

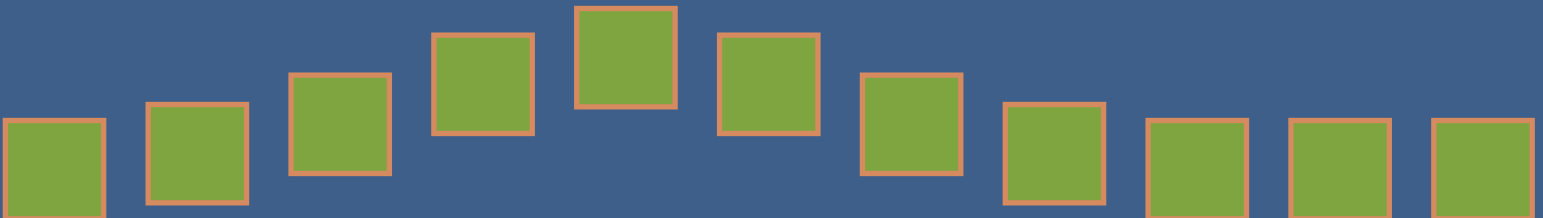
# Comparing the Costs and Benefits of Two Approaches to Addressing Nonpayment of Child Support

Results from the Benefit-Cost Analysis in the Procedural Justice-Informed Alternatives to Contempt Demonstration

Louisa Treskon  
with  
Danielle Fumia and Mary Farrell



September 2023





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# OVERVIEW

**W**hen a child does not live with both parents, the parent with whom the child does not live is known as the “noncustodial parent.” The noncustodial parent may be responsible for a share of the costs associated with raising the child. Parents who do not make their child support payments can be subject to enforcement measures such as license suspensions or interceptions of tax refunds. If these measures do not yield sufficient payment, child support programs can refer parents to the legal system for civil contempt of court. Civil contempt proceedings require noncustodial parents to attend hearings and may lead to arrest or jailing.

In recent years, some child support policymakers and researchers have questioned the fairness and effectiveness of pursuing civil contempt to secure child support payments, particularly for parents with low incomes. Civil contempt proceedings are costly, burdensome, and often counterproductive to the goals of the child support program. They can impede employment, increase child support debt, alienate noncustodial parents from their children, and decrease parents’ future cooperation.

The Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration tested a different approach to improving child support payments. Developed by the Office of Child Support Services (formerly the Office of Child Support Enforcement), it integrated principles of procedural justice (the idea of fairness in processes) into enforcement practices in six child support agencies across the United States as an alternative to standard contempt proceedings. PJAC services aimed to address noncustodial parents’ reasons for nonpayment, promote their positive engagement with the child support program and the other parent, and improve the consistency and completeness of their payments, all while avoiding the civil contempt process.

The PJAC demonstration used a random assignment research design. Parents who had reached the point of a contempt referral were assigned either to a PJAC services group, which had access to child support services informed by procedural justice, delivered by a specially trained PJAC case manager, or to a business-as-usual group, which proceeded to the standard contempt process.

This report compares the benefits and costs of PJAC services with those of business-as-usual child support enforcement. Benefit-cost analysis brings together information about the costs of an intervention and the monetary value of its effects. The results provide information about what different parties (for example, government, parents, or society as a whole) might gain or lose monetarily and help decision-makers compare the costs and benefits of various policy alternatives. Benefit-cost analysis sums the benefits of an intervention and subtracts its costs to arrive at its net benefits. Findings include:

Though the PJAC intervention did not meet its primary goals of improving payment compliance and regularity, it successfully reduced reliance on civil contempt filings, which resulted in a small savings. Although PJAC used a more intensive case management approach with lower caseloads per staff member, because it reduced the use of the expensive contempt-of-court process, business-as-usual services cost about \$70 more per sample member than PJAC services in the 12 months after study enrollment.

PJAC services produced small, positive net benefits for society at \$33 per PJAC participant in the 12 months after study enrollment due to changes in child support debt owed. These changes meant that PJAC services produced positive net benefits for the government and noncustodial parents, but negative net benefits for custodial parents and children. (The overall net benefits for society are estimated by combining the positive and negative net benefits for all parties calculated separately.) Across all perspectives, the gain or loss amounts were small. The estimated loss to a custodial parent of \$139 in the first year is unlikely to reflect a material difference in a child's standard of living.

In order for custodial parents and children to benefit monetarily from PJAC services, they would have needed to experience an increase in child support payments. All noncustodial parents in the study were assessed as having an ability to pay child support. Nevertheless, both parents and child support staff members reported that, in actuality, many struggled with obtaining and maintaining consistent employment that paid enough for them both to meet their own basic needs and to make child support payments in the amount they were ordered. Noncustodial parents' difficulty meeting their child support obligations point to some of the limitations of the PJAC model: limited earnings may make it difficult for many parents to comply with their orders, whether or not they perceive the process to be fair.

The PJAC benefit-cost analysis suggests that child support agencies can adopt alternatives to contempt-of-court processes, for example the approach used in PJAC, without having a large effect on child support agency costs, child support payments, or debt levels. It is noteworthy that only small decreases in payment outcomes accompanied PJAC's large reduction in civil contempt filings, and child support agencies experienced savings, at least in the short term, suggesting that PJAC may still be a better option overall. Additionally, the PJAC case management approach may have also led to nonmonetary benefits to families that were not captured in this analysis via less involvement with the justice system, improved parent-child interactions, or improved relationships between parents.



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The Author



# EXECUTIVE SUMMARY

**W**hen a child does not live with both parents, the parent with whom the child does not live is known as the “noncustodial parent.” The noncustodial parent may be responsible for a share of the costs associated with raising the child. The primary goal of child support programs is to improve children’s well-being by emphasizing the roles of both parents in providing for them.

Some families receive child support from noncustodial parents regularly. For other families, however, payments may be sporadic, partial, or nonexistent. Parents who do not make their child support payments can be subject to enforcement measures such as license suspensions, interception of tax refunds, or seizure of bank accounts.<sup>1</sup> If these measures do not yield sufficient payment, child support programs can refer nonpaying parents to the legal system for civil contempt of court. Civil contempt proceedings require noncustodial parents to attend hearings and may lead to arrest or jailing if they fail to appear in court or continue not to meet their child support obligations.

In recent years, some child support policymakers and researchers have questioned the fairness and effectiveness of pursuing civil contempt to secure child support payments, particularly for parents with low incomes. Civil contempt proceedings are costly, burdensome, and often counterproductive to the goals of the child support program. They can impede employment, increase child support debt, alienate noncustodial parents from their children, and decrease parents’ future cooperation with the program.<sup>2</sup>

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<sup>1</sup> Enforcement measures are actions taken by child support agencies with the intention of collecting past-due child support and securing current and future payments.

<sup>2</sup> Elizabeth Patterson, “Civil Contempt and the Indigent Child Support Obligor: The Silent Return of Debtor’s Prison,” *Cornell Journal of Law and Public Policy* 18, 1 (2008): 95-142; Rebecca May and Marguerite Roulet, *A Look at Arrests of Low-Income Fathers for Child Support Nonpayment: Enforcement, Court and Program Practices* (Madison, WI: Center for Family Policy and Practice, 2005).

The Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration project tested a different approach to improving child support payments. Developed by the federal Office of Child Support Services (formerly the Office of Child Support Enforcement), it integrated principles of procedural justice into enforcement practices in six child support agencies across the United States as an alternative to standard contempt proceedings.<sup>3</sup> Procedural justice, sometimes referred to as “procedural fairness,” is the idea that “how individuals regard the justice system is tied more to the perceived fairness of the *process* and how they were treated rather than to the perceived fairness of the *outcome*.”<sup>4</sup> Research suggests that if people perceive a process to be fair, they will be more likely to comply with the outcome of that process, whether or not the outcome was favorable to them.<sup>5</sup> (A list of principles of procedural justice appears in Box ES.1.) With oversight from the Georgia Division of Child Support Services, MDRC led a random assignment evaluation of the model’s effectiveness in collaboration with MEF Associates and the Center for Justice Innovation. PJAC services aimed to address noncustodial parents’ reasons for nonpayment, promote their positive engagement with the child support program

and the other parent, and improve the consistency and completeness of their payments, all while avoiding a court-led civil contempt process. Between 2018 and 2020, eligible parents were randomly assigned either to a group offered PJAC services or to a business-as-usual group sent through standard contempt proceedings. The research team compared the outcomes of these two groups over time.

This is the fourth major report in the PJAC evaluation.<sup>6</sup> Earlier reports assess the implementation of the PJAC service model, detail the contrast in service and enforcement experiences between parents in the PJAC services and business-as-usual groups, and present PJAC’s overall effects on parents’ payment and debt outcomes.<sup>7</sup> Building on those findings, the present report compares the benefits

### BOX ES.1 THE FIVE KEY ELEMENTS OF PROCEDURAL JUSTICE AS APPLIED TO THE CHILD SUPPORT CONTEXT

- **Respect:** Parents should believe they were treated with dignity and respect and their concerns were taken seriously.
- **Understanding:** Parents should understand the child support process and have their questions answered.
- **Voice:** Parents should have a chance to be heard by sharing their perspectives and expressing their concerns.
- **Neutrality:** Parents should perceive the decision-making process to be impartial.
- **Helpfulness:** Parents should feel that the child support agency was helpful and interested in addressing their situations.

