughout the project. The right-hand columns show the results for the period the case was listed as a current public assistance case type.

Table 5.15 confirms some expectations. The cases that changed from current public assistance show the highest averages for total project payments and project payments excluding automated matches. The latter is over twice as much as the corresponding mean for cases that remained on current assistance throughout the project. On average they spent slightly more than half their project time as current assistance cases, but during that time paid 37 percent of the total they paid for the project. Certainly collections rose once the case type changed.

Yet when we compare treatment and control group outcomes, we find that Special Collection activity basically made no difference. Table 5.16 is constructed with the same case categories as Table 5.15 and similar comparison between total project payments and current public assistance period payments. However, within this structure Table 5.16 compares treatment and control group payment outcomes, standardizing them in monthly mean per case.

As we already saw in Tables 5.09 and 5.14, among cases that were always current public assistance while open during the project, treatment group payment outcomes were no better than control group outcomes. Table 5.16 examines all the sample cases that were current public assistance any time during the project. Here we see that the results are substantially similar. The row for cases that changed from current public assistance during the project shows treatment cases a tiny amount higher than control, but in fact the two are basically the same. And for other categories and for the totals, generally speaking, control group outcomes are somewhat higher.

Table 5.15

Current Public Assistance Cases, Case Type Changes, and Project Payments

Current Public Assistance (CFPA) Cases and Type Changes During Project	Payment Record During Special Collections Project				Project Collections While Case Was Current Public Assistance		
	Percentage That Paid	Total Amount Paid	Paid, Excluding IRS, UC, L&I	Months in Project	Paid While Case CFPA	Paid, Excluding IRS, UC, L&I	Months When CFPA
Only CFPA in project							
N = 824							
Mean	26.6	$ 305	$ 219	14.78	$ 305	$ 219	14.78
Sum		251,506	180,830		251,506	180,830	
Changed from CFPA							
N = 464							
Mean	34.3	$ 574	$ 425	16.16	$ 212	$ 159	8.41
Sum		266,332	197,115		98,455	73,889	
Changed to CFPA							
N = 157							
Mean	35.0	$ 369	$ 227	15.47	$ 208	$ 146	6.93
Sum		57,947	35,675		32,596	22,945	
Total CFPA							
N=1,445							
Mean	30.0	$ 398	$ 286	15.30	$ 265	$ 192	11.88
Sum		575,786	413,621		382,556	277,664	

Table 5.16
Payment Comparisons on Current Public Assistance Cases with Type Changes
(Detail on Table 5.15)

Current Public Assistance (CFPA) Cases and Type Changes During Project	***Payment Record During Special Collections Project***				***Project Payments While Case was Current Public Assistance***			
	Monthly mean per case, all payment types		*Monthly mean per case, excluding IRS, UC, L&I*		*Monthly mean per case*		*Monthly mean per case, excluding IRS, UC,L&I*	
	Treatment	*Control*	*Treatment*	*Control*	*Treatment*	*Control*	*Treatment*	*Control*
Only CFPA in project	$ 18	$ 19	$ 12	$ 15	$ 18	$ 19	$ 12	$ 15
Changed from CFPA	34	32	25	23	23	20	14	16
Changed to CFPA	20	23	11	16	20	33	12	25
Total CFPA	$ 23	$ 24	$ 16	$ 18	$ 19	$ 21	$ 13	$ 16

What Are the Prospects?

To summarize, what do project results show about the possibility of improving child support collections on current and past public assistance obligations?

While child support cases are classified as current public assistance, special collection activity does not appear to be fruitful. In some cases, the family may be on public assistance because of the noncustodial parent's long-standing economic, health, or social problems. In some other cases, it may be more relevant to point out that people tend to have relationships with persons of similar background. If one party has problems, the other is likely to have similar problems. The result may be long-term public assistance with no child support paid. Whatever the precise reasons, the outcomes found in this project suggest that there really are fewer financial resources to be discovered among noncustodial parents in current assistance cases.

During the project, a number of cases changed from current public assistance to other case types. These cases averaged about sixteen months tracking time in the research project, of which the first eight-and-a-half months were current public assistance. Child support collections increased by 70 percent in the following months, certainly a substantial increase. Perhaps, given a longer tracking time, these cases would have begun to show a differential between treatment and control groups. However, the first seven-and-a-half months (average) after case type change were not enough time for an extra collection effort to show impact.

Certainly results on subro-only cases show that through special collection activity DCS can improve collection of DSHS debts very substantially. Subro-only cases were the category in which the Special Collections Unit made the most impressive differences in payment outcomes. Special Collection staff work also improved collections on nonassistance cases with DSHS debts remaining—in other words, on cases that had left public assistance sometime before but had not yet paid off the debt.

Perhaps the main lesson here is the need for a realistic time perspective. On average, collections increase after a case changes from current public assistance. But it takes time—evidently more than eight months—before the noncustodial parent shows enough financial resources to make extra attention fruitful.

New Federal Reporting Categories and Project Outcomes

Welfare reform has brought changes in the operating rules for child support agencies as well as for state public assistance agencies. These include changes in the reporting categories as well as in the incentive system for federal reimbursement of state child support expenses. Under the new reporting rules, child support cases are categorized as *Current Assistance*, *Former Assistance*, and *Never Assistance*.

These reporting categories do not altogether coincide with present case type. For example, some nonassistance cases will fall under the *Never Assistance* category, while others may fall under *Former Assistance*. The latter group will include both nonassistance cases with a continuing subro and nonassistance cases with no remaining DSHS arrears.

Moreover, the categories continue to reflect the long-time federal definition of public assistance, which includes only cases funded under Title IV-A and Title IV-E of the Social Security Act. That is, only current AFDC/TANF cases and AFDC foster care cases are considered public assistance cases for federal reporting purposes.

This definition leaves out two case types represented in our sample, even though both obviously involve public assistance. State-only foster care cases are public assistance financed by Washington State taxpayers. Child support collected is retained by DSHS to reimburse costs of foster care.[19]

Medical enforcement only cases arise because the family is receiving Medicaid. However, the debt on the child support case does not reflect the public's costs of providing this medical care. DCS is charged with enforcing medical support (i.e., making sure that the noncustodial parent enrolls the children in the parent's insurance plan if available), in this as well as other types of cases. But current support and debt amounts on a medical-enforcement-only case are owed and distributed to the custodial parent, who is regarded as a nonassistance custodian.[20]

We determined that at least 3,329 of the total 3,937 cases were at one time public assistance cases according to the federal definition.[21] Of these cases, 1,445 were current public assistance cases at some time during the research project. Another 1,816 cases owed DSHS arrears during the project. Only 68 of the cases that had been public assistance no longer owed a subrogated debt.

---

[19] Under the prior federal reporting rules, these foster care cases and SO-FC subro-only cases were included as nonassistance cases. Under the new categories, they would be included as *Never Assistance*. Of course, if the same noncustodial parent and children were parties in another case, such as a current AFDC/TANF case or an AFDC foster care or AFDC foster care subro-only, they would show up as C*urrent* or *Former Assistance* via the other case.

[20] Again, in federal reporting DCS has included these cases under the nonassistance rubric. Under the new system, some of these cases will be reported as *Never Assistance*. However, many medical enforcement only cases begin as AFDC/TANF cases and then become medical only after cash assistance ends. They will therefore be reported as *Former Assistance*.

[21] It is possible that we missed some cases. Through our project database, we could identify the previous assistance status of a case by a DSHS debt and by amount paid to DSHS. However, if the noncustodial parent made no payments and the debt was later removed because of the statute of limitations or for other reasons, we would not have identified the previous assistance history of the case.

Table 5.17 classifies the sample cases by their federal public assistance status. It classifies the cases as *current federal public assistance* (during project), *former assistance*, and *never assistance*. In addition, it divides the *former assistance* cases into those that still had a subro during the project and those that did not.

Table 5.17

Federal Public Assistance Status of Sample Cases and Payment Outcomes

	Federal Public Assistance (FPA) Status of Casea			
	Current FPA During Project[b]	*Former FPA During Project*		*Case Has Never Been FPA*
		With Subro	*No Subro Remaining*	
Number of cases	1,445	1,816	68	608
Payment record at sample selection:				
Amount collected on case (mean) before project	$ 1,278.61	$ 1,843.20	$ 9,412.87	$ 3,121.73
Number of paying cases[c]	606	1,024	65	346
Percentage of paying cases	41.9	56.4	95.6	56.9
Total arrears on case at selection	$11,593.35	$11,173.33	$ 7,308.04	$11,676.29
Project payment outcomes:				
Average (mean) collected per case during project	$ 398.47	$ 437.10	$ 804.86	$ 788.33
Number of cases paying during project	433	606	24	201
Percentage of cases paying in project	30.0	33.4	35.3	33.1
Mean per case paying during project	$ 1,329.76	$ 1,309.85	$ 2,280.43	$ 2,384.59
Monthly collections per case	$ 23.40	$ 32.25	$ 45.26	$ 54.38
Monthly collections per case that paid during project	$ 78.10	$ 96.65	$ 128.25	$ 164.50

[a]Federal public assistance, abbreviated here as FPA, includes the Title IV-A and Title IV-E assistance programs. Current assistance under the federal definition includes AFDC/TANF and AFDC foster care. The subros included are AFDC subros and AFDC foster care subros.

[b]This column includes sample cases that were current FPA at least part of the time during the project. Payments include all those applied to the case, not just those made while it was a current public assistance case type.

[c]Here *paying cases* simply means cases on which the total amount collected prior to sample selection was greater than zero. It implies nothing about regularity of payments.

Usually, the lack of a subro means the debt has been paid off; however, in some cases it evidently means that the debt was forgiven or expired through the statute of limitations without any payment. The table provides summary figures on debt status and payment records prior to selection as well as payment records during the project.

When we look at the debt on the sample case at the time of sample selection, three of the four categories are roughly similar. By comparison, payment records show much more variation. But there is a consistent pattern to these differences when we look at outcomes *during the project*. The cases are displayed on a continuum according to public assistance status, moving from left to right: current assistance, former assistance with remaining debt, former assistance with no subro remaining, and never assistance. Average amounts collected generally increase as we move from left to right (with two exceptions). Average payments on cases classified as *never public assistance* are much higher than payments on the *current public assistance* cases and the *former assistance* cases with subros remaining. (Nevertheless, percentages of paying cases did not change very much.)

However, a critical factor here is whether the public assistance debt was paid off prior to sample selection. On some measures *former assistance* cases with no subros showed higher averages than the *never assistance* cases. That is, federal public assistance status is correlated with payment outcomes, but a more important factor is whether a public assistance obligation, whether current or arrears, existed at any time during the project.

Identifying the Underlying Barrier

As discussed above, at least 3,329 of the total 3,937 cases were at one time public assistance cases according to the federal definition. Such a summary, however, does not exhaust the public assistance connections of the cases and their associated noncustodial parents in the project sample. We have already discussed the numbers of noncustodial parents who themselves are receiving public assistance, as well as the high proportion of noncustodial parents with multiple child support cases. Many noncustodial parents owe current support and arrears on multiple public assistance cases. (Were we to look at the multiple case associations of the custodial parents and children in our sample cases—which we have not—the web of public assistance associations would be intricate indeed.)

To examine the public assistance connections of the cases and noncustodial parents we will look more closely at the treatment group cases. (Unfortunately, we do not have data on the noncustodial parents in the control group who were on grants during the project. Consequently, we must look only at treatment group cases here.)

Table 5.18 provides a bridge linking the federal public assistance status of the treatment group cases with the added public assistance associations we wish to explore. Of the treatment group cases, 819 (41.9 percent) of the noncustodial parents owed DSHS arrears on other, nonsample cases. And 588 (30.1 percent) of the noncustodial parents were receiving a grant during the project that was not attachable by DCS.

Table 5.18

Public Assistance Patterns/Associations of Treatment Cases

Has Sample Case Ever Met Federal Definition of Public Assistance?			*NCP Has Other FPA[a] Cases*	*NCP on Grant During Project[b]*
	Number of Cases	*Percent Paying*		
1. Case has met federal definition				
Status during project:				
a. Current FPA during project[c]	707	30.4	313	180
b. FPA subro during project	926	36.2	430	322
c. No FPA debt remaining during project	38	42.1	11	5
Subtotal	1,671		754	507
Percentage of Paying Cases Within Category		33.9	32.4	27.6
2. Case has never met federal definition				
Case type during project:				
a. Nonassistance	235	37.0	40	63
b. Medical Enforcement Only	7	0.0	2	2
c. State-Only Foster Care	41	31.7	23	16
Subtotal	283		65	81
Percentage of Paying Cases Within Category		35.3	33.8	18.5
Total for Treatment Group Cases in Sample	1,954		819	588

[a]Federal public assistance, abbreviated here as FPA, includes the Title IV-A and Title IV-E assistance programs. Current assistance under the federal definition includes AFDC/TANF and AFDC foster care. The subros included are, again, AFDC subros and AFDC foster care subros.

[b]This column includes only those noncustodial parents who were on *grants during at least part of the project*. It should not be understood as reflecting the number of custodial parents who have *ever* themselves received public assistance. Moreover, the data in this column largely reflect a tabulation Special Collections staff made in the fall of 1997. They rechecked 45 percent of the treatment group cases in summer-fall 1998 and added about 100 cases to the list on the basis of new information. This suggests that a full recheck would probably have added another 100 cases or more to the list of noncustodial parents who received grants at some time during the project. Consequently, this column should be regarded as understating the number of noncustodial parents who have themselves received public assistance.

[c]Treatment group cases were included in this category if they were current federal public assistance for at least part of the project. If the case was never current public assistance during the project but had a public assistance debt, we included it on the next line (FPA subro during project).

The top half of the table looks at sample treatment cases that have at some time (before or during the project) met the federal definition of public assistance. Looking at the treatment group sample cases that had received federal public assistance at some time, 754 (44.4 percent) of the noncustodial parents also owed DSHS arrears on other nonsample cases, and 507 (30.3 percent) received a grant at least part of the time during the project.

Explaining the Puzzle

The other variables in this table that illustrate extra public assistance associations seem helpful in explaining this puzzle. Noncustodial parents with other, nonsample federal public assistance cases fall into both halves of the table, and the percentage of paying cases is very similar. When we look at cases that never met the federal definition, we see that the state-financed foster care and the medical enforcement only cases pull down the percentage of paying cases. The number of noncustodial parents receiving public assistance themselves appears to be important for both halves of the table. It is especially significant for the lower half, with only 18.5 percent of those parents making a payment during the project.

How much difference did it make over the project period if the noncustodial parent received a grant during at least part of that time period? Clearly, one cannot assume that DCS collected nothing during the project on these cases, although DCS could not collect income derived from such a grant. IRS refunds could still be offset. And, if the parent was only on public assistance part of the time, there could be employment income, L&I, or unemployment compensation withheld during the project.

Again, our examination is limited to the treatment group cases. We determined that 588, or 30.1 percent, of the 1,954 treatment group noncustodial parents received a grant during at least part of the project. Of the parents who did not receive public assistance, 37.4 percent made a payment during the project. By comparison, 26.4 percent of parents who received a grant made at least one payment. If we include all payments, the average (mean) collected for parents who did not receive assistance was $626.23. For those receiving a grant, the mean collected was $233.75. In other words, parents not receiving public assistance paid about 2.6 times as much as those on a grant. If we exclude IRS offsets, L&I, and unemployment compensation, the difference is larger: those without grants paid $492.16, which is 3.6 times more than their counterparts' average of $137.23.

