

## Chapter 2

# Implementation of the W-2 Child Support Reform<sup>8</sup>

Wisconsin's child support experiment occurred as a part of large changes in the state's overall cash assistance system. This chapter describes the experimental context and the key challenges encountered in implementing the experiment. Additional details are provided in Technical Report 2 in Volume III.

This report relies on information gathered through field observations and interviews with managers of child support and W-2 agencies, child support specialists, financial and employment planners (FEPs), and resource specialists. Interviews in the first year of the project (1998) were conducted in Dane, Douglas, Juneau, La Crosse, Milwaukee, and Racine counties. In 1999 and 2000 the interviews were conducted in Milwaukee County and included sessions with four private W-2 agencies in the county: Employment Solutions, Maximus, UMOS (United Migrant Opportunity Services), and YW-Works. The chapter also relies on two surveys of FEPs in W-2 agencies. The first was a statewide mail survey conducted in March and early April 1999. We received 287 responses, an estimated response rate of 61 percent. The second survey, in July 2000, focused on Milwaukee County and was directly administered by IRP staff in each of the five Milwaukee County W-2 agencies. We received 91 responses, an estimated response rate of 73 percent. Both surveys were voluntary.

### I.2.1 The Context

The Child Support Demonstration Evaluation (CSDE) was initiated as a part of Wisconsin's W-2 program, which was put into operation over a seven-month period, from September 1997 through March 1998. Implementation of W-2 presented severe challenges. Among many other tasks, the automated family assistance management information system (Client Assistance for Re-employment and Economic Support, CARES) of the Wisconsin Department of Workforce Development (DWD) had to be reworked to track people through the tiers of W-2, new contracts with W-2 agencies had to be written, and W-2 agency staff had to be trained in new state policies. Perhaps most significantly, five private agencies had to be established or adapted to operate W-2 in Milwaukee County, the source of about 80 percent of the state's W-2 caseload. The five agencies, each handling cases residing in particular geographic districts of the county, had to hire entirely new staff and train them in W-2, community resources, agency policies, and use of the complex CARES system.<sup>9</sup> W-2 agency staff also had to be trained in the CSDE, including how to find in CARES whether a participant was a full or partial pass-through case, the implications of pass-through status, and how to assure that participants understood their pass-through status and its implications.

Enrollment in W-2 was unexpectedly low in the first years of the program. Because the state's initial contract with W-2 agencies, which covered the period from September 1997 through December 1999, had anticipated more participants, W-2 agencies could provide a high level of service to each case without worrying about cost overruns. Those who did enroll and remained in W-2, however, were probably on average more disadvantaged than were TANF participants in states, such as California and Minnesota, that incorporate a larger share of the working poor in their TANF cash assistance programs.

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<sup>8</sup>This chapter is primarily based on the work of Thomas Kaplan and Thomas Corbett, with the assistance of Victoria Mayer. Further information on the implementation of CSDE can be found in Volume III, Technical Report 2. Further information on the implementation of W-2 in general can be found in Volume II, Chapter 1.

<sup>9</sup>Some of these staff, however, had worked on programs that provided experience relevant to W-2, such as the Job Opportunity and Basic Skills (JOBS) component of Aid to Families with Dependent Children.

Although W-2 was the subject of much public attention in its early development, the CSDE component generally operated outside of public view. The only significant media coverage appeared in a report from a Milwaukee TV station soon after the demonstration began. The report described difficulties experienced by those in the reduced pass-through (control) group who did not immediately receive all their child support when they moved out of a tier in which they received a W-2 payment, a change in circumstances which should have made them eligible for a full pass-through. For the first year of the program, linkages between CARES and the child support data system did not make these adjustments automatically.

### **I.2.2 Administering the CSDE**

Because the CSDE was both a welfare reform policy, potentially affecting the total income of recipients of cash assistance, and a change in child support policy, managers in the Wisconsin Department of Workforce Development could have chosen to place primary responsibility for implementing the CSDE in either the Bureau of Welfare Initiatives, which had operational responsibility for W-2, or the Bureau of Child Support. Managers chose the Bureau of Child Support, in part because they judged the other bureau to be overextended by competing demands associated with the implementation of W-2. This turned out to be a significant choice. As the CSDE developed, county child support agencies, with whom the Bureau of Child Support has routine formal and informal contact, played little role in CSDE implementation. W-2 agencies instead became primarily responsible for informing parents of their pass-through status and its implications, a task that ideally would have involved efforts by W-2 agencies to emphasize and reemphasize child support pass-through issues to W-2 participants.<sup>10</sup> For this emphasis to be realized in the complex environment of the early phases of W-2, the state would have had to repeatedly train W-2 agencies on the CSDE and repeatedly stress the potential of the experiment to influence future state and national policy. Staff in the Bureau of Child Support tried to accomplish this, setting up training sessions for W-2 agencies which, so far as we could judge, were of high quality. Bureau of Child Support staff were probably not, however, well positioned to make the CSDE a major part of the overall responsibilities of W-2 agencies during the early development of W-2.

