

**Wisconsin Bureau of Child Support / UW Institute for Research on Poverty
2016–2018 Child Support Policy Research Agreement
Task 10B.1: Closures of Unenforceable Cases: A Review of Child Support Agency Practice**

Molly Costanzo

December 2018

The research reported in this paper was supported by the Child Support Research Agreement between the Wisconsin Department of Children and Families and the Institute for Research on Poverty. The views expressed here are those of the author alone and not necessarily the sponsoring institutions. The author thanks Emma Caspar and Dawn Duren for assistance with preparing the report, Lynn Wimer for programming assistance, and CSA staff from selected counties for their time and insights.

In 2015, the Bureau of Child Support (BCS) issued Child Support Bulletin (CSB) 15-08R which outlined the policy for closing unenforceable cases under a new state law. Using both qualitative and quantitative data, this report seeks to document child support agency (CSA) practice around closing unenforceable cases. The report first provides background on unenforceable cases and CSB 15-08R. It then presents findings from interviews with CSA staff about case closure for unenforceable cases in their county. The qualitative findings are followed by summary information on case closures using the Kids Information Data System (KIDS). The data from KIDS are used to examine case closures statewide before and after the CSB was issued, as well as county variation in closures.

BACKGROUND

In federal fiscal year 2017, 15.1 million children in the United States were served by the formal child support system, with over \$32 billion in collections (Office of Child Support, 2018). One of the primary purposes of the formal child support program is to provide financial support for children from their nonresident parents that is comparable to what they would experience in intact families (Solomon-Fears, 2013). Child support has been shown to mitigate some of the disadvantage experienced by single-parent families and is a major source of income for many families served by the child support system (e.g., Grall, 2018; Sorenson, 2010). When payments are not received from the nonresident parent, the custodial parent and child may experience economic hardship. For parents who receive child support services through the state IV-D program, the state has variety of enforcement tools with which to obtain payment, including for cases in which arrearages have accrued. Collecting support, including arrears, for open cases and enforcing orders is one of the primary services provided by the child support system (NSCL, 2013).

In 1993 and again in 1999, the federal Office of Child Support Enforcement (OCSE) revised the criteria under which child support cases may be closed, and services no longer provided by the state (45 CFR § 303). This included criteria for closure of cases for which receipt of payments were unlikely. In doing so, OCSE recognized that under some circumstances, additional enforcement actions may be unlikely to succeed, despite CSAs' best efforts.

In theory, case closure could benefit states and CSAs in several ways. It allows staff to focus on cases that are more likely to lead to payment rather than continue to use limited resources on the cases in which payment is not likely or possible to enforce. Additionally, cases without payments can impact performance under current federal performance measures; thus, case closure can allow states to maximize federal funding through increased federal performance measures (Department of Health and Human Services Office of Inspector General, 2002). On the other hand, closing cases potentially limits the receipt of future support for some children, even if the noncustodial parent has not made regular payments in some time.

Wisconsin Act 55 & Child Support Bulletin 15-08

There are a variety of federal criteria under which cases may be closed. Wisconsin Act 55 codified some of these criteria—those for unenforceable cases—into Wisconsin law in 2015. Wisconsin statute §49.22(13) outlines the circumstances in which a local CSA or the Department of Children and Families (DCF) can close a case receiving IV-D services. Specifically, cases may be closed if:

- No current support order exists, and;
- Arrears are \$500 or less; or
- Arrears are “considered unenforceable by the county child support agency because there have been no collections in 3 years, and all administrative and legal remedies have been attempted or are determined to be ineffective because the payer is unable to pay, the

payer has no known income or assets, and there is no reasonable prospect that the payer will be able to pay in the future.”

Child Support Bulletin (CSB) 15-08R, released September 29, 2015, further defines what constitutes an unenforceable case, when CSAs are able to close these cases, and the process required for doing so. In particular, the bulletin specifies that cases can only be closed if the current support order was ended by court order or due to the child emancipating; a case in which no support order was ever established does not meet this criterion. The bulletin further specifies administrative and legal actions to be considered.