How many treatment group cases and their noncustodial parents show no record of public assistance? Suppose we create a new dichotomy of *Some Assistance – No Assistance* based on the broader conception of assistance we have discussed here. In the *No Assistance* category we place only the sample treatment group cases that meet all of the following criteria:

- Sample case was never a public assistance case by the federal definition.
- Sample case has not been a state-financed assistance case.
- Sample case was not medical-enforcement-only during the project.
- The noncustodial parent did not owe DSHS arrears on another (nonsample) case during the project.
- The noncustodial parent did not receive public assistance during the project.

In the other category of *Some Assistance* we place all other treatment group cases. The results are displayed in Table 5.19.

Only 140 of the sample treatment group cases meet the criteria of *No Assistance*. Among these cases the percentage of paying cases--that is, cases that made a payment during the project—is 41.4, while the corresponding percentage is 33.5 for other treatment group cases. The difference in average paid is far more impressive, regardless of whether we look at all payments, or payments excluding automated matches, or the standardized average paid per month.

If we compare the mean for all payments, our *No Assistance* category paid 2.6 times as much as other treatment group cases. On average paid per month for all payments, *No Assistance* cases paid almost three times as much. If we exclude automated matches, *No Assistance* cases paid 3.4 times as much as their counterparts. And if we compare the average per month for payments without automated matches, *No Assistance* cases paid 3.8 times as much as those in the *Some Assistance* category. (Note that there is also a large difference between the two categories on the average amount collected before the project as well as on the percentage of paying cases.)

Table 5.19 appears to do a more effective job of highlighting differences in payment collection than other tables have. *Yet it is limited to an examination of differences within the treatment group itself. All of the cases in the treatment group underwent months of special collection efforts provided by highly motivated, well-trained support enforcement collectors who devoted extra attention to these cases in addition to the case work provided by field office staff.*

The umbrella categories of *Some Assistance-No Assistance* appear to capture some underlying variables that are highly correlated with payment outcomes. This does not mean that all of the cases in the *No Assistance* category received payments. On the contrary, even here less than half made a payment during the project. All of the sample cases for the project were selected because they were in arrears and no payments had been made in at least six months (other than IRS offsets). Yet prior to sample selection, cases in the *No Assistance* category had paid 3.4 times as much, on average, as cases in the *Some Assistance* category. And these differences have persisted, on average, through the project.

Table 5.19

Comprehensive Assistance Patterns of Treatment Group Cases and Noncustodial Parents

	Assistance Patterns[a] of Cases and Noncustodial Parents		
	No Assistance	***Some Assistance***	***Total***
Number of cases	140	1,814	1,954
Payment record at sample selection:			
Number of cases that had made payment	99	961	1,060
Percentage of paying cases	70.7	53.0	54.2
Mean collected on case before project	$ 6,003.65	$ 1,765.94	$ 2,069.57
Total arrears on case at selection (mean)	$ 13,082.92	$ 11,178.34	$ 11,314.80
Project payment outcomes:			
Number of cases paying during project	58	608	666
Percentage of cases paying during project	41.4	33.5	34.1
Average (mean) collected case during project	$ 1,201.14	$ 454.64	$ 508.13
Mean collected, excluding IRS, L&I, UC	$ 1,113.77	$ 329.13	$ 385.35
Monthly collections per case	$ 90.13	$ 31.33	$ 35.54
Monthly collections per case, excluding IRS, L&I, UC	$ 84.16	$ 21.93	$ 26.39
Monthly collections per paying case	$ 217.56	$ 93.47	$ 104.28
Sum of payments	$168,159.79	$824,722.60	$992,882.39
Sum of payments, excluding IRS, L&I, UC	$155,927.90	$597,048.96	$752,976.86
Percentage of all treatment group collections	16.9	83.1	100.0
Percentage of treatment group collections excluding IRS, L&I, UC	20.7	79.3	100.0
Percentage of all treatment group cases	7.2	92.8	100.0

[a]In this table the term assistance patterns covers both the sample treatment group case and the noncustodial parent who is the debtor on that case. A case was included in the Some Assistance column if any of the following applied: (1)The sample case had ever been a public assistance case by the federal definition (AFDC/TANF or AFDC foster care); (2) the sample case was a state-funded foster care case (either current or subro); (3) the case was medical-enforcement only during at least part of the project; (4) the noncustodial parent had other child support cases (nonsample cases) that carried a public assistance debt; or (5) the noncustodial parent was receiving public assistance during at least part of the project. If none of these criteria applied, a case was included in the No Assistance column.

Note: A number of noncustodial parents receive SSA or other disability payments. We have not included these parents in the Some Assistance column on the basis of receiving SSA. DCS can withhold child support from SSA. Moreover, some of these families receive disability dependent benefits attached to SSA, and these payments are credited against the child support obligation. On the other hand, SSI is exempt from withholds, and we categorize it as a public assistance grant here.

A Network of Need

The variables captured in the two categories cover both the sample case and the noncustodial parent—in other words, both the debtor and the family for whose support the debt was accumulated. One difference in this table is that public assistance that does not fall under the federal definition was added to the *Some Assistance* category. But what was also added in this table were variables showing the noncustodial parent's own assistance grant and the other child support cases that parent has on which public assistance has been paid. The table, then, captures a comprehensive network of public assistance, which in fact includes the noncustodial parent, the family whose case ended up in the sample, and the noncustodial parent's other obligations, often extending to other assistance units.

In general, what unites the variables in the *Some Assistance* category is a determination made that the individuals and families involved needed financial and medical assistance because of a lack of resources, temporary or long-term economic, social, or medical problems. This determination was made by the Department of Social and Health Services, the umbrella agency under which the Division of Child Support operates. The data presented in Table 5.19 suggest that DSHS's judgment is largely an accurate assessment. But it is critical to see that one individual who merits public assistance may be the noncustodial parent from whom DSHS wishes to gain reimbursement for public assistance expended on that parent's children.

6. Comparing Private Collection Agency and Special Collection Project Outcomes

It was a surprise to project staff that subro-only cases would prove to be an arena where a special collections effort could make such a difference. In fact, subro-only cases had been selected for another experiment instituted at approximately the same time as our project, precisely because subros seemed to be requiring much staff effort for little pay off.

In recent years a number of states have attempted privatization of some child support functions. At the request of the Washington State Legislature, in 1997 DCS began an experiment of sending some difficult-to-work cases to private collection. All of the cases selected were subro-only.

We decided to compare the Special Collections project collections on subro-only cases with those of the private collection agency. Special Collections samples were selected beginning in late 1996, and collection activity continued through June 30, 1998. Private collection referrals began in February 1997, and we obtained data through June 1998 for this comparison. Hence we had a roughly comparable body of data.[22]

DCS Experiment with Private Collections on Subro Cases

DCS entered an agreement with a private collection agency in the state of Washington that submitted a low bid of 13 percent as a collection fee (13 percent of each dollar collected). The contract extends through June 1999 and will be considered for renewal at that time.

Between February 1997 and June 1998, DCS had referred 2,459 accounts to the private collection agency. The agency had been credited with obtaining payments on 291 of these cases.

[22] This comparison of private collection agency and project outcomes is an update of the version provided in our progress report on the eighth quarter of the project . In the previous version we included all types of subro-only cases in the project sample (that is, AFDC/TANF, AFDC foster care, and State-Only Foster Care subro-only cases). Subsequently, we learned from the SEMS staff person who draws the periodic samples to send to the private agency that only AFDC/TANF subro-only cases are included in those samples. Hence to make the comparisons more precise, we have excluded the other two types of subro-only cases in this final version. Consequently, the numbers are slightly different. We have also added a new column adjusting control group payment means to compensate for undetected ineligible cases.

After an account is referred to the agency, DCS is still involved actively with the case. State office staff continue to monitor the case to be sure it still meets the criteria. If the case type changes or the noncustodial parent goes on public assistance, or some other condition changes, DCS calls the account back from the agency. DCS also continues some collection action on the debt. Most important, the federal IRS offset process continues. The automated SEMS matches continue with L&I and Employment Security, generating withholds of L&I benefits and unemployment compensation. A smaller match continues with the Washington State Lottery. The agency does not receive a percentage of these DCS collections. Also, under the contract, the agency does not receive a share of a lien or judgment filed directly by DSHS (DCS), by prosecuting attorneys, etc., "unless identified as the proximate result of actions taken by the Contractor [collection agency]."

These payments generated by DCS automated matches continue to be very important to collections on these difficult cases. For example, by the end of 1997 DCS had referred 2,202 accounts to the agency. The agency had collected $153,944.27 and received $20,012.74 in fees. During that period, DCS secured $129,893.81 on the same cases from IRS offsets ($119,095.24), L&I, unemployment compensation, and the lottery. That is, of the total collected ($283,838.08) on these parents' debts in that period, 45.8 percent came from DCS data matches exclusive of the collection agency's work.

The majority of accounts do not remain with the private collection agency for very long. For example, by the end of 1997, the agency had returned 1,573 of the 2,202 accounts referred. Under the agreement between DCS and the private collection agency (PCA), the PCA returns accounts after six months without a payment. They may return accounts at any time if they decide the case is uncollectible. DCS can call back accounts for various reasons (for example, if a change in the case or noncustodial parent's circumstances makes the account no longer eligible). An account is also occasionally returned after negotiation so that DCS can take a necessary legal action.

Sample Selection Criteria

The sample criteria for selecting a noncustodial parent's account to refer to private collection showed some overlap with sample criteria for the Special Collections project but differed in some important ways. Initially, when the private study began, an account had to meet all of the following criteria:

1. The noncustodial parent's case or cases must be subro-only. That is, the parent owed no current support and no arrears to a custodial parent. The debt was limited to DSHS arrears.
2. The total debt must be at least $250, but this debt could be spread among several subro-only cases.
3. DCS had not received a payment from the parent for at least the past two years, excluding IRS offsets.
4. The latest Employment Security data match for the noncustodial parent was at least six months old.

5. The account was not currently under a bankruptcy stay.
6. The noncustodial parent was not currently receiving AFDC/TANF, or SSI, or another public assistance cash entitlement not subject to collection action.
7. The parent's account had not been referred to another state for collection action. That is, DCS was not enforcing collection of the debt through an Inititating Interstate case.
8. The noncustodial parent did not have a tribal affiliation. That is, the parent was not a Native American residing on a reservation, nor employed by a tribe or tribal enterprise, or by an Indian-owned business located on a reservation.

Later the sample criteria changed slightly. At some point in 1998 the length of time since last payment was shortened from two years to six months.

Looking at Outcomes: A Three-Stage Comparison

The private agency's collections of course excluded IRS offsets as well as withholds from Labor and Industries (L&I) and unemployment compensation. Consequently, in all of the comparisons provided here, we have excluded those categories of payments from the Special Collections project cases as well. This was not difficult, because we had always tracked payments obtained by automatic computer matches separately.

As an initial comparison, we simply compared the payments made on the private agency's cases with those made on the AFDC/TANF subro-only cases in the Special Collection project's sample. We included all the cases defined as AFDC/TANF subro-only at sample selection. This provided a total of 3,347 cases, divided among three groups: 2,459 private accounts, 453 treatment group cases, and 435 control group cases. The result of this initial comparison is provided in Table 6.01.

The treatment group showed better results on each of the measures than either the private group or the control group. On average (mean) collected per case, the treatment group paid about three and three-fourth times as much as the private group. On this measure and on percentage of paying cases, both the treatment group and control group did much better than the private collections group. On average collected per paying case, the treatment group paid $895.25, while the private group paid $723.61, and the control group ranked third, at $497.62.

These preliminary results are intriguing, but there are important differences in the operating rules of the two studies we are comparing. The next two stages of comparison and their accompanying tables are much more precise than Table 6.01. In these next comparisons we attempt to match the groups more closely. However, by doing so we lose many of the project sample cases and have smaller numbers to look at, with all the disadvantages entailed. Therefore we have retained Table 6.01 as an initial comparison. The main advantage of this

table is that it includes all the project's sample cases that were AFDC/TANF subro-only cases at the time of sample selection. A second advantage is that it shows what outcomes there were for the agency from these two experiments.

Table 6.01

Preliminary Comparison of Private Agency and DCS Project Collections on Cases Initially Defined as Subro-Only

	Private Collection Agency [a]	*Special Collections Project* [b]	
		Treatment Group	*Control Group*
Number of cases	2,459	453	435
Average (mean) amount collected per case[c]	$ 85.63	$ 320.16	$ 148.72
Number of paying cases	291	162	130
Percentage of paying cases	11.8 %	35.8 %	29.9 %
Average collected per paying case	$ 723.61	$ 895.25	$ 497.62

[a] Private Collection cases include accounts referred by DCS to a private collection agency at quarterly intervals from February 1997 through May 1998.

[b] The Special Collections cases included in this table were defined as AFDC/TANF subro-only at the time of sample selection. Subsequently some of them changed case type (when the custodial parent went back on public assistance or applied for nonassistance child support enforcement services). The table includes payments made on these cases through June 30, 1998, regardless of case type changes.

[c] Payment means do not include payments obtained from IRS offsets or from L&I and unemployment compensation withholds.

Stage 2: Revised Comparison

To make the groups more comparable, we attempted to exclude Special Collections cases from the comparison if they would not have met the selection criteria for cases sent to private collection. Subro-only cases were ineligible for the private collection study if the noncustodial parent was receiving a grant, was affiliated with a tribe, or if the case was initiating interstate. We therefore excluded project cases from the comparison when we knew such criteria applied to the case.

Although not specified in the list of criteria, we also excluded cases if for some reason DCS lacked enforceable jurisdiction to collect the debt. We assumed that such screening was done before referring the private accounts as a matter of course. Since the private collection study did not specifically list incarceration of the noncustodial parent as a reason for exclusion, we did not

exclude Special Collections cases where the noncustodial parent was known to be incarcerated, even though we knew the case was unworkable.

Accounts were eligible to remain in private collection only while the cases were subro-only. If a custodial parent went back onto public assistance or applied for nonassistance support enforcement services, DCS recalled the account from the agency. By contrast, cases remained in the Special Collection project regardless of changes in case type, opening or closing of current support, etc. Consequently, to match the cases more closely, we reviewed our cases to see whether case type had changed. If it had, we inserted the date of change as the end date for tracking, and did not count payments collected after the change.

The Problem of Multiple Cases

As mentioned above, the private collection study criteria were concerned with the type of child support debt owed by the noncustodial parent, regardless of the number of cases. The debt had to be owed entirely to DSHS. To be eligible for referral to the private collection agency, the noncustodial parent could not owe current support on any case, and also could not owe arrears to a custodial parent. In theory, the parent could have five or more cases, so long as each was a subro-only case. If any of those cases reopened for current support (for example, if one of the custodial parents went back on public assistance or applied for nonassistance services), DCS would call the noncustodial parent's account back from the agency.

By comparison, the Special Collections project criteria were primarily concerned with the debt owed on a specific case. And each sample case had to have a different noncustodial parent. (We deleted cases from the sample if we already had a case with the same noncustodial parent in the sample.) However, a sizeable proportion of parents in the project sample had multiple cases.

To match the groups in the two studies as closely as possible, we reviewed all the cases of the noncustodial parents in our sample who had subro-only sample cases and other cases as well. If all the parent's cases remained as subro during the project, we intended to include the debt and the subro payments on the associated cases. This review was time-consuming and proved fruitless. Ultimately we found it necessary to exclude all the subro-only cases in which the noncustodial parent had additional cases. In almost every instance, we found that at some point during the project, at least one of the parent's other cases was not subro-only, even if the sample case remained as subro-only. In the tiny number of instances where the parent's cases may all have remained subro-only, there were other reasons to exclude that parent from the comparison.

In general, we suspect that the private collection agency would encounter the same problem with cases referred to them. It is probably not useful to refer noncustodial parents with multiple cases for private collection if DCS intends to restrict the private agency's efforts to subrogated debts.

