The Child Support Performance and Incentive Act at 20: Examining **Trends in State Performance**

Research Brief

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Twenty years have passed since Congress enacted P.L. 105-200, the Child Support Performance and Incentive Act (CSPIA), dramatically restructuring the child support performance incentive system. Prior to its passage in 1998, there was growing concern that the incentive system lacked an effective impetus for improving state progress toward achieving the program's goals since all states received a minimum incentive payment based solely on its child support collections. Previously incentive payments above the minimum were based on program cost-effectiveness measured by the ratio of collections to state program costs.¹

CSPIA aimed to better align the incentive system to the child support program's mission to promote responsible parenting, family self-sufficiency, and child wellbeing. To achieve this aim, CSPIA added four performance measures related to establishing and enforcing child support orders—paternity establishment, support order establishment, current support collections, and arrears collections—and retained a revised measure of cost-effectiveness. In

addition to state performance on these measures, the amount of the incentive payment depends on the amount available for incentive payments in the fiscal year, the reliability of the state's data, the state's total amount of child support collections, and the relative performance of other states.

With the 20th anniversary of CSPIA's passage, there is renewed attention on the performance-based incentive system and its role in improving program performance. Incentive payments remain an important source of funds for the child support program.² CSPIA required states to reinvest incentive funding into their child support program or other services aimed at improving program efficiency or effectiveness, such as parenting classes or employment services for noncustodial parents. In fiscal year 2015, incentive payments represented 10 percent of total program expenditures, ranging from one percent to 23 percent of expenditures in each state.³

Key Trends

Four major trends emerged from our analysis of annual performance data since the implementation of CSPIA in 2002:

- **1.** States continue to make strides across performance measures
- 2. State variations in performance persist, but differences have narrowed across most measures
- 3. States made dramatic gains in paternity and order establishment, with half of states achieving performance ceilings for both measures
- **4.** Collections on current support and arrears remain a challenge for nearly all states

Methods

This brief's analysis is based on data reported annually to the Office of Child Support Enforcement. Since CSPIA required the incentive system to be phased-in, we examine the five performance measures for all states and the District of Columbia beginning in 2002, when the system was fully effective, through 2016 when the most recent data was available.

To understand how performance varies across states over time, we examine the spread or variation of performance scores by dividing them into quartiles. We also examine median values to understand state performance overall.

What do quartiles tell us about performance?

Quartiles help illustrate the variability of performance scores across states. This allows us to compare performance to states at the top of the distribution (the highest-performing states) to states in the bottom of the distribution (the lowest-performing states). This also helps us understand patterns of change from year-toyear. For example, do differences between highperforming and low-performing states narrow overtime?

What does the median tell us about performance?

The median represents the middle performance score, but unlike the mean, it is not sensitive to outliers or unusual values. We examine the median and how it compares to each measure's upper threshold (the score required for the maximum incentive amount) to understand how states perform overall. For example, we may see large differences between states in the top and bottom quartiles on a given measure. However, if the median is at or near the measure's upper threshold and eligible for the maximum incentive, most states are performing well on that measure.

Despite broad agreement that the child support program has performed well since the passage of CSPIA, questions remain over whether the current measures will continue to drive better performance on outcomes that reflect the child support program's core mission. To shed light on this issue, this brief discusses differences in state performance across incentive measures, underscoring the diversity of state experiences since CSPIA's passage 20 years ago.

State child support programs operate in complex environments. There are considerable differences in the structure of state programs, how they coordinate with other state agencies, the level of court involvement required by state law, and the policies and procedures to which they adhere. The differences in states' performance on CSPIA's measures may reflect such variances in local service, economic, and administrative contexts in which state programs operate.

This brief builds on previous work by Sorensen (2016) examining national trends in child support performance by assessing the extent to which performance varies across states and across measures. We discuss, for each measure, how states' performance has changed since the implementation of CSPIA, the extent to which states' performance varies, and opportunities for improvement. We then examine states' recent performance by highlighting measures that have significant improvement from 2011 through 2016. The brief concludes with a discussion of next steps for future analyses.