Additionally, the CSB outlines how CSAs should document these cases in the KIDS administrative system. CSAs must document all efforts in the pending case closure event. Once the case is closed, the CSA must use the “CNCS” closure code and send a closure notice to the custodial parent or initiating state if it is an intergovernmental case. If the CSA receives any additional information that could assist with enforcement, the case cannot be closed. If the information is received after case closure, a new application is required. Once the case is closed, the case becomes a non-IVD case, and the arrears remain.

APPROACH

The remainder of this report presents findings related to the closure of unenforceable cases based on (1) interviews with CSA staff from several counties across the state and (2) KIDS administrative data. Understanding whether cases that meet the unenforceable criteria are being closed may be helpful to manage performance and workload (e.g., conserving limited resources for productive case, performance metrics). It may also be useful to understand whether the criteria and practice are being used consistently across CSAs. Thus, this report considers statewide case closure before and after the issuance of CSB 15-08R as well as variation that may exist at the local level. We use the data gathered from interviews and the administrative data to understand whether CSB 15-08R resulted in a change in CSA practices over time, and the extent to which CSAs currently use similar approaches and criteria.

Qualitative

To better understand how CSAs define and understand unenforceable cases, we interviewed child support agencies across Wisconsin using a semi-structured interview guide over a period of two months. These interviews were conducted as part of a different IRP study focused on another subset of unproductive cases—incarcerated payers—and also included questions about unenforceable cases. Speaking directly to staff about these cases and the processes for defining, handling, and, ultimately, closing them, provides information both about how child support professionals in Wisconsin think about and work these cases, and important context for the quantitative analysis portion of this report. These interviews allowed for a more in-depth, flexible and nuanced understanding of how CSAs view these cases, and how processes may have changed as a result of CSB 15-08R than would be possible by looking solely at administrative data outcomes. The section below details additional information about the sample selection and design for the qualitative portion of this study.

Of Wisconsin’s 72 counties, 25 were selected for interviews as part of the larger incarcerated payers project. Fifteen counties were selected due to their size; they represent some of the 15 largest counties in the state by population and incarceration rate. These counties accounted for slightly over 70 percent of the state’s adjusted IV-D caseload as of September 30, 2017 (Wisconsin Department of Children and

Families, 2017). The additional counties were selected based on prior approaches to or current interest in incarcerated payers.¹

By including the largest counties in the state, the sample includes discussions with staff who work with a majority of affected cases across the state. The additional counties interviewed provide the opportunity to understand how this workload impacts smaller CSAs. In addition to variation in size and approach, the sample also provided regional variation. Overall, our purposeful sampling strategy produced a sample offering a range of insight into how CSAs across the state handle unenforceable cases and the impact of CSB 15-08R, before and after the CSB in question by representing small and large counties, counties from all regions, and counties that have demonstrated varying strategies with other special caseloads.

From the original list of 25 counties, 24 counties were successfully contacted for participation.² We received contact information from BCS and contacted a point person in each county to schedule an interview. Interviews were conducted either in-person (seven counties) or over the phone (17 counties) during March and early April of 2017. Interviews lasted, on average, approximately 60 minutes, with approximately 10 minutes dedicated to unenforceable cases as time allowed. The staff roles of individuals we interviewed ranged from county to county. In many counties, we spoke to the director or supervisor of the CSA. Nine counties included their attorneys in the conversation. The length of time in child support and in current positions ranged widely, from a few months to 30 years or more. With permission, the interviews were recorded for transcription purposes; 23 of 24 counties agreed to have their interviews recorded. Staff were asked about their definition and treatment of unproductive cases, particularly as it relates to case closure; staff were also asked whether this had changed in recent years. The interviews were then coded for themes using NVivo software and a directed content analysis approach (Hsieh & Shannon, 2005).

