W-2 Child Support Demonstration Evaluation

Technical Report 3

Administrative Data Sources

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Most of the analyses in this report rely on data collected by the state of Wisconsin to administer its various public assistance, unemployment insurance, and child support programs.[1] These data have provided a tremendously rich set of information on people's program participation and payment receipt along with a broad assortment of characteristics of individuals and their households. These data have been supplemented by a survey of W-2 recipients (discussed in Technical Report 5) which provided further information on survey respondents that was not collected by the state administrative information systems.

Though the data collected by the state allow us an extremely detailed view of program participation, they do have their limitations. Because the state's information systems are designed primarily for program administration, and not for data analysis, the project has devoted considerable resources to extracting and linking records from the state databases and converting those records into a form that allows for easier data analysis. Great attention has been paid to resolving issues of record duplication, missing data, and error correction in the extraction process. This process has been quite laborious, but it has, and will have, a number of benefits. First, we have arranged data into a form necessary for the analyses in this report; in addition, we have been able to provide feedback to the state information system managers on errors in their data collection systems that we have uncovered, and we have made progress toward creating a public data set appropriate for future research on issues of program participation.

A second problem in using state administrative records is that these records are limited to individuals' experiences in the state. If an individual works in another state, that person's earnings or receipt of government program payments will not appear in Wisconsin administrative data. For some cases who move out of state, an out-of-state address will appear in the state's information systems, but, more often, case records will just stop being updated. There may be other reasons that people disappear from the administrative data records, however, so we cannot reliably say how many cases move out of state. Among those parents who entered W-2, attrition from this sample through the end of 1999 was relatively small. Six months after their entry into W-2 only 2.4 percent no longer received any payments (W-2, food stamps, or Medicaid), received any child support, or reported any in-state earnings, and only 1.2 percent reported an out-of-state address.

Data Confidentiality

An overriding concern in using government-collected data on individuals is the need to keep the data confidential. The University of Wisconsin–Madison College of Letters and Science committee for the protection of human subjects approved the CSDE project's provisions for data confidentiality, and reviews these provisions annually. The procedures to insure that subjects' confidentiality is maintained include:

1)   Research and interviewing staff who have access to individually identifiable records must sign confidentiality agreements.

2)   Data files provided by the State of Wisconsin which contains individual identifiers (e.g., names, Social Security numbers, or state program case numbers) are accessible only to limited Institute for Research on Poverty (IRP) research staff or those they designate, such as survey contractors. IRP researchers who do not have need to access individual identifiers are provided with access to data records with these identifying codes removed or masked. All researchers or other designees who have access to these data records must have signed confidentiality agreements.

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3)   Access to all electronic files containing project data records is restricted to those with project accounts that provide them with permission to access the secured files.

Administrative Information Systems

The state of Wisconsin uses a variety of separate statewide information systems to manage its public assistance programs, its child support enforcement program, and its unemployment insurance programs, including the three that we have accessed for this project—Client Assistance for Re-employment and Economic Support (CARES), Kids Information Data System (KIDS), and Unemployment Insurance Wage Record Files (UI). IRP staff extract appropriate cases from each data system and match records based on the individuals in the case. The three administrative record databases and the processes used for extracting and matching records are described below.

CARES (Client Assistance for Re-employment and Economic Support)

Wisconsin's public assistance information system is referred to as CARES. CARES was originally designed in the mid-1990s to administer state-delivered assistance programs to low-income families. These programs included AFDC, Food Stamps, Medicaid and child care. In 1997 the CARES system was expanded to administer the state's new W-2 program that replaced AFDC.

Data about assistance applicants are entered into the CARES system by county social or human services departments. In counties that have contracted with private agencies to administer their W-2 program, data about W-2 applicants are entered into the system by the private agency staffs. Since data are entered into the CARES system by agents of a wide variety of institutions, there is significant variation in the quality of data put into the system.

Until the child care subsystem in CARES is fully implemented, data from SCRIPTS (a Milwaukee County child care database) is periodically extracted and merged into CARES. For the purposes of this project, our access to the Milwaukee child care data is through the CARES system.

Since the same management information system has been used for both the old AFDC program and the new Wisconsin Works program, we have been able to track individuals as they made the transition from AFDC to W-2. In fact, all cases that were on the AFDC rolls as of August 31, 1997, were randomly assigned to either the experimental group or the control group as part of the demonstration in anticipation of their possible transfer to the W-2 program. New applicants for assistance from September 1, 1997 through July 8, 1998 were also randomly assigned to experimental or control groups (see Technical Report 1 for more information on the assignment process). The CARES system itself was used to administer the CSDE project. The identification of eligible cases and the assignment of cases to experimental or control groups was done within the CARES system and information on an individual's assignment status was available to case workers through the system.

