

**Revising Old Child Support Orders:  
The Wisconsin Experience**

Kathleen A. Kost  
School of Social Work  
State University of New York at Buffalo

Daniel R. Meyer  
School of Social Work  
University of Wisconsin–Madison

Tom Corbett  
School of Social Work  
University of Wisconsin–Madison

Patricia R. Brown  
Institute for Research on Poverty  
University of Wisconsin–Madison

August 1995

Funding for this research was provided by the Wisconsin Department of Health and Social Services through a contract with the Institute for Research on Poverty. The report does not necessarily represent the position of the Department or the Institute. The authors wish to thank Kathy Fullin, Carla Geovanis, Stuart Kipnis, Marygold Melli, and Ingrid Rothe.



## **Abstract**

In an effort to make Wisconsin's child support cases more equitable and up-to-date, child support staff reviewed "old" child support orders in thirteen of the state's seventy-two counties. (Reviewing old child support orders is now mandatory under the provisions of the Family Support Act of 1988.) Of the reviewed cases, only 21 percent were revised. Primary reasons for non-revision were the economic circumstances of the noncustodial parent (among welfare cases) and a lack of permission by the custodial parent to proceed (among non-welfare cases). Revised orders increased substantially, an average of \$116/month (77 percent). An alternative method of keeping orders current is to express them as a percentage of the noncustodial parent's income; these orders are kept up-to-date automatically and are associated with large increases in collections.

## **Revising Old Child Support Orders: The Wisconsin Experience**

Public interest in the child support system, like many government social welfare initiatives, emerged within the context of welfare reform. As early as 1950, a link between the provision of private income assistance for children (that is, child support) and the public provision of such assistance (for example, Aid to Families with Dependent Children or AFDC) was formed. Over the next four decades that link was strengthened and formalized, particularly with the creation of the federal Child Support Enforcement (IV-D) agency in 1974, a public agency designed to help all custodial parents receiving AFDC and any other custodial parent requesting child support services. Interest in the child support system has also been generated by dramatic increases in the number of children who live with only one parent and the fact that these children experience very high poverty rates (U.S. Bureau of the Census 1993).

This growing interest eventually prompted a thorough evaluation of the child support system, conducted in part by the Institute for Research on Poverty (IRP) at the University of Wisconsin–Madison. Numerous problems were found, including inequitable and inadequate child support orders (Garfinkel 1992). The identification of these problems led to significant reforms in the child support enforcement system in the United States, with federal changes influenced, in part, by a set of innovations introduced in Wisconsin (Meyer, Bartfeld, Garfinkel, and Brown 1995).

One of the key problems in the child support system is that child support orders are seldom revised and thus become inadequate over time. The 1988 Family Support Act (FSA) (Public Law 100-485) contained provisions to address this problem: at least every three years states must review each AFDC case with a child support order to see if the order should be revised. The FSA also required that states contact any non-AFDC case in the child support system (IV-D cases) to obtain permission to review the order amount. State plans on how these provisions were to be accomplished were required by October 1990, with full implementation required by October 1993.

Three methods of keeping orders up-to-date have been used in Wisconsin: (1) reviewing all old child support orders and seeking revisions when appropriate (a mandatory system); (2) offering review of support orders and seeking revision when appropriate and when a parent requested it (a voluntary system); and (3) expressing child support orders as an explicit percentage of the noncustodial parent's income (for example, 17 percent of income), so that the dollar amount owed changes automatically whenever the income of the noncustodial parent changes. In the late 1980s, the Wisconsin legislature authorized the Wisconsin Order Revision Project, a pilot project designed to systematically review and revise "old" child support orders to ensure their adequacy. (Because orders were generally not reviewed prior to passage of the FSA, "old" refers to cases up to eighteen years old if the child support order began when the child was born, and thus includes cases decided as far back as the early 1970s.) The Wisconsin legislation, like the federal legislation, combined the first two methods: requiring reviews for AFDC cases and offering reviews for non-AFDC cases. Child support staff in thirteen of Wisconsin's seventy-two counties reviewed old orders to determine if they needed to be revised; if the orders were found to be out-of-date, the staff attempted to secure revisions. The Institute for Research on Poverty collected data on all cases considered for revision by child support staff. This paper reviews the results of these efforts.