Quantitative

The quantitative analysis used biannual extracts (January and July of each year) from the KIDS administrative data system. The extracts covered the period from January 2013 to January 2018. The extracts provide information about the stock of cases between these dates; specifically, these extracts contain historical information about case status changes, case types, and the date the case was established in KIDS. The analysis for this report focuses on case closure dates, closure reasons, pending closure dates, and the FIPS code for the CSA responsible for the case.

Using these extracts, this report examines the proportion of (1) closed cases and (2) the stock of all cases that were closed with a case closure reason of “CNCS” from a period before the issuance of CSB 15-08R and a period after. The stock of cases includes all cases open at any point during the period in question. The pre-CSB period used is January 2013-December 2014, which represents two full calendar years before the implementation of CSB 15-08R. The post-CSB comparison period used is January 2016-December 2017, representing two full calendar years following the issuance of the CSB. These periods were selected to ensure comparable time periods for comparisons. The use of calendar years avoids any issues with seasonality of workload (i.e., case closures at the end of the state or federal fiscal year). In addition to case closure rates, this report also examines the number and proportion of cases put in Pending Close status with a reason of CNCS that were then reopened for each period. As a sensitivity analysis, this report also compares closure proportions for October, November, and December of 2015—the calendar quarter immediately following the bulletin—to the same months in 2014.

¹ For more information about the sample, see the IRP Report “Incarcerated Payers: A Review of Child Support Agency Practice.”

² One county was not available for participation during the data collection period.

In addition to examining overall rates, closure rates by county, or CSA, are also estimated for the same time periods. This allows for a comparison of pre- and post- rates by CSA as well as a greater understanding of the overall variation in rates by CSA, both before and after CSB 15-08R.

Finally, this report examines different aspects of the cases closed with a reason of CNCS. To do this, the historical KIDS data is matched to additional KIDS data which is stored as part of the Multi Sample Person File (MSPF). Using the MSPF allows for comparisons of case age (as measured from a case's open date to its closure date) and the amount of arrears accrued (defined as the arrears due in the December of the calendar year prior to closure). These mean age and arrears amount of cases closed with a reason of CNCS are estimated for the periods before and after the issuance of the CSB.

FINDINGS

Qualitative

Interviews suggest some variation in approach or awareness of CSB 15-08R. Though the interviews did not directly mention the CSB, about half of the CSAs interviewed brought up the bulletin specifically or, alternately, alluded to the criteria it contains without mentioning it specifically. The counties that mentioned the bulletin specifically were all larger counties, though smaller counties alluded to the case criteria. Some counties also mentioned a change in practice in recent years. Other CSAs, however, did not seem aware of the bulletin, or said that their practices had not changed in recent years.

About a quarter of all CSAs indicated affirmatively that their practice had changed in recent years around these cases. In general, counties reported that they close cases when they are able and find that a case fits allowable criteria. Thus, the CSB meant that they were now able to close more of their cases than previously allowed, as illustrated by this quote from a CSA staff member, “. . .the state put out that bulletin that that was an option to close unproductive cases. But prior to that we didn't even have that option, we were just stuck on this forever.” At least one manager mentioned that this was useful for performance, saying, “And it used to be keep every case open to try to get a collection. But it's just not—it's not structured that way since performance came.” Thus, interviews suggest that at least some counties are now more likely to close cases than they were prior to the bulletin's issuance.

Still, a few CSAs indicated that, despite the option to close these cases, they prefer to work cases as much as they can and avoid closure. For example, one manager said, “Our goal is not to close. Our goal is to work them and try to figure out what might be taking place and provide some interventions. You know, we're not aggressive in case closure maybe so far.”

Many counties reported that very few cases actually meet the criteria laid out in the CSB. One CSA staff member reported that, “When [the CSB] first got issued, I believe I went into my caseload and, you know, and I was then pretty familiar with all my cases. You know there's [about 1,000] of them. And I identified two of them that I could close based on this. And to be honest, I don't know that I've closed another one since.” Similarly, another CSA manager, in a small county indicated, “I don't think that we run into that very often in our county.”