After excluding cases for reasons outlined above, we were left with 479 Special Collections project cases to compare with 2,459 private collection cases. These included 181 in the treatment group and 298 in the control group. Although we regretted excluding so many Special Collections cases, we still retained a respectable data file for comparison.

Standardizing the Unit of Comparison

There is a marked difference between the two studies in the average length of time a case remained in the collection effort. Overall, private collection cases averaged only 6.5 months. Special Collections cases averaged over twice as long. One of the difficulties in comparing cases is that we do not have uniform collection periods. Both studies used staggered sampling strategies.

Cases were referred to the private collection agency on a quarterly basis. We have private collection cases from six samples here: four in 1997, and two in 1998. Once referred, cases were kept for varying periods of time, depending on whether the agency found the account unfruitful for collection, whether DCS found it necessary to recall the case because of a case type change or for a legal action, or for other reasons. Under the contract between DCS and the agency, cases were returned if the agency did not collect a payment within six months.

DCS selected the Special Collections project sample in eight cohorts, drawn over a period of eleven months. Once selected, we continued to track the case even if we could not actively work it for collection. So long as the case remained open as a IV-D case type, it remained in the research project, regardless of changes in type, monthly order amount, etc.

However, in order to compare project cases to the private collection cases, we needed to calculate an end date if the case changed from subro-only to another type with current support. We could only compare collections while the cases were subro-only and no current support was owed. Because of these different sampling strategies, limits imposed on private collection cases, and changes in case type, we could not simply look at average collections per case or per paying case.

We faced the problem of incremental sampling and varying time lengths within the Special Collections project as well. In comparing payment outcomes we standardized our units of comparison by creating two measures: average (mean) monthly collections per case and average monthly collections per case excluding automated computer matches. *(See above,* ***5. Collection Outcomes During the Project****.)*

To add the private collection project cases and make a three-way comparison, we have adopted a variation on the technique used above. This seems to be the most accurate and fairest way of comparing results. Here, however, payments obtained from automated computer matches (IRS offsets, L&I, and

unemployment compensation withholds) are omitted from all measures. To standardize the measurement used to compare the groups, we have calculated average monthly collections per case and per paying case.

A Note of Caution

In our effort to be as unbiased as possible in comparing the Special Collections cases with the private collection cases, we have introduced a different bias. Our concern was that we would be "unfair" to the private collection cases in comparing them with the treatment cases. However, in the process of correcting for this possibility, we have been somewhat "unfair" to the control group.

We started with a pool of 888 sample cases from the Special Collection project that had been classified as subro-only at the time of sample selection. These cases were rather evenly divided between treatment group (453) and control cases (435). However, after excluding cases for our second stage comparison, the cases were no longer rather evenly distributed between treatment and control group cases. Of the 409 excluded cases, 272 (67 percent) were treatment cases.

This fact is important for at least two reasons. First, the treatment group became considerably smaller than the control, with fewer cases to compare either to the private collections group or to the control group. More important, *it biases the payment comparisons against the control group*. Although we collected payments on some of the excluded treatment group cases, 76 percent of them paid nothing.

What created this bias against the control cases? Here we need to distinguish between cases excluded for reasons related to the sample case and parent, and those excluded because of the parent's multiple cases. Cases excluded for the latter reason are quite evenly divided between treatment and control group cases. We could easily identify which noncustodial parents had multiple cases through our data files and previous reports. Then we did the necessary searching through SEMS screens for further information.

However, it is not nearly so simple to identify the problems with the noncustodial parent and sample case. Of cases excluded for these reasons, almost all were treatment group cases and most had paid nothing. Throughout the project, our Special Collections Unit had worked the treatment cases intensively, setting special review codes and providing data regarding the noncustodial parent's grants, disabilities, and other problems, locating parents out of state, and noting which cases were in fact being worked as interstate cases. In many cases SCU collections staff discovered new information and entered it onto case comment screens, informing the field office. In other instances they simply documented information already present in the case record and passed the information along to research staff. Learning such information about the control cases often would have required long searches

through case comment screens. We lacked extra research staff for this purpose.

To help compensate for this problem, we have estimated the percentage of undetected "ineligible cases for our comparison" among the control cases that paid nothing during the project. We then added an adjusted estimate column to Table 6.02 that calculates an adjusted mean for control group cases after excluding a percentage of the cases that paid nothing. This adjustment, however, does not help with cases on which small amounts were collected but which should have been excluded. Consequently, in comparing the three groups here, we need to remember the bias in case exclusion, which works against the control group.

Table 6.02 displays the results of the second stage comparison. On every measure the treatment group of the Special Collections project did much better than the private collection group. On a couple of measures the control group also appears better than the private collection group. If we look at the average (mean) collected per case, the Special Collections treatment group shows $582.40, the control group $159.24, and the private collection group only $85.63. That is, on this simple measure the treatment group paid over six (6.8) times as much as the private group, while the control group paid over 1.8 times as much as the private group. On percentage of paying cases, the treatment group also scores highest, with 37.6 percent. The percentage of paying cases among the control group is 25.5, while that of the private collections group is only 11.8. When we look at average collected per paying case, treatment group collections were still over twice as high as private collections, with $1,550.21 compared to $723.61. Here the control group comes in third, at $624.40.

When we look at monthly collections per case, the mean for treatment group cases is $43.29, compared with $13.17 for private collection cases, and $11.13 for our control group. Treatment group collections by this measure are more than three times as high as private collections and almost four times as high as control group collections. If we look at monthly collections per paying case, the treatment group mean is $108.16, compared to the private collections mean of $69.18 and the control group mean of $39.11.

Table 6.02

Comparing Payments on Subro-Only Cases: Special Collections Project and Private Collection Agency Outcomes

	Private Collection Agency[a]	*Special Collections Project*[b]		
		Treatment Group	*Control Group*	
			Actual	*Adjusted*[c]
Number of cases	2,459	181	298	212
Average (mean) amount collected[d]	$ 85.63	$ 582.40	$ 159.24	$223.84
Number of paying cases	291	68	76	76
Percentage of paying cases	11.8	37.6	25.5	35.8
Average collected per paying case	$ 723.61	$1,550.21	$ 624.40	$624.40
Months included in collection effort (mean)	6.5	13.5	14.3	
Months included in collection effort (mean for paying cases)	10.5	14.3	16.0	16.0
Monthly collections per case (mean)	$ 13.17	$43.29	$11.13	
Monthly collections per paying case	$ 69.18	$108.16	$39.11	$39.11

[a]Private Collection cases include accounts referred by DCS to a private collection agency at quarterly intervals from February 1997 through May 1998.

[b]The Special Collections cases included in this table were AFDC/TANF subro-only at the time of sample selection, though some of them subsequently changed case type. The calculation of months and payments includes only the period during which the cases were subro-only. We excluded cases altogether if the noncustodial parent (NCP) owed current support or a debt to the custodial parent on another case (that is, if the NCP had multiple child support cases). We also excluded cases if the NCP was receiving a public assistance grant or was not eligible for other reasons.

[c] To calculate this column we excluded some control group cases that paid nothing during the project. We estimated the number of control cases that would have been excluded from the second stage comparison had we had the same information available as on the treatment group cases. To arrive at this number we calculated the percentage of treatment group cases which were included in the first stage but excluded in the second stage and which had paid nothing during the project. We then excluded a similar percentage from the control group cases after adjusting for the difference in rates of paying cases calculated in the first stage. This is only a rough estimate. On the one hand, it does not exclude any control cases on which payments were made. On the other hand, given the lower rate of paying cases among control group results in general, we have probably been too generous in excluding such a high percentage of cases that paid nothing.

[d] Payments in this comparison do not include IRS offsets or withholds from L&I and unemployment compensation.

Stage 3: Is It Harder to Collect on Cases When More Than Two Years Have Elapsed Since Payment?

Through the end of 1997, one requirement for cases sent to private collection was that there had been no payment on the debt for at least two years, excluding IRS offsets and withholds from L&I and unemployment compensation. In contrast, Special Collections sample cases required only that no payment had been made in six months, excluding IRS offsets. We decided to see whether the difference in length of elapsed time since previous payment explained the difference between payment outcomes in the two experiments. Certainly it seemed plausible that the longer elapsed time indicated a more difficult case.

Hence in stage 3 we compared private collection agency outcomes and Special Collections outcomes on cases in which no payment had been made for at least two years prior to sample selection. *(See Table 6.03.)* We omitted the private collection cases selected in 1998, since the sample criteria had changed. This reduced the private collection sample by 260 cases. We also omitted the Special Collections cases on which payments had been made within the previous two years before sample selection, excluding IRS offsets. This reduced our sample base by another 348 cases, unfortunately removing almost three-fourths of the Special Collections cases used in Table 6.02 above.

As Table 6.03 shows, the Special Collections treatment group cases showed higher collections than the private collection cases, even using the tighter criteria. On some measures both the treatment group and the control group outperformed the private collection group. If we look at average amount collected per case, the treatment group's mean is $686.20, which is more than seven times that of the private collection group. While the treatment group's percentage of paying cases was 37.0, the control group's was 27.0, and the private collection group's was 12.9 percent. If we look at average collected per paying case, the treatment group mean is $1,856.79, while the private collection group mean is $723.13, and the control group mean was somewhat lower, at $681.22.

Once again we computed monthly collections per case and monthly collections per paying case to provide a standard measuring unit that could cope with the problem of staggered samples and differing collection periods. On monthly collections per case, treatment cases averaged $46.95, with private collections at $13.46, and control cases at $12.39. If we look at monthly collections per paying case, the treatment group ($124.70) is substantially higher than the private collections group's average of $67.95. The control group on this indicator ranks third, at $42.87.

Table 6.03

Comparing SCP and Private Agency Collections: A Look at Subro-Only Cases with No Payments in Previous Two Years

	Private Collection Agency[a]	*Special Collections Project*[b]		
		Treatment Group	*Control Group*	
			Actual	*Adjusted*[c]
Number of cases	2,199	46	85	61
Average (mean) amount collected per case[d]	$ 93.06	$ 686.20	$ 184.33	256.85
Number of paying cases	283	17	23	23
Percentage of paying cases	12.9	37.0	27.1	37.8
Average collected per paying case	$ 723.13	$1,856.79	$ 681.22	681.22
Months included in collection effort (mean)	6.9	14.6	14.9	
Months included in collection effort (mean for paying cases)	10.6	14.9	15.9	15.9
Monthly collections per case	$ 13.46	$ 46.95	$12.39	
Monthly collections per paying case	$ 67.95	$ 124.70	$42.87	$42.87

[a]The private collection cases included in this table were referred at quarterly intervals in 1997. We have excluded accounts referred in 1998.

[b]The Special Collections project cases included here had not made payments (other than IRS offsets) for at least two years prior to sample selection. The cases were subro-only at the time of sample selection, though some later changed case type. The calculation of months and payments in this table includes only the period when the case was subro-only. We excluded a case when the noncustodial parent (NCP) had multiple child support cases and owed current support or a debt to the custodial parent on other cases. We also excluded cases if the NCP was receiving a public assistance grant or was ineligible for other reasons.

[c]See notes to Table 6.02 for an explanation of this column.

[d]Payment means do not include payments obtained from IRS offsets or withholds from L&I or unemployment compensation.

How Important Are the First Six Months?

Under the agreement between DCS and the private collection agency, a case was to be returned if the agency produced no collections on the case within six months. This restriction is certainly understandable. Six months is a long time to wait for a payment, and a creditor expects results from a bill collector sooner

than this. The longer the elapsed time, the more the creditor may suspect that any collections are pure luck and may have happened without the intervention of the collection agency. Why should DCS pay a percentage to a collection agency under such circumstances? And is it cost effective for a private collection agency to hold onto such cases longer than six months with no pay off?

Nevertheless, we suspect that this restriction helps to explain the poorer collection results of the private collection agency in comparison with the Special Collections project. To see whether such a restriction would have been sensible for our project, we looked at our data to see what the impact would have been. We selected three cohorts from the Special Collections Project (cohorts 1, 2, and 4), using the subro-only cases that met the definition explained above for Table 6.02. That is, DCS had not collected a payment on the case except for IRS offsets for at least six months prior to sample selection. The case was an AFDC/TANF subro-only at sample selection and had remained so through the period tracked in this comparison. The noncustodial parent had not had other cases with current support or arrears owed to the custodial parent during the project. We chose cohorts 1, 2, and 4 because for those particular cohorts we had payment run data coinciding with the six-month mark after sample selection.

We looked at the paying cases to see what proportion of these sample cases paid within six months after they were selected for the project. We compared project collections on cases that had received payments within the first six months to collections on cases that paid only later, after the first six months. Again, the payments included are comparable to those counted for the private collection agency; that is, we have excluded IRS offsets, L&I withholds, and unemployment compensation withholds. Table 6.04 displays the results.

Yes, the First Six Months Are Important, But . . .

There definitely is a positive relationship between early collections and total collections[23] on the sample cases. For example, 43.7 percent of the money collected was received during the first six months after sample selection. This included 49.5 percent of the money collected for the treatment cases and 22.9 percent for the control cases.

Cases that paid early also tended to pay the most. Cases on which money was collected during the first six months after selection contributed 62.5 percent of the total collected ($68,918.27 of $110,356.42). If we look at the treatment group alone, the total collected during the project was $86,532.94. Those who paid within the first six months after sample selection contributed $60,731.46, or 70.2 percent of that amount.

[23] Total collections here means the total collected during the project while the case remained subro-only. Additional money was collected on some cases after a change in case type.

Table 6.04

Significance of First Six Months to Project Collections on a Subsample[a] of Subro-Only Cases

Cohort and Group		Payments During First Six Months After Selection?				Percentage Collected in First Six Months
		No (N=133)	No (N=41)	Yes (N=33)		
		Paid Nothing During Project	Paid After 6 Months	Amount Paid in First 6 Months	Total Paid During Project	
Cohorts 1,2,4						
Treatment	N	43	16	21	21	
	Mean		1,612.59	2,038.93	2,891.97	49.5
	Sum		25,801.48	42,817.44	60,731.46	
Control	N	90	25	12	12	
	Mean		625.47	454.02	682.23	22.9
	Sum		15,636.67	5,448.24	8,186.81	
Combined	N	133	41	33	33	
	Mean		1,010.69	1,462.60	2,088.43	43.7
	Sum		41,438.15	48,265.68	68,918.27	
Percentage of Cases in Category		64.3	19.8	15.9		
Percentage of Total Collected		0	37.5	62.5		

[a] The subsample consists of subro-only (AFDC/TANF) cases from cohorts 1, 2, and 4 of the Special Collections project sample. We excluded *cases* if the noncustodial parent (NCP) owed current support or a debt to the custodial parent on another case. We also excluded cases when the NCP was receiving a public assistance grant. We excluded *payments* obtained from IRS offsets or from L&I and unemployment compensation withholds. If the case type changed during the project, we also excluded payments made after the change.

The average (mean) collected per case is considerably larger for those who paid within the first six months. Taking treatment and control cases together, the mean for those who paid early was $2,088.43. However, this figure reflects the contribution of the treatment cases, whose mean was $2,891.97, while the control case mean was $682.23. The highest mean ($4,169.46) was for cohort 1 treatment group cases who paid early.

Moreover, if we look at the cases on which payments were collected in the first six months, those early payments constituted about 70 percent of the total amount collected on those cases during the project. (The percentage for control cases alone was slightly lower, at 66.5 percent.)

Despite the importance of early collections, imposing a six-month limit for a first payment clearly would not have benefited the Special Collections Project. Cases that paid only after the first six months contributed 37.5 percent of the total collected and constituted almost 20 percent of the sample cases. Had we dropped the treatment cases that did not receive a payment within the first six months after sample selection, we would have lost almost 30 percent of the money collected by the Special Collections Unit. (Cases that paid only after six months contributed $25,801.48 of the total $86,532.94 treatment group collections on this subsample.) We would have lost 43 percent of the paying treatment cases (about 20 percent of the total treatment cases in the subsample).