Two other projects also tested the method of periodically reviewing child support orders prior to the time in which they were required to do so by the FSA. These projects were in Oregon (see Price, Williams, and Williams 1991) and a project that spanned four states—Colorado, Delaware, Florida, and Illinois (see Caliber Associates 1992). When appropriate, we make comparisons between Wisconsin and the other states that have tested periodic order revision of the traditional fixed-dollar order. Comparisons will also be made with percentage-expressed orders, Wisconsin's other method for keeping orders current.

This paper is divided into four sections. The first provides an overview of the child support system, the need for review, and the policy context of the revision project. The second describes the data and method of collection used by participating county staff. The third provides the results of the project. In closing, we explore the policy and program implications of the revision project and make recommendations.

## OVERVIEW OF THE WISCONSIN ORDER REVISION PROJECT

The impetus and rationale for instituting a project to review and revise fixed-dollar child support orders came from two sources. The first was a desire to achieve equity across all Wisconsin child support cases by setting child support orders on the basis of the Wisconsin guidelines, which are a numerical formula to be used in setting child support orders. These guidelines were introduced on an advisory basis in 1983 and made presumptive (orders were to be set according to the guidelines unless otherwise specified in writing) in 1987. The pre-guideline approach had resulted in widely varying orders (compared to the income of the noncustodial parent); this variance has been dramatically reduced since 1987 by the use of the guidelines (Meyer et al. 1995). By reviewing orders set before the guidelines were presumptive, and bringing them in line with the guidelines, it was hoped that equity would be increased.

The revision project also stemmed from a need to keep orders up-to-date over time to counter the effects of inflation and to ensure that orders kept pace with changes in the income of noncustodial parents. Before the Order Revision Project, child support orders, most of which were fixed-dollar orders, often became out-of-date because there was no system in place to review them regularly. The real value of some of these orders declined as the income of the noncustodial parent, on average, increased over time. A gap grew between what noncustodial parents *could* owe their children according to their income, and the amount they *actually* owed their children as originally ordered by the courts.

In most non-AFDC cases, there is a clear economic incentive for custodial parents to seek periodic revisions. Such revisions would, generally speaking, have increased the income available for the children in their custody. For a variety of reasons, however, revisions were not pursued: custodial parents may have perceived the existing order as “final”; they may not have known how to go about pursuing a change or assumed it would have been too expensive; they may have been afraid of “rocking the boat” (raising custody or visitation issues, for example); they may have feared that action would have actually resulted in a lower order; or they may simply have been unaware of the effect that inflation had on the value of orders over time.

In AFDC cases, the economic incentives to pursue a revision are less clear. The custodial parent receives the first \$50 of child support paid in each calendar month, and child support paid in excess of \$50 per month is used by the state to offset AFDC expenses for the parent's children. Thus there is little incentive for AFDC recipients to pursue a revision once the support obligation exceeds \$50 per month. Only when recipients anticipate exiting AFDC would they have gained from a revised order. The state, however, was an interested party and had an incentive to seek higher orders, in that the increased collections would have reduced net expenditures on welfare. There existed a perception, though, that AFDC child support cases were “tough.” Because noncustodial parents in AFDC cases were perceived to have low earning capacities, revisions in support obligations often were not pursued.

Therefore, for AFDC cases, as well as some non-AFDC cases, there was no legitimate expectation that, absent government intervention, the problem of declining real values of child support obligations would have been solved. A vigorous and systematic pursuit of child support revisions was required to maintain the real value of “old” child support orders.

To comply with the anticipated provisions of the FSA, pilot projects were established in four counties in early 1990. Staff in these counties were to revise selected support orders established prior to July 1, 1987, the date on which use of the percentage standard became presumptive in all Wisconsin

counties. When an evaluation of the project in these counties suggested that it was cost-beneficial, the program was expanded to nine additional counties in the fall of 1992.