About half of the counties did not mention the CSB or the specific criteria. They spoke generally about unproductive cases, often mentioning cases where the NCP might be receiving Supplemental Security Income (SSI) or otherwise was unable to pay. Often CSA staff reported feeling frustrated with many of these cases. Some of the counties that did not mention the CSB may use some alternate criteria in closing cases they deemed unproductive as illustrated by these quotes: “We kind of look at each one individually. We'll see what the circumstances are of each case”; and “I will close them if we've exhausted everything. So that's really the key to anything we can think of and we try to really be like very creative.” Similarly,

another CSA employee stated, “I will close cases not for performance reasons, but for inability to manage when our CPs are not working with us.”

Overall, though, regardless of their awareness of the CSB or process for closing cases, almost all counties reported that case closure was a rare event. For example, one manager in a small county expressed that “Case closure is—is not something that's super prevalent for us.” Another said, “We're not going to close it until we have fully have to.”

Interviews indicate that the CSB may have had an impact on practice, particularly in larger counties. On the other hand, discussions also indicate that because these cases are relatively rare, the bulletin might not have a major impact on practice, even if fully implemented. Interviews also suggest some variation across the state in thinking about when case closure is appropriate.

QUANTITATIVE

Table 1 presents descriptive statistics regarding case closures for the two-year period prior to the CSB (2013-2014) and the two-year period following its issuance (2015-2016). In particular, it shows (1) the number of cases closed with a reason of CNCS, (2) the proportion of the total stock of cases this represents, and (3) the proportion of all closed cases this represents. Figure 1 depicts the differences in proportion of overall cases and closed cases before and after the CSB. The results suggest a modest increase (1.7 percentage points, or about 15 percent) in the overall proportion of cases closed with a reason of CNCS, and a smaller increase in the proportion of all closed cases that have a reason of CNCS.

The analysis also includes a comparison of closure rates in the fourth calendar quarter of 2014 (October, November, December) and the fourth quarter of 2015. This sensitivity analysis is intended to ensure that the longer pre- and post-periods are not excluding a large number of cases closed immediately following the issuance of the CSB given the possibility that some CSAs may have closed all relevant cases on their caseload once the guidance was received. However, this comparison yields no significant difference in the closure rates.

Table 1 also includes the number of cases put in Pending Close status with a reason of CNCS that were then reopened. This process was another key section of the guidance presented in CSB 2015-08R, and it may have changed practice. In fact, the data show an increase in the number of cases that were reopened following CSB 2015-08R, indicating some change in use of this status.

Table 1. Number and Proportion of Unenforceable Cases Closed and Pending Closed Reopened Before and After CSB 15-08R

	Pre-Period 2013-2014	Post- Period 2016-2017	Pre-Period 4th Quarter 2014	Post- Period 4th Quarter 2015
Number of Cases Closed with Reason of CNCS	59,637	67,534	9,110	8,327
Proportion of All Cases	10.6%	12.3%	1.9%	1.8%
Proportion of Closed Cases	49.4	49.8	48.0	48.1
Number of Pending Closed Cases with Reason of CNCS that Reopen	925	1,739		
Proportion of All Cases	0.16%	0.32%		