### **I.2.3 Informing Resident and Nonresident Parents of Their Pass-Through Status**

The most basic implementation activity—necessary for an actual experiment to have occurred—is assignment of resident parents to treatment and control groups and the provision of information to resident and nonresident parents concerning that assignment. The CARES computer system randomly generated these assignments. W-2 agencies were to inform resident parents of their experimental group assignment, the meaning of that assignment, and the fact that the experiment existed, when they applied for W-2. The state prepared a separate brochure for those subject and not subject to the partial pass-through, explaining and providing an example of how child support would be handled, according to their assignment. In addition, cases transitioning from AFDC to W-2 were sent a letter that notified them of the change and explained how child support would be handled, according to their assignment.

From the beginning of W-2, the state required W-2 agencies to present to participants a standard “Notice of Assignment of Child Support” form and to obtain participant signatures concerning the assignment of child support. However, the first draft of the form that the state distributed to W-2 agencies made no distinction between full or partial pass-through status. Although by the start of W-2 the state had developed a revised form that asked participants to identify their pass-through assignment and indicate with their signature whether their assignment had been explained to them, some Milwaukee agencies

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<sup>10</sup>In staff surveys, 76 percent of child support workers said they never discussed pass-through status with resident parents, and about 80 percent of W-2 case managers (FEPs) agreed that providing information about pass-through status was a W-2 agency (rather than a child support agency) responsibility.

apparently continued to use the old draft forms for many months, and staff in one Milwaukee agency did not appear to know that the form in either version existed even in January 1999. Once W-2 participants were in the program, the CSDE was often not a central part of routine discussions between FEPs and program participants in Milwaukee, but it was discussed more commonly in the rest of the state.

#### **I.2.4 Knowledge and Attitude of W-2 Staff Concerning the CSDE**

Throughout much of the experiment, staff in most of the W-2 agencies outside of Milwaukee exhibited greater understanding of the CSDE than did those in Milwaukee. Some of the evidence for this derives from interviews with W-2 case managers. From the beginning of the experiment, staff in those W-2 agencies that had previously administered AFDC (which was the case in most counties except Milwaukee) exhibited an understanding of the pass-through demonstration. Almost all of the experienced FEPs we talked to in these agencies could describe the program accurately, and all said they mentioned it to resident parents starting on W-2.

The level of staff understanding was quite different in the Milwaukee W-2 agencies, which, again, served about 80 percent of the state's W-2 participants. For these agencies, everything—including the CARES system—was new, and the child support demonstration was not immediately understood, nor were explanations of it made a part of routine agency operations. Understanding of the pass-through policy grew incrementally, and in early 1999 the state reemphasized training in the pass-through demonstration. We observed two Milwaukee training sessions, which seemed to be effective in describing the policies for the full and partial pass-throughs and the relevant CARES screens, using a series of very clear examples. The training sessions also seemed to convey effectively that the demonstration was a high priority of DWD and that W-2 agencies should make the explanation of the pass-through to participants a high priority of their own.

However, even after the intensive retraining that occurred in January 1999 in Milwaukee, surveys of FEPs confirmed the greater understanding of the CSDE outside of Milwaukee. Table I.2.1, based on a survey to which FEPs responded in spring 1999, summarizes answers to questions about knowledge of the CSDE.

Although it might have been desirable for FEPs to include the CSDE (and other child support topics) in their case management approaches to a greater extent than they did, implementation of the CSDE was not totally dependent on the FEPs. Initial sessions with new applicants to W-2 in Milwaukee County were handled by a different category of worker, called Resource Specialists, who were responsible for providing an initial explanation of the CSDE and informing applicants of their pass-through status. Our interviews with Resource Specialists indicated that they knew about the CSDE and could explain its implications to program participants (although they did not always know that they were supposed to have participants sign a Notice of Assignment form). In addition, one Milwaukee County child support specialist was stationed in each W-2 agency and available to answer questions on child support. We thus believe that most new applicants to W-2 received a quick explanation of the CSDE and their pass-through status by mid-1998, but that subsequent reinforcement from FEPs was probably provided infrequently in the Milwaukee W-2 agencies.