The revision process in the Wisconsin pilot counties differed from the process that has been followed since the FSA became fully operational. The original pilots, as specified in the Wisconsin legislation, were supposed to review "old" cases (orders dated prior to July 1987); the federally required ongoing review process will, in contrast, focus on "newer" cases once the initial stock of old cases has been reviewed. It is probable that older cases are quite different from their more recent counterparts: for example, some old cases may not have been looked at because the prospects for revision were so poor. In others, with the passage of time, the parties may have reconciled, the children may have turned eighteen, the custodial parent may have remarried and the children been adopted by a stepparent, or one of the parents or the child may no longer be living. Cases over three years old, therefore, focus on a different population than do the newer cases, as proposed by the FSA. Initially, however, in the FSA-mandated review, as in the pilot county experiments, all old orders will have to be examined.

## PROJECT DATA

County child support staff provided systematic information on each case that was reviewed for potential inclusion in the order revision project. The original data collection form, developed by the state of Wisconsin and the evaluation team, was organized into four sections: (1) baseline information on each case examined for possible inclusion in the pilot, whether or not it was selected and why; (2) process data on what happened to cases selected for further review; (3) data concerning cases receiving revised orders, attributes of those cases at the time of the revision, and information about the revision order; and (4) data on actual child support collections in those cases that were revised as well as collection data for the six months prior to the revision. The data collection form was subsequently

modified to capture additional information on arrearages, health insurance, and payments and reconciliations for percentage-expressed orders. Data were gathered on a total of 11,457 cases.

## PROJECT RESULTS

Pilot projects in Wisconsin were not set up to assess program *impacts*, that is, the difference in outcomes between an experimental group and a control group. We cannot assess project impacts per se because some of the orders that were revised might well have been revised in the absence of the pilot program. We can, however, examine process issues (the decision points that led to a case being revised or not) and the *outcomes* of cases with revised orders. In this section, we look at five topics. First, we focus on case flows through the order revision process. The second section focuses on characteristics of cases that were revised. The third part focuses on changes made to revised orders, and we then examine revised cases, focusing on changes in the child support orders. In the fourth, we compare the results in Wisconsin with those of other state revision projects, focusing on the percentage revised, the amount of revisions, and the amount actually collected from these revised orders. The final part compares the collections of support for percentage-expressed orders that were reviewed with fixed-dollar orders.

### Case Flows

Table 1 shows case flows through the review process and focuses on the entire sample of cases. Thirty percent of all cases were determined to be inappropriate for a review. The most common reason

**TABLE 1**  
**Overview of Case Outcomes**

	All Cases	AFDC Cases	Non-AFDC Cases
<i>All cases (weighted)</i>	11,457	3948	7088
<i>Percent not reviewed</i>	30%	21%	33%
<i>Percent selected for review</i>	70%	79%	67%
<i>Of cases selected for review:</i>			
Percent percentage-expressed	12%	11%	13%
Percent fixed-dollar	88%	89%	87%
<i>Of fixed-dollar cases selected:</i>			
Percent revised	21%	24%	18%
Percent unsuccessful motion	1%	1%	0%
Percent in process	13%	10%	14%
Percent dropped	66%	65%	67%

**Note:** Summing the AFDC and non-AFDC columns does not add to the total because the AFDC status of some cases was not reported. Unweighted cases total 9990.

a case was not reviewed was that it had already been closed or should have been closed (all children had turned 18 or the parents had reconciled). The order revision process thus enabled the child support agencies to identify and then clean out cases that needed to be closed. Another common reason was that the order was recent; staff in the original four counties were supposed to focus only on older cases.

Because the revision process is different for fixed-dollar and percentage-expressed orders, they are separated in the table. Of the cases that were reviewed, 12 percent were expressed as a percentage (that is, the order is explicitly tied to the income of the obligor, for example, “17 percent of the obligor's income”) and 88 percent were expressed as a fixed-dollar amount (for example, “\$200/month”). Among the orders expressed as fixed-dollar amounts, 21 percent were revised, 1 percent had a court motion to revise which was rejected, 13 percent were still in process at the end of the project period, and in 66 percent, a decision was made not to proceed. AFDC and non-AFDC cases had generally similar outcomes, as shown in the last two columns. One difference is that a higher percentage of non-AFDC cases were dropped prior to review, suggesting that a larger portion of non-AFDC cases within the child support system are not receiving close attention. A key difference not shown on the table is that the reasons for dropping cases once they had been reviewed were very different. Seventy percent of the AFDC cases dropped during the review process were dropped because of issues involving the economic situation of the obligor. This was the primary reason for only 15 percent of the non-AFDC cases dropped. The primary reason non-AFDC cases were dropped (58 percent of those dropped) was that the custodial parent did not give permission to proceed with the revision.