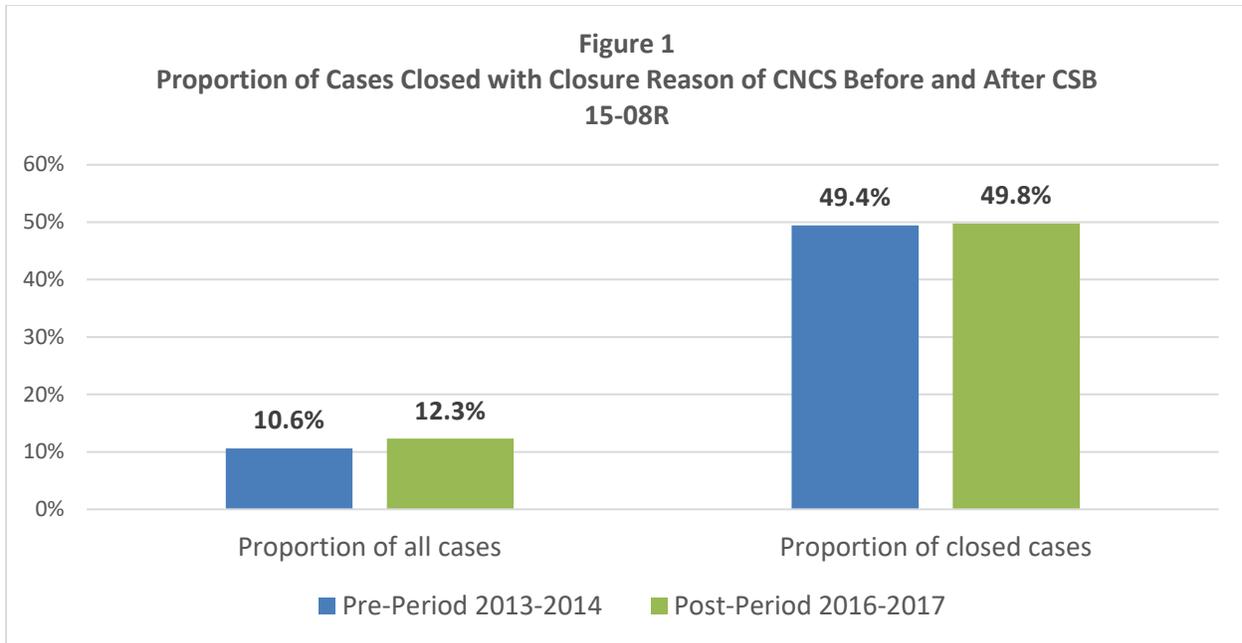


Table 2 and Figures 2 and 3 present data on case closure rates by county, which generally reinforce the qualitative findings. Table 2 provides information the range of closure rates overall, and then further disaggregated into: (1) Dane and Milwaukee Counties; (2) urban counties (those that are part of a Metropolitan Statistical Area as defined by the US Census Bureau)³; and (3) the balance of the state. As Table 2 and Figure 2 indicate, both before and after the bulletin, case closure rates vary across counties, though many counties are clustered between 10-20 percent. Table 2 and Figure 3 also suggest that counties generally experienced an increase in case closures with a reason of CNCS following the bulletin.