The Critical Difference Between Child Support and Other Debts

The private collection agency's agreement with DCS imposes not only a six-month limit on a first payment but a six-month limit between payments. Even when the private collection agency collected money on a DCS case, it was sent back if more than six months elapsed before a subsequent payment. Again, this may be a reasonable and cost-effective restriction for an arrangement between a creditor and collection agency. But it may not meet the special conditions of child support collections.

It assumes that the purpose is to convert the noncustodial parent into a regular monthly payer, like the ideal bill payer. Success means regular monthly payments. This is surely what DCS and the custodial parent would like. It is also what the Special Collections staff hoped to achieve. Many child support cases follow this model. However, the cases we are comparing here—that is, the cases sent to the PCA and the Special Collections subro-only cases we are examining here—were special cases in that many months had elapsed without payment, and the debts were owed because the families had needed public assistance in situations of financial hardship.

In a preliminary report we evaluated the subro-only cases in the Special Collections project to see how many paying cases made regular payments.[24] To provide a broader basis for evaluation we did not restrict the cases to cohorts 1,2, and 4. Instead we used the broader definition of Table 6.02 (the second stage comparison), except that we also included 48 subro-only cases that were not AFDC/TANF. This gave us a base of 527 cases, of which 153 became "paying cases" during the project.

[24] Child Support Performance Measurements: A Test for Working Hard-to-Collect Cases, Progress Report: July-September 1998.

We checked to see how many of these cases made at least one payment during each payment run after sample selection. (Payment runs averaged one every other month.) Only 17 cases showed at least one new payment in every payment run. This, of course, does not necessarily add up to one payment per month. Of these "regularly paying cases," twelve were treatment group cases, while five were control cases. Rather than comparing "regular" payments, it is far more instructive to ask whether they paid at all during the project, and then to compare the average collected for treatment and control groups.

Ordinarily, the debts that private collection agencies try to collect are overdue payments owed to commercial creditors. They arise from credit cards, loans, house payments, rents, and other commercial obligations. The debtor had filled out a credit application at the time of incurring the obligation. The creditor presumably checked the debtor's references, and decided that the applicant was creditworthy. When payments are missed, the creditor turns to the collection agency either to collect the debt in entirety or to restore the debtor to the original situation of making regular, timely payments.

Child support debts are quite another matter. These debts are incurred because children are conceived and born. There is no required application for credit, no check for creditworthiness, no credit limits to prevent the parent from getting too deeply into debt. Collecting child support is not necessarily a matter of restoring a parent to an earlier state of regular support or regular payments.

There are many different circumstances. Sometimes a parent has provided regular support for many years, but illness, disability, or job loss destroys income, either temporarily or permanently. Other parents could support one family, but cannot provide enough support to cover children living under different roofs. Still others were always disabled and unemployable. Others lose their employability because of addiction or other problems. Still others could pay but they may feel cheated, deceived, or unjustly saddled with a debt, or angry because of custody and visitation disputes.

Public child support agencies must respond to a variety of situations and must try to collect some support, even if it is never regular or timely. Unlike private collection agencies or private insurance companies, they do not have the option of rejecting hard cases and enhancing their cost effectiveness by concentrating on a chosen group.

Is Privatization the Answer for Hard-to-Collect Cases?

In this analysis we have compared subro-only payment outcomes on private collection and project sample cases from several points of view. We have concluded that on every measure, Special Collections treatment group payment outcomes were substantially better. When we compare collections, it seems that an in-house special collections unit produces much better outcomes.

In examining these results we have tried restricting the cases in various ways to make the groups more similar. On some measures, the project control group also appears to have done better than the private collection group. The control group is a random sample of the existing DCS field office collections on problematic cases.

But the private collection agency got the cases because the field office had not collected any money them for two years. Why, then, should the control group appear to do better than the private collection agency—at least on some measures? We have tried to suggest some reasons why a private collection agency, no matter how capable, may not be a better alternative. We also have pointed out in our previous reports that collections on these problematic cases are unpredictable. In the ***Interim Report***, for example, we showed that in the first year of the project fully one-fourth of the dollars collected came from cases on which DCS had previously collected nothing. These are difficult, frustrating cases to work.

However, this comparison of collection outcomes does not demonstrate that child support agencies should always try in-house special collections instead of privatization. For some states child support enforcement budgets are very limited. Case loads are very high, over 1,000 cases per support enforcement worker. Computer systems are not adequate. In these situations private collection agencies may show much better results than state workers can.

7. Summary and Recommendations

The core experiment of this project was to see whether an internal special collections unit could make a significant improvement in collections on very delinquent child support cases. The focus of this unit was to demonstrate how collections could be increased simply by aggressively practicing the locate, negotiation, and collection techniques of good support enforcement practice.

The Special Collections Unit formed for this project did produce higher payment outcomes than the control group. Taking treatment and control group cases together, DCS collected a total of $1,903,585 on the sample cases during the project tracking period. The treatment group provided 52.2 percent of this amount, compared to the control group's share of 47.8 percent. When we exclude automated matches (IRS, L&I, unemployment compensation), the treatment group contributed 54.6 percent, compared to the control group's 45.4 percent, a difference of 9.2 percent. The difference in the proportion of cases making a payment (treatment 34.1 percent; control 30.2 percent) was statistically highly significant.

One of the difficulties in comparing collections on sample cases is that many noncustodial parents have more than one child support case. Payments are distributed according to the distribution algorithm, and do not necessarily end up applied to the sample cases. When we compared payments by noncustodial parents to all their cases, we found that treatment group parents were more likely to make a payment and the difference in group means was 14.6 percent higher for the treatment group parents. Both of these differences were statistically significant.

The difference SCU made in collections was in fact limited to particular case types. The greatest contrast was on subro-only cases. Depending on the measure selected, the treatment group paid from 1.7 to 2.7 times as much as the control group on subro-only cases. SCU also made a significant difference on nonassistance cases. However, treatment and control results were approximately equal for cases that changed type during the project. We also found that SCU work made no difference on current assistance cases, the most disappointing result to staff.

Apart from payment outcomes, the most notable finding of the project was the pervasiveness of serious, recurring barriers to collection. Three major barriers were noteworthy from the beginning.

1. The prevalence of multiple cases. Almost half of the noncustodial parents have multiple child support cases ranging from two to twelve. Taken together, the current support and total arrears owed on their cases may be

impossible to pay. Moreover, multiple cases are not simply an indication that the parent has more than one child. Rather, they are frequently an indicator of family instability, shifts in child custody, and multiple, continuing social or medical problems.

2. The number of noncustodial parents currently and recurrently on public assistance or SSI. Over 30 percent of treatment group parents received grants at least part of the project period. Many cases reveal long histories of intermittent employment, physical or mental illness, substance abuse, or other problems.

3. The extraordinary number of noncustodial parents with corrections records. Of treatment group noncustodial parents, at least 12.2 percent were incarcerated at some time during the project, and at least 30.6 percent had DOC records.

These barriers are an important factor in explaining project collection outcomes on current assistance cases. In chapter 5, we discussed the pattern of comprehensive assistance that emerges in examining current assistance cases. In looking at this network, it is important to consider both federal and state-funded assistance, the sample families and noncustodial parents, and the additional child support cases that parent has—often with other children on public assistance.

Project Findings and Public Policy

This project began in response to changes in federal child support regulations that accompanied welfare reform. Under these changes, reimbursement will be based on the child support agency's performance as measured on several indicators. Reimbursement rates also will differentiate among cases that are current public assistance, former public assistance, and never assistance. "Assistance" here is defined by certain federal programs, under Title IV-A and IV-E of the Social Security Act.

Implementation of welfare reform has been an important effort of Washington State agencies. Agencies work together to implement job training and help parents find employment to stay off welfare. To be effective, such efforts must target the noncustodial parent as well as the custodian. And as welfare reform and economic boom have lowered welfare rolls, pressure grows to increase collections on the remaining current assistance cases.

Improving collections on current assistance cases is of great concern to DCS. Statewide agency and local field office task forces wrestle with the issue.

Yet our project findings strongly indicate that special collections units aimed at current assistance cases are not worthwhile. They suggest that DCS is least likely to improve collections on the category of cases that federal reimbursement regulations now favor.

Would collection outcomes have been better on current assistance cases if SCU's case load had been smaller? Possibly. One can never exclude the possibility that an ever more intensive hunt would turn up hidden assets or locate an elusive noncustodial parent. But questions about cost effectiveness increase as we devote more staff attention to ever more remote possibilities.

More important, collection outcomes were consistent throughout the project tracking period. Quarterly progress reports regularly noted that SCU work made a difference in total collections, but that the difference was limited to particular case types. Current assistance collections did not begin to lag after the number of sample cohorts reached a certain level, indicating that staff were overburdened. Rather, trends were visible from the beginning and consistent throughout.

Alternatives for Current Assistance Cases

Instead of thinking about more intensive collection efforts devoted to fewer cases, it seems more fruitful to consider two alternative approaches. One approach would target current assistance cases, but would refine the sample to exclude those noncustodial parents with barriers to collection. That is, exclude current assistance cases if the noncustodial parent has a personal history of public assistance or SSI, or the parent has multiple child support cases, or the parent was recently incarcerated. If these restrictions leave only a small sample of cases available, that in itself is important information to gain.

The alternative approach is to target current assistance cases precisely because there are barriers to collection—because the noncustodial parent has multiple cases or an unfavorable history. This approach requires an alliance with another agency whose function is to help adults with the particular problem. Even better would be an interagency effort to provide multiple assistance to individuals with difficult employment histories.

This second approach requires a different type of special collections effort. SCU's role in the project just concluded was to demonstrate the value of aggressive collection work--the traditional work of support enforcement officers or other bill collectors, but done better than by the average worker. That traditional purpose is to maximize collections.

In various states child support offices are developing new networks of cooperation with other agencies. These programs are an outgrowth of welfare reform and state efforts to integrate parents into the work force and keep families off assistance. Here the purpose is to get the targeted parents into jobs, provide assistance and child care where needed, and work with the parent to start paying regular child support. Ultimately, the SEO's purpose is to collect child support. But the immediate focus is to support the parent's integration into the work force and larger community, to help the parent become a "regular member" of the community.

Here negotiation skills and willingness to work with representatives of other agencies are the primary skills demanded of the SEO rather than locate and traditional "skip trace" know-how. Nevertheless, the SEO must show firmness and consistent expectations, negotiate agreements, show willingness to compromise but at the same time enforce consequences—qualities of an effective bill collector.

Our initial proposal centered around three questions related to hard-to-collect child support cases. (1) Is it worthwhile to establish a special internal unit to pursue these cases? (2) Should DCS refer cases to a private collection agency when staff have not succeeded in collecting? (3) If cases remain uncollectible, how many of them can DCS close? Or do project results indicate that DCS should recommend changes to federal case closure rules?

Should DCS Use Specialized Collection Units?

An internal specialized collection unit could be a valuable tool for DCS in pursuing *certain kinds* of hard-to-collect cases.

One reason for such a unit is quality control. When a group of cases, such as subro-only cases, do not have active champions, a special unit can provide representation for such "orphan" cases. A special unit can also pursue other delinquent cases effectively, provided that the sample is adequately selected.

Such a unit could be established within state office or, more likely, within a field office. Selected cases should be removed from the regular field case load and assigned temporarily to the special unit. Dual control of cases—shared responsibility between field and special staff—does not work well. Consequently, the case load per staff member in the special unit should be smaller than the SCU case load in the project, probably a maximum of 300 per support enforcement officer.

Where the purpose of the special unit is locate of debtors and assets, we recommend that staff be assigned on a rotating basis for six to nine months, but certainly with overlapping terms. SCU staff found that doing only locate work for an extended period of time became tedious and boring. Enthusiasm tended to wane. Periodic infusion of new staff helps to maintain morale. It also allows a larger number of people a chance to hone their locate skills without losing regular case work skills.

We did not find it true that money would be collected on a case within six months or not at all. Nevertheless, if the unit's purpose is primarily locate and quality control, rotating cases back into a regular case load after several months (certainly within a year) would be a sensible strategy simply to increase the number of such cases receiving special attention.

Defining the Focus and Strategy of a Special Unit

The critical question is to define the focus and strategy of a special collection unit. *What will be its purpose, and what kind of cases will be assigned to it?*

Will the unit's purpose be to intensify locate and collection activity on a group of cases? Then, at least within Washington State, there is no point to replicating the experience of the Special Collections project in selecting a sample. That is, it is not sensible to select cases with a similar definition of hard-to-collect case—i.e., a debt over $500 and no payments within six months. The same barriers to collection will emerge, and the same outcome can be expected.

Rather than a shotgun approach, it would be sensible to target special kinds of cases or noncustodial parents. Project findings indicate that a special unit can make the most impact on subro-only cases and secondarily on nonassistance cases. SCU found that many cases were unworkable because the noncustodial parent was receiving a grant, and the grant was awarded because the parent was ill, mentally or physically disabled, or had other serious problems. In short, the parent lacked resources for self support, let alone child support. In other cases the parent was incarcerated or on work release. Almost half of the noncustodial parents had more than one child support case. SCU staff managed to make a difference in collections from parents with multiple cases. Nevertheless, parents with numerous cases are less likely to pay on targeted cases.

In short, if the unit's purpose is intensified locate (for individuals and assets), it makes sense to target subro-only cases, nonassistance cases, and parents with one or two cases. It makes sense to screen parents by a measure such as the comprehensive assistance pattern developed in chapter 5, and to exclude parents with multiple assistance indicators.

On the other hand, there are other purposes for a special collections unit, even one that deals exclusively with hard-to-collect cases. Here barriers to collection are precisely the focus of the effort and the reason for choosing the sample. For such specialized units, frequent rotation of staff and cases probably does not make sense. Rather, continuity will be important so that the SEO can develop ongoing communications with the noncustodial parent and other agency representatives.

This second type of specialized collections effort will probably not produce immediate results. It may require DCS to be willing to lower payment amounts and write off some arrears. Because it is intensive, it will be expensive.

Both types of special collections unit have a role to play. Both can work, and both may ultimately help improve child support collections. The essential point is to choose the focus; then select the appropriate strategy for the chosen focus. This requires planning and a tedious process of screening cases and also screening noncustodial parents.

Thus far, the discussion has focused on how to make a special collections unit effective. Overall, our discussion of project findings has focused on how well the treatment group did relative to collection outcomes of the control group. The question has been, did SCU make a difference in collections compared to regular field office work? But a further question is, how cost effective is it to attempt a special collections effort at all? Even if a special unit could double collections, would it be worth the expense?

Can a Special Unit Be Cost Effective?

The benefit of the project's Special Collections effort is of course not limited to the dollar amount of the additional child support collected. Special Collections staff shared their expertise in locate and negotiation with new staff in the training academy. They developed a list of recommended best practices that were shared with management, have been placed on the intranet, and are now being incorporated into training modules for the field. SCU staff also made invaluable contributions to building our research files on the scope of barriers to collection. We hope that lessons learned through this research will help DCS management gain a better grasp of the problems and information needed to decide on a course of action.

Nevertheless, in deciding whether to mount a special collections effort of their own, field offices and other child support agencies may find the following rough calculations helpful.

Our interest here is in calculating the ratio of the additional child support collected to the costs of the unit. That is, since field staff were working both treatment and control group cases, we are interested in the extra amount that the Special Collections Unit added in collections on the treatment group cases. We are not calculating the ratio of SCU costs to total collected on the treatment group cases.

We used three comparisons to measure the benefits returned for the effort expended.