#### Findings for Fixed-Dollar Orders

Table 2 provides basic information on factors associated with whether fixed-dollar cases were reviewed. For this analysis, we focus only on fixed-dollar cases considered appropriate for a review

**TABLE 2**  
**Which Cases Were Revised?**

	Percentage Revised Out of Fixed Dollar Cases Disposed		Probability of Being Revised Probit Analysis	
	% Revised	N	Coefficient	Standard Error
<i>County</i>				
Original pilot county	36	1407	1.161**	.106
Later pilot county	21	3005		
<i>Custodial parent's AFDC status</i>				
Yes	35	1438	-0.959**	0.428
No	21	2974		
<i>Case type</i>				
Family (divorce/separations)	26	1925	-0.274**	0.072
Paternity	32	1447		
<i>Number of children</i>				
One	27	3173	0.245	0.184
Two	25	916	0.277	0.185
Three	27	249	0.274	0.200
Four or more	22	74		
<i>Gender of obligor</i>				
Father	27	4290	-0.130	0.154
Father (AFDC cases)	36	1417	1.040*	0.427
Mother	22	122		
<i>Last known residence of obligor</i>				
Same county	33	2425		
Other Wisconsin county	25	979	-0.030	0.066
Other Wisconsin county (AFDC cases)	33	235	-0.309*	0.123
Other state	20	501	-0.336**	0.077
<i>Withholding status of original order</i>				
Yes	32	2183	0.223**	0.077
Yes (AFDC cases)	53	700	0.789**	0.097
No	12	1046		
<i>Year of prior support order</i>				
Before 1980	18	254		
1980-83	20	659	0.075	0.124
1984-86	26	770	0.106	0.122
After 1986	28	1626	0.051	0.117

(table continues)

TABLE 2, continued

	Percentage Revised Out of Fixed Dollar Cases Disposed		Probability of Being Revised Probit Analysis	
	% Revised	N	Coefficient	Standard Error
<i>Amount of prior support order</i>				
\$0	26	152	0.267	0.150
\$1-\$50	24	530	-0.062	0.106
\$51-\$100	31	899	0.170	0.092
\$101-\$200	27	1640	0.196*	0.082
\$201-\$300	25	672	0.113	0.089
>\$300	21	519		
Intercept			-1.394**	0.276

**Sample:** Cases with fixed-dollar orders in which the order revision process has been completed, with the exception of the following cases: foster care, when both parents owed support, and when the obligor, the custodial parent's AFDC status, the number of children, or the original order amount could not be determined. Unweighted cases: 4412; weighted cases: 5027.

Note to probit analysis: The model also includes dummy variables for individual counties, for cases missing case type, missing or unknown residence of obligor, missing withholding status, and missing year of prior order. Log-likelihood: -2093.5.

\*  $p < .05$

\*\*  $p < .01$

which have completed the review process (n = 5177). We have deleted cases missing important information and unusual cases (foster care cases and cases in which both parents were supposed to pay child support), leaving a final sample of 4412 cases.