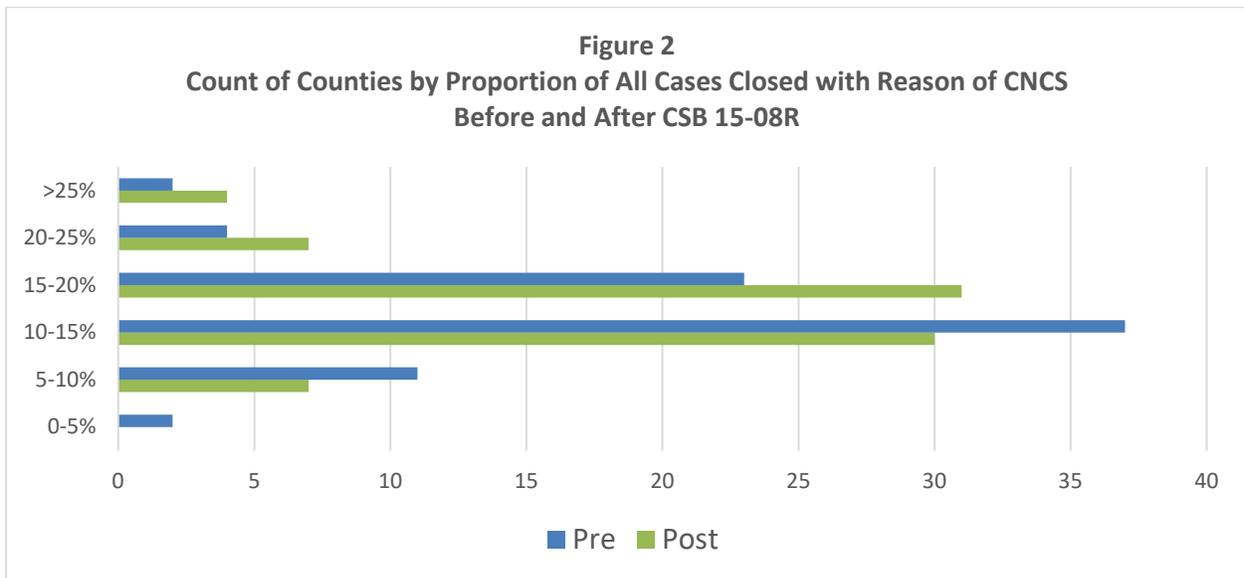
The data also indicate some differences by county size, which was also evident in the interviews. The two largest counties have some of the lowest proportions of cases closed for reason of CNCS, both before and after CSB 15-08R. Milwaukee experienced a slight increase after the CSB (1.5 percentage points), and Dane had a decline in the proportion of CNCS closures. The remaining large and urban counties have higher proportions of these cases than Dane and Milwaukee, and, overall, had an average increase of 2.5 percentage points after CSB 15-08R was issued. Smaller CSAs in the balance of the state have the highest proportion of these cases both before and after the bulletin, though had a smaller overall increase over the two periods (1.7 percentage points).

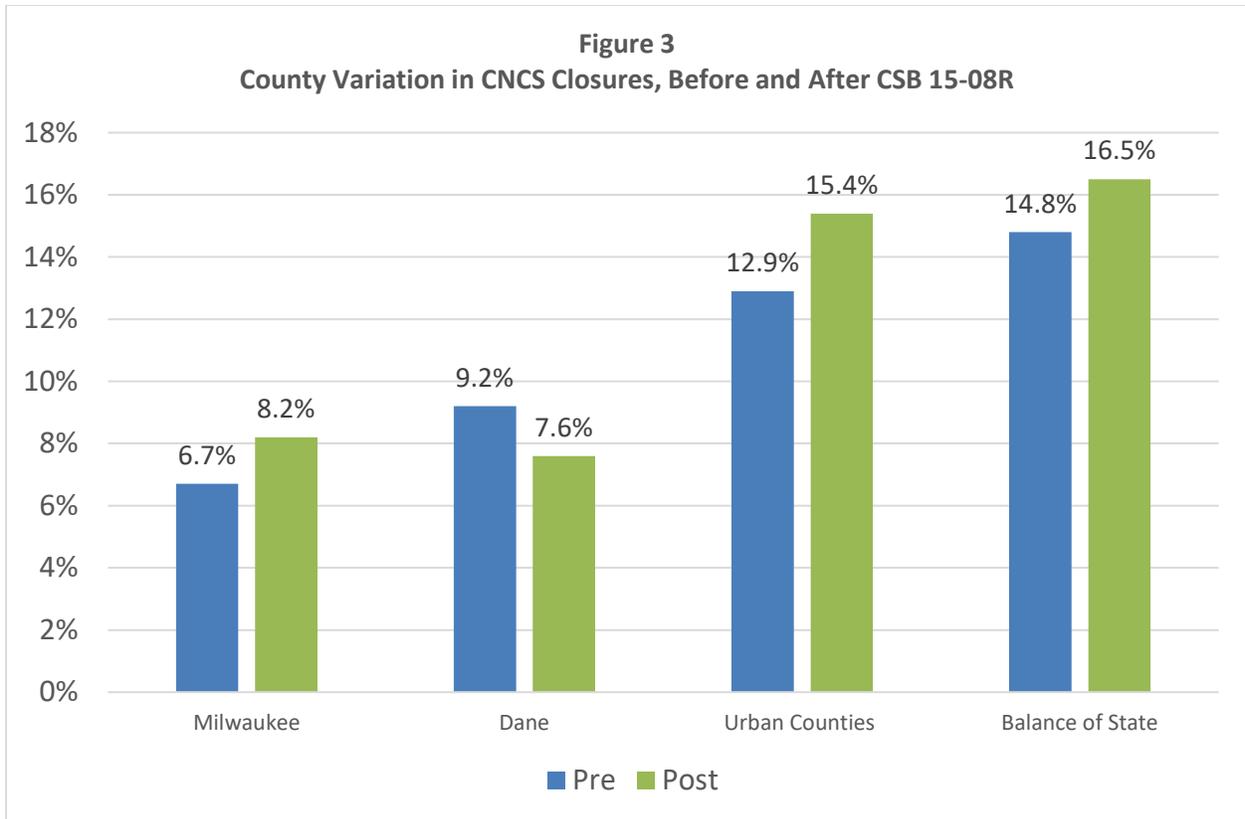
An analysis comparing characteristics of the cases closed with a reason of CNCS before and after CSB 15-08R provides some additional information. Overall, the data suggest that cases closed after the issuance of the bulletin were an average of 62.6 days older (2,177 days compared to 2,240 days) than those closed with the same reason in the period prior to the CSB's issuance. No significant difference was found in the average amount of arrears owed for cases closed in 2013-2014 and those closed in 2016-2017.