1. Additional child support collected on all the treatment group cases, excluding automated matches, divided by SCU costs. We excluded IRS offsets, L&I, and unemployment compensation because these occur regardless of effort.
2. Additional child support collected on the subro-only cases, excluding automated matches, divided by the share of SCU costs attributed to working subro cases.
3. Additional child support collected from the noncustodial parents in the treatment group on all their cases, divided by SCU costs. Here we used all payments regardless of type, because a break-out by payment type was not available. (Including IRS offsets, L&I, and unemployment compensation probably reduced the difference between control and treatment group payment outcomes and underestimated the benefit SCU added to collections.)

The results are displayed in Table 7.01.

Table 7.01

Measuring the Cost of Lessons Learned

Measures of the Ratio of Increased Collections to Costs	*Excess Collected*[a]	*SCU Costs*[b]	*Net per Case*	*Return per Dollar Expended*
1. All sample cases	$126,142.34[c]	$217,187.44	$-46.59	$ 0.58
2. Subro-only sample cases	$ 75,789.93[c]	$ 48,867.17[d]	$ 61.33	$ 1.55
3. NCP payments to all cases	$147,031.82[e]	$217,187.44	$-35.90	$ 0.68

[a]The difference between the amount collected on the treatment group cases and that collected on control group cases.

[b]The estimated costs of operating the Special Collections Unit during the tracking period (October 16, 1996-June 30, 1998). Costs include staff salaries and fringe benefits, communications (telephone, voice messaging), other collection costs (credit prompter rental, bank fees for research following subpoenas, credit reports), and supplies. Computers are not included.

[c]The excess in payments without IRS offsets and withholds from L&I and unemployment compensation.

[d]Costs were estimated by determining the percentage of subro-only cases (22.5 percent) to the sample, and assigning a similar percentage of total costs to the subro-only cases.

[e] This item looks at payments noncustodial parents made to all their cases, rather than just the sample cases. It also includes all payment types. The sum here is the difference between total payments of treatment group noncustodial parents and control group noncustodial parents.

The major expense item in calculating costs is of course staff. Other costs are quite minimal. Table 7.02 provides a break-out of cost calculations.

These are the one-time costs of operating a special collections unit for a sample of hard-to-collect cases. They represent part of the costs of finding out how to do cost-effective special collections. It would not be cost effective for a field unit to replicate the SCU work here reported "just to see if they get the same results."[25]

[25] Moreover, we would not recommend that field staff again share control of a case with a special collections unit. A future test would therefore simply compute the cost for a

The point is, rather, to learn from the lessons of the project. This means first to define the purpose of the unit and then to select a sample appropriate to that purpose. Future special collections efforts would not select a broad array of cases simply because the debt is of a certain size and no payments have been received within a certain time frame.

Table 7.02

Special Collections Unit Expenses
(October 1996-June 1998)

Expense Category	*Item Cost*	*Total Expense*
SCU Staff (salary and fringes, 54.5 total staff months)		$ 207,700.00
SEO 4 (20 months)	$ 87,628.75	
SEO 2 (19 months)	76,593.75	
SET (15.5 months)	43,477.50	
Communications (1-800 line, 3 staff lines, voice-messaging, SCAN charges)		$ 2,893.28
Other Collection Costs		$ 6,344.16
Credit prompter rental	$ 1,244.16	
Research costs (bank fees, etc.)	$ 100.00	
Credit reports, mail charges (estimated)	$ 5,000.00	
Supplies		$ 250.00
Total		$ 217,187.44

Should DCS Refer Cases for Private Collection?

We compared Special Collections payment outcomes with private collection agency collections on DCS subro-only cases. We found that the Special Collections Unit did far better in collections on every measure than the private collection agency. On some measures, we found that our control group also performed about as well as the private agency. We concluded (chapter 6) that it made more sense to use an internal special unit for collections on very delinquent subro-only cases.

---

special collections unit (however defined) to collect per dollar expended compared with the cost of a regular unit.

But given the questions of cost effectiveness, should DCS refer cases for private collection simply to cut costs? No.

1. When DCS refers a case, DCS still continues to work the case.

   - Private agencies cannot seize IRS tax refunds. As other automated matches are implemented (such as the financial institutions data match program now underway), privatization becomes less attractive.

   - DCS staff continue to monitor the case. When a case changes type (because the custodial parent requests full collection, or the family goes back on assistance), DCS calls the case back from the agency.

2. Private agencies face the same barriers to collection that DCS faces. Our research indicates that barriers to collection are the primary problem, not lack of staff locate skill. The private agency simply returns most of the referred cases, and DCS monitoring staff then return the case to the field.

3. It would be cost effective for an internal unit to work delinquent subro-only cases when the proper preliminary screening is provided. DCS must provide the staff time to screen cases before sending them to private collection. It would not cost more to screen them for an internal unit. And the internal unit collects far more per case. Moreover, DCS must share the collections when the private agency is successful.

Case Closure Recommendations

DCS field offices closed 388 sample cases during the project tracking period (by June 30, 1998). Some were closed at the suggestion of SCU staff. Of the closed cases, 111 showed a zero balance (60 through payments, the rest through debt adjustments) at closing. Taken as a group, 23.2 percent of the closed cases had made a payment during the project. The mean amount paid during the project was $617.03. Of the cases that closed, 25 percent showed the same debt at closing as at the beginning of the project; 40 percent decreased their debt; and 35 showed an increased debt by the time of closure.

Current federal closing criteria are quite restrictive. Despite the large proportion (37.7 percent) of sample cases on which DCS had never received a payment, very few could be closed under the criteria existing during the project time period.

After project collections stopped, the SCU leadworker provided assessments of what to do next on about 700 of the open treatment group cases. These responses, tabulated from the final review forms, are summarized in Table 7.03. As an aid to interpretation, we have split the cases into those which had made a payment during the project and those which had not.

What is striking about this little tabulation is how similar the *No Payments* column is to the *Paid* column. There is not a systematic difference in responses to the questions. Only on the question "Are future payments possible?" do we see a fairly decisive spread in responses between the assessments of cases that paid and those that did not pay. In short, viable solutions did not seem to be available for most of these nonpaying cases. Very few met current federal case closure criteria. Very few met the criteria for modification of the order. A referral for contempt was a viable possibility only for a very few.

Table 7.03

Possible Next Steps for Treatment Group Cases: Final Reviews by SCU Staff

SCU Staff Review	*Case Payment Status During Project*		*Total*
	Paid	*No Payments*	
Is a modification possible?			
Yes	61	46	107
No	196	240	436
Don't know	76	59	135
Subtotal	333	345	678
Is contempt possible?			
Yes	28	19	47
No	247	250	497
Don't know	59	79	138
Subtotal	334	348	682
Does the case now meet closure criteria?			
Yes	12	22	34
No	311	321	632
Subtotal	323	343	666
Are future payments possible?			
Yes	257	40	297
No	11	81	92
Don't know	54	219	273
Subtotal	322	340	662
Did SCU exhaust all locate?			
Yes	262	295	557
No	67	48	115
Subtotal	329	343	672

Since the project ended, federal case closure criteria have been loosened slightly.[26] One of the new provisions permits closure if the child support agency has been unable to locate the noncustodial parent for a year and lacks the necessary information (mainly a social security number) necessary to conduct automated searches. This provision would have permitted DCS to close a handful of the troublesome sample cases. But the new provisions do not touch most of the problems discussed in this report.

The restrictive case closure criteria leave DCS without viable options for dealing with many cases that are in fact unworkable.

Moreover, the old federal closure criteria do not mesh well with the new reimbursement rules. The mass of uncollected arrears on uncollectible cases enlarges the denominator in the federal reimbursement equation. Child support agencies are in a difficult position.

Given the size of the barriers to collection, child support agencies need a broadening of the case closure permissions. Presently some case closure reasons permit no reopening, others permit reopening if circumstances change. Perhaps cases could be closed for particular reasons with an automatic review for reopening in two or three years. One such reason for closing would be when the noncustodial parent remains on SSI or other assistance for a year. Another would be when the noncustodial parent is incarcerated for at least three years.

Changes in Washington State law and administrative regulations would help as well. As we have seen, most of the debt owed on these hard-to-collect cases is owed to DSHS or the state of Washington as subrogated arrears. Provisions exist to forgive such debt under certain circumstances. The procedure, however, is cumbersome and requires expensive staff time. We recommend that the state review the provisions and, in cooperation with DCS management, design streamlined procedures to implement them.

Washington State also has an exceptionally long statute of limitations on child support debt. Perhaps it would be worthwhile to reconsider the desirability of this provision, or at least to review its impact on keeping unworkable cases open.

Recommendations for Improving Collections

Special Collections Unit staff demonstrated that DCS can increase collections even on a sample of hard-to-collect cases. Out of their experience SCU staff developed and submitted to DCS management a set *of Recommended Best Practices*. These recommendations reflect their successful methods and their assessment of current field practice. The recommendations were made

[26] The changes to 45 CFR 303.11 became effective April 9, 1999. They were announced in the Child Support Enforcement Program Action Transmittal No. OCSE-AT-99-04, dated March 11, 1999.

available to all staff via the DCS intranet. The document is attached to this report as Appendix B, part 1.

We summarize the central recommendations as follows.

1. DCS management at all levels should make it clear that it is never DCS policy to refuse to accept a payment because it is not enough money.

2. Effective collection work requires skills in negotiation and personal communication.
   - Training in negotiation and mediation is available and should be encouraged. For example, the Thurston County Dispute Resolution Center offers a two-day training on how to develop a win/win situation.
   - Many staff would benefit from telephone training.

3. In communicating with noncustodial parents, collections staff should always:
   - Accept any and all payments willingly.
   - Be reasonable and courteous.
   - Show willingness to negotiate.
   - Try to develop win/win situations.
   - Give clear expectations when dealing with the noncustodial parent.
   - Follow through with actions and telephone calls.
   - Be consistent.
   - Ask for money, provide the WSSR address, and send WSSR mailing labels.

4. In working cases, staff are expected to:
   - Be proactive. When you find out something, take the next step. Examples:
     If the noncustodial parent is receiving SSA, verify dependent benefits and credit if appropriate before issuing a withhold.
     If the noncustodial parent appears disabled and unable to carry through with actions that would make it possible to close the case or reduce payments, contact the caseworker and explain what is necessary.
   - Follow up on information when received, especially locate information.
   - Make use of all the rich locate sources available to DCS through other Washington agencies, including the Department of Revenue, Department of Licensing (DOL/MLS), and ACES, the automated computer system for the IV-A divisions within DSHS.
   - Do not be afraid to use the telephone.
   - Check all the noncustodial parent's cases for information, including those where the individual is the custodial parent.
   - Run credit bureau checks with more regularity—at least every six months—on nonpaying cases.
   - Review cases for modification, especially those where child support was set using median net income.

5. In documenting case actions and information, staff should:

- Ensure that correct information is updated to each screen.
- If an interstate referral is sent on one case, code all the noncustodial parent's companion cases.
- Post telephone numbers and name of contact for all telephone calls made or attempted.
- Provide clear documentation on SEMS of updated debt calculations, actions and reasoning (case closure, debt adjustments, withhold adjustments).

6. Good SEO work requires a continual willingness to learn how to do the work better, to ask for help, and to take advantage of training when offered.

7. Effective work requires cooperation with other office staff, with DCS state office, and with other agency representatives.

Despite considerable obstacles, SCU staff did make a difference in collections on the treatment group cases. Their recommended best practices have the broadest applicability of any project recommendations for improving collections. The work of special units can make an impact only on limited categories of cases. Without broad changes in state and federal regulations, DCS cannot close most of the cases with serious barriers to collection. Consequently, the best hope for improving collections is to strive to improve SEO work in the field.

Other Recommendations for DCS

For locate purposes, DCS needs a computer cross-match with Department of Corrections (DOC) records. DCS has attempted to work with DOC for several years. Periodically, DOC provides information about inmate accounts, but these accounts are not a significant collections source and are not adequate for locate purposes.

Such a cross-match would often help the SEO simply locate the noncustodial parent. Moreover, it would enable DCS to contact the noncustodial parent's community corrections officer while the parent is under supervision. It would also enable DCS to do outreach to pre-release facilities while the parent is still incarcerated. As SCU staff noted in their Recommended Best Practices: "We need to work with [incarcerated noncustodial parents] in a cooperative manner for agreeable collections, possible modifications of the support orders, and most importantly [to] develop win-win situations."

It is surprisingly cumbersome to determine whether a case is currently workable, whether the noncustodial parent is receiving assistance or is incarcerated, whether the case is in fact being worked as an interstate case, or even whether the parent signed a waiver of the statute of limitations. Discerning the workability of the case or the status of the parent often requires a time-consuming search through various SEMS screens, including case comments.

One possibility would be to add a SEMS screen providing such a thumbnail assessment. Case-working staff should be consulted on its contents. But it seems that, as a minimum, such a screen needs the following elements:

- Is there a valid support order?
- Is this case in fact being worked as an interstate case, and if so, what case number contains the interstate information?
- Is there a bankruptcy stay?
- Is the noncustodial parent incarcerated? (Dates?)
- DOC status and dates?
- Is the noncustodial parent on SSI or some other kind of assistance?
- Has a waiver of the statute of limitations been signed?
- Is the noncustodial parent receiving disability benefits?
- If so, are dependent disability benefits being received or have they been applied for?
- If the parent has multiple open cases, are any payments being received?

If such a screen is not possible, at least the SEO and field office management need periodic reports from SEMS providing such information. Assessment of the real workability of the case load is presently not available either to the field SEO or the supervisor. Quality control is difficult under such circumstances.

In the absence of the recommended new screen, enhancements to separate SEMS screens could be considered. For example:

- A data field, perhaps on the Case Financial screen, to post whether the noncustodial parent has signed a waiver of the statute of limitations. Telephone negotiations with a noncustodial parent are very difficult without immediate access to this information. (See Appendix B, 1. Special Collections Project Recommended Best Practices.]

- A DOC status field, perhaps on the noncustodial parent's BI screen.

An undetermined number of noncustodial parents receive SSA or other disability benefits. DCS can initiate withholds for child support. However, in many instances the family is eligible for dependent disability benefits because of the parent's disability, and such payments to the family are supposed to be credited against the parent's support obligation. When these direct payments cover the legal obligation, DCS can remove itself from the case. Unfortunately, discerning disability status requires scrolling through case comment screens. Moreover, in processing payments withheld from SSA or other disability benefits, the cash unit lacks a unique code for this payment type. These payments show up as though withheld from wages or simply as "other."

It would be helpful to provide a unique payment code for SSA and other disability withhelds. It would also be helpful to provide fields on SEMS or tracking codes to make it clear that a parent receives disability, has applied for disability, etc.

Conclusion

DCS *can* increase collections on some hard-to-collect cases. Good staff, well trained in locate techniques, skilled in negotiation and persuasion, and motivated to take the initiative, can produce impressive results.

But blanket mandates to intensify all collection efforts are not useful. For DCS, the primary obstacle in hard-to-collect cases is not a lack of intensive collection effort or skill. Rather, the problem lies in the magnitude of barriers to collection among the population of families and parents that DSHS serves.

These barriers to collection reflect serious social problems in American society. One important problem is the number of parents who do not provide appropriate support for their children. The child support agency is mandated to deal with this problem, both by locating assets of parents who have not paid support and by ensuring that other parents continue to provide regular child support. In many cases, DCS does this work effectively.