The first columns show the percentage of cases revised in different categories. Overall, 26 percent of these cases were revised. Revision rates were higher among the original four counties, perhaps because they had a longer time to work on cases. AFDC cases were much more likely to be revised than non-AFDC cases, and paternity cases were more likely to be revised than family (divorce/separation) cases. The number of children was not strongly related to whether a case was revised. Cases were more likely to be revised when the father was the “obligor,” when the obligor lived within the same county or another in-state county, and when the original order was supposed to be withheld from the income of the obligor. Contrary to expectations, the oldest orders were less likely to be revised. Some reasons for this could be: difficulty finding these obligors, a reluctance on the part of custodial parents in non-AFDC cases to pursue revision of very old orders, or a reluctance on the part of staff to pursue revision of orders negotiated under a different policy regime. Without examining these cases more carefully and interviewing county staff and custodial parents, we are unsure why this relationship exists. The last panel shows that the highest orders were least likely to be revised. Although one might expect that the lower the order, the higher the probability of revision, this is not uniformly true. Low orders might also be very old orders or they might reflect difficult economic circumstances of noncustodial parents that continue. Because of the correlation between order amount and the age of the order (as well as other correlations), a multivariate analysis is needed to identify the separate effects of these characteristics.

Because the dependent variable (that is, whether or not a case is revised) is dichotomous, a probit analysis is used. Because the process for AFDC and non-AFDC cases differed, a preliminary analysis was conducted in which the independent variables were interacted with AFDC status. As a

result, three interaction terms were added to the final model. The last two columns of the table show the results. Contrary to the descriptive results, AFDC cases are less likely to be revised, once other factors are held constant, although the interaction terms (discussed below) suggest that some types of AFDC cases are more likely to be revised. The other results generally confirm the descriptive results. Divorce cases are less likely to be revised than paternity cases. The gender of the obligor does not matter in non-AFDC cases, but in AFDC cases, the case was more likely to be revised when the father was the obligor. The residence of the obligor affects the likelihood of revision: Cases in which the obligor lived in another Wisconsin county are just as likely to be revised as when the obligor lives in the same county (the omitted category), except for AFDC cases, which are less likely to be revised when they are in another county. Cases in which the obligor lived in another state are also less likely to be revised. Cases that utilize automatic withholding are more likely to be revised, perhaps because the obligors have more stable employment; this is especially true for AFDC cases. The year of the old order did not affect the outcome of a review, but the amount of the order did. Support orders that were held open (essentially held at zero), were somewhat more likely to be revised than orders over \$300/month ( $p < .10$ ). Orders that were between \$50 and \$300 were also more likely to be revised than the highest orders, although all the results were not statistically significant.

### Changes in Support Orders

An examination of the revised orders reveals that 3 percent were revised downward, and another 6 percent had no change in the dollar amount of the basic order, but had some other change, for example a temporary increase in the order to collect an arrearage that had accumulated or the addition of health insurance. The remainder of the revisions (91 percent) were increases. Some of the increases were substantial, with 18 percent being increased over \$200/month. Another 29 percent were increased between \$101 and \$200/month, and the remaining 45 percent were increased between \$1 and \$100/month. The average increase in child support orders for all revised orders was \$116 per month, an

increase of 77 percent. This is a large increase, suggesting that a pool of orders exists where the amount of support obligation currently in effect seriously underrepresents the noncustodial parent's ability to pay.

The increases varied by several case characteristics, as shown in the first columns of Table 3. The table shows results for 1081 cases with revised fixed-dollar orders that had non-missing information. Revisions in the original pilot counties were somewhat higher than those in the later counties. AFDC and non-AFDC cases had the same level of revisions. Revisions were larger in divorce cases, when there were more children, when the obligor was the father, and when the obligor lived in another state. Perhaps the difficulties in interstate revisions mean that these orders will not be revised unless a substantial increase is possible. Somewhat surprisingly, cases without withholding increased more than cases with it. The oldest orders increased the most, with cases with orders set prior to 1980 increasing an average of \$144, compared to \$106 for orders set after 1986. The lowest orders received the largest increases, with zero orders increasing to \$175/month.

The last two columns show the result of a regression analysis on the amount of the revision among the revised cases. The results are quite similar to the descriptive results of the first columns. Cases in original counties showed larger increases, as did cases with more children. Larger increases were associated with obligors who were fathers and obligors who lived in other states. Once other factors were controlled for, the age of the order did not matter, but low orders received the largest increases: for example, zero orders increased by \$127/month more than high orders.

Note that if there is a relationship between *whether* a case is revised and the *amount* of the revision, the simple analysis shown here of the amount of the revision among revised cases could produce biased results. We also estimated a two-stage model to control for this possibility, and found very similar results.