³ Counties classified as urban include: Brown, Calumet, Chippewa, Columbia, Douglas, Eau Claire, Fond du Lac, Green, Iowa, Kenosha, Kewaunee, La Crosse, Marathon, Oconto, Outagamie, Ozaukee, Racine, Rock, St. Croix, Sheboygan, Washington, Waukesha, Winnebago

Table 2. Unenforceable Case Closure Rates by CSA

		All		Milwaukee and Dane		Urban Counties		Balance of State	
		Pre	Post	Pre	Post	Pre	Post	Pre	Post
Distribution	Min	0.0%	6.2%	6.7%	7.6%	5.5%	9.7%	0.0%	6.2%
	Max	29.8	31.9	9.2	8.2	18.0	21.6	29.8	31.9
	Mean	14.0	15.9			12.9	15.4	14.8	16.5
	25 th percentile	11.9	13.1			11.0	13.5	12.5	12.9
	75 th percentile	15.5	18.2			14.8	17.2	16.4	19.4
Count of Counties by Closure Rate	0-5%	2	0						
	5-10%	11	7						
	10-15%	37	30						
	15-20%	23	31						
	20-25%	4	7						
	>25%	2	4						





CONCLUSION

The results of this analysis suggest that the issuance of CSB 15-08R may have had a modest impact on CSA practice related to closure of unenforceable cases. Specifically, KIDS data show an increase in the proportion of cases closed with a recorded reason of CNCS, particularly in larger counties. Data from KIDS also indicate an increase in the number of cases put in pending close status with a reason of CNCS, that are ultimately reopened rather than closed.

Findings from both the interviews and the analysis of KIDS data also suggest that practice for unenforceable cases may vary across the state. Some CSAs may be closing these cases more proactively than others. Differences may relate to performance incentives, resource levels, caseload characteristics, or other factors. Additional analysis would be required to better understand the relative importance of these alternatives.

Interviews with CSA staff suggest that they are aware of the tension between closing these cases, which allows them to devote resources to other cases, and leaving them open to ensure payment is received whenever possible. However, as CSB 15-08R indicates, cases can be reopened if additional information is produced. Further discussion and guidance may be warranted if it is determined that a more proactive approach would be beneficial, or if greater uniformity across CSAs is desired.

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Wisconsin Statutes 49.22(13)