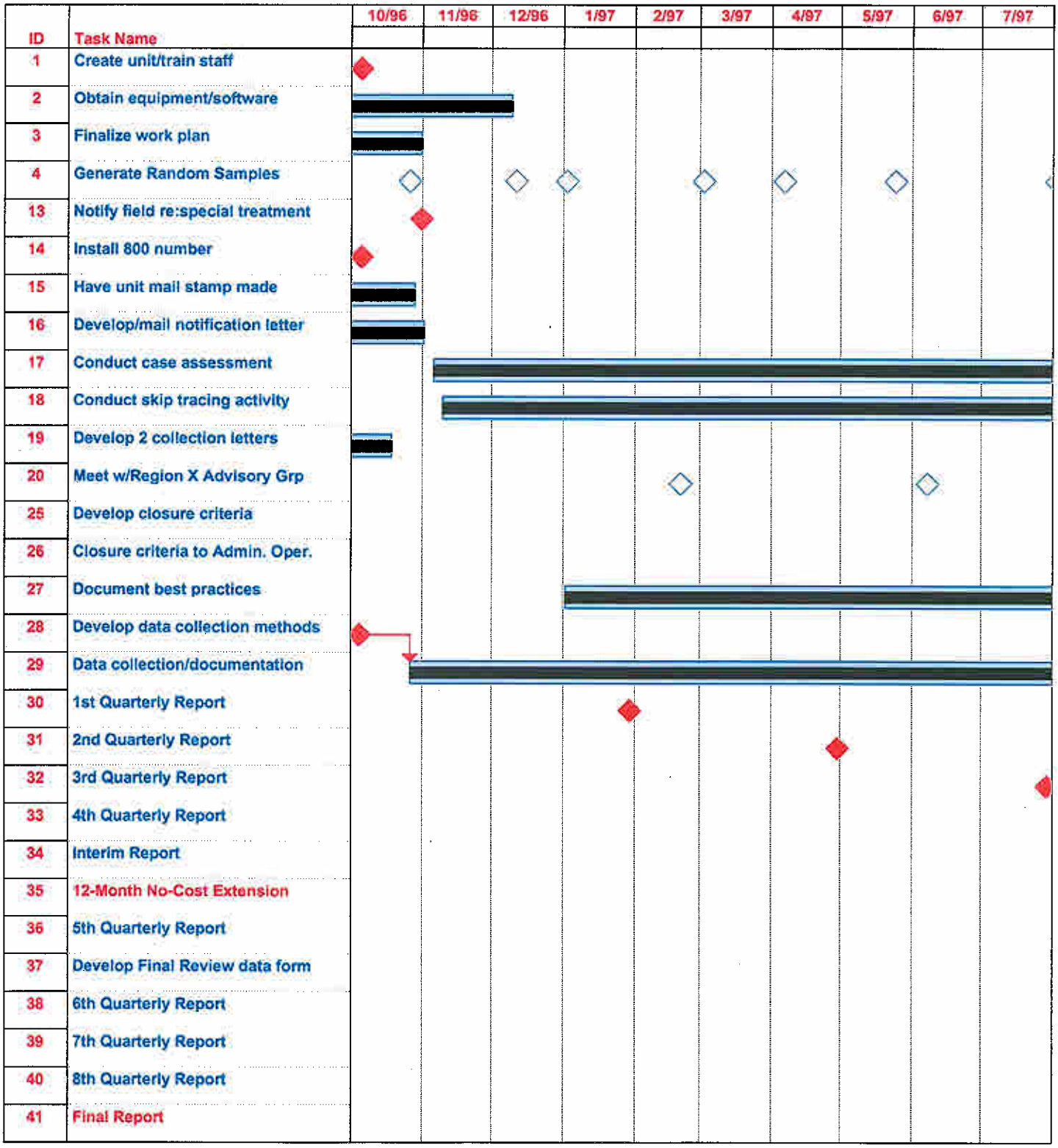
But other social problems exist, for which the child support agency has no solutions. Although DCS deals with the results, it cannot prevent teenage pregnancy, family instability, widespread divorce, and adults who have children with multiple partners. Many adults have recurrent mental illness, drug and alcohol abuse, and other personal problems that prevent them from keeping regular employment. Partly as a result of these factors, many adults, especially young males, are recurrently incarcerated and have corrections histories. All of these factors, in turn, produce parents who do not pay regular child support. When we examine hard-to-collect child support cases, we find that often the noncustodial parents are themselves part of the network of need that the Department of Social and Health Services exists to care for.

Government officials, administrators, policy makers, political leaders, and public advocates need to grasp the magnitude of these barriers to collection. To continue to improve collections and cope with the diverse case load, DCS must teach its staff negotiation skills. But, in turn, to cope with the changed arena produced by welfare reform and federal performance indicators, the child support agency itself needs to find a “win/win” solution.

Appendix A

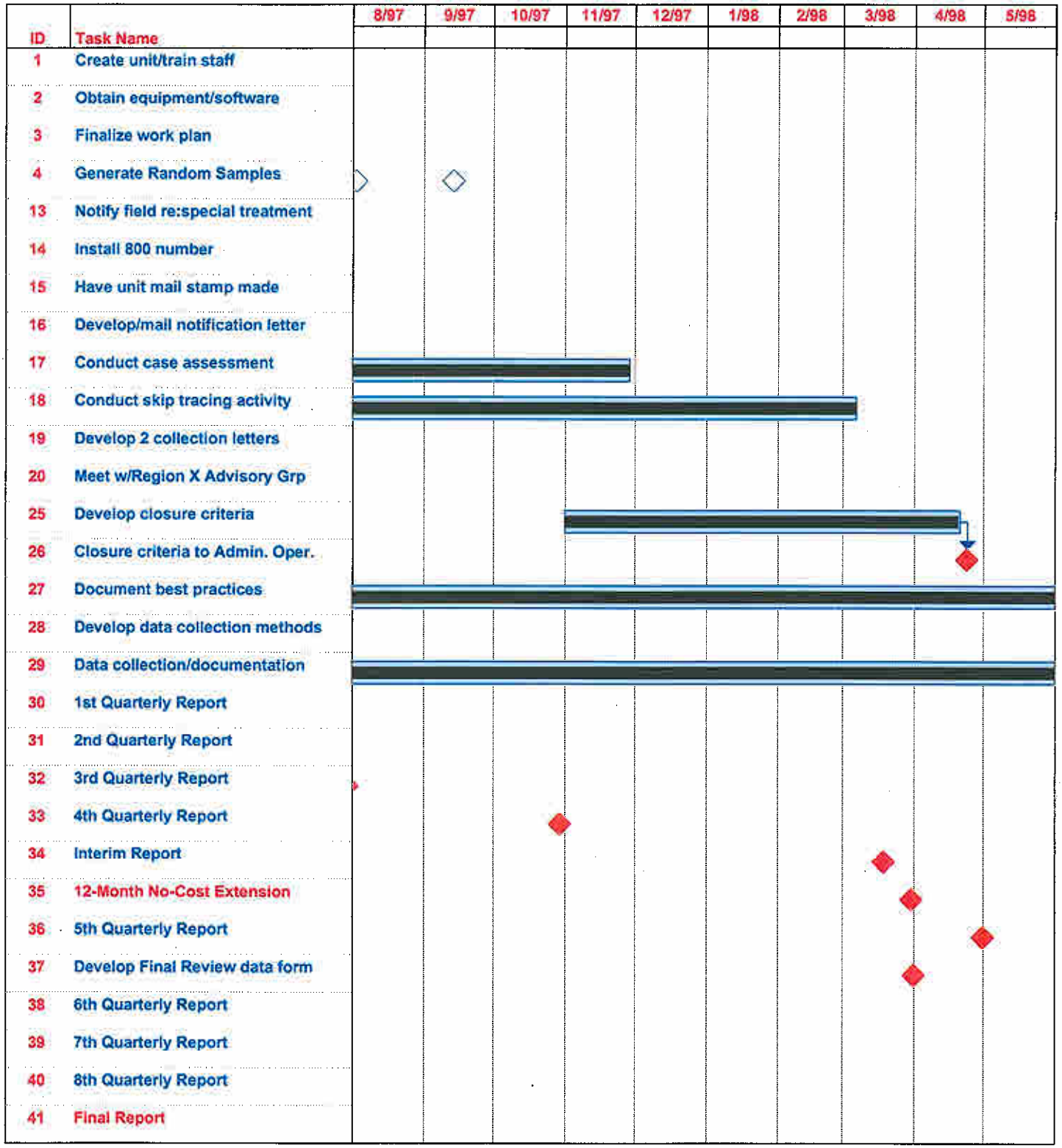
Project Time Line Chart

Child Support Performance Measurements:
A Test for Working Hard-to-Collect Cases



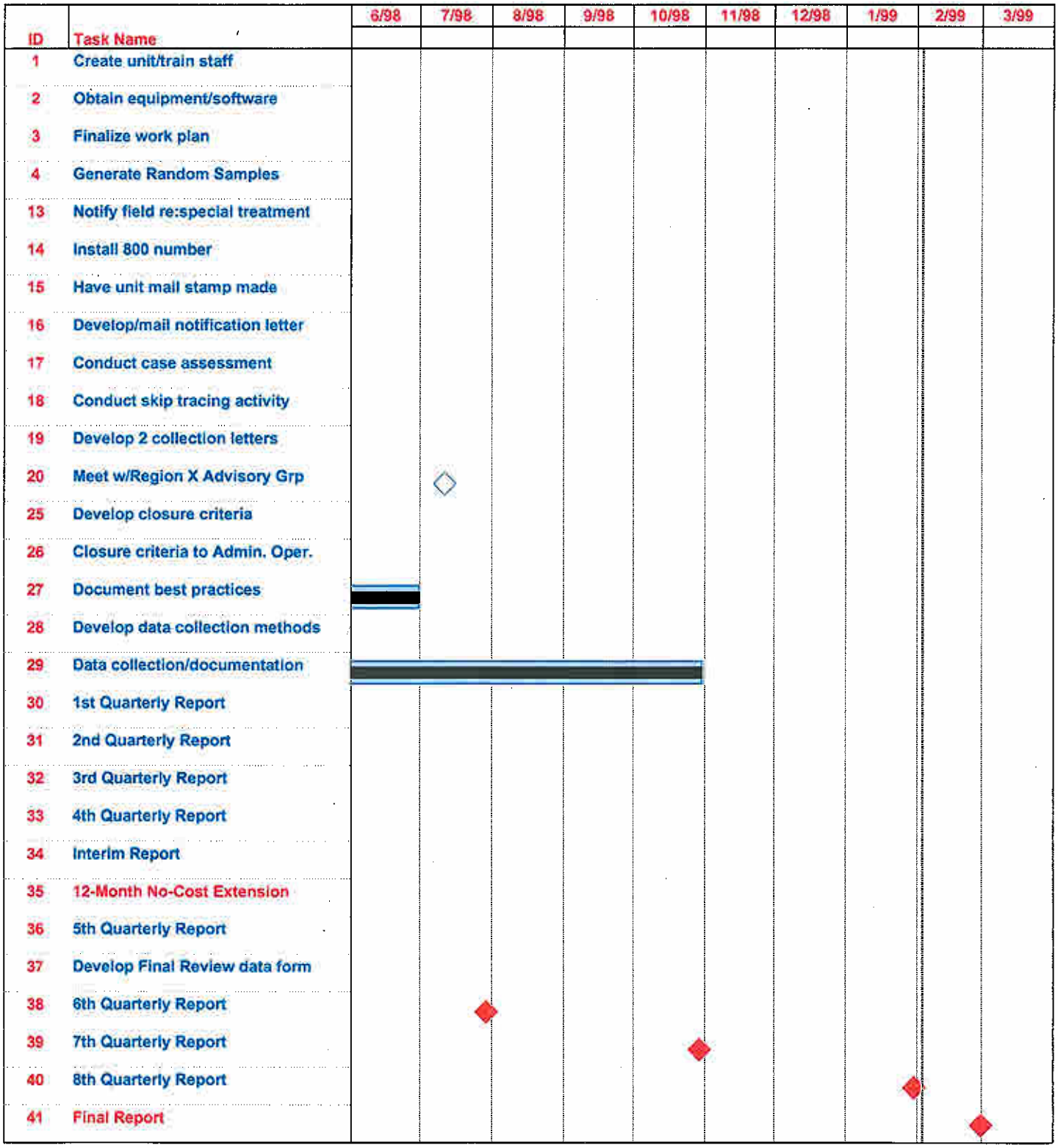
Task
Progress
Milestone
Summary
Rolled Up Task
Rolled Up Milestone
Rolled Up Progress

Child Support Performance Measurements: A Test for Working Hard-to-Collect Cases



Task
Progress
Milestone
Summary
Rolled Up Task
Rolled Up Milestone
Rolled Up Progress

Child Support Performance Measurements: A Test for Working Hard-to-Collect Cases



Task
Progress
Milestone
Summary
Rolled Up Task
Rolled Up Milestone
Rolled Up Progress

Appendix B

Special Collections Unit Recommendations

1. Recommended Best Practices.

2. Implementing Specialized Collection Units in Field Offices.

3. Special Collections Unit Work Flow Chart.

Note: The Overview and SCP Recommended Best Practices on the following pages are reproduced from the DCS intranet web site. At this site they are available to all DCS staff. A brief training module developed by two former Special Collection Unit staff members is also available through this web site.

Back

TANF Collections
Best Practices Recommendations Overview

Cases were selected for the Special Collections Project (SCP) in 8 cohorts over a ten-month period. There were a total of 1959 cases selected for the treatment group. SCP staff pursued collections on these cases through June 30, 1998. At that time, I began to review the cases using the data capture sheet developed in conjunction with MAPS. We have data on 707 cases, including those in cohorts one and two, the analysis of which follows.

Letters were sent on approximately 50% of these cases. The letters informed the NCPs that their debts were being aggressively pursued by SCP and for them to contact SCP within 20 days. Of the 345 letters sent, 90, or 27%, of the non-custodial parents (NCPs) responded. Due to the threatening nature of the letter, we had hoped for a better response rate.

One of the things that SCP wanted to look at was whether NCPs were being contacted by field staff as a means of eliciting payments. We looked at whether field staff had contacted the NCPs in the 12 months prior to the case being assigned to SCP. Preliminary data shows that only 51% of the NCPs had been contacted in this time period. Field office contact was primarily done through copies of legal actions, 59%, 19% were contacted via the telephone, 17% via a letter, and the remaining 4% had been field office visits. One of the things we heard from NCPs was that they had not been contacted by DCS concerning payment of their child support. We need to be cognizant of the fact that DCS sends copies of all legal actions to the NCP automatically. However, these do not require, nor ask, for any contact by the NCP with DCS. It just informs the NCP that we are filing a lien, or attaching wages or unemployment compensation. They are passive forms of contact.

For the same time period as above, we looked at whether field staff had telephoned the NCP. Of the 707 cases reviewed, field staff only contacted the NCP on 109 cases, or 15%. We then looked at whether the reason we didn't call was that a telephone number wasn't available. We were able to determine that we had the telephone numbers for 158 NCPs, of which only 109 were called. On 338 cases, we were unable to determine from SEMS information whether or not a telephone number was available. A telephone number was not available for the remaining 182 cases due to DCS not having a physical address for the NCP.