CARES records for W-2 participants include demographic information on the resident parent(s) in the case. This information includes birth date, sex, race, marital status, educational background, citizenship status, primary language, and residential location. Birth date, sex, and race of children in the case are also recorded. In addition, the CARES record tracks the W-2 participant's progress through the W-2 system, including dates of application and entry, dates of entry and departure from slot levels, W-2 payments (including cash payments, child care copayments, and Trial Job subsidies) received and sanctions enforced against the case.

Beyond W-2, CARES also is the administrative data system for the federal Food Stamp and Medicaid programs in the state. Information on Food Stamp and Medicaid eligibility, receipt history, and payment amounts is collected as well.

Data are entered into CARES at application, and updated at eligibility redetermination. Eligibility is redetermined monthly for W-2, every three months for Food Stamps, and every six months for Medicaid. For BadgerCare, eligibility is redetermined every 12 months. Additionally, under all programs, participants are to report changes in income and family situation as they occur.

KIDS (Kids Information Data System)

KIDS is Wisconsin's administrative data system for child support enforcement which began operation in 1996. The state, as mandated by federal law, developed the KIDS system as a unified statewide database to track child support orders and payments. It replaced manual and automated systems that had been managed at the county level. Data on individual cases are entered into the KIDS by county child support agencies and clerk of court staff.

Cases are entered into KIDS for resident parents and their children in a somewhat irregular manner. In the simplest situation a record may exist for a resident parent and associated children and for the nonresident parent who has obligations to that resident parent. In other situations, separate records would be created in KIDS for each child of a resident parent, even when multiple children have the same nonresident parent with obligations. KIDS cases are also opened for potential nonresident parents pending paternity adjudication, so that there may be several records in KIDS for a single child, with each record corresponding to a possible nonresident parent for the child. Finally, additional KIDS cases may be opened when parents move to other counties or other states, or if custody changes.

KIDS contains information on child support orders, payments, and arrearages, the method of payment (wage withholding, tax intercepts), destination of the payment (resident parent, state), demographic information about the parents and children in the case (birth dates, residential location of both parents), and child support case history. It can include information about dates of marriage and divorce and the date of paternity establishment for nonmarital children. KIDS also includes some cases without child support orders, but with child support potential: paternity cases in which the paternity adjudication process has begun, cohabiting paternity cases, and cases in which no child support order has been made owing to extenuating circumstances, such as the economic situation of the nonresident parent, problems in locating the nonresident parent, good-cause cases, and parental stipulations of no order. The KIDS system is also updated nightly with data from the CARES system.

KIDS has valuable information on child support, but there are limitations. KIDS was developed as an accounting system for the payment and distribution of child support and does not contain some kinds of information necessary in an overall evaluation of child support. Some families in CARES were not found in the KIDS data system (for some families this is due to no child support being ordered, but in other cases the reasons are unclear); there is no straightforward way of determining whether cases are the result of a paternity establishment or a divorce order; and no easily accessible information is available on the legal custody of the children. Even when data fields have been set up for the entry of information, the information is often missing in KIDS, particularly in older cases that were loaded onto the data system in a massive conversion effort in 1996. Missing data particularly plague information on income, physical custody awards, and date of paternity establishment. And even though KIDS functions as an accounting system for the payment and distribution of child support, it is not possible in all cases to clearly follow the dollars paid by a nonresident parent on a particular date, then sent out as a payment of child support to the resident parent at some later date. Additionally, with the possibility of multiple KIDS cases pertaining to a

particular child, and with the proliferation of multiple "unique" personal identifiers in the data, especially for children and nonresident parents, it is difficult to track some individuals over time in the KIDS data system.

UI (Unemployment Insurance Wage Record Files)

UI data provide quarterly income, for covered workers, as reported by their employers. These data allow us to track workers' income and employment histories and are used to determine such information for both resident and nonresident parents. There are some serious limitations to these data, however. "Covered" employees include about 91 percent of Wisconsin workers. The self-employed, commission sales workers, farmers, church employees, federal employees, military personnel, and employees of not-for-profit organizations with fewer than four workers are excluded from having their income reported to the state. Individuals employed outside of the state of Wisconsin will not have that income reported, either. In addition, a six-month lag occurs between the end of a quarter and the time at which the information in the state information system can be considered complete. Finally, the data only record a worker's quarterly overall income. UI data do not contain more specific information about employment which would useful, such as the hourly wage, the number of hours worked per quarter, or the type of work done.