TABLE 3

## What Was the Amount of the Revision?

	Average Revision (Monthly)		Average Revision OLS Analysis	
	Average	N	Coefficient	Standard Error
<i>County</i>				
Original pilot county	121	472	31.2*	12.8
Later pilot county	112	609		
<i>Custodial parent's AFDC status</i>				
Yes	\$116	451	7.7	42.5
No	115	630		
<i>Case type</i>				
Family (divorce/separations)	126	468	10.9	9.3
Paternity	105	414		
<i>Number of children</i>				
One	102	788	-116.3**	29.3
Two	132	218	-82.3**	29.2
Three	135	62	-72.5*	31.1
Four or more	197	13		
<i>Gender of obligor</i>				
Father	116	1058	45.7*	21.9
Mother	103	23		
<i>Last known residence of obligor</i>				
Same county	111	722		
Other Wisconsin county	121	236	2.6	8.0
Other state	143	96	22.9*	11.4
<i>Withholding status of original order</i>				
Yes	114	617	0.5	10.8
No	130	132		
<i>Year of prior support order</i>				
Before 1980	144	41		
1980-83	124	130	-8.6	18.2
1984-86	127	178	-13.4	17.9
After 1986	106	413	-32.6	17.3

(table continues)

TABLE 3, continued

	Average Revision (Monthly)		Average Revision OLS Analysis	
	Average	N	Coefficient	Standard Error
<i>Amount of prior support order</i>				
\$0	175	34	127.0**	22.4
\$1-\$50	120	112	65.5**	16.0
\$51-\$100	116	255	51.2**	13.6
\$101-\$200	113	421	47.4**	12.3
\$201-\$300	114	157	37.6**	13.3
>\$300	100	102		
Intercept			133.1**	42.5

**Sample:** Cases with fixed-dollar orders that have been revised, with the exception of the following cases: foster care; when both parents owed support; and when the obligor, the custodial parent's AFDC status, the number of children, or the original order amount could not be determined. Weighted means shown in first column. Unweighted cases: 1081; weighted cases: 1254.

Note to ordinary least squares analysis: The model also includes dummy variables for individual counties and for those missing case type, residence of obligor, withholding status, and year of prior support order.  $R^2 = .09$ .

\*  $p < .05$

\*\*  $p < .01$

### Comparisons with Other State Revision Projects

Table 4 compares the results from Wisconsin and the other revision projects. The first panel shows case flows. To improve the comparability of the Wisconsin numbers with the numbers from the other states, we combine two intermediate categories (“not reviewed” and “dropped” into “not revised” and we consider only fixed-dollar orders. (This makes the percentage revised 14 percent of all fixed-dollar cases examined, in contrast to the 21 percent of all fixed-dollar cases reviewed, as shown on Table 1.) The overall percentage of revisions in Wisconsin was similar to the percentage in other states. Wisconsin did better in revising non-AFDC cases, with 12 percent revised compared to 6 percent and 7 percent. Across all sites, the overall story is consistent: most cases were not revised.

The next panel of Table 4 focuses on the dollar amount of revisions among revised cases. Again we have removed cases with original percentage-expressed orders from the Wisconsin results. Policies regarding downward revisions varied across states, and this clearly affected the average percentage increase in orders. Downward modifications accounted for 17 percent of the modifications in Oregon, 13 percent in Delaware, 7 percent in Colorado, 1 percent in Illinois, 0 percent in Florida, and 3 percent in Wisconsin. Wisconsin's percentage increases were higher than Oregon's and lower than the grouped data from the other four states, but the resulting orders were highest in Wisconsin. In all states, the percentage increases among AFDC cases were substantially higher than among non-AFDC cases. The broad conclusions are similar in all states: while a minority of cases reviewed resulted in a revised support order (panel 1), the ones that were revised had a substantial increase in the amount ordered (panel 2).