The above data shows that DCS needs to be more aggressive in contacting the obligated parents. Roughly half of the NCPs had no contact from DCS within a twelve-month period. SCP's efforts were concentrated on making contact with the NCPs to discuss payments of their child support obligations. Upon assignment of cases to SCP, we reviewed the cases for possible immediate collection action. If this was not an option, we then reviewed the case for a valid address to send a letter. We were able to send

letters to approximately 50% of our NCPs as discussed earlier. Telephone contact was also pursued, both during regular work hours (8am - 5pm) and weekday evenings (5pm-8pm). We contacted 112 NCPs (16%) before 5pm and 22 (3%) after 5pm. These low percentages are due to many factors, including the following:

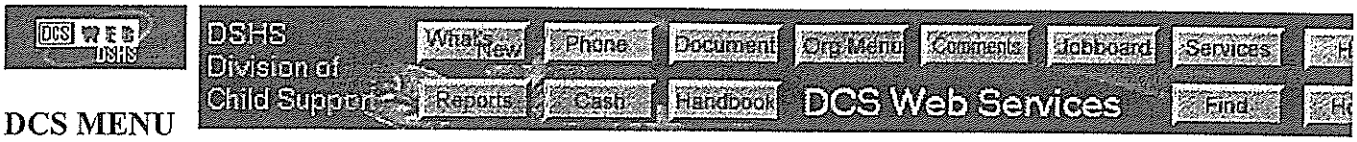
1. No telephone number available
2. NCP incarcerated
3. NCP on public assistance
4. NCP already paying

One of the concerns of DCS is the high level of receivables. When reviewing cases we tried to determine how child support was set in the current, or last enforceable, order. However, we were unable to determine what criteria were used on approximately 58% of the orders. In years past, field and prosecutor staff has used median net income when no known source of income is available. For the majority of these cases, the NCPs do not have the job skills to earn that income. These NCPs were in jail, just terminated from public assistance, intermittent or limited employment history, etc., when served with notice of a child support obligation. The premise in years past was for DCS to serve the child support obligation at a high level, let the NCP object, and then set child support based on the NCP's actual earnings. In reality, many of these NCPs did not contact DCS or the prosecutor when served, and so their child support was established through default. DCS may want to pursue modification of these orders to reflect actual income levels, maybe even retroactively.

In reviewing cases we tried to determine why the NCP is unable to pay the child support obligation. The third quarterly report discussed the large proportion of NCPs, 40% of our population, with Department of Corrections (DOC) numbers. DOC issues numbers after a conviction, mainly felonies, when the offenders fall under DOC supervision/control/custody. We expect this percentage to hold true throughout the study. Of the 707 cases reviewed, 8% of the NCPs were incarcerated at the time the case was reviewed. A DOC number by itself is not evidence that an NCP cannot pay, but it is an indicator of a hindrance to collections.

We also looked at public assistance histories for the NCPs in our sample. There are approximately 63% of our NCPs who have received public assistance at some point in their life, with 25% currently on assistance. We are aware that there is probably some overlap with the above population and those NCPs with a DOC history. However, this is a sizeable proportion of our hard-to-collect caseload. Just adding those NCPs currently incarcerated, 8%, with those on public assistance, 25%, you have 33%, or one-third, of our sample group. If our sample accurately reflects the larger population of cases deemed hard-to-collect, this proportion has far-reaching significance for the agency.

One of the purposes of this project was for project staff to make recommendations to DCS management on "best practices.". Attached please find my list of recommendations.



DCS MENU

Back

Special Collections Project (SCP) Recommended Best Practices

Staff Recommendations | Training | Case Information | Caseload Management | Recommendations for Future Changes

STAFF RECOMMENDATIONS

1. Accept any and all payments willingly
2. Give clear expectations when dealing with NCP
3. Follow through with actions/phone calls
4. Ask for money, give WSSR address, send WSSR mailing labels
5. Develop win/win situations
6. Be reasonable, empathetic
7. Post all case specific information immediately - telephone calls/attempted calls, office visits
8. Post neutral case comments - "just the facts"
9. Be proactive - e.g. if an NCP is on SSA, verify dependent benefits and credit (if appropriate) before issuing withhold
10. Take care of business when information is received: don't post reviews to do things later - e.g. when a child changes households, do debt adjustments to any/all cases at that time

TRAINING

1. Training in how to access all on-line locate sources, including but not limited to, DOR, DOL/MLS, ACES, DMS, FORS, SCOMIS/DISCIS
2. How to develop a win-win situation - Thurston County Dispute Resolution Center offers a 2 day training in this area
3. Phone training - possible source is private collection agency

CASE INFORMATION

1. Clear documentation of actions/reasoning, i.e. case closure, debt adjustments, withhold adjustments, changing information on BC
2. Ensure that OR has correct information, one current support order per child (custody changes, emancipation)
3. Proper BC coding - paternity codes, case type - clear concise case comments when changing/posting information
4. Interstate referral sent on one NCP case, code all NCP companion cases for interstate action

CASELOAD MANAGEMENT

1. Follow up on information when received - SO locate information, new employers, possible assets, new addresses/telephone numbers, new referrals
2. Post telephone number and person talked to for all telephone calls made

or attempted
3. Run credit bureaus with more regularity - at least every 6 months
4. Call NCPs, asking for payments
5. Accept payments, even if less than current support
6. Be proactive in locate - NCP terminates employment contact that employer for possible information, contact CP for information, contact NCP
7. Contact possible locate sources by phone, have questions formulated in advance
8. Conduct quarterly locate checks, staff need to check sources other than those SEMS automatically checks
9. Use other locate sources - contact DOR and/or DOL/MLS references, relatives, neighbors
10. Review case closure per CFR, ensure that cases are closed correctly
11. Learn to navigate in ACES, where information is located, not only those NCPs on assistance, but also ES and unemployment, SSA, SSI, etc.
12. Check all NCP cases for information, especially those where they may be the CP
13. Use collection tools already available - license suspension not being fully utilized, also NWEP
14. Maintain integrity of physical file, especially for those cases that are physically transferred between field or prosecutor's offices
15. Use common sense approach to collections/locate. Use process of elimination when checking locate sources
16. Post signed 9-508 on white board with date signed
17. Review cases for modification - especially those were child support was set using median net income

RECOMMENDATIONS FOR FUTURE CHANGES

1. A significant majority of NCPs has at one time been under the jurisdiction of DOC, either as inmates or for supervision. It would be helpful if DCS could cross match our NCPs with those under DOC jurisdiction. This would enable DCS to contact the NCPs CCOs while under supervision, or for those still incarcerated, do Outreach to pre-release facilities. We need to work with NCPs in a cooperative manner for agreeable collections, possible modifications of the support orders, and most importantly develop win-win situations.

2. As we interface with various agencies, and/or use their information, it would be helpful to obtain training from these outside sources. One of the first I would recommend is the Social Security Administration to explain guidelines for SSI and SSA, qualifications for the programs, time frames, information they can disclose, etc.

3. In reviewing these cases it has been difficult to determine if the NCP has signed a 9-508. If SEMS could develop a field on CF for posting if and when a 9-508 was signed, it would allow for easier, more immediate, negotiating with the NCPs while on the phone, or in the office. When working cases assigned to SCP, and the statute of limitations was a concern, we would have to hold off negotiations with the NCPs until we determined if a 9-508 was signed. If the information wasn't immediately available in case comments, we would have to stop negotiations with the NCP while we contacted the field office to search the files for this information. In some instances, we were unable to get back in touch with the NCPs to further negotiate payments.

4. For those NCPs who are unable to contact us during our business hours, or who not at home during the day it would be beneficial to have SEOs work non-traditional hours. During the project we experimented with calling our NCPs after 5. This was very beneficial to those NCPs who were unable to be at a telephone during the day and wanted to negotiate payments on their cases. It was also helpful in contacting those NCPs who are avoiding us. We found that many of the NCPs are more likely to answer their telephone in the evening. As SEMS is not available after 6, SEOs have to print all SEMS case information that might be needed. In the future if this proves successful, DCS could explore the option of the office remaining open one evening a month for appointments and possibly one weekend day a month for walk-ins and appointments. If the office were open after normal business hours for walk-ins, SEMS would have to be available.

© *DSHS, Division of Child Support.* Return to DCS Home Page.

Implementing Specialized Collection Units In Field Offices

FIELD OFICE UNITS

- Staffed with two SEOs and one SET
- Staffing done on rotational basis, 6 months at a time*
- Caseloads of 900-1000 for unit**
- Cases trickled into unit at rate of 50/week to allow for research of paper files
- Cases kept in unit total of 12 months***

DESIRABLE SKILLS

- Minimum 2 years as an SEO, 1 year as an SET
- Proficient at using all available locate databases – DOR, DOL/MLS, FORS, ACES, DMS(credit bureau), SCOMIS/DISCIS, DOH
- If SEO/SET doesn't have necessary locate skills, training needs to be done either before inclusion in the group or immediately upon assignment
- Availability for working nontraditional hours
- Willingness to negotiate, listen
- Not intimidated by the phones, personal contact
- Ability to ask for payments

TRAINING

- Facilitated Negotiations – Provided locally through Thurston County Dispute Resolution Center
- As necessary, training for all the locate sources available on-line, including but not limited to DOR, FORS, DOL/MLS, ACES, CAMIS, SCOMIS/DISCIS, DMS.
- Phone skills – asking for payments (Private collection agency – training)
- Learning how to read credit bureau reports

WORKING CASES

- Debt calculations on all cases initially
- Reviewing files and last 12 months of case comments looking for over-looked and/or missed information
- Letter sent to NCPs if no immediate collection source available
- Access available locate sources, including credit bureaus
- Ask for payments when in contact with NCP, give WSSR address, send labels
- Be willing to accept less than current support, especially when we have no attachable source of payments
- Phone calls after 5:00 pm
- When cases are returned to regular caseloads, contact those NCPs who have either paid or kept in contact to inform them of change and who new RSEO will be – create a positive customer service experience
- Follow logic tree attached

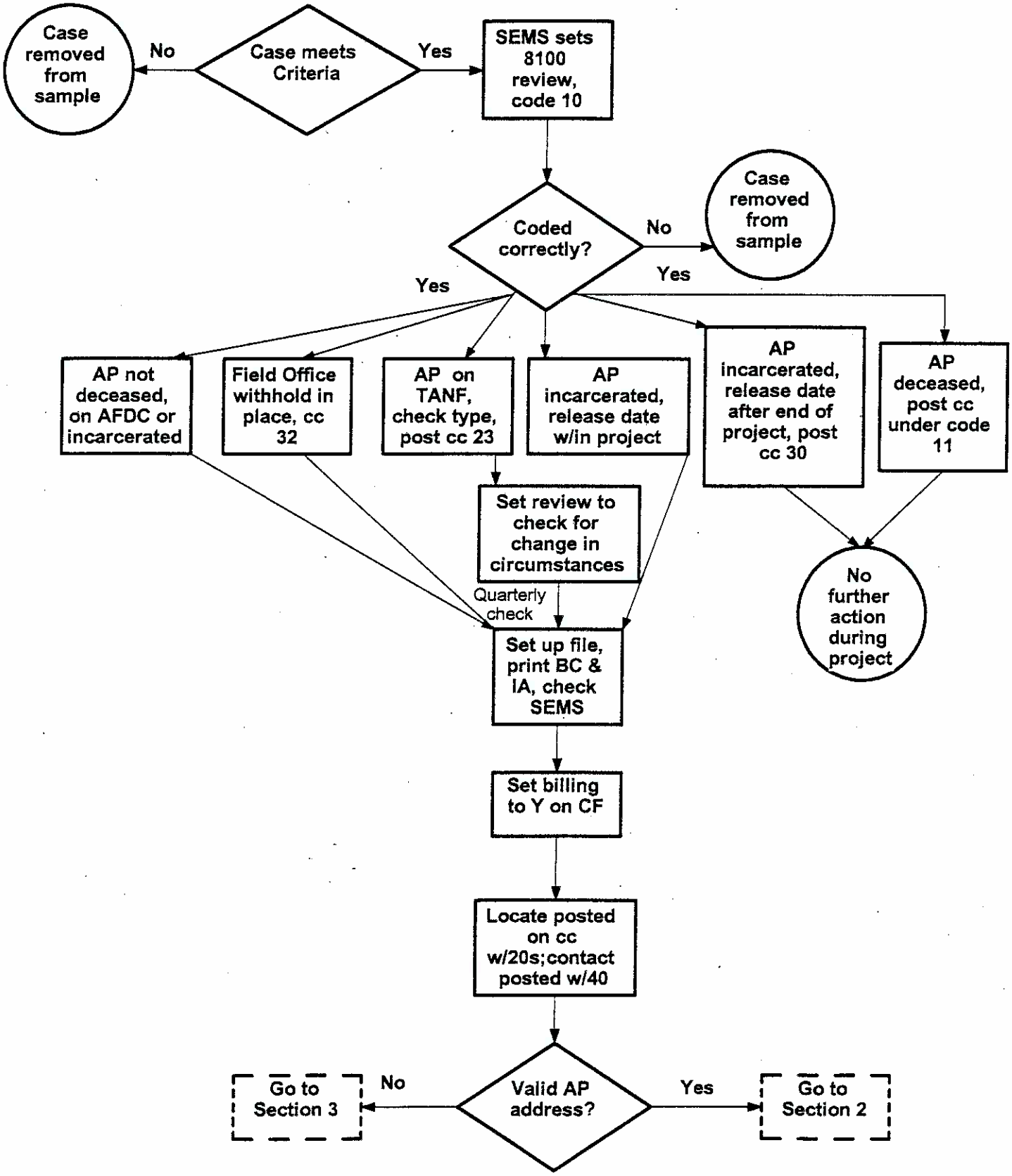
* Having staff work the cases for only 6 months is ideal for several reasons:

a. allows everyone a chance to hone their locate skills without losing regular case work skills
b. doing locate-only work for an extended period of time is tedious, boring
c. enthusiasm tends to wane, especially if no noticeable headway is made

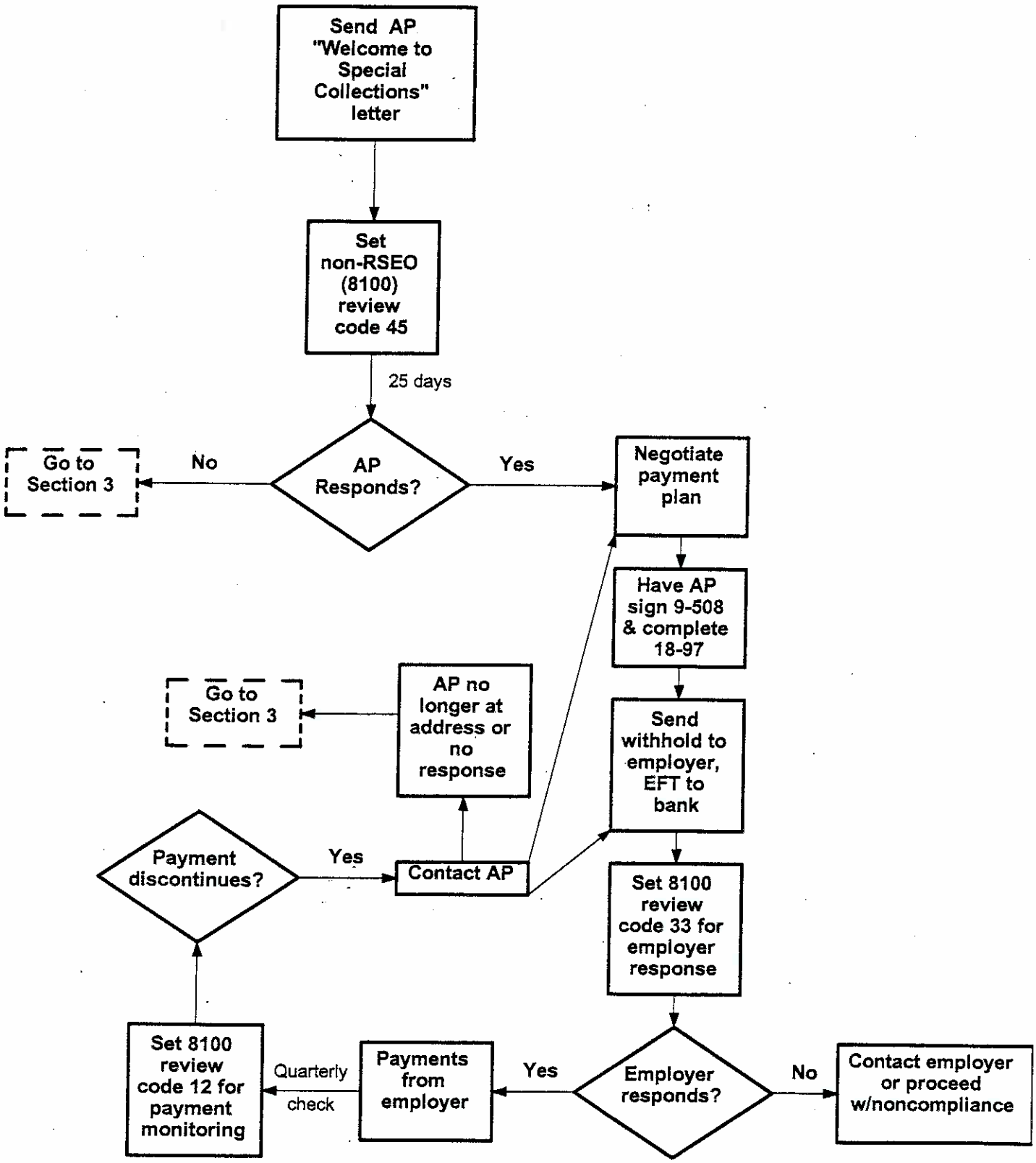
** Caseload size for SCP was approximately 2,000 with a staff of two SEOs and one SET working these cases. We found that it was difficult to keep up with status changes, telephone calls, quarterly locate checks, and other case maintenance. Reducing the caseload to 900-1000 would allow for more thorough and extensive working of the cases while assigned to these units.

