



Maryland Child Support Case Stratification Pilot

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Noncustodial parents (NCPs) vary in terms of payment compliance with their child support orders. Many NCPs make payments on a regular basis, yet others may make sporadic to no payments. Child support agencies have developed successful strategies, such as automatic wage withholding, which work best for regularly employed NCPs to ensure continued compliance. For obligors who do not regularly meet their child support obligations, there are a number of punitive measures that agencies can undertake. These approaches, however, are not always successful or even desirable if the obligor has barriers that merit closer evaluation. It is now generally accepted that inability, rather than unwillingness, is the reason many NCPs do not pay child support, particularly those NCPs whose incomes are low or whose recent employment is episodic or non-existent. Punitive enforcement strategies will likely not be effective in improving payment compliance among this population.

The Office of Child Support Enforcement (OCSE) has highlighted several best practices that may encourage more NCP cooperation, especially among those who otherwise might be unlikely to pay. These include early intervention, NCP employment programs, and case stratification¹. Case stratification exemplifies the concept that one size does not fit all by encouraging agencies to customize their enforcement practices by case type. Instead of providing all NCPs with the same type of communication and enforcement style regardless of individual situations, case stratification involves assessment of both the case and the obligor in order to determine the best case management strategy for optimal payment compliance.

Maryland convened a workgroup to determine the specifications for a case stratification approach that would be a fit with the state's caseload. Five counties – a mix of small and large jurisdictions – implemented a pilot program to determine the effectiveness of case stratification. The sample consisted of the pilot group (n=1,776) and a comparison group (n=1,755)². All cases were active IV-D cases in every month from October 2009 to

¹ U.S. Department of Health and Human Services. Administration for Children & Families. Office of Child Support Enforcement. Best Practices. Available online: http://www.acf.hhs.gov/programs/cse/pubs/2006/best_practices/ & http://www.acf.hhs.gov/programs/cse/pubs/2007/best_practices/

² The original sample for the pilot had a total of 3,628 cases split evenly between the pilot and comparison cases (1,824 cases for each group); however, 117 cases were not included in the final pilot analysis because these cases made

September 2010 with either a current support-ordered amount or an arrears balance due in September 2010. The pilot and comparison cases were divided into three strata based on the most recent distributed payment³:

- **Stratum 1:** Cases with at least one distributed payment in the three months before the pilot.
- **Stratum 2:** Cases with at least one distributed payment in the year before the pilot, but not within the most recent three months.
- **Stratum 3:** Cases with no distributed payments in the previous year.

Case management strategies were developed for each of these strata and implemented for the pilot cases while comparison cases continued to be handled in the typical manner for their county. By creating two groups of cases, those subject to the new case management strategies and those that were not, the project assumed that external factors, such as the local unemployment rate, and internal factors, such as local resources, would affect both groups equally, and therefore differences found in payment compliance would likely be due to the new case management strategies. Local agencies implemented the pilot for six months between November 2010 and April 2011. Most of the pilot counties

chose to designate one caseworker to manage the cases for the pilot. Therefore, each designated caseworker administered each of the different case management strategies for each stratum.

Stratum 1 cases require minimal intervention to maintain compliance.

Stratum 1 Cases – Recent Payers

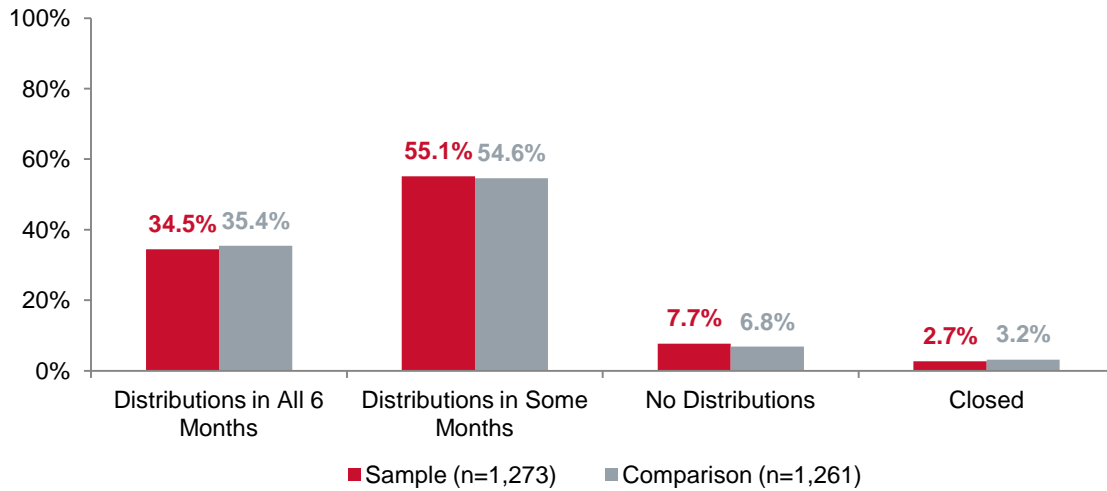
Stratum 1 cases had a distributed payment within the last three months, so caseworkers monitored the case every 30 days to ensure continued compliance. If a Stratum 1 case did not receive a distributed payment during the pilot, caseworkers called the NCP to verify the missed payment or called the employer to verify employment status if there was an established wage-withholding. If the NCP was still employed, caseworkers determined the reason for the missed payment and discussed court order compliance with the employer. If the NCP was unemployed, caseworkers offered employment services through Maryland’s Noncustodial Parent Employment Program (NPEP). Additionally, caseworkers explained the right to request an order modification.