#### **I.2.5 Resident and Nonresident Parent Knowledge of Child Support Pass-Through Policy**

Given the difficulties that many staff members experienced in understanding the CSDE, it would not be surprising if parents did not understand the way their child support would be treated. To assess the level of understanding, the Survey of Wisconsin Works Families, described below in Volume I, Chapter 3, asked resident mothers several questions about the way the child support system worked. We focus here on the responses to two questions that were asked in both 1999 and 2000. The first question

**Table I.2.1**  
**Percentages of FEPs Who Correctly Answered Questions Concerning**  
**Knowledge of the CSDE, March–April 1999**

Response	Milwaukee County (N = 99)	Other Urban Counties (N = 85)	Rural Counties (N = 103)	All Respondents (N = 287)
Knew at least 1 CARES screen to check pass-through status	53.5%	84.7%	81.6%	72.8%
Knew the CARES code indicating partial pass-through status	51.5	77.7	86.4	71.8
Knew that those assigned to partial pass-through would have same assignment if they applied for W-2 again at a later time	73.1	82.1	85.0	80.1

**Source:** Survey of W-2 Staff, Institute for Research on Poverty, 1999.

**Notes:** “Other urban counties” are Brown, Calumet, Chippewa, Dane, Douglas, Eau Claire, Kenosha, La Crosse, Marathon, Outagamie, Ozaukee, Pierce, Racine, Rock, St. Croix, Sheboygan, Washington, Waukesha, and Winnebago counties. “Rural counties” are all counties in Wisconsin except for Milwaukee County and the other urban counties.

asked respondents whether they would receive all child support if they were receiving a check from W-2. The correct answer depends on experimental group status: for mothers in the experimental group, the correct answer is “I would receive all”; for those in the control group, the correct answer is “the state would keep some.” The second question asked whether they would receive all child support if they were not receiving a check from W-2.<sup>11</sup> The correct answer for both groups is “I would receive all.”

Few mothers answered these questions correctly, and many (about one-quarter to one-third) said they did not know what would happen. About half the mothers understood that they would receive all child support if they were not receiving W-2 payments, but only about one-quarter of those in the experimental group reported that they would receive all child support if they were in a W-2 payment tier. These responses are relatively consistent with the way the child support was treated under AFDC, when all mothers received only a portion of child support paid on their behalf when they were receiving payments, and all mothers received all child support if they were not receiving payments.

The survey also asked comparable questions of nonresident fathers. Knowledge among fathers was even lower than among mothers. Nearly half of fathers reported that they did not know what would happen if they paid support. As was true of mothers, more fathers knew what would happen if the mother was not receiving payments, and few experimental-group fathers correctly responded that the mother would receive all child support if she were receiving payments.

Combining the responses to these two questions, only 26 percent of mothers correctly answered both questions in 1999. Knowledge was even lower among fathers, with only 12 percent correctly answering both questions in 1999. Among both mothers and fathers, there was no increase in knowledge between 1999 and 2000.

In no subgroup that we examined did more than half respond correctly to both questions.<sup>12</sup> Mothers in the control group had slightly greater knowledge, as did those who entered in upper tiers and those with less recent AFDC history. In contrast to what our observations and surveys of program staff led us to expect, mothers in Milwaukee County had no less knowledge than mothers in the rest of the state in both 1999 and 2000. Mothers with a history of higher levels of child support paid on their behalf before entering W-2 were the most knowledgeable, perhaps because child support was most relevant to them, or perhaps because they continued to get payments under W-2 and had direct knowledge of how payments were being treated. Mothers who answered both questions correctly in 1999 were substantially more likely to answer both questions right in 2000; however, even among this group, fewer than half responded correctly in 2000. We did not find a discernible difference based on mother’s educational level or the quarter in which she entered W-2.

There were fewer detectable differences for fathers, particularly in 2000. In 1999, in contrast to the findings for mothers, fathers of children in the experimental group had greater knowledge than fathers of children in the control group, and fathers in other urban counties had greater knowledge than those in Milwaukee. No other variables consistently predict knowledge levels. Similar to the findings for mothers, those who reported correct answers to both questions in 1999 were more likely to do so in 2000, but even this group had low overall knowledge. Finally, for couples in which both parents answered the survey, mothers’ knowledge is not statistically related to fathers’ knowledge.

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<sup>11</sup>Specifically, the first question was: “If you were in a W-2 assignment where you received a check from W-2, would you receive all of the *current* child support <child’s name>’s father paid or would the state keep some of it?” The second question was “If you were *not* receiving a check from W-2, would you receive all of the *current* child support <child’s name>’s father paid or would the state keep some of it?”

<sup>12</sup>We conducted a probit analysis on mothers’ and fathers’ knowledge to determine which of the bivariate relationships discussed here held in a descriptive multivariate context. The text discusses only those variables found to be statistically significant ( $p < .10$ ).

In sum, we found quite low levels of parental knowledge of pass-through policy. Perhaps the questions were not understood correctly. However, these responses are consistent with the results of the survey of workers and our field observations, in the sense that all suggest that implementation difficulties may have limited the reform's impact.