*** During a twelve month period, trained staff would be able to thoroughly search all locate sources. For those cases where collection was initiated or contact made, all negotiations have been done and a cooperative relationship has been developed between DCS and the NCPs. For those cases where we were unable to find any attachable assets, all avenues have been explored and further locate would not elicit anything. Having cases rotate through the unit, would allow more cases to receive intensive locate activity and child support payments.

Special Collections Unit Work Flow Chart
Section 1 - SEMS Review

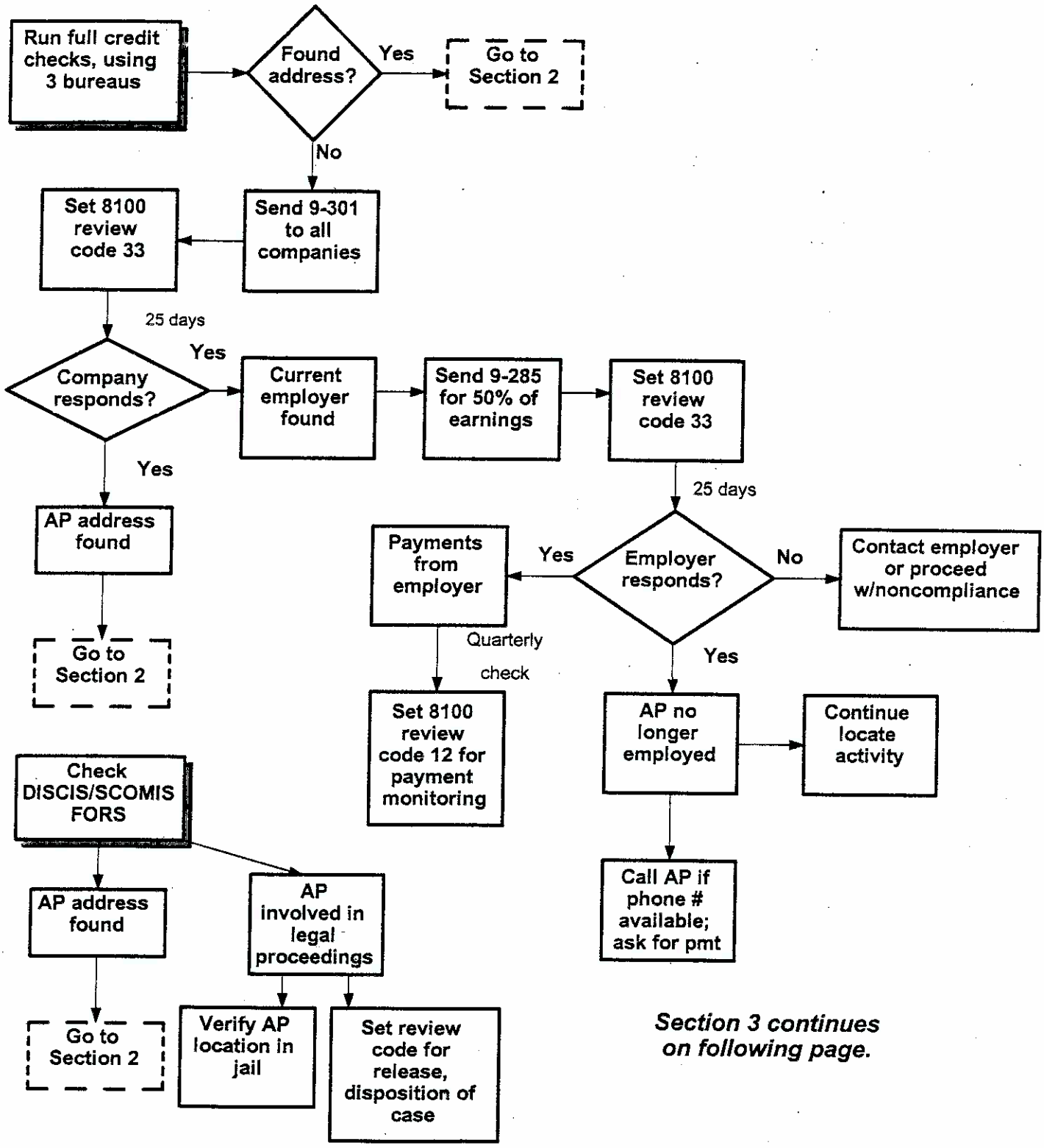


Special Collections Unit Work Flow Chart
Section 2 - Welcome to SPU



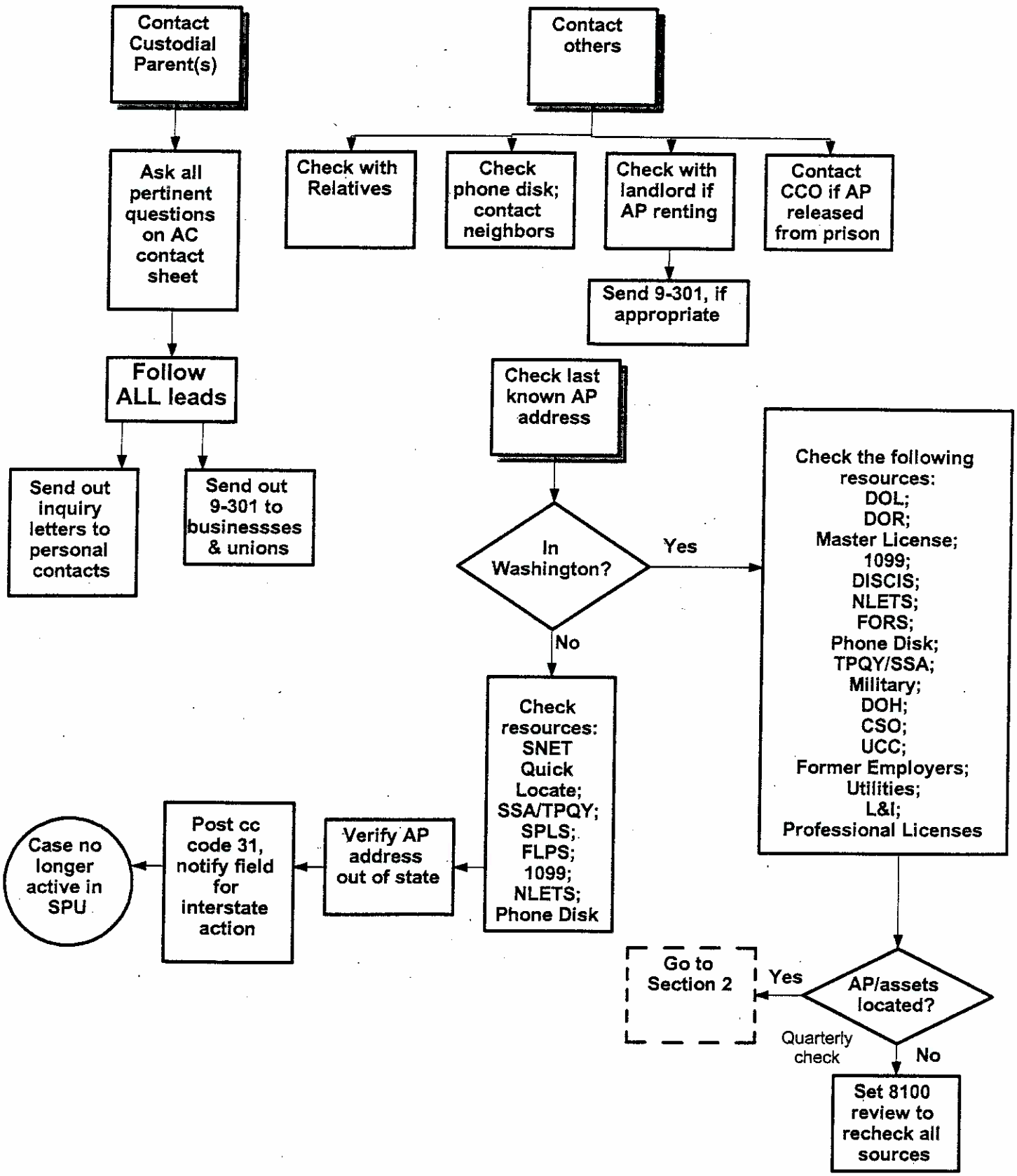
Note: The chart is linear, but it should be recognized that APs can change statuses and resulting processes could start over.

Special Collections Unit Work Flow Chart
Section 3 - Locate AP and/or Assets



Section 3 continues on following page.

Special Collections Unit Work Flow Chart
Section 3 - Locate AP and/or Assets
Continued



Appendix C

Final Review Form

IV-D Number

Review Date

		/			/		

1. Was a welcome letter sent?

☐ Yes ☐ No

1a. Did AP respond to letter?

☐ Yes ☐ No

1b. If yes, response given (Mult)

☐ AP gave employment information

☐ Agreed to pay

☐ AP locate info given

☐ Other

2. Immediate SCP withhold?

☐ Yes ☐ No

2a. If yes, sources of info (Mult)

☐ ESD ☐ AC

☐ CC ☐ ACES

☐ Credit Bureau

2b. If yes, results (Mult)

☐ Payments

☐ New employment information

☐ Address

3. Case initially pursued by SCP?

☐ Yes ☐ No

3a. If no, reason not pursued (Mult)

☐ PA ☐ Out of State BC coded

☐ FO closed ☐ Out of State BC NOT coded

☐ SSI ☐ FO negotiated/withhold

☐ Contempt ☐ No SSN

☐ Prison ☐ Miscoded

☐ Bankruptcy ☐ Other

3b. If no, was case pursued later?

☐ Yes ☐ No

4. Did SCP attempt phone contact? (Mult)

☐ Yes before 5 ☐ Yes after 5 ☐ No

4a. If yes, what were results? (Mult)

☐ Left message(s) ☐ AP information

☐ Talked to AP bet 8-5 ☐ Evasive/hostile

☐ Talked to AP after 5 ☐ None

☐ Negotiate/commit

5. Did SCP find info/asset FO missed (w/out digging)?

☐ Yes ☐ No ☐ Not applicable

5a. AP info (Mult)

☐ Correct BC info

☐ AP phone #

5b. If assets found, source (Mult)

☐ ESD ☐ ACES

☐ CC ☐ Other

☐ IA - phone #

5c. If assets found, results (Mult)

☐ Payments

☐ New employment information

☐ AP contact

6. Current MOA/last enforceable order source (Mult)

☐ Earnings ☐ Prison

☐ Situation ☐ Median net

☐ PA history ☐ Can't tell

7. Modification possible?

☐ Yes ☐ No ☐ Don't know

8. FO willing to negotiate payments?

☐ Yes ☐ No ☐ Don't know

8a. 9-508 in file?

☐ Yes ☐ No ☐ Can't tell

9. Contempt possible?

☐ Yes ☐ No ☐ Don't know

IV-D Number

10. Payments/credits received?
☐ Yes ☐ No

10a. Source (Mult)
☐ 9-282/9-286
☐ SSA
☐ Dependent benefit credit

10b. Frequency of pmts/credits
☐ Once ☐ More than once

11. Last qtr/yr of ESD info

12. FO locate sources used (Mult)
☐ ES/UC/ITIS ☐ SCOMIS/DISCIS
☐ DOR ☐ SO LOC
☐ DOL/MLS ☐ Credit Bureau
☐ DOL/Microfiche

12a. Action taken after CB?
☐ Yes ☐ No ☐ None available

13. FO contact 12 mos bef SCP?
☐ Yes ☐ No

13a. Type of last contact
☐ Telephone ☐ Legal-AP
☐ Letter ☐ Office

13b. FO called AP in 12 mos?
☐ Yes ☐ No ☐ Don't know

13c. Phone number available?
☐ Yes ☐ No ☐ Don't know

14. Noteworthy issues?
☐ Yes ☐ No

15. Stepparent liability case only?
☐ Yes ☐ No

16. AP now on assistance?
☐ Yes ☐ No

16a. Review code type

16b. Months bet reviews

17. AP ever on assistance?
☐ Yes ☐ No ☐ Don't know

18. DOC history?
☐ Yes ☐ No

18a. Posted to AP BI/I screen
☐ Yes ☐ No

19. Currently incarcerated?
☐ Yes ☐ No

19a. Incarceration Date
/ /

19b. Date Discovered
/ /

19c. Discovered by
☐ FO ☐ SCP

19d. Earliest Release Date
/ /

19e. Review code set?
☐ Yes ☐ No

19f. Type review code

20. FO closed case during project
☐ Yes ☐ No

20a. If yes, met closure criteria
☐ Yes ☐ No

20b. Closure code

21. Future payments possible?
☐ Yes ☐ No ☐ Don't know

22. Case meets closure criteria?
☐ Yes ☐ No

23. SCP exhausted locate?
☐ Yes ☐ No

24. AP has valid driver's license?
☐ Yes ☐ No

24a. LSC approval to suspend
☐ Yes ☐ No

24b. 9-851 sent?
☐ Yes ☐ No

25. FO continued working case?
☐ Yes ☐ No ☐ N/A

26. Interesting case to highlight?
☐ Yes ☐ No

Special Collections Project
Final Review

Appendix D

Project Staff

Child Support Performance Measurements:

A Test for Working Hard-to-Collect Cases

Project Staff

Project Director

Carol Welch, Ph.D.
Program Administrator, Management and Program Statistics (MAPS) Unit, Division of Child Support State Office.
Ph.D., Sociology/Demography, University of Chicago, 1990.

Principal Investigator

Jo Peters, Ph.D.
Research Investigator, MAPS Unit, DCS State Office.
Ph.D., Political Science, University of Michigan, 1987.

Special Collections Unit

Janet S. Husby
Leadworker (SEO 4), December 1997-November 1998.
Support Enforcement Officer (SEO 2), October 1996-November 1997.

Nanette K. Hulse
Leadworker (SEO 4), October 1996-November 1997.

Sharon Wescott
Support Enforcement Officer (SEO 2), January-June 1998.

Michele R. Sommer
Support Enforcement Technician, September 1997-February 1998.

Filomena Y. Lipsker
Support Enforcement Technician, October 1996-July 1997.

Technical Support

Kenneth W. Forgy
Support Enforcement Officer (SEO4), MAPS Unit.

Thea N. Mounts
Research and Development Manager, MAPS Unit, October 1996-July 1998.