Stratum 1 cases were selected based on their recent distributed payment with the assumption that the NCP would continue to make payments. As expected, 90% of Stratum 1 cases, both pilot and comparison, continued to receive distributed payments throughout the pilot. Caseworkers reported that they simply had to monitor these cases to ensure payments were made. Therefore, caseworkers spent minimal time on the cases meeting the criteria for Stratum 1.

payments in October 2010 before the pilot began in November 2010 and did not make another payment during the pilot. Therefore, the Stratum 1 designation received by these cases was not due to the effects of the case stratification pilot.

³ Payments were not collected by way of lottery, income tax intercept, or unemployment insurance benefit intercept.

Distributions Made to Stratum 1 Cases



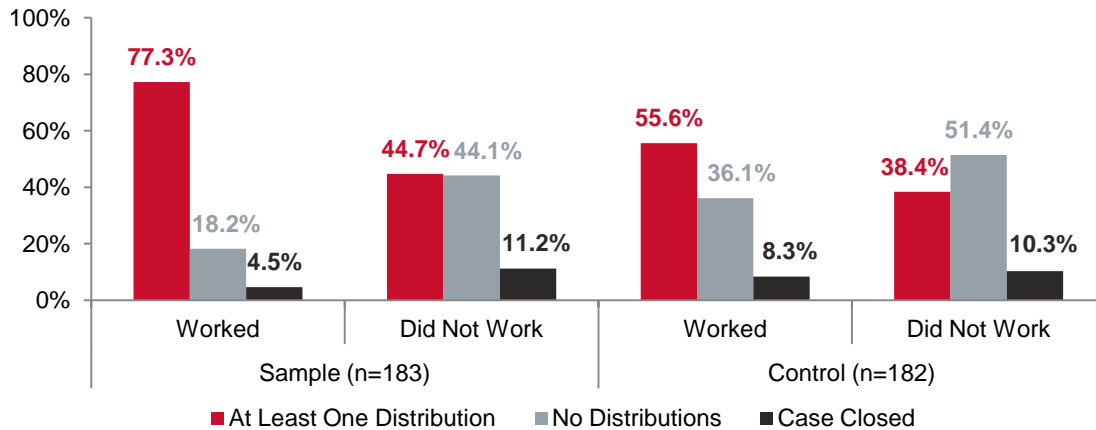
Source: Maryland Department of Human Resources, Child Support Enforcement System (CSES).

The case management strategy for Stratum 2 cases appears to be effective in increasing distributions to pilot cases.

Stratum 2 Cases – Irregular Payers

Stratum 2 cases had a distributed payment within the last year, but not within the last three months; therefore, the first step was to verify employment status. If the NCP was working, the agency issued an automated earnings withholding (AEW). If the NCP was not working, the caseworker called the NCP to request a payment and, if necessary, issued a dunning notice, similar to a past due notice. If payment was not made after initial contact, the caseworker determined whether the NCP had any assets to seize. The final step for these cases was to request a court-ordered referral to NPEP. Since these cases had received a distribution within the last year, a determination was made that the employment status of the NCP would likely be a factor in compliance. As suspected, findings showed that whether from the pilot or comparison group, cases with an employed NCP were more likely to receive a distribution. However, the pilot cases received more distributed payments than the comparison cases. For example, three-fourths (77.3%) of pilot cases with an employed NCP received a distributed payment compared to 55.6% of comparison cases. Among unemployed NCPs, the pilot group had more distributed payments than the comparison group. Specifically, 44.7% of pilot cases with an unemployed NCP received a distributed payment compared to 38.4% of comparison cases.