<sup>3</sup> These six participating PJAC study agencies are hereafter called “sites.”

<sup>4</sup> Emily Gold, “The Case for Procedural Justice: Fairness as a Crime Prevention Tool,” *Community Policing Dispatch* (website: [https://cops.usdoj.gov/html/dispatch/09-2013/fairness\\_as\\_a\\_crime\\_prevention\\_tool.asp](https://cops.usdoj.gov/html/dispatch/09-2013/fairness_as_a_crime_prevention_tool.asp), 2013).

<sup>5</sup> Tom R. Tyler, “Procedural Justice and the Courts,” *Court Review* 44, 1 (2007): 26–31.

<sup>6</sup> Additionally, there are nine practitioner-focused briefs, all available at: <https://www.mdrc.org/project/procedural-justice-informed-alternatives-contempt#related-content>.

<sup>7</sup> Louisa Treskon, Douglas Phillips, Jacqueline Groskaufmanis, and Melanie Skemer, *Procedural Justice in Child Support Enforcement: Lessons from an Implementation Study of PJAC* (New York: MDRC, 2022); Melanie Skemer, Jennifer Hausler, Olivia Williams,

and costs of PJAC services with those of business-as-usual child support enforcement. Benefit-cost analysis brings together information about the costs of an intervention and the monetary value of its effects. The results allow decision-makers to compare the costs and benefits of various policy alternatives and provide information about what different parties (for example, the government, parents, or society as a whole) might gain or lose monetarily.

## Characteristics of Parents in the PJAC Demonstration

The target population for the PJAC demonstration project was noncustodial parents who were at the point of being referred for contempt because they had not met their child support obligations, yet had been determined by child support agency staff members to have the ability to pay. They owed an average of \$26,000 in child support debt when they enrolled in PJAC and had been in the child support program for an average of 10 years.

Most noncustodial parents in the PJAC study had low reported incomes: just over half were formally employed in the year before their enrollment into the study, earning about \$5,000 in that year.<sup>8</sup> Ninety percent were identified as male and 62 percent were identified as Black or Hispanic. The demographics of noncustodial parents in PJAC have important implications for thinking about their prior experiences with the child support program, employment, and law enforcement. Men of color, who make up the majority of noncustodial parents in PJAC, face higher rates of discrimination in the labor market and criminal legal system (issues that reinforce one another). Additionally, a higher percentage of Black and Hispanic men experience unemployment and underemployment.<sup>9</sup>

## Service and Enforcement Differences Between PJAC and Business-as-Usual Services

For parents in the PJAC services group, PJAC case managers conducted in-depth case reviews, outreach and engagement with both parents, and case-planning activities to address underlying reasons for nonpayment and connect parents to services and other forms of support. The principles of procedural justice underpinned this intensive casework. Though some elements of the PJAC model were present in business-as-usual services, they were ad hoc and enforcement workers did not apply them systematically.

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Louisa Treskon, and Jacqueline Groskaufmanis, *A Comparison of Approaches Informed by Procedural Justice and Traditional Enforcement in the Procedural Justice-Informed Alternatives to Contempt Demonstration* (New York: MDRC, 2022); Melanie Skemer, *Testing a New Approach to Addressing Nonpayment of Child Support: Effects of the Procedural Justice-Informed Alternatives to Contempt Demonstration* (New York: MDRC, 2023).

<sup>8</sup> Formal employment is work with an employer that reported earnings to the government so that its employees would be eligible for unemployment insurance. Among only those parents who were formally employed in the year before study enrollment, annual earnings from that employment averaged \$8,819.

<sup>9</sup> Harry J. Holzer, *Why Are Employment Rates So Low Among Black Men?* (Washington DC: Brookings Institution, 2021); U.S. Bureau of Labor Statistics, "Civilian Unemployment Rate" (website: <https://www.bls.gov/charts/employment-situation/civilian-unemployment-rate.htm>, 2022); Ryan Nunn, Jana Parsons, and Jay Shambaugh, "Race and Underemployment in the U.S. Labor Market," *Up Front* (<https://www.brookings.edu/blog/up-front/2019/08/01/race-and-underemployment-in-the-u-s-labor-market>, 2019); Devah Pager, "The Mark of a Criminal Record," *American Journal of Sociology* 108, 5 (2003): 837-975.



Compared with business-as-usual enforcement, PJAC services generated modest increases in parents' receipt of child support services such as order reviews, license reinstatements, and debt forgiveness, and a modest reduction in license suspensions.<sup>10</sup> PJAC services led to a large, statistically significant reduction in civil contempt filings in the year following study enrollment.<sup>11</sup> About 80 percent of business-as-usual parents had a civil contempt filing during this time frame compared with 21 percent of parents in the PJAC services group, amounting to an effect of 59 percentage points. This reduction in filings resulted in declines in subsequent aspects of the contempt process, such as being served with notice to appear in court, having a bench warrant issued, and attending court hearings (since the reduction in filings meant fewer parents in the PJAC services group were required to attend hearings).

## Effects of PJAC Services on Payments and Debt After One Year

The PJAC intervention did not meet its primary goals of improving payment compliance and regularity. It generated a small but statistically significant reduction in payment compliance and had no effect on payment regularity. PJAC was associated with statistically significant declines in both making payments and payment amounts. Sixty-three percent of parents in the PJAC services group made any payment in the one-year follow-up period and the average total payment for this group was \$1,156. Meanwhile, 65 percent of parents in the business-as-usual group made payments, and their average total payment was \$1,315.

While a goal of PJAC services was to reduce debt, both by increasing payments and decreasing the amount owed through debt forgiveness and adjustments, the research team did not observe a statistically significant effect on this outcome. The PJAC services group owed slightly more than the business-as-usual group (\$60). Child support debt may be owed to the government or custodial parents, or both.<sup>12</sup> Debt owed to custodial parents decreased slightly (-\$70) while debt owed to the government increased slightly (\$130). A likely explanation for PJAC's small, negative effect on compliance without a corresponding increase in noncustodial parents' overall debt levels is that PJAC decreased the amount noncustodial parents owed to custodial parents through debt adjustment and forgiveness.

<sup>10</sup> Order reviews are reviews of the terms of a child support order to determine whether a modification is warranted. Licenses can be suspended as a means of compelling payment and reinstated if sufficient payment is made or other terms are met. Debt forgiveness is when some amount of a parent's child support debt is forgiven, meaning it is no longer owed. See Skemer (2023).

<sup>11</sup> The shorter-term measure of civil contempt filings, based on a one-year follow-up period, was conceived of as both a measure of service contrast *and* an impact outcome. It is a measure of contrast in that it reflects a difference in the service experiences of the two research groups that occurred as a direct result of the intervention and study design. Simultaneously it can be thought of as an impact outcome in that, for the PJAC services group, it measures how effective PJAC services were at engaging parents in activities aimed at increasing their payment compliance so that PJAC case managers did not resort to contempt filings. Thus, the contempt filing outcome measures the performance of the PJAC intervention at reducing the use of contempt, a central goal of the project.

<sup>12</sup> Debt owed to the state accrues in two ways: (1) While custodial parents and their children receive public assistance (for example, Temporary Assistance for Needy Families), the custodial parents must assign their right to receive support to the state. If child support payments are not received while the custodial parents are on public assistance, the unpaid support accrues as debt owed to the state. (2) Most noncustodial parents incur fees associated with child support actions, such as processing fees for child support payments. If those fees go unpaid, they become a debt owed to the state. Additionally, in 34 states—including the 5 states in the PJAC demonstration—child support debt is subject to interest, increasing debt amounts further. See National Conference of State Legislatures, "Interest on Child Support Arrears" (website: <https://www.ncsl.org/research/human-services/interest-on-child-support-arrears.aspx>, 2021).



# Benefit-Cost Results

PJAC's negative effects on confirmatory and secondary outcomes show that it did not meet its goals of improving payment compliance and regularity.<sup>13</sup> However, PJAC did meet its goal of reducing reliance on civil contempt of court as a primary mechanism for addressing noncompliance with child support orders, yielding a nearly 60-point reduction in contempt filings. Benefit-cost analysis is a useful tool in scenarios like this, where two interventions are similarly effective (or ineffective) at achieving desired outcomes, yet they use different resources and have distinct potential downstream implications for participants. Benefit-cost analysis can provide information about whether the two interventions achieved similar outcomes at different costs, and how monetary gains or losses varied for different parties.

Benefit-cost analysis sums the benefits of an intervention and subtracts its costs to arrive at its net benefits. (See Box ES.2 for a glossary of benefit-cost terms.) The PJAC benefit-cost analysis considers four perspectives that the child support program and PJAC services affect: (1) the government, including state child support agencies, county or state district courts, and county jails; (2) noncustodial parents; (3) custodial parents and children; and (4) society as a whole. Societal benefits and costs are the sum of the other three perspectives. Since societal gains are the sum of the other perspectives, the societal gain is null for components that are transfers between perspectives (for example, child support payments by noncustodial parents to either the government or custodial parents). This executive summary focuses on the benefit-cost results from the cross-site, pooled analysis. Subgroup and site-level results are only discussed in the main report.