The final panel focuses on collections among revised orders. The Wisconsin results are limited to cases with six months of collection data prior to the review and six months after the revision, or 548 cases. In Wisconsin, collections increased an average of \$87/month, a 60 percent increase. Again, the percentage increase in collections in Wisconsin was below that of the four-state project but above that

TABLE 4

## Comparison of Wisconsin and Other States

	Wisconsin	Four-State Project	Oregon
<i>Case Flows</i>			
Percentage revised	14%	10%	14%
Percentage not revised	77%	73%	79%
Percentage in process	9%	17%	7%
N	9077	30,968	5001
Percentage revised: AFDC cases	19%	15%	20%
Percentage revised: non-AFDC cases	12%	6%	7%
<i>Amount of Revisions</i>			
<u>All fixed-dollar cases revised</u>			
Old monthly order	\$150	\$127	\$133
New monthly order	\$266	\$245	\$217
Percentage increase	77%	93%	63%
N	1156	2958	769
Percentage increase: AFDC cases	102%	115%	68%
Percentage increase: non-AFDC cases	63%	66%	54%
<i>Amount of Collections</i>			
Old monthly collection	\$146	\$79	\$93
New monthly collection	\$233	\$160	\$139
Percentage increase	60%	103%	49%
N	548	1876	659
Percentage increase: AFDC cases	84%	136%	50%
Percentage increase: non-AFDC cases	52%	63%	42%

**Wisconsin sample:** For case flows, the sample is any case examined except we have deleted percentage-expressed orders. For revisions, the sample is any revised case with an old fixed-dollar order of known amount and a known revised amount. For collections, the sample is also restricted to those with at least six months pre-review collection data and six months post-revision collection data. Unweighted Ns are presented.

**Note:** Four-state project results are from Caliber Associates 1992. The Oregon results for the percentage of cases revised are from Price, Williams and Williams 1991, as these are most comparable to the other states. Oregon results for the amount of revisions and amount of collections are from Venohr and Price 1991. For collections the Oregon results come from multiplying the compliance rate by average orders. Oregon non-AFDC results come from combining the “former AFDC” and “never AFDC” categories.

of Oregon. Part of the reason Wisconsin's percentage increases in collections were lower was because Wisconsin was already doing quite well in collecting support obligations. For revised cases in Wisconsin with full data, collections prior to review were over 90 percent of orders. In the four states, in contrast, only 62 percent of orders was being collected.

An examination of collections over time in Wisconsin (not shown on the table) reveals that there was a small gradual decrease in payments in the first two years after a case was revised (among 270 cases for which we have two years of information). This is somewhat consistent with expectations, since collections in many cases decrease over time. On the other hand, the average payment in these cases was still \$200/month by the end of two years, substantially higher than the pre-revision payments for these cases of \$139.

#### Findings on Percentage-Expressed Orders

As we have discussed, periodically reviewing and revising fixed-dollar orders (the method tested in this project) is one way to keep them current. An alternative is to express the child support order as a particular percentage of the noncustodial parent's income, so that the dollar amount owed changes automatically (increases) when income changes (increases). The state of Wisconsin allowed the use of percentage-expressed orders in 1984, and by 1991 41 percent of all new child support orders were of the percentage-expressed form (Meyer et al. 1995). In some counties, county staff reviewed orders that were expressed as a percentage to determine if the appropriate payments had been made, a review commonly known as a "reconciliation"; in all, 721 percentage-expressed orders were examined. In 468 of these 721 cases, an order revision was not attempted, but an order reconciliation was. In 121 of these cases in which a reconciliation was attempted (26 percent), collections were consistent with the order. In 73 cases (16 percent), collections were determined to be less than what was due, and the case was referred to the enforcement unit. In the remaining 274 cases (59 percent), the reconciliation was still in process.

Information on payments over time was collected for percentage-expressed cases. An examination of these payments shows substantial increases in payments over time. For the 116 cases with four years of payment data, the average payment in the first calendar year after the percentage-expressed order was \$370. The average payment increased dramatically, to \$503 in the second year, \$640 in the third year, and \$1531 in the fourth. Although these figures are for a relatively small number of cases, these data show that there are large average increases in payments over time in percentage-expressed cases. A recent analysis that compared payments in percentage-expressed and fixed-dollar orders also found that percentage-expressed orders are associated with substantially larger increases in payments than fixed-dollar orders, even within the first year (Bartfeld and Garfinkel 1995).