Selecting Records from CARES

IRP staff extract records from the CARES system once every quarter, two weeks after the end of the quarter, allowing time for the completion of entry of data pertaining to the last month of the quarter. This extraction includes information on all cases on AFDC on August 31, 1997 (whether or not they subsequently transferred into the W-2 program) and all new requests for assistance (RFA) after August 1997 (also regardless of whether they actually entered W-2). The W-2 program began accepting participants as of September 1, 1997. All new applicants for public assistance after September 30, 1997 were supposed to be assigned to the W-2 program, but administrative errors did lead to a few cases being assigned to AFDC after that date. County welfare agencies then had until March 30, 1998 to transition all outstanding AFDC program participants to the new W-2 program.

Cases that were on AFDC and did not transfer to W-2, or transferred to W-2 two or more months after exiting AFDC, or who requested assistance but did not actually enter an assistance group, are considered "diverted" cases and are examined as part of the diversion analysis in Technical Report 1.

For the current analysis we only examine cases that entered W-2 (either as a new applicant or as a transitioned AFDC case) on or before July 8, 1998. In the CARES database there are 23,347 cases that entered W-2 from September 1, 1997 to July 8, 1998. Of these,

- 14,728 cases were on AFDC in August or September 1997 and transferred to W-2 within two months of leaving AFDC;

- 7,241 cases started W-2 without previously having been on AFDC or having been off AFDC for at least two months before starting AFDC;

- 1,378 cases had errors in their handling: 1,096 cases started W-2 but were never assigned to an experimental or control group, and an additional 282 cases were not on AFDC in August or September 1997 but were then mistakenly assigned to AFDC after September 1997.

The 23,347 cases that started W-2 between September 1, 1997 and July 1, 1998 were divided into two groups, based on whether the resident parent was the mother (N=22,648) or the father (N=699). For

the most part we do not consider cases in which the father is the custodial parent in this analysis. From the 22,648 mother custodial parent cases we make the following exclusions, in the following order:

1) 1,066 cases which were mistakenly not assigned to an experimental group.

2) 651 cases which were determined at entry not to be eligible for child support. These were cases where both parents were living with the children, or where the noncustodial parent was known to be deceased, or where the mother had a "good cause" exemption from pursuing child support (usually because of a history or fear of domestic violence).

3) 253 cases which did not actually enter a W-2 slot.

4) 1,790 cases which had a child with a disability and was therefore eligible for Supplemental Security Income (SSI). Because federal law does not allow retaining a portion of the child support paid to a custodial parent who has a child receiving SSI payments, these cases were excluded from the experiment.

5) 266 cases which were mistakenly assigned to AFDC after September 30, 1997.

6) 571 cases which entered W-2 two or more months after having left AFDC. Since these cases were on AFDC in August 1997 and received a research assignment at that time, but did not enter W-2 until two or more months later, these cases are considered to have been "diverted" and are included in the diversion analysis.

7) 1,621 cases which did not enter a slot assignment for at least 30 days after they first requested assistance, but did later enter a slot. Because many RFAs do not result in actual slot assignments, the experiment needed to establish a deadline for deciding whether an applicant had actually been qualified for services. County-level workers must determine the appropriate placement for a W-2 applicant within seven days, with an extension allowed to 30 days if the applicant needs additional time to provide verification of need. Since 30 days is then the approximate time that county-level workers are allowed to complete an applicant's paperwork, it seemed likely that cases exceeding this 30 day deadline might have had reasons beyond simple administrative delay for not entering into a slot.

8) 23 cases in which the resident parent had multiple CARES cases with active W-2 participation. A resident parent who reapplies for W-2 should usually have her/his old case number reopened instead of a new case number being assigned. Since a resident parent with two case numbers could be assigned to both the experimental and control groups, we do not consider them in our analyses.

9) 399 cases in which the youngest child is listed as being over 18 years old as of January 1, 2000. Since resident parents are required to be living with a minor child as of this date to be eligible for the survey component of CSDE, we excluded these cases from our administrative analyses as well for consistency.

With the exclusions considered above, we are left with a research sample of 15,977 resident mother cases.

Determining the Date of Entry into the Experiment

The movement into W-2 is not a smooth process, especially for those cases which transitioned into W-2 from the preceding AFDC program, but it was important for our analyses to be able to describe a case's characteristics at its entry into the experiment. This means that determining the date when a case

was first fully subject to the experiment is crucial to evaluating the results of the experiment, but it is not always straightforward.

For cases new to W-2, either because they had never been on AFDC or because they had been off of AFDC in August and September 1997, the determination of entry into the experiment is clear-cut. When applicants requested assistance, they were assigned to a research group at the time of their initial request. Their case worker should have informed them of their experimental status, and they immediately became subject to the child support pass-through policy of the W-2 program. For these cases we consider their date of their entry into the experiment as their date of assignment to an experimental group.