Paternity Establishment Performance

Since 2002, states made great strides to ensuring children have a legal claim to child support by establishing paternity.

In 2002, thirteen states had paternity establishment percentages below the upper threshold of eighty percent and not eligible to receive the maximum the federal incentive payment for paternity establishment (see text box below for details). By 2011, however, almost all states had performance percentages at or above the upper threshold. State paternity establishment percentages are presented by year in Table 1 on page 17.

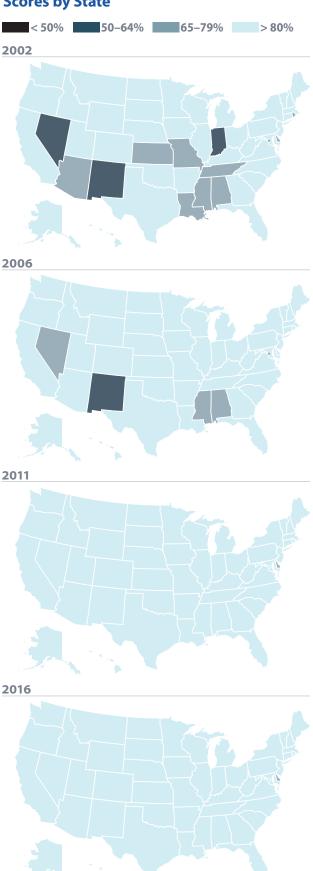
Measure 1: Paternity Establishment Percentage (PEP)

The percentage of children for whom paternity was established or acknowledged during the fiscal year. States have two options for reporting performance. The first, IV-D PEP, is based on the number of children in the IV-D caseload. The second, Statewide PEP, is based on the number of nonmarital births in the state during the preceding fiscal year for whom paternity was established.⁶ Since states report only one paternity establishment score each year, our analysis does not distinguish between IV-D PEP and Statewide PEP.

Since performance scores compare paternities established during the current year to the number of nonmarital births in the previous year, percentages can exceed 100 percent.

If performance for paternity establishment is at or above the upper threshold of 80 percent, then states are entitled to the maximum incentive. If states do not attain a rate of at least 50 percent, they are not eligible for an incentive for that measure, unless the state significantly improves from its previous year's performance.

Paternity Establishment Percentage Scores by State



Paternity Establishment Performance

State paternity establishment rates rose dramatically since 2002, narrowing state differences in paternity establishment performance.

State paternity establishment rates dramatically improved from 2002 to 2016, with the median percentage increasing nearly 11 percentage points from 86 percent to 97 percent during that period. It is important to note that paternity establishment rates can exceed 100 percent since states establish paternities for older children born before the previous fiscal year. For states in the top quartile, the median paternity establishment rate exceeded 100 percent for much of the 14-year period.

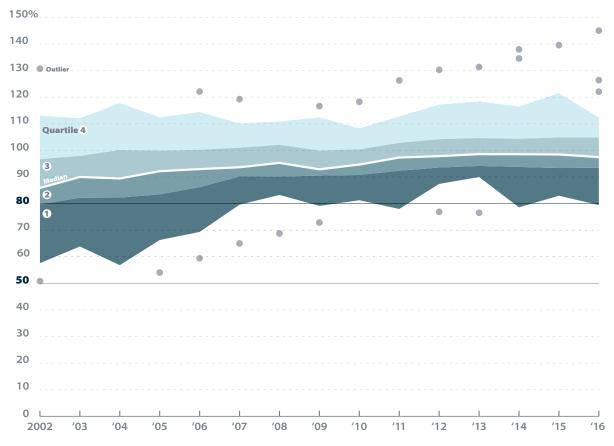
Differences in state paternity establishment rates also narrowed during this period. Since 2002, the difference between the highest and lowest state score—a measure of how widely state rates vary—dropped nearly 14 percentage points in 2016 due to large improvements among states in the bottom quartile.