## IMPLICATIONS FOR POLICY

The intent of the Wisconsin Order Revision Project was to develop and implement administrative procedures to review and revise “old” child support orders to ensure that they remained adequate over time. When the project was initially conceived, it was seen as an opportunity to determine whether reviewing all old child support orders would be a worthwhile activity. Soon after, the Family Support Act made reviewing old child support orders mandatory. Much was learned in the project about the best way to approach this task, which is now required in all states.

Where do we go from here? One of the main findings of this project (and similar projects in other states) was that relatively few old cases were revised. In each state, many cases were not revised because they should have been closed at some time in the past (no absent parent, no minor children, etc.). Through this project, child support staff were able to bring their records much more up-to-date, and the procedural lessons learned should enable future revision efforts to proceed with greater dispatch.

The main reason few AFDC cases were revised was the poor economic circumstances of the noncustodial parents. This may suggest that some policy attention be paid to enhancing the earnings capacity of poor noncustodial parents, as is currently being done in the national Parents' Fair Share demonstrations and in the Wisconsin "Children First" program. On the other hand, the AFDC cases that were revised almost doubled in value, suggesting that continued diligence in keeping orders up-to-date will have notable benefits.

The main reason non-AFDC cases were not revised was a lack of permission to proceed from custodial parents. As discussed above, the various reasons that might explain the failure of custodial parents to proceed with the order revision process (a perception that the original order is final; that the order revision process was too costly, financially or emotionally; or from fear of "rocking the boat," etc.) suggest that other mechanisms for keeping orders up-to-date should be considered. Expressing orders as a percentage of the noncustodial parent's income ensures that these orders remain up-to-date with no expense or effort from the custodial parent. The orders automatically adjust to changes in the noncustodial parent's income without requiring custodial parent permission and without requiring a complicated revision process. Percentage-expressed orders are also associated with large increases in collections. These facts suggest that percentage-expressed orders should be strongly considered as an alternative to periodic review of fixed-dollar orders.

For cases in which a percentage-expressed order is not thought to be appropriate, another possibility is to drop the requirement that custodial parents must give permission to proceed with a revision. The "default" position could be changed so that the child support office could pursue a revision *unless* a custodial parent explicitly objects, rather than requiring permission before proceeding.

As in the process of collecting and enforcing child support collections, jurisdictional issues complicate the process of order revision. Obligor who live in other states are less likely to be ordered

an increase in child support. More efforts should be made to streamline interstate cooperation in the order revision effort, as contained in recent federal legislative proposals.

Child support policy is extremely important because so many children are affected, because these children tend to be quite poor, and because the public costs of supporting these children are perceived to be quite high. This suggests that careful attention be paid to any problems in the system. Efforts to ensure that child support orders are adequate and equitable, and remain so over time, are clearly needed.



## References

- Bartfeld, Judi, and Irwin Garfinkel. 1995. "Utilization and Effects on Payments of Percentage-Expressed Child Support Orders." Manuscript, Institute for Research on Poverty, University of Wisconsin–Madison.
- Caliber Associates. 1992. "Evaluation of Child Support Review and Modification Demonstration Projects in Four States." Cross-site final report. Caliber Associates: Fairfax, Va.
- Garfinkel, Irwin. 1992. *Assuring Child Support*. New York: Russell Sage Foundation.
- Meyer, Daniel R., Irwin Garfinkel, Judi Bartfeld, and Pat Brown. 1995. "Child Support Reform: Lessons from Wisconsin." Forthcoming in *Family Relations*.
- Price, David A., Victoria S. Williams, and Robert G. Williams. 1991. "Oregon Child Support Updating Project: Final Report." Report submitted to Oregon Department of Justice. Denver, Colo.: Policy Studies, Inc.
- U.S. Bureau of the Census. 1993. *Poverty in the United States: 1992*. Current Population Reports, P60-185. Washington, D.C.: U.S. Government Printing Office.
- Venohr, Jane C., and David A. Price. 1991. "Oregon Child Support Updating Project: Findings from the Third Year Research." Report submitted to Oregon Department of Justice. Denver, Colo.: Policy Studies, Inc.