For cases which had been on AFDC on August 31, 1997, the situation is more complicated. These cases were assigned to an experimental group in the CARES system on September 1, 1997, but without the AFDC participants actually being made aware of their status. In addition, it was not until October 1, 1997 that the state adjusted participants' child support pass-through amounts to reflect their experimental status. It was not until participants actually had an interview with their case worker to transition to W-2 that they learned of their experimental status and were assigned to a W-2 slot. For this reason, we have decided to use the date of that interview as the date of entry into the experiment for these cases.

Linking CARES Cases to KIDS Cases

As noted in the section on KIDS above, many different cases in the KIDS system can correspond to a resident parent and children from a single CARES case. In some situations there will be separate KIDS cases for each individual child, in other situations all the children of a resident parent may be consolidated into a single KIDS case. If the mother is not sure of the father of a child, then a separate KIDS case will be opened for each potential father of the child. Changes in custody of the children, the placement of children into foster care, changes in the marital status of the children's parents, movement of parents to another county or out of state, or even simple administrative errors can cause additional KIDS cases to be created for the same children.

The most straightforward way to connect a CARES case with all of its related KIDS cases is by a CARES pin number attached to each KIDS case in which the CARES resident parent is a current KIDS "custodial parent." This attachment is done in an automated nightly link between CARES and KIDS, based on Social Security number, name, date of birth, and sex. This automated match is supplemented with a match made by IRP programmers based on the resident parent's Social Security number, in order to capture related KIDS cases where the CARES resident parent was a KIDS custodial parent in the past but not currently, and in situations where the child has since "aged out" or otherwise become inactive in the KIDS case.

In matching the 15,977 cases in our research sample, we found 146 CARES cases that had no related case in the KIDS database as of June 30, 2000. The 15,831 remaining cases have been linked to 56,038 separate KIDS cases to date.

Determining Legally Established Fathers

Several hypotheses in this analysis involve effects on the behavior of nonresident parents, so it was important to be able to determine the set of fathers whose legal relationship to the resident parent had been established at time of entry into the experiment. To limit the set of nonresident parents to just the set of legally established nonresident fathers at W-2 entry, we began with the set of children attached to the

15,977 resident mothers in our research sample. Of the 44,249 resulting children in CARES, we removed those children who were born after the case's entry into the experiment (or whose birth date was unknown), who were over 18 at entry, or who had died before entry. This resulted in 37,464 children. Of these, 21,167 children were determined to have a legally established father when their CARES case entered into the experiment. The remaining children do not have a legally established father. The determination of a legally established father is based on a complex set of decision rules using a number of unrelated KIDS variables (i.e., there is no straightforward, nor perfectly accurate, method of determining the legal father from the KIDS data system).

These 21,167 children have 14,461 separate combinations of resident mother and nonresident father, but in 118 of these couples the nonresident father had died before the time of entry, leaving a final set of 14,343 legal nonresident fathers at W-2 entry.

It is important to note that these 14,343 nonresident fathers in our sample are actually determined by a mother/father pair. A father can be counted more than once in this sample if he is a legally established nonresident father on more than one CARES case. Similarly, a CARES case can appear multiple times in this sample if it has multiple fathers associated with different children in the case. Of the 15,977 CARES cases in our research sample, 4,798 have no legally established father associated with them. Of the remaining 11,179 CARES cases, 8,076 have a single legally established nonresident father associated with them, while 3,103 have multiple fathers associated with them. Similarly in the 14,343 couples defined in our nonresident father sample, there are 13,339 fathers attached to a single CARES case, while there are 880 fathers who are attached to multiple CARES cases. Among these 880 fathers, it is possible for them to be attached to a case in the experimental group and a case in the control group; in fact, 313 fathers are attached to both experimental and control group cases.

Determining Nonmarital Children

One of the outcomes of interest in the evaluation is whether the experiment has any effect on the likelihood of establishing paternity for children. As such we needed to establish the set of children in our research sample who were susceptible to that outcome. Again we derived the set of 37,464 children who were known to be a part of the CARES household at the time of entry into the experiment. [Children who were conceived, but unborn, at the time of entry into W-2 were not included in the sample, except in cases where this unborn child was the only child in the case, thereby making the mother eligible for the CMP (Case Management for Pregnancy) slot.] We then removed those children who were born to parents who were married and for whom paternity establishment was not necessary. This resulted in a set of 31,441 nonmarital children. This includes children who had a legally established father at entry, and those who did not.

Linking Parents to Unemployment Insurance Wage Records

We were able to link to UI wage records for both resident parents and nonresident parents using Social Security numbers. Among the resident mothers in our research sample there is only one case with no recorded Social Security number; among the nonresident fathers in our sample there are 670 (4.6%) with no Social Security number. These cases were usually treated in analyses as having missing income information.