## BOX ES.2

### GLOSSARY OF BENEFIT-COST TERMS

- **Monetize.** The process of converting measures or outcomes that are not already expressed in dollar values to dollars.
- **Net costs.** The total costs of PJAC services minus the total costs of business-as-usual services. When net costs are positive, PJAC services cost more per sample member than business-as-usual services. When net costs are negative, PJAC services cost less than business-as-usual services.
- **Total benefits.** The sum of all benefits. When total benefits are positive, PJAC services produce a positive monetary benefit. When total benefits are negative, PJAC services generate a loss.
- **Net benefits.** Total benefits minus net costs. When net benefits are positive, PJAC results in a gain after accounting for the costs of providing services. When net benefits are negative, it means that PJAC services resulted in a loss.

<sup>13</sup> In an impact evaluation, confirmatory outcomes generally relate to the study's main research questions. They are selected before data analysis begins and are used to test whether the intervention succeeded. Secondary outcomes usually relate to the study's secondary research questions or reflect factors that may help explain effects on confirmatory outcomes. Exploratory outcomes are typically not directly connected to the main research questions and may be less likely to show an effect, but are still of interest for future research.

## Costs of PJAC

- From the societal perspective, costs per sample member were similar between the two approaches, with business-as-usual services costing about \$70 more than PJAC services in the 12 months after study enrollment.

The cost estimates were primarily based on the costs to child support agencies of providing PJAC or business-as-usual services for the 12 months following each noncustodial parent's enrollment in the study. The main costs incurred by child support agencies were for case management and contempt hearings. As was expected given the lower caseloads for PJAC case managers compared with business-as-usual enforcement workers, the average monthly PJAC case management costs were more than double those of business as usual (\$79 compared with \$28). The average cost to a child support agency for a contempt hearing across all six sites was \$441.<sup>14</sup>

Though the average cost to the government at 12 months was similar between the PJAC services group and business-as-usual group, the activities responsible for the costs were different. For the PJAC services group, nearly all the \$1,087 cost per PJAC participant was for case management (\$925 compared with \$331 for the business-as-usual group). For the business-as-usual group, most of the \$1,157 cost per sample member was for contempt-of-court costs (\$767 compared with \$143 in contempt-of-court costs for the PJAC services group).

The cost analysis also considered the costs that parents might incur from participating in contempt hearings or receiving enhanced child support services, such as taking time off work, paying for child-care, or traveling to court. Noncustodial parents might also incur fees related to having their driver's licenses reinstated. From the perspective of parents, PJAC services resulted in a small savings to them due to reduction in the number of hearings they were required to attend. Custodial parents in the PJAC services group saved about \$21 and noncustodial parents saved about \$20. Though these savings were small, the analysis of costs to parents was limited since it only included a few of the potential costs that parents might incur. For example, opportunity costs related to having a suspended license or time spent meeting with or making contact with child support staff members were not included.<sup>15</sup>

## Net Benefits of PJAC

- PJAC services produced positive net benefits for society of \$33 per PJAC participant in the 12 months after study enrollment. PJAC services produced positive net benefits for the government (\$44) and noncustodial parents (\$128), but they produced negative net benefits for custodial parents and children (-\$139).

Table ES.1 presents PJAC's total benefits, net cost, and net benefits by perspective. Overall, the total benefits of PJAC services at 12 months were relatively small across perspectives. Total societal

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<sup>14</sup> This cost includes time for legal staff members to file and litigate cases, costs to serve noncustodial parents with notices to appear in court, and costs related to holding hearings in court (for example, for magistrates and bailiffs).

<sup>15</sup> In this case, "opportunity costs" refer to losses of potential gains parents might have realized from other uses of their time.





**TABLE ES.1** Net Benefits of PJAC Services After 12 Months, by Perspective

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
Total benefits of PJAC services	15	108	-161	-37
Net cost of PJAC services	-29	-20	-21	-70
Net benefits	44	128	-139	33

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

benefits were -\$37, meaning PJAC services slightly reduced societal benefits. Since PJAC services reduced child support payments, total benefits were negative for custodial parents and children (-\$161) and positive for noncustodial parents in PJAC (\$108). Child support payments act as a transfer from the noncustodial parent to the custodial parent, government, or both. From the societal perspective, there is no monetary benefit from these transfers between parties since societal benefits are the sum of all other perspectives.

The negative benefit to society primarily reflects changes in child support debt owed. Because PJAC services included a focus on debt forgiveness and compromise, the benefit-cost analysis assumes that observed reductions in debt occurred because debt was compromised or adjusted downward rather than because noncustodial parents paid it off. PJAC services increased the overall amount of child support debt owed by noncustodial parents, generating a negative benefit to noncustodial parents of -\$51, since they owed more money.<sup>16</sup> Custodial parents in the PJAC services group were owed less in child support debt, probably due to debt forgiveness, which amounted to a loss to them of \$16. However, child support debt owed to the government increased for those in the PJAC services group, probably due to lack of payments and interest compounding. This increase yielded a positive benefit to the government of \$29. The societal benefit from changes in child support owed is -\$37, which is the sum of benefits to noncustodial parents (-\$51), custodial parents (-\$16), and the government (\$29).

<sup>16</sup> Child support debt amounts are discounted to account for both the net present value of the change in debt and the likelihood that the debt would be repaid. Following the approach described in Box 4.2 of the main report to account for the reality that not all debt owed is likely to be paid, the analysis assumes that only 27 percent of a debt would be repaid over 10 years.

Net benefits account for the cost of implementing PJAC services relative to business-as-usual services. Net benefits were calculated as the total benefits minus the net costs of program services at 12 months. As described above, PJAC services saved society an average of \$70 per PJAC participant. PJAC services saved the government \$29, noncustodial parents \$20, and custodial parents \$21. Subtracting the societal cost of PJAC services from the total societal benefits results in an estimated net benefit of \$33, meaning PJAC services saved society \$33 per PJAC participant in the 12 months after study enrollment. Though PJAC services produced positive net benefits for the government (\$44) and noncustodial parents (\$128), they produced negative net benefits for custodial parents and children (-\$139). The larger gains to noncustodial parents and larger losses to custodial parents and children compared with the societal net benefit stem mainly from the reduction in child support payments; since these are considered transfers in the benefit-cost analysis, they do not affect the societal net benefits.

The Michigan PJAC site had an unusual structure for contempt-of-court proceedings that did not rely on legal and court staff, which resulted in it having the lowest business-as-usual costs among the sites. It also had the highest costs for PJAC services. Because Michigan was an outlier in both respects, the research team conducted a sensitivity analysis to determine what the results of the analysis would be if Michigan's costs and benefits were not included. Excluding Michigan increased the cost savings to society of PJAC services compared with business as usual from \$70 to \$310. In the net benefit analysis, excluding Michigan entirely (both its costs and its benefits) resulted in PJAC services generating a greater net benefit to society per sample member of \$285 (compared with \$33 with Michigan included).

An exploratory analysis of the long-term benefits and costs of PJAC services 30 months after study enrollment found that PJAC services cost society \$741 more per PJAC participant than business-as-usual services 30 months after study enrollment. On the benefits side, at 30 months, PJAC services did not result in improved payments or reduced debt levels, and the total benefits to society were \$29, primarily as a result of changes in child support debt for noncustodial parents. Net benefits were -\$712 at 30 months. The estimates at 30 months should be interpreted with caution and viewed as exploratory. First, most of the sample had part of their follow-up period occur after the start of the COVID-19 pandemic, which initially closed many courts and caused some child support agencies to hold off on sending parents to contempt. Thus, contempt costs, which mostly affect the business-as-usual group, may underrepresent what would typically occur. Additionally, 30 months of contempt-hearing data were only available for three sites, and may not be an accurate reflection of what occurred for the full six-site sample.

## Discussion

At 12 months after study enrollment, the benefit-cost analysis found a small net benefit of \$33 from the societal perspective. The cost of providing PJAC services was nominally less expensive (\$70) to society than business-as-usual child support enforcement. PJAC resulted in a smaller, positive net benefit to society because it increased the debt owed by noncustodial parents and reduced the debt



owed to custodial parents (presumably due to debt compromises and adjustments), resulting in negative total benefits of \$37. By perspective, the government and noncustodial parents experienced positive net benefits (\$44 and \$128 respectively), and custodial parents and children had negative net benefits of -\$139. An exploratory analysis of benefits and costs after 30 months suggests that PJAC services probably became more costly to society over time, as the more expensive case management costs of PJAC continued to accrue but were not offset by benefits.

Across all perspectives, the gain or loss amounts were small. The estimated loss to a custodial parent of \$139 in the first year is unlikely to reflect a material difference in a child's standard of living. From the child support agency's perspective, the cost differences between the approaches were negligible at 12 months. However, the longer-term cost of continuing to provide PJAC services for additional years—though the 30-month analysis was exploratory—suggests that PJAC services will become more costly over time for child support agencies due to the higher case management costs of PJAC services.

## Implications of the Findings

The benefit-cost analysis suggests that child support agencies can adopt alternatives to contempt-of-court processes, for example the procedural justice-infused case management approach used in PJAC, without having a large effect on child support agency costs, child support payments, or debt levels. The PJAC case management approach may have also led to nonmonetary benefits to families that were not captured in this analysis via less involvement with the justice system, improved parent-child interactions, or improved relationships between parents. Further research is needed to determine whether services like those provided under PJAC result in improvements in these areas.

In order for custodial parents and children to benefit monetarily from PJAC services, they would have needed to experience an increase in child support payments. For context, PJAC services had a small, negative effect on the proportion of monthly child support obligations parents paid, reducing it from 27 percent to 25 percent.<sup>17</sup> In the year before their enrollment into the PJAC study, parents paid about 17 percent of their total child support obligations, suggesting neither the standard contempt process nor the PJAC approach is particularly effective at increasing payment compliance. The PJAC services and contempt-of-court processes used in this study may have been limited in their ability to achieve payment compliance due to noncustodial parents' employment circumstances. While the PJAC model was not designed to address parents' employment challenges, inadequate earnings seem to be at the heart of nonpayment for many parents in the PJAC study. Before parents were referred for contempt and became eligible for the study, child support agencies assessed them as having the ability to pay their court-ordered child support. However, the research team learned from parents and child support staff members that, in actuality, many parents struggled with obtaining and maintaining consistent employment that paid sufficient wages to meet their basic needs and allowed them to make child support payments. Staff members and parents cited employment struggles as the primary reason for

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<sup>17</sup> This effect is statistically significant. See Skemer (2023).

nonpayment of child support, as previous PJAC briefs and reports describe.<sup>18</sup> Employment and earnings data from the National Directory of New Hires further corroborate these struggles: fewer than half of parents in both research groups had formal employment in the year after study enrollment and earned only about \$5,000 from that employment.

Regardless of the benefit-cost results, all people engaging with social service programs should be treated fairly and respectfully. Thus, procedural justice remains an important and useful framework to be applied by social service agencies. However, understanding structural limitations to any intervention, such as the labor market context described above, is important so policymakers, practitioners, and researchers can identify additional possible solutions to child support compliance and assist families in need of additional financial resources.

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<sup>18</sup> Danielle Cummings, “Who Is at Risk of Contempt of Court for Child Support Noncompliance?” (New York: MDRC, 2020); Treskon, Phillips, Groskaufmanis, and Skemer (2022); Louisa Treskon and Jacqueline Groskaufmanis, “Parents’ Reflections on Their Experiences with the Child Support Program in the Procedural Justice-Informed Alternatives to Contempt Demonstration” (New York: MDRC, 2022).



# 1 Introduction

## Background and Policy Context

**W**hen a child does not live with both parents, the parent with whom the child does not live is known as the “noncustodial parent.” The noncustodial parent may be responsible for a share of the costs associated with raising the child. The primary goal of child support programs is to improve children’s well-being by emphasizing the roles of both parents in providing for them. Programs do so by locating parents, setting financial obligations, and enforcing those obligations.

Some noncustodial parents pay child support regularly, while others make payments sporadically or not at all. In 2017, 24 percent of parents who were owed child support received only part of the amount they were owed and 30 percent received no payments.<sup>1</sup> Parents who do not comply with their child support orders can be subject to enforcement measures, such as license suspensions, interception of tax refunds, or seizure of bank accounts.<sup>2</sup> If these measures do not yield sufficient payment, child support programs can refer nonpaying parents to the legal system for civil contempt of court. Civil contempt proceedings require noncustodial

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<sup>1</sup> Grall (2020). This 2017 statistic is based on all families owed child support, not just those receiving services from the child support program.

<sup>2</sup> Enforcement measures are actions taken by child support agencies with the intention of collecting past-due child support and securing current and future payments.

parents to attend court hearings and may lead to arrest or jailing if they fail to appear in court or fail to meet the terms of their child support orders.

In recent years, some child support policymakers and researchers have questioned the fairness and effectiveness of pursuing civil contempt to secure child support payments, particularly for parents with low incomes. Civil contempt proceedings are costly, burdensome, and often counterproductive to the goals of the child support program. They can impede employment, increase child support debt, alienate noncustodial parents from their children, and decrease parents' future cooperation with the program due to their negative experiences.<sup>3</sup> Even for noncustodial parents with the means to meet their child support obligations, there is no evidence that contempt leads to future child support compliance through ongoing, regular payments on which families can rely. Often, contempt proceedings result in one-time "purge" payments, in which the noncustodial parent pays a lump sum to avoid continued court action or jail.<sup>4</sup> (See Box 1.1 for a glossary of child support terms.)

## The PJAC Demonstration

The Procedural Justice-Informed Alternatives to Contempt (PJAC) demonstration project tested a different approach to improving child support payment compliance. Developed by the federal Office of Child Support Services (formerly the Office of Child Support Enforcement), PJAC integrated principles of procedural justice into enforcement practices in six child support agencies across the United States as an alternative to standard contempt

<sup>3</sup> Patterson (2008); May and Roulet (2005).

<sup>4</sup> Office of the Attorney General for the District of Columbia, Child Support Services Division (2020).

### BOX 1.1 GLOSSARY OF CHILD SUPPORT TERMS

- **Bench warrant.** A legal document issued by a judge that authorizes an individual's arrest.
- **Child support payments.** The formal payments that one parent makes to the other parent to help with the financial costs of caring for their child as part of a child support court order.
- **Civil contempt of court.** A legal action that can be taken when an individual is not in compliance with a court order. In the case of child support, parents who are not making child support payments in the amount ordered by the court can be subject to civil contempt proceedings, which typically include a legal filing, process service, and hearings in front of a judge or magistrate. Failure to appear at a contempt hearing can result in a bench warrant.
- **Child support compliance.** When an individual with a child support court order meets all terms of that order, including making complete, on-time payments in the amount of the obligation.
- **Process service.** Delivery of legal paperwork that requires an individual to respond or appear in court.
- **Purge payment.** An amount of money that must be paid toward child support debt to avoid going to jail after being found in civil contempt for failing to meet the terms of a child support order.



**FIGURE 1.1.** Child Support Agencies in the PJAC Demonstration



proceedings (see Figure 1.1).<sup>5</sup> Procedural justice, sometimes referred to as “procedural fairness,” is the idea that “how individuals regard the justice system is tied more to the perceived fairness of the *process* and how they were treated rather than to the perceived fairness of the *outcome*.”<sup>6</sup> Research has shown that if people perceive a process to be fair, they will be more likely to comply with the outcome of that process, whether or not the outcome was favorable to them.<sup>7</sup> The PJAC demonstration applies this premise to the child support context with the goal of improving compliance with child support orders (see Box 1.2). With oversight from the Georgia Division of Child Support Services, MDRC led a random assignment evaluation of the model’s effectiveness in collaboration with MEF Associates and the Center for Justice Innovation (previously the Center for Court Innovation).

The target population for the PJAC demonstration project was noncustodial parents who were at the point of being referred for contempt because they had not met their child support obligations for several months or more, yet had been determined by child support agency staff members to have the ability to pay child support. PJAC services aimed to address parents’ reasons for nonpayment, improve the consistency of their payments, and promote their positive engagement with the child support program and the other parent. As part of

**BOX 1.2**  
**THE FIVE KEY ELEMENTS OF**  
**PROCEDURAL JUSTICE AS APPLIED**  
**TO THE CHILD SUPPORT CONTEXT**

- ▶ **Respect:** Parents should believe they were treated with dignity and respect and their concerns were taken seriously.
- ▶ **Understanding:** Parents should understand the child support process and have their questions answered.
- ▶ **Voice:** Parents should have a chance to be heard by sharing their perspectives and expressing their concerns.
- ▶ **Neutrality:** Parents should perceive the decision-making process to be impartial.
- ▶ **Helpfulness:** Parents should feel that the child support agency was helpful and interested in addressing their situations.

<sup>5</sup> These six participating PJAC study agencies are hereafter called “sites.” While two of the participating agencies are in Ohio—Franklin County and Stark County—they were operated independently and are therefore considered two separate study sites. On the other hand, California and Virginia had PJAC services available at multiple locations but those locations were operated centrally, so each is considered a single study site.

<sup>6</sup> Gold (2013).

<sup>7</sup> Tyler (2007).

an evaluation of PJAC's effectiveness, between 2018 and 2020, over 11,000 parents were randomly assigned either to a group offered PJAC services or to a business-as-usual group sent through standard contempt proceedings. The research team is comparing the outcomes of these two groups over time.

The purpose of this report is to describe the benefits and costs of PJAC services relative to those of business-as-usual services. It first compares the costs of the two approaches, which used resources differently. PJAC services focused more on case management, while business-as-usual services focused more on civil contempt of court. The report then assesses the monetary benefits of PJAC compared with business-as-usual services, using its effects on payment outcomes and child support debt amounts. Then, the costs are subtracted from the benefits to calculate the net benefits of PJAC services.<sup>8</sup>

## Roadmap to the Report

This report is organized into six chapters. Chapter 1 provides an overview of the PJAC model and the study design, and summarizes the findings related to implementation, service contrast, and effects described in earlier reports. Chapter 2 provides the methodology and framework for the benefit-cost analysis. Chapter 3 reports on the costs of providing PJAC and business-as-usual services, including the costs of civil contempt. Chapter 4 details the benefits and net benefits of PJAC services compared with business-as-usual services. Chapter 5 presents findings by subgroup. The final chapter offers conclusions and considers the implications of the findings.

## Overview of the PJAC Service Model

PJAC services were primarily delivered by case managers specially trained in procedural justice, dispute resolution, responses to domestic violence, and trauma-informed care.<sup>9</sup> PJAC case managers carried far smaller caseloads than is typical in child support programs, designed to allow them to provide more intensive, procedural justice-infused case management to parents with complicated case histories, high amounts of child support debt, and multiple challenges to making payments.

The main components of the PJAC service model are described below in the order in which they were typically delivered. When these efforts were unsuccessful in achieving compliance, PJAC case managers could take further enforcement action, including referrals to contempt.

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<sup>8</sup> Skemer (2023). In an impact evaluation, confirmatory outcomes generally relate to the study's main research questions. They are selected before data analysis begins and are used to test whether the intervention succeeded. Secondary outcomes usually relate to the study's secondary research questions or reflect factors that may help explain effects on confirmatory outcomes. Exploratory outcomes are typically not directly connected to the main research questions and may be less likely to show an effect, but are still of interest for future research.

<sup>9</sup> For additional information regarding PJAC staff training, see Rodney (2019). According to the Substance Abuse and Mental Health Services Administration (2014), trauma-informed care "realizes the widespread impact of trauma and understands potential paths for recovery; recognizes the signs and symptoms of trauma in clients, families, staff, and others involved with the system; and responds by fully integrating knowledge about trauma into policies, procedures, and practices, and seeks to actively resist re-traumatization."





- **Case review.** Case managers started by reviewing noncustodial parents' case histories to inform their approach to the rest of the components.
- **Outreach and engagement.** After the case review, case managers made initial contact with custodial and noncustodial parents to introduce the program and learn about their perspectives on their cases, followed by continued contact.
- **Case conference.** Case managers set up a case conference and invited both parents to attend. During the case conference, case managers facilitated a back-and-forth exchange between parents to identify reasons for nonpayment, come to a preliminary agreement about how to address these reasons for nonpayment, and develop a plan to achieve payment compliance.
- **Case action plan.** Together, case managers and noncustodial parents created individually tailored plans for noncustodial parents to become compliant with their child support orders. Case managers could connect parents to enhanced child support services (such as order modifications and child support debt forgiveness) or other supportive services (such as employment services or legal services) outside the child support agency.
- **Case maintenance.** Case managers monitored payments, met with parents, and modified case action plans as necessary to help noncustodial parents reach or sustain compliance.

## Noncustodial Parents in the PJAC Demonstration

The eligibility criteria for the PJAC demonstration largely aligned with agencies' overall contempt eligibility guidelines. Each participating PJAC agency applied its own specific rules to verify that noncustodial parents were eligible for contempt before enrolling them in the study. Universal categories of eligibility included:

- Verification of the noncustodial parent's address
- A determination that the parent had some ability to pay (a subjective assessment that does not necessarily exclude parents without steady employment, as described further below)
- Confirmation of nonpayment or severe underpayment for several months
- Multiple attempts to reach the parent
- Exhaustion of most administrative enforcement actions<sup>10</sup>

Given these criteria, parents eligible for the PJAC study represented a group that was especially difficult to reach and obtain payment from. Once eligibility was confirmed, 65 percent of noncustodial parents were randomly assigned to the PJAC services group and 35 percent were randomly assigned to the business-as-usual group.<sup>11</sup> The random assignment research design ensured that parents' char-

<sup>10</sup> Treskon and Skemer (2021).

<sup>11</sup> The research team applied a 65/35 random assignment ratio so that a sufficient number of parents would be assigned to the PJAC services group, allowing PJAC sites to meet their grant requirements in terms of number of individuals served, while still maintaining sufficient statistical power for the impact study.

acteristics were very similar across research groups at the time they enrolled into the study. Therefore, any statistically significant differences in outcomes between the two groups can be attributed with some confidence to the effect of PJAC services.<sup>12</sup>

Characteristics of noncustodial parents in the PJAC study are presented in Figure 1.2 (with additional detail, including parent characteristics by site, available in Appendix A). Noncustodial parents enrolled in the PJAC study owed large amounts of child support debt (an average of \$26,000),<sup>13</sup> averaged more than one child support case, and often had long histories but minimal recent contact with the child support program. Comprehensive data across all participating agencies were not available to the study team, but an early analysis of case-review data from three sites revealed that parents had not been in touch with the agencies for about two years, on average, when they were enrolled in the study.<sup>14</sup> Additionally, substantial numbers had previously been referred to civil contempt, had cases with disclosures of family violence, or had other child support cases in which they were the custodial parents and thus were owed child support payments.

Most child support debt is owed by parents with low reported incomes.<sup>15</sup> The background characteristics of noncustodial parents in the PJAC study align with this reality. While complete income information for parents was not available, Figure 1.2 shows that just over half of noncustodial parents in PJAC were formally employed in the year before their enrollment into the study, earning about \$5,000 in that year.<sup>16</sup> It is possible that some of these parents had informal employment during this time frame, but the research team was unable to collect data on informal employment. Two work arrangements that fall into the informal employment category are self-employment and independent contracting; in another study, in 2017, these arrangements employed roughly 13 percent of noncustodial parents who reported they were working.)<sup>17</sup>

Ninety percent of parents in the PJAC study were identified as male, and 62 percent were identified as Black or Hispanic.<sup>18</sup> The demographics of noncustodial parents in PJAC have important implications

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<sup>12</sup> Appendix Table A.1 confirms that the research groups were statistically equivalent with respect to nearly all baseline characteristics the research team was able to measure, suggesting that the randomization process worked.

<sup>13</sup> Debt may be owed to custodial parents or to the state. Debt owed to the state accrues in two ways: (1) While custodial parents and their children receive public assistance (for example, Temporary Assistance for Needy Families), the custodial parents must assign their right to receive support to the state. If child support payments are not received while the custodial parents are on public assistance, the unpaid support accrues as debt owed to the state. (2) Most noncustodial parents incur fees associated with child support actions, such as processing fees for child support payments. If those fees go unpaid, they become a debt owed to the state. Additionally, in 34 states—including the five states in the PJAC demonstration—child support debt is subject to interest, increasing debt amounts further. See National Conference of State Legislatures (2021) for additional information.

<sup>14</sup> Local child support agencies typically record information on contacts with parents in running case notes rather than in fixed data fields, making the information difficult to use for research/analytic purposes. For additional information regarding this case study and the characteristics of noncustodial parents in the PJAC demonstration more broadly, see Cummings (2020).

<sup>15</sup> Sorensen, Sousa, and Schaner (2007).

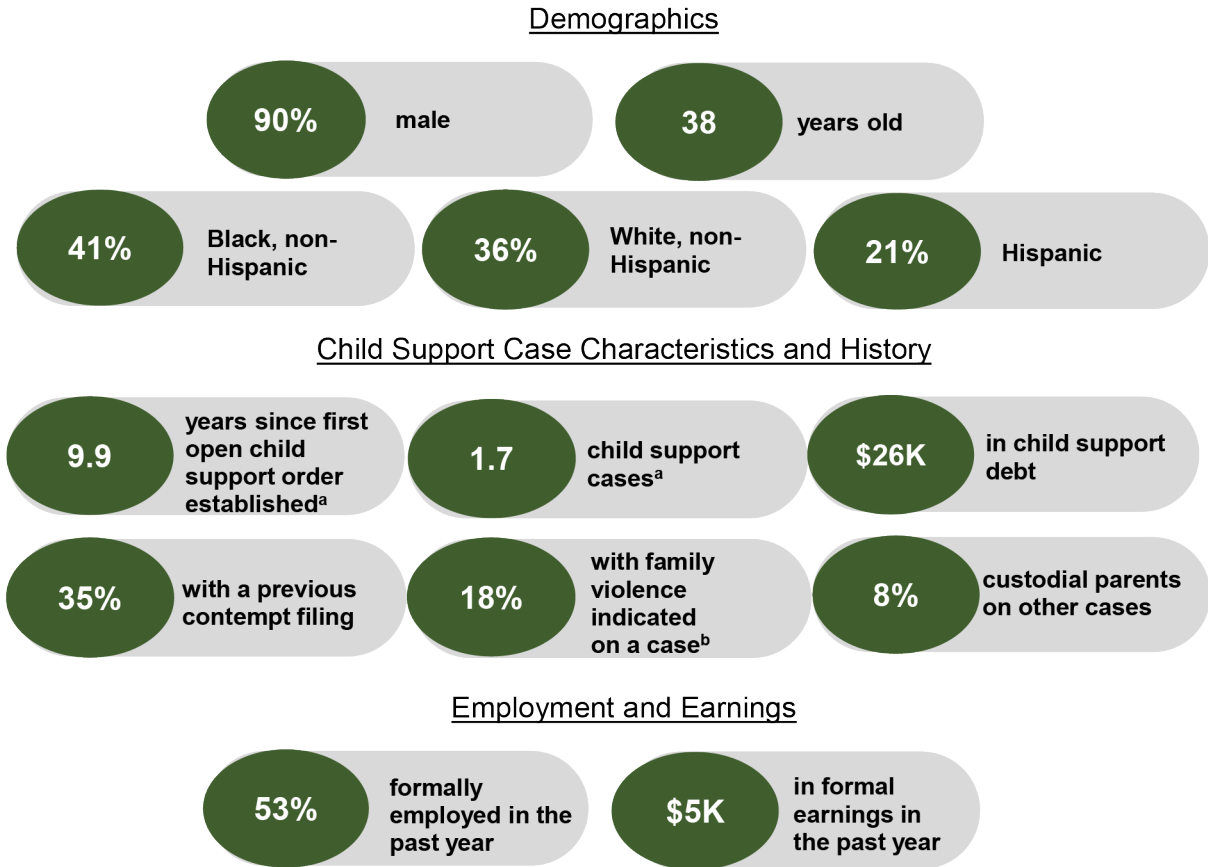
<sup>16</sup> Formal employment is employment with an employer that reported earnings to the government so that its employees would be eligible for unemployment insurance. Among only those parents who were formally employed in the year before study enrollment, annual earnings from that employment averaged \$8,819.

<sup>17</sup> Sorensen (2022).

<sup>18</sup> According to data from the 2018 Survey of Income and Program Participation, just 19 percent of noncustodial parents in the United States are Black, non-Hispanic, illustrating the overrepresentation of Black parents in the PJAC study sample relative to nonresident fathers overall. See Congressional Research Service (2021).



**FIGURE 1.2** Characteristics of Noncustodial Parents at PJAC Enrollment



SOURCES: MDRC calculations based on child support administrative records and employment and earnings data from the National Directory of New Hires.

NOTES: This figure includes the full study sample: parents enrolled from February 1, 2018, through September 30, 2020.

<sup>a</sup>This measure includes cases in which the sample member was the noncustodial parent only (as opposed to cases in which the sample member was the custodial parent or child).

<sup>b</sup>This measure indicates family violence for either the noncustodial parent or the custodial parent on a noncustodial parent’s cases, with the exception of one location (Arizona), where the data only include instances where the noncustodial parent was indicated as the victim of family violence.

for thinking about their prior experiences with the child support program, employment, and law enforcement. Men of color, who make up the majority of noncustodial parents in PJAC, face higher rates of discrimination in the labor market and criminal legal system (issues that reinforce one another).<sup>19</sup> Additionally, a higher percentage of Black and Hispanic men experience unemployment and underemployment.<sup>20</sup> This broader context aligns with both parents’ and PJAC case managers’ descriptions of inconsistent, low-wage work and challenges to obtaining employment as major reasons why PJAC noncustodial parents had not made child support payments.<sup>21</sup> Past research has also found that, as

<sup>19</sup> Pager (2003); Holzer (2021).

<sup>20</sup> U.S. Bureau of Labor Statistics (2022); Nunn, Parsons, and Shambaugh (2019).

<sup>21</sup> Treskon and Groskaufmanis (2022); Cummings (2020).

appears to be true in PJAC, parents who are behind on child support often lack jobs in the formal economy; otherwise, they would be subject to income withholding and child support would be deducted from their paychecks automatically.<sup>22</sup>

Given their employment histories, noncustodial parents in PJAC may have had order amounts that were unrealistic for them to pay in full on a consistent basis. (PJAC parents averaged monthly order amounts of \$420, a high burden for a group that averaged about \$405 in formal earnings per month.)<sup>23</sup> These difficulties may have particularly affected men of color; for example, their orders may not have adequately reflected the systemic disadvantages they faced in the labor market. This description may seem inconsistent with the fact that parents in the PJAC demonstration were determined to have the ability to pay. However, each state sets its own policy for making ability-to-pay determinations, and assessments can often be subjective. Common approaches include checking state and national employment databases for records of employment in recent quarters, reviewing social media accounts for evidence of having recently spent money (to detect informal employment not captured by employment databases), and confirming the absence of an inability to pay (that is, being incarcerated, disabled, or otherwise unable to work).<sup>24</sup>

PJAC services could have helped disrupt some of the race-related inequity Black and Hispanic parents may have experienced in the child support program by diverting them from civil contempt and offering them case managers trained in procedural justice. At the same time, PJAC case managers still had only a limited ability to help parents facing structural barriers. Procedural justice and individually tailored child support services alone cannot address the broader challenges parents of color and parents with low incomes face in obtaining long-term employment that pays well enough to meet both their own living expenses and their child support obligations. Additionally, communities of color may have lower trust in government systems due to historic discrimination, which may make a goal of PJAC services—to promote positive engagement with the child support program by building legitimacy—tougher to achieve.

Overall, the complex circumstances of parents in the PJAC study sample speak to a population with numerous intersecting payment challenges, the effects of which may compound to interfere with their ability to meet their child support obligations.

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<sup>22</sup> Berger et al. (2019).

<sup>23</sup> Among those formally employed, average monthly earnings were \$735.

<sup>24</sup> The limitations of sites' screening approaches have been discussed in a previous PJAC publication. See Cummings (2020).



# Overview of the PJAC Services Versus Business-as-Usual Contrast in Services and Enforcement

If there were not a meaningful contrast between the two research groups' service and enforcement experiences, it would be unlikely that the evaluation could determine whether PJAC services had effects on its intended outcomes. The research team determined that PJAC did, in fact, generate a meaningful service and enforcement contrast between PJAC services and business-as-usual enforcement, as detailed in a previous report.<sup>25</sup> The top portion of Figure 1.3—which depicts the full PJAC demonstration logic model—illustrates the services offered to parents in the PJAC services group and contrasts them with the standard-enforcement approaches encountered by parents in the business-as-usual group.

PJAC case managers conducted in-depth case reviews, outreach and engagement with both parents, and case-planning activities to address underlying reasons for nonpayment and connect parents to services and other forms of support. The principles of procedural justice underpinned this intensive casework. While PJAC case managers did not engage and thoroughly serve all noncustodial parents in the year after their study enrollment—for example, they only successfully made contact with about 68 percent and established case action plans with 54 percent—those whom they did engage received a different set of services than parents in the business-as-usual group.<sup>26</sup> Though some elements of the PJAC model were present in business-as-usual services, they were ad hoc, and enforcement workers did not apply them systematically.<sup>27</sup>

In line with the expected immediate results of the PJAC service model shown in the first row of boxes in Figure 1.3, PJAC parents who participated in interviews generally reported improved interactions with their case managers relative to their business-as-usual peers in terms of experiencing the elements of procedural justice (respect, understanding, voice, neutrality, and helpfulness).<sup>28</sup> Additionally, compared with business-as-usual enforcement, PJAC services generated modest increases in parents' receipt of child support services such as order reviews, license reinstatements, and debt forgiveness, and a modest reduction in license suspensions, an enforcement action.<sup>29</sup> One explanation for the modest effects was that many child support services were not available for all parents or not all parents were eligible for them, which meant few parents of either research group had access to them in practice, limiting the degree of service contrast that was possible. However, when examining

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<sup>25</sup> Skemer et al. (2022).

<sup>26</sup> These percentages are for the pre-COVID sample, as defined in Chapter 2.

<sup>27</sup> For more information, see Skemer et al. (2022).

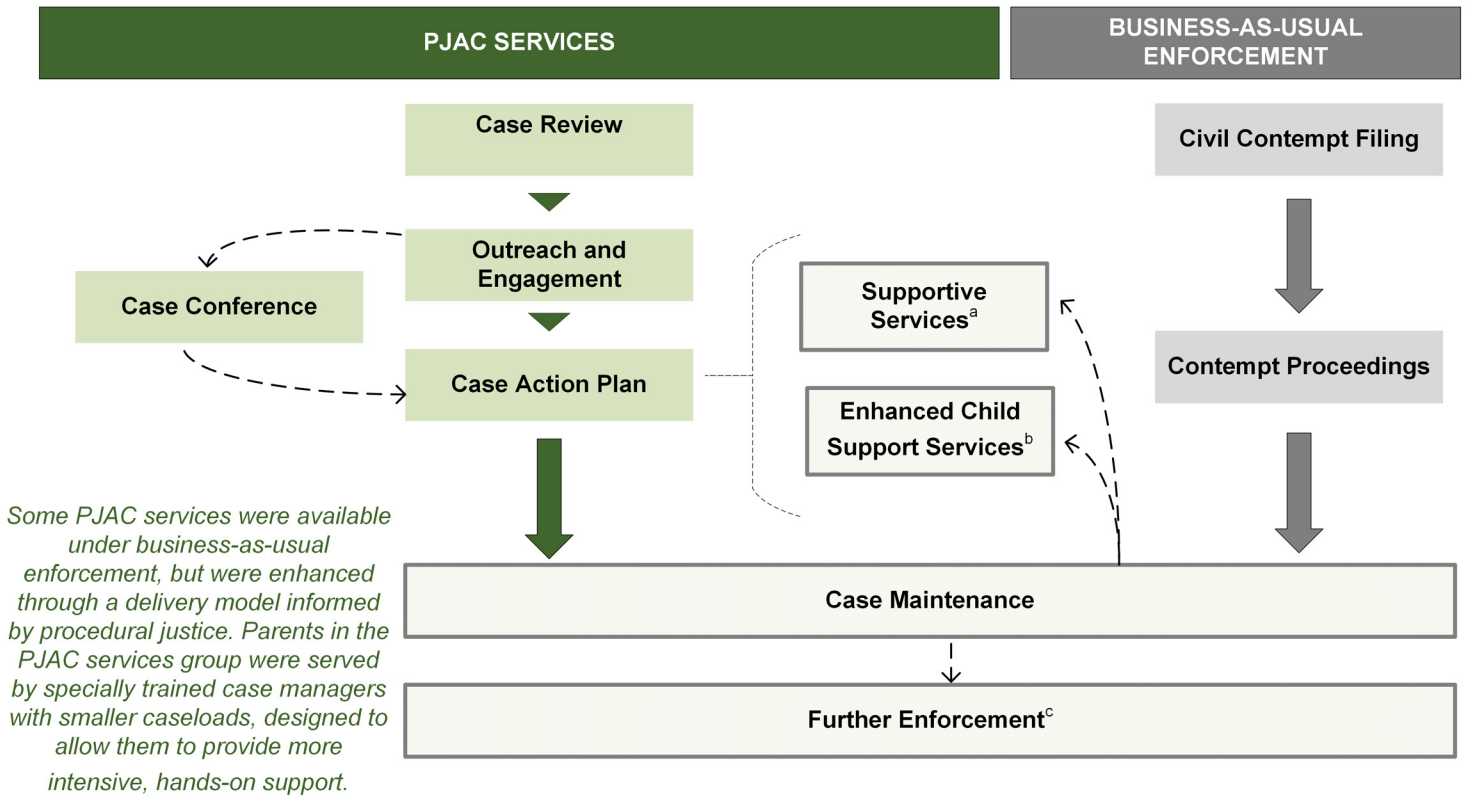
<sup>28</sup> Treskon and Groskaufmanis (2022).

<sup>29</sup> Order reviews are reviews of the terms of a child support order to determine whether a modification is warranted. Licenses can be suspended as a means to compel payment and reinstated if sufficient payment is made or other terms are met. Debt forgiveness is when some amount of a parent's child support debt is forgiven, meaning it is no longer owed. Skemer et al. (2022).

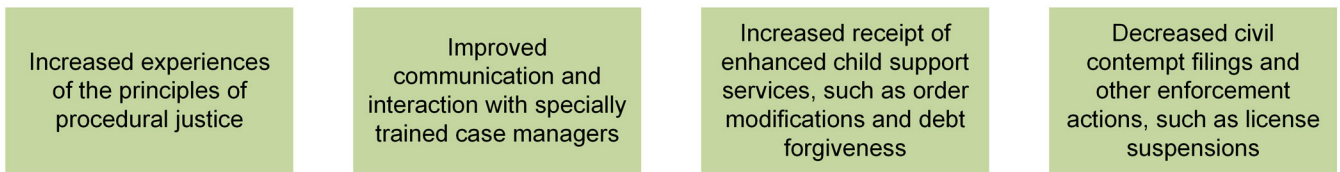
**Figure 1.3**  
**PJAC Demonstration Logic Model**

Noncustodial parents who have reached the point of a civil contempt filing are randomly assigned either to the **PJAC services** group, which is offered an array of services **infused with principles of procedural justice** as an alternative to civil contempt...

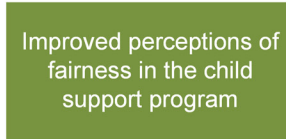
...or to a **business-as-usual** group, which instead proceeds with the **standard contempt process**, followed by a return to typical child support enforcement.



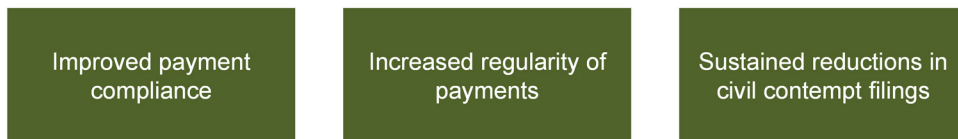
As a result of their differing service and enforcement experiences, relative to their peers in the **business-as-usual** group, parents in the **PJAC services** group will have...



Leading to positive short-term outcomes including...



Those improved perceptions in turn can lead to increased willingness to comply with child support obligations resulting in positive longer-term outcomes...



NOTES: Dashed boxes indicate services or steps that do not necessarily occur for all parents, but instead are determined based on specific circumstances.

<sup>a</sup>Examples of supportive services include employment services, legal services, substance use services, and mental health services.

<sup>b</sup>Examples of child support services include order modifications, debt forgiveness, and license reinstatements.

<sup>c</sup>Enforcement actions are those taken by child support agencies with the intention of collecting past-due child support and securing current and future payments. Examples include license suspensions and asset seizures.

PJAC's effects on civil contempt filings within one year of enrollment, the research team estimated a very large reduction of about 60 percentage points.<sup>30</sup>

Taken together, the implementation of core PJAC service components, effects on the receipt of child support services and enforcement actions (though these effects were generally modest), and substantial reductions in contempt filings reflect a meaningful service contrast between the PJAC services and business-as-usual groups. This contrast suggests that the evaluation provided a fair test of whether PJAC services were effective.<sup>31</sup>

## Overview of Impact Findings

The goal of the PJAC service model was to improve noncustodial parents' overall compliance with their child support orders and the consistency of their payments while avoiding a court-led civil contempt process, all through the use of procedural justice-infused case management to improve parents' perceptions of fairness and resulting willingness to engage with the child support process (see Figure 1.3). Additionally, the model's designers hoped that it would reduce noncustodial parents' child support debt through increased payments and forgiven or adjusted debt amounts.

Contrary to its goals, PJAC decreased overall child support compliance, though the effect was small. PJAC had no significant effect on the regularity of payments. PJAC services also slightly reduced the percentage of parents who made a payment during the 12 months after enrollment and the amount of child support they paid. It had no statistically significant effect on parents' level of child support debt at the end of the follow-up period. In terms of exploratory outcomes, there were no effects on jail time in a one-site Arizona case study.<sup>32</sup> The limited use of jailing overall may have meant there was little room for PJAC services to have a downward influence. There were also no statistically significant effects on employment and earnings—exploratory outcomes—though none were necessarily expected since the PJAC service model did not explicitly focus on employment.

PJAC services did not show any difference in effects among parents of different racial/ethnic backgrounds, for those who did and did not make payments in the year before study enrollment, or for those who enrolled before and during the COVID-19 pandemic. PJAC services had more negative effects on payment outcomes for parents with older cases, previous contempt referrals, and multiple cases compared with its neutral effects for parents with shorter or less complex histories with the child support program.

Results varied by site. Michigan and Virginia showed consistent patterns of negative effects on con-

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<sup>30</sup> Skemer (2023).

<sup>31</sup> Skemer et al. (2022).

<sup>32</sup> Arizona was selected for this one-site case study because it was believed to use jailing more frequently than other study agencies. Additionally, all parents sentenced to jail at the Arizona PJAC site were sent to the Maricopa County jail, meaning the necessary data could be accessed in one request. Other PJAC agencies may have sent parents to several different county jails, which would mean separate data-sharing agreements with each jail; given study resource constraints, it was not feasible to execute those agreements.

firmatory and secondary outcomes. Franklin County appeared to have the most successful results among the PJAC sites, producing the largest increases in payment outcomes and the largest reductions in debt. With only one statistically significant effect, effect estimates for Stark County were less conclusive than in Franklin County. But because all estimates for Stark County are in the desired direction even if they are not statistically significant, the research team places it in the same positive-leaning category as Franklin County. Few statistically significant differences between research groups were observed in Arizona or California.

This report presents the benefit-cost analysis, which draws on these previous findings on implementation, service contrast, and effects to present the costs and benefits of PJAC services in economic terms.





# 2 Methodology and Framework for the Benefit-Cost Analysis

**B**enefit-cost analysis makes it possible to compare an intervention or policy's estimated costs with its estimated benefits, which allows decision-makers to assess the potential monetary effects of an intervention or policy.

Benefit-cost analysis also provides information on how costs or benefits might vary by the perspective of the person or entity, providing information about whether different parties may “gain” or “lose” from a monetary perspective, and if so, how much. This chapter describes the research team's approach to conducting the benefit-cost analysis.<sup>1</sup> It begins by describing the benefit-cost analysis research questions. Next, it discusses the framework used by the research team to guide the analysis, including which benefits were considered and how they were estimated. It concludes with information about potential limitations of the analysis. Additional technical details are included in Appendix B.

## Research Questions

The primary research questions for the benefit-cost analysis were:

- What were the monetary costs of operating PJAC compared with business-as-usual child support enforcement services?
- What were the monetary benefits of PJAC to the government, custodial parents and children, noncustodial parents, and society relative to business-as-usual child support enforcement services?
- Did the monetary benefits of PJAC outweigh its monetary costs from the perspective of the government, custodial parents and children, noncustodial parents, and society?

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<sup>1</sup> The research team documented the approach to the PJAC benefit-cost analysis in a plan posted on the Center for Open Sciences' website: <https://osf.io/cwzut>.

# Benefit-Cost Framework

Benefit-cost analysis sums the benefits of an intervention and subtracts its costs to arrive at its net benefits. (See Box 2.1 for a glossary of benefit-cost terms used in this report. See Box 2.2 for a note about the sample used in this analysis.) The benefit-cost analysis considers four perspectives that the child support program and PJAC services affect: (1) the government, including state child support agencies, county or state district courts, and county jails; (2) noncustodial parents; (3) custodial parents and children; and (4) society as a whole.

Table 2.1 provides a framework for the benefit-cost analysis and reflects the hypothesized monetary gains and losses of each activity or outcome that could be monetized for each of the four perspectives. These hypothesized directions of gains and losses are based on the PJAC logic model (Figure 1.3 in Chapter 1) and represent the relationships across perspectives. However, they do not reflect the actual findings from the impact analysis.<sup>2</sup>

Societal gains are the sum of the other three perspectives and in this context are purely monetary. Since societal gains are the sum of the other perspectives, the societal gain is null for components that are transfers between perspectives (for example, child support payments by noncustodial parents to either the government or custodial parents and children). Below, the research team describes the costs and benefits that could not be included in the analysis. Notably, many of the benefits that could not be monetized had the potential to affect the societal perspective, unlike many of the benefits shown on the table that are transfers between parties and therefore do not result in a gain or loss for society. The table indicates whether the component is likely to be a gain or loss, but does not describe the potential magnitude of the gain or loss; when reviewing the table readers should keep in mind that some components have the potential for larger monetary effects than others.

The top portion of Table 2.1 describes the costs that various parties are hypothesized to incur

## BOX 2.1

### GLOSSARY OF BENEFIT-COST TERMS

- **Monetize.** The process of converting measures or outcomes that are not already expressed in dollar values to dollars.
- **Net costs.** The total costs of PJAC services minus the total costs of business-as-usual services. When net costs are positive, PJAC services cost more per sample member than business-as-usual services. When net costs are negative, PJAC services cost less than business-as-usual services.
- **Total benefits.** The sum of all benefits. When total benefits are positive, PJAC services produce a positive monetary benefit. When total benefits are negative, PJAC services generate a loss.
- **Net benefits.** Total benefits minus net costs. When net benefits are positive, PJAC results in a gain after accounting for the costs of providing services. When net benefits are negative, it means that PJAC services resulted in a loss.

<sup>2</sup> In fact, for some outcomes the direction of the actual result was the opposite of the hypothesized result. Table 2.1 presents the intended direction of losses and gains based on the logic model. Actual results are used in the analysis detailed in subsequent chapters.



## BOX 2.2 METHODOLOGICAL NOTES

The COVID-19 pandemic led to an unanticipated change in the research team's original data-analysis plans. Namely, the quantitative analysis of child support administrative records focuses primarily on the "pre-COVID" sample: noncustodial parents enrolled between February 2018 and April 2019, whose one-year follow-up period elapsed before the effects of the pandemic were widespread.\* As a result of COVID-19's disruptions, child support agencies—along with most other organizations—were forced to alter their operations in ways likely to affect service contrast (for example, court closures, paused and remote services due to closed offices, staff furloughs, etc.).† Additionally, there are complications to assessing payment outcomes during the early pandemic time frame given the deep economic recession and government stimulus and unemployment insurance payments intercepted by the child support program for payment of child support debt (which occurred for both research groups).‡ In light of these various factors, the research team believes that the pre-COVID sample is most relevant for assessing the effects and monetary costs and benefits of PJAC services. Therefore, the cost analysis focuses on federal fiscal year 2019 (October 2018 to September 2019) in its assessment of costs to capture a "steady-state" period after programs had gotten past initial start-up activities, but before COVID-19 began affecting operations.§

The pooled, cross-site costs and estimates of effects take precedence in the analysis of costs and benefits, though the research team also assessed site-specific differences in costs and benefits in an exploratory analysis. Another exploratory analysis estimates differences in costs and benefits among certain subgroups. Both the decision to emphasize pooled effects and the subgroups chosen were prespecified in the PJAC impact analysis plan, and the benefit-cost analysis uses the same subgroups. Readers should give less weight to the results of exploratory analyses, as these offer additional insight and generate hypotheses for future research rather than providing definitive information regarding the overall benefits and costs of PJAC services.

Unless otherwise specified, all effects, benefits, and costs discussed in this report were estimated using a 12-month follow-up period from the point of study enrollment, in which the calendar month of random assignment is considered the first month of the follow-up period.

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NOTES: \*Although the pre-COVID sample is used for the impact analysis, the baseline characteristics presented in Chapter 1 are for the full sample enrolled between February 2018 and September 2020. This decision was made because the characteristics of the pre-COVID sample and the full sample are nearly identical and for consistency with past PJAC reports. For comparison, baseline characteristics for the pre-COVID sample alone are presented in Appendix A.

†Baird, Hayes, Henderson, and Johnson (2020); Treskon, Phillips, Groskaufmanis, and Skemer (2022).

‡Many parents had their Coronavirus Aid, Relief, and Economic Security (CARES) Act Economic Impact Payments, known as stimulus checks, intercepted to pay their child support debt. The same is true for CARES Act unemployment insurance payments. Notably, a second and third round of stimulus payments from the federal government were not subject to child support intercepts.

§Sites began enrolling participants in February 2018 after completing a pilot period.

because of PJAC services. Compared with business as usual, the child support program and society are theorized to have increased short-term costs as a result of PJAC's smaller caseloads, but the child support program will incur a gain (or savings) in the long term as cases become compliant or are closed. PJAC is theorized to reduce license suspensions and the need for subsequent license reinstatement.

**TABLE 2.1** Hypothesized Monetary Effects of PJAC in the Benefit-Cost Analysis

Component of analysis	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Costs</b>				
Child support program services				
Increased short-term costs of child support program services	loss	–	–	loss
Reduced long-term costs due to increased compliance and case closures	gain	–	–	gain
Reduced license-reinstatement fees	loss	gain	–	–
Contempt				
Reduced costs to the child support agency	gain	–	–	gain
Reduced court costs	gain	gain <sup>a</sup>	–	gain
Reduced jail costs	gain	gain <sup>b</sup>	–	gain
Reduced opportunity cost to attending contempt hearings	–	gain	gain	gain
<b>Potential benefits</b>				
Child support payment outcomes				
Increased child support payments	gain	loss	gain	–
Decreased debt owed to the state <sup>c</sup>	loss	gain	–	gain
Decreased debt owed to custodial parents <sup>c</sup>	–	gain	loss	gain
Earnings				
Increased quarterly earnings	–	gain	–	gain
Increased fringe benefits	–	gain	–	gain
Increased taxes	gain	loss	–	–

NOTES: A dash in the table indicates that the expected effect is neither a gain nor a loss.

<sup>a</sup>Includes court fees.

<sup>b</sup>The monetized gain to noncustodial parents from reduced jailing may show up in increased earnings; additional well-being-related benefits to noncustodial parents of not being jailed cannot be monetized.

<sup>c</sup>Debt reductions are assumed to be due to forgiveness, compromise, or adjustments rather than increased payments. The analysis adjusts debt to account for the likelihood that it will be paid (as described in Table 4.1 and Box 4.1). Thus, rather than a transfer, decreases in debt are a net gain to society as the gain to noncustodial parents is assumed to be greater than the loss to the custodial parent or the government.

ments, which would result in a loss to child support programs due to a reduction in fee collection, which noncustodial parents will experience as a gain. The effect on society is null.

Table 2.1 shows that a reduction in the use of contempt is theorized to reduce costs to all parties. Civil contempt filings were a confirmatory outcome in the impact analysis. Fewer contempt referrals and



hearings would result in savings to the government through lower legal, court, and jail costs.<sup>3</sup> Non-custodial parents would also gain from reductions in the use of contempt as they would owe fewer fees and would be able to earn more, because they would spend less time in jail or at contempt hearings. Custodial parents also would benefit from not having to attend court hearings.

The bottom panel of Table 2.1 shows the hypothesized benefits of PJAC for the confirmatory and secondary outcomes. PJAC is intended to improve child support payment compliance and regularity, which were confirmatory outcomes in the impact analysis.<sup>4</sup> The benefit-cost analysis treats child support payments as transfers: noncustodial parents lose from the increased child support payments and custodial parents and children or the government gain, depending on which party is owed the child support. PJAC is also intended to decrease the amount of child support debt