How to Interpret the Stacked Area Charts

Our stacked area charts are a version of standard box plots that display the full range of values, the likely range of values (interquartile range), the typical value (median), and any atypical values (outliers). By transforming yearly box plots of state performance scores into the stacked area chart shown below, we can see how the distribution of performance changed across states over time.

Comparing performance at the top of the distribution to the bottom captures the overall performance across states. Top-to-middle comparisons (above the median) or middle-tobottom (below the median) comparisons allow us to understand patterns of change across the distribution, such as high-performers versus lowperformers from year-to-year. We also denote outliers with each dot representing one state.

Distribution of Paternity Establishment Percentage



Order Establishment Performance

States' performance establishing child support orders improved substantially since 2002.

State order establishment rates increased from 2002 through 2016. In 2002, 37 states fell below the upper threshold for the order establishment and four states failed to meet the lower threshold (see text box below for details). By 2016, all but five states had established support orders for at least 80 percent of child support cases, exceeding the upper threshold for performance and eligible to receive the maximum incentive for that year. State support order establishment percentages are presented by year in Table 2 on page 18.

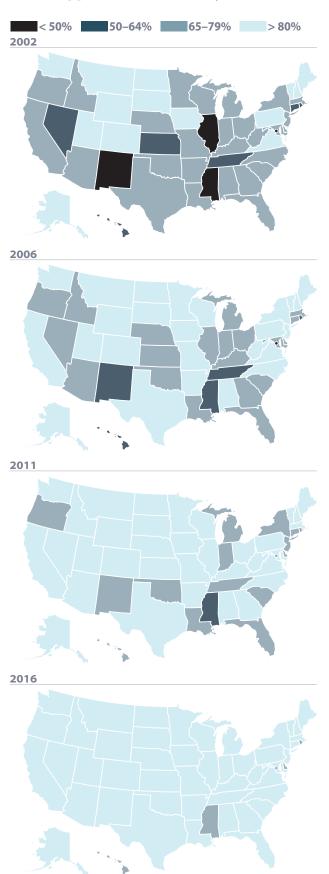
Measure 2: Child Support Order Establishment Percentage

The percentage of child support cases that have a child support order requiring the noncustodial parent to pay child support.

If performance for order establishment is at or above the upper threshold of 80 percent, then states are entitled to the maximum incentive.

If states do not attain a rate of at least 50 percent, they are not eligible for an incentive for that measure, unless the state significantly improved from its previous year's performance.

Child Support Order Scores by State

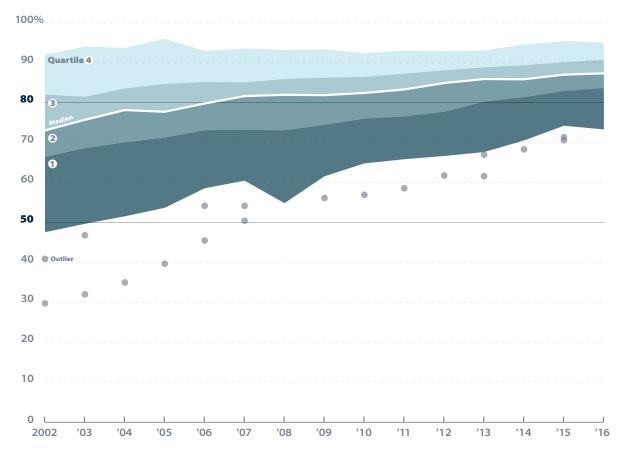


Order Establishment Performance

The rise in support order establishment rates was driven largely by improved performance among the lowest performing states.

The median support order establishment percentage improved 14 percentage points from 73 percent in 2002 to 87 percent in 2016, an even larger increase to that seen in paternity establishment rates. During the 14-year period, improved performance among the lowest performing states that fell in the bottom quartile each year helped narrow state differences in order establishment performance.

Distribution of Child Support Order Establishment Rates



Current Collections Performance

Though states made strides on the collection of current support since 2002, gains were smaller relative to those made in paternity and order establishment.

States improved their collection of current support from 2002 to 2016. In 2002, 32 states had current support collections rates below 60 percent with one state falling below the lower threshold of 40 percent. By 2016, states' performance improved dramatically with all but 11 states collecting at least 60 percent of current support due. Only one state exceeded the upper performance threshold and eligible to receive the maximum incentive for current collections performance for that year. State current support collections percentages are presented by year in Table 3 on page 19.

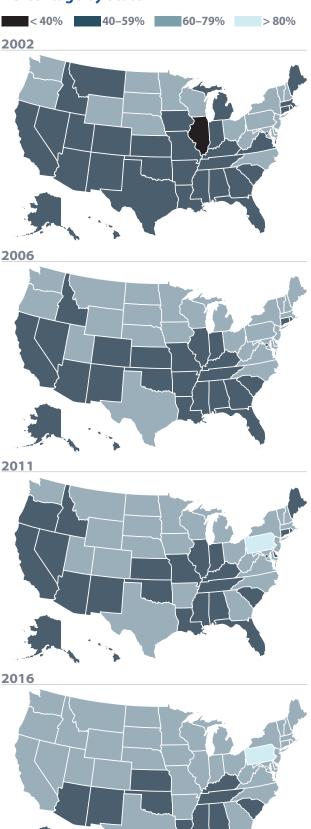
Measure 3: Child Support Collections Score

The percentage of total amount of support owed that is collected on current support cases on behalf of children in the child support caseload.

If performance for child support collections is at or above the upper threshold of 80 percent, then states are entitled to the maximum incentive.

If states do not attain a rate of at least 40 percent they are not eligible for an incentive for that measure, unless the state significantly improved from its previous year's performance.

Current Child Support Collections Percentage by State

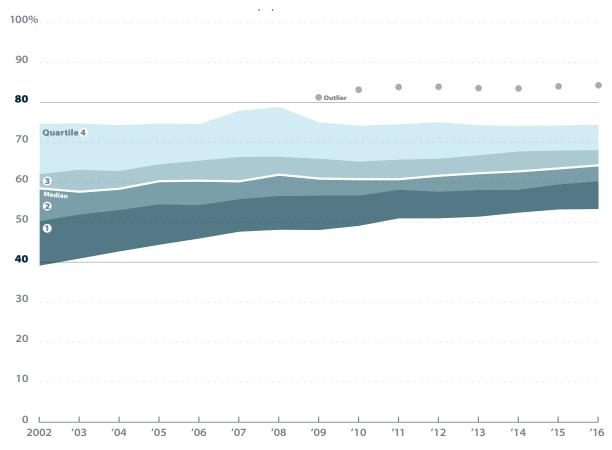


Current Collections Performance

Variation in state current collection rates decreased overall, with improved performance among the lowest performing states each year since 2002.

The median current collections rate increased from 59 to 64 percent from 2002 to 2016, an increase of 5 percentage points. The differences in state performance narrowed from 2002 to 2016. In 2002, the difference between the highest and lowest rates was 36 percentage points. By 2016, the separation between the high and lowest state decreased to 31 percentage points.

Distribution of Current Support Collection Rates



Arrearage Collections Performance

States' efforts to collect child support from cases with an arrearage moderately improved since 2002.

States made progress on the number of cases paying towards arrears from 2002 and 2016, but like performance on current support collections, only one state attained a performance score above the upper threshold of 80 percent and eligible for the maximum incentive for arrears collection each year since 2011 (see text box below for additional details). In 2002, 18 states collected past-due support from less than 60 percent of their arrearage cases and two states less than 40 percent of their arrearage cases. By 2016, only 10 states had arrearage collection rates lower than 60 percent and no state below 40 percent. State arrearage collections percentages are presented by year in Table 4 on page 20.

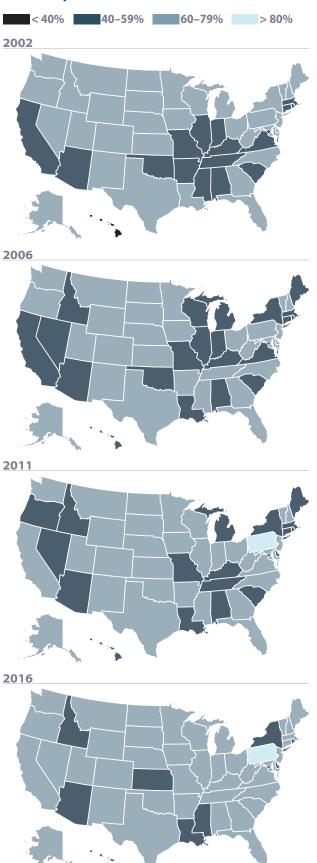
Measure 4: Child Support Arrearage Cases Scores

The percentage of arrearage cases that had a collection of past-due support. Since states vary in how they handle arrearages, such as charging interest, the measure counts paying cases, not arrearage dollars collected.

If performance for arrearage cases is at or above the upper threshold of 80 percent, then states are entitled to the maximum incentive.

If states do not attain a rate of at least 40 percent, they are not eligible for an incentive for that measure unless the state significantly improved from its previous year's performance.

Child Support Arrearage Cases Scores by State

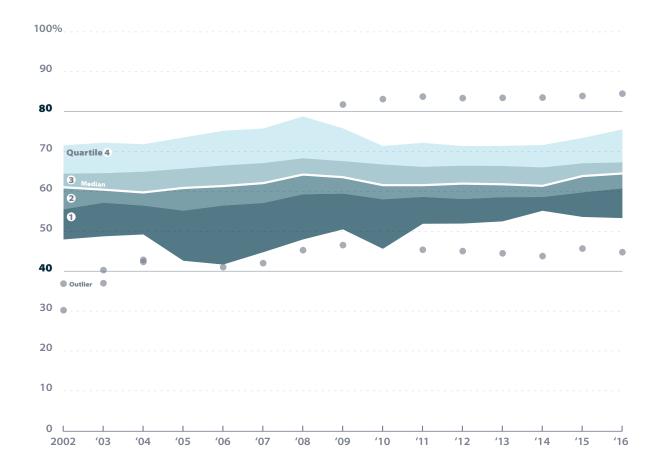


Arrearage Collections Performance

State arrearage collections performance fluctuated from 2002 to 2016. Though state differences in performance narrowed for most of the period, they began to widen in 2014.

Between 2002 and 2016, the median arrears score grew by three percentage points, increasing from 61 to 64 percent. State variation in performance scores fluctuated during the 14-year period. States' performances differences briefly narrowed in 2011 until 2014 when they began to widen.

Distribution of Child Support Arrearage Scores



Cost-Effectiveness Performance

The cost-effectiveness of state programs improved overall from 2002 to 2016.

Cost-effectiveness scores improved across states from 2002 to 2016. In 2002, 14 states had cost-effectiveness ratios at or above the upper threshold of \$5.00 and two states fell below the lower threshold of \$2.00 (see text box below for additional details). By 2016, 26 states had cost-effectiveness ratios at or above \$5.00 and none were below the lower threshold of \$2.00. State cost- effectiveness ratios are presented by year in Table 5 on page 21.

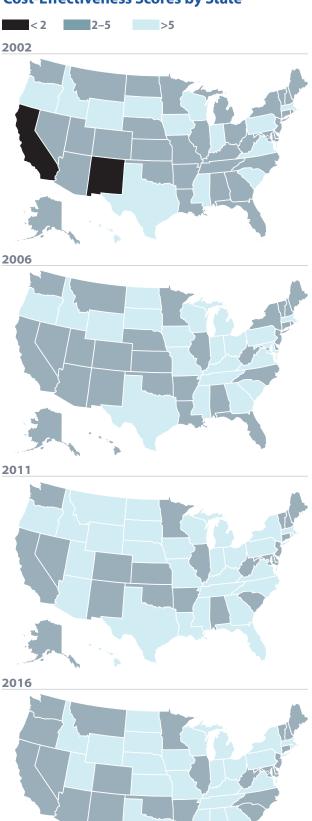
Measure 5: Cost-Effectiveness

The ratio of total amount collected through the child support program to the total program expenditures to make these collections.

If performance for cost- effectiveness is at or above the upper threshold of \$5.00, then states are entitled to the maximum incentive for that measure.

If states do not attain a score of \$2.00, they are not eligible for an incentive for that measure, unless the state significantly improves from its previous year's performance.

Cost-Effectiveness Scores by State

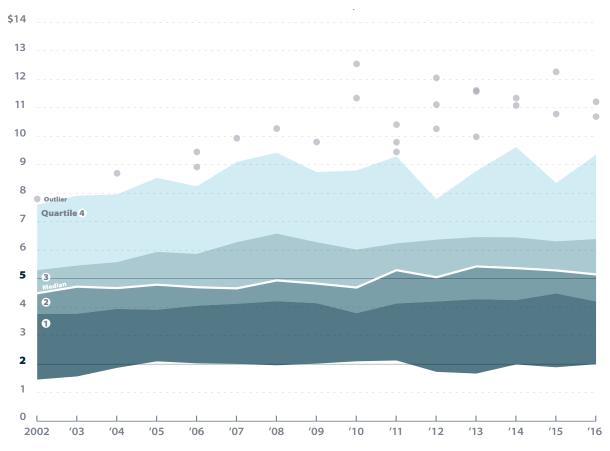


Cost-Effectiveness Performance

State differences in cost-effectiveness persisted from 2002 to 2016 driven by large improvements of higher-performing states each year.

The median cost effectiveness ratio was \$5.15 in 2016, up from \$4.49 in 2002. The difference between the highest and lowest state cost-effectiveness ratio remained large, increasing from \$6.34 in 2002 to \$9.20 in 2016. Three states consistently achieved cost-effectiveness ratios above \$8.00 with one state reaching a cost-effectiveness ratio over \$12.00 in 2010. States in the bottom quartile consistently had costeffectiveness ratios below \$4.50 since 2002.

Distribution of Cost Effectiveness by State



Recent Trends in State Program Performance

Recent program performance improved more than it declined across measures. States continued to gain ground on support order establishment and collections on current support due.

To understand the extent to which states have continued to make performance gains in recent years, we examined the number of states that increased or decreased performance in each measure over the most recent five-year period for which data are available (2011 to 2016). Nearly all states

improved on at least one performance measure, and half of all states improved on multiple measures during the period. Only eleven states experienced a sizeable decline on one measure, and no state had a sizeable decline on more than one measure.

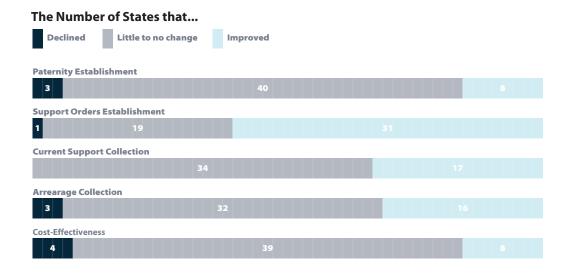
Thirty-one states had a sizeable improvement of nearly four percentage points on the establishment of child support orders while only one state sizably declined on that mea-sure. No states' performance on collections of current sup-port due substantially declined over the fiveyear period, with 17 states making a sizeable improvement of at least 3.5 percentage points. Though three states experienced a sizeable decline on paternity establishment, state performance overall on this measure was above the upper threshold of 80 percent since 2011.

How do we define a sizeable improvement or decline?

We consider a change between 2011 and 2016 of at least one-half of a standard deviation larger than the measure's combined distribution over the two time periods to be meaningful. The standard deviation measures the "spread" of the data—that is, the variation from the average. The higher the standard deviation, the farther away a data point is from the average. Here, if a state's performance change is farther from the average (i.e., 0.5 standard deviations), it is considered a sizeable improvement or decline.

Recent State Performance:

Performance Measure Improvements and Declines from 2011 to 2016



Looking Ahead

Our analysis of state performance measures finds that states have made strong progress across measures with dramatic improvements in paternity and order establishment. For both measures, nearly all states are now exceeding performance ceilings. On the other hand, there is still room for improvement on current and arrearage collections measures with nearly all states performing below performance ceilings. Half of states are performing above the performance ceiling for cost-effectiveness.

We also find that variations in state performance persist, but differences have narrowed for paternity establishment, order establishment, and current order collections measures. Though state variation in performance on arrearage collections declined for most of the period between 2002 and 2013, it began to widen from 2014 to 2016. Additionally, state differences in cost-effectiveness have increased.

While there is consensus that the child support program is performing well overall, our analysis shows improvement is not uniform across states. Future analyses would benefit from a closer examination of what is driving state variation on these measures. For example, shifts in the composition of state caseloads, variation in state expenditures, and policy changes all have the potential to influence states' performance. Similarly, the amount and sources of child support collections influence the portion of the total incentive pool for which states are eligible. Future research could further explore how shifts in the national child support caseload have influenced incentive payments to states.

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Disclaimer

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Notes

- ¹U.S. Government Accountability Office, Child Support Enforcement: Reorienting Management toward Achieving Better Program Results, GAO-97-14, October 1996.
- ²Since 2011, incentive funding is no longer matched due to the passage of the DRA of 2005, and while incentive funding is still important to state, its relative importance to states has since declined.
- ³ Throughout this brief, references to years refer to the federal fiscal year. Note FY2015 is the most recent data available on incentive payments.
- 4 The body of this brief presents data from the 50 states and the District of Columbia. Detailed state tables at the conclusion of the brief also include data from Guam, Puerto Rico, and the U.S. Virgin Islands.
- ⁵ Sorensen, E. (2016). The Story Behind the Numbers. Prepared for the Office of Child Support Enforcement, Administration for Children and Families, U.S. Department of Health and Human Services.
- ⁶ Specifically, IV-D PEP is the ratio of the number of children in the caseload in the fiscal year, or as of the end of the fiscal year, who were born to unmarried parents with paternity established or acknowledged, to the number of children in the caseload as of the end of the preceding fiscal year who were born to unmarried parents. Statewide PEP is the ratio of the number of minor children in the state who were born to unmarried parents for whom paternity has been established or acknowledged during the fiscal year, to the number of children in the state born to unmarried parents during the preceding fiscal year.

TABLE 1: Paternity Establishment Percentage Scores by State

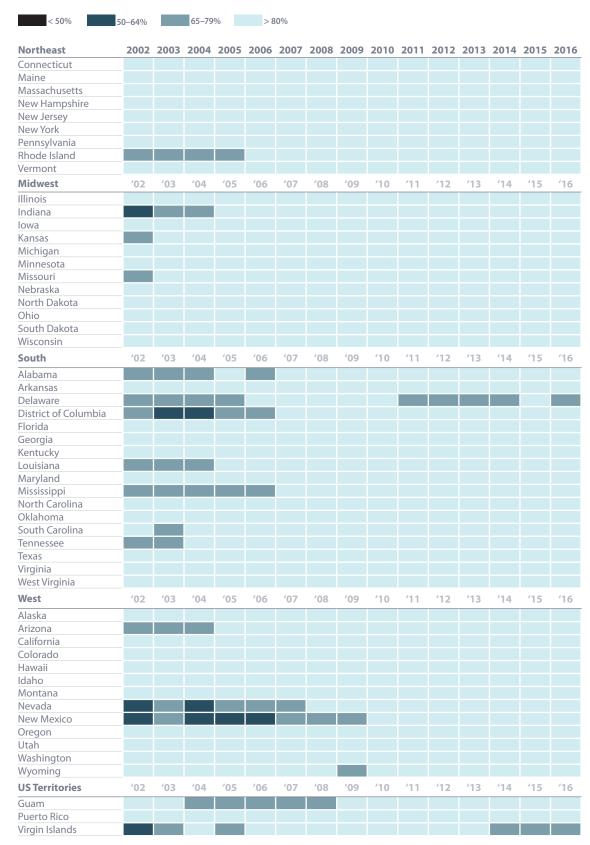


TABLE 2: Support Orders Established Percentage



TABLE 3: Current Support Collection Percentage

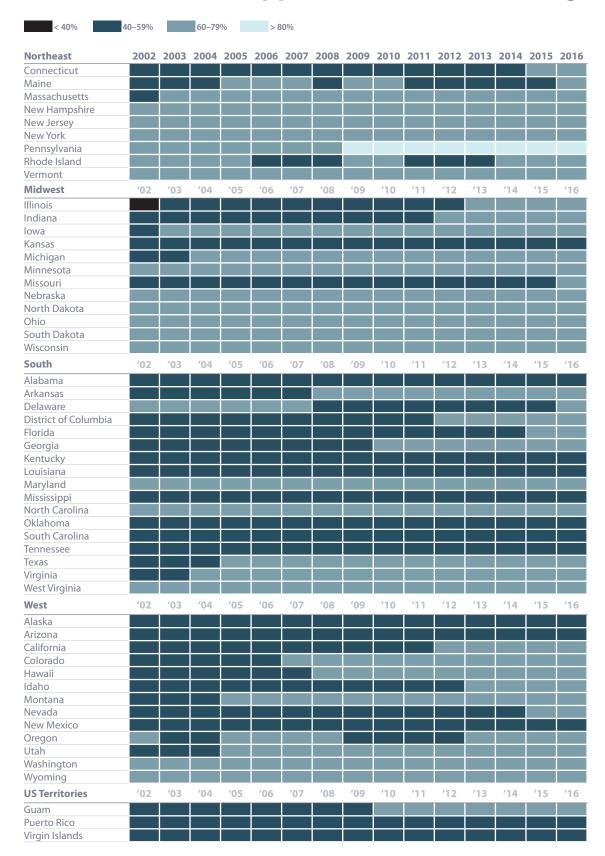


TABLE 4: Arrearage Cases Percentage

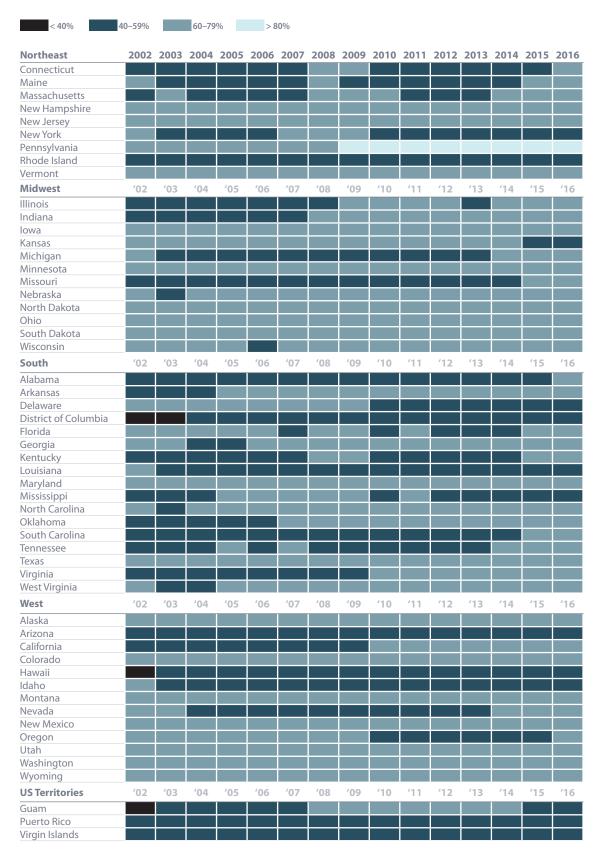


TABLE 5: Cost Effectiveness Ratio