Distributions Made to Stratum 2 Cases by NCP's Work Status*



Note: Work status is based on the third quarter of 2010 (July 2010–September 2010).
* $p < .05$ ** $p < .01$ *** $p < .001$

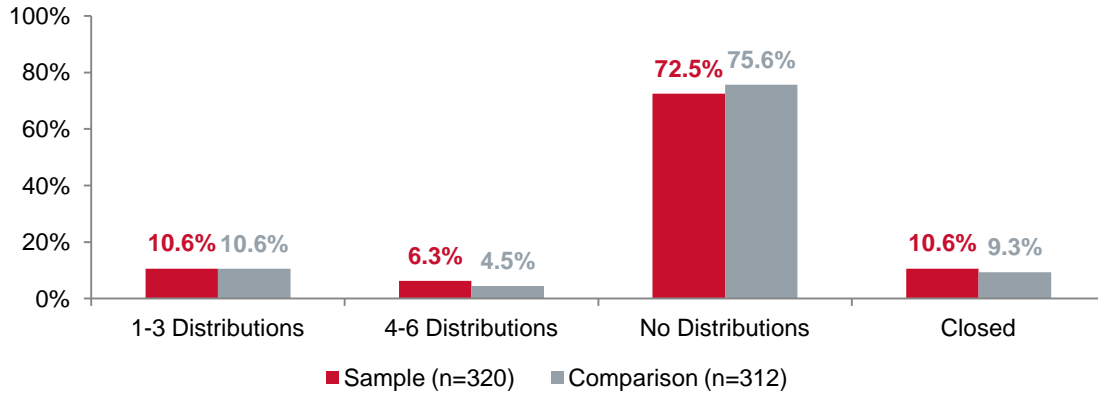
Source: Maryland Department of Human Resources, Child Support Enforcement System (CSES) and the Maryland Automated Benefits System (MABS).

Stratum 3 Cases – Non-Payers

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

Stratum 3 cases did not have a single distributed payment in a full year; therefore caseworkers verified the income status of the NCPs. If they found earnings or other attachable income sources, they processed an AEW. If not, caseworkers called the NCPs to discuss their inability to pay child support. Based on those discussions, caseworkers made appropriate referrals including NPEP, order modification, or other local support programs, and -- as appropriate -- requested documentation for any disability barriers to employment. The final step was for caseworkers to determine if case closure was warranted. Overall, very few Stratum 3 cases had any distributed payments to current support or arrears during the pilot. Slightly more pilot cases (16.9%) had distributions to both current support and arrears compared to the comparison cases (15.1%). A review of the employment participation for Stratum 3 cases revealed why so few NCPs were meeting their child support obligations: no more than 20% were working in a job covered by Unemployment Insurance at any point in the two years prior to the pilot. Caseworkers also reported that many of the Stratum 3 NCPs were incarcerated, receiving some type of government benefit, or could not be located. Nonetheless, the case management strategy may have had a small effect considering that of Stratum 3 cases with a working NCP, 60% of pilot cases had a distributed payment compared to only 40% of the comparison cases.

Distributions Made to Stratum 3 Cases



Source: Maryland Department of Human Resources, Child Support Enforcement System (CSES).

Lessons Learned and Implications for the Future

The case stratification pilot carried out in five diverse Maryland jurisdictions was developed by local child support program managers based on their own experiences and the field’s growing consensus that “one size does not fit all” in terms of how best to obtain and maintain consistent compliance by NCPs with their child support obligations. The obligor population in the pilot counties mirrors the obligor population nationwide: some pay their child support all or almost all the time; some pay intermittently; and some pay rarely, if ever. Pilot project results provide empirical confirmation of what common sense and practical wisdom would suggest: all else equal, enforcement strategies that are specifically targeted to different types of cases can yield positive results in terms of payment compliance. In the Maryland pilot at least, a differentiated approach seems to hold particular promise for cases in the mid-range – those where payments are not routinely made, but have been made in the recent past. Compared to similar cases that were handled according to traditional case management protocols, pilot cases of this type were more likely to have at least one distributed payment; this was true for unemployed (44.7% vs. 38.4%) as well as employed (77.3% vs. 55.6%) obligors.

For frontline child support program managers who are stressed with burgeoning caseloads and limited staffing, the pilot may offer a few other ideas worthy of practical consideration. As an example, even if the adoption of a stratified or differential enforcement approach is not feasible, simply identifying how many cases are regular payers, how many are irregular payers, and how many are never-payers, can itself be useful in terms of staff allocation and caseloads. Considering the varying levels of staff skills and experience within local agencies, some frontline staff may be most effective with large caseloads of cases that pay regularly, where routine monthly monitoring is the primary work. In contrast, other staff might be most effectively deployed by having smaller caseloads of irregular payers – the cohort of cases where the Maryland pilot suggests the most sophisticated casework may be required, but where the likelihood of success is also greatest. While this particular pilot did not focus on the long-standing “generalist vs. specialist” debate, there may be, within local programs, particular staff for whom a concentrated focus on certain types of clients or cases makes the most sense.

The Maryland pilot also lends empirical support to the inescapable reality that there are – and almost certainly forever will be – cases in which support is extremely difficult if not impossible to collect, often because the compliance barriers present in these cases require interventions beyond the scope or purview of the child support agency. Last, but certainly not least, after the pilot had concluded, the counties participating in the pilot project were unanimous that, indeed, case stratification and differential case management do hold practical promise as very effective tools for managing large, growing, and diverse caseloads.

The full report is available on our website at:

<http://www.familywelfare.umaryland.edu/reports1/cscasestratification.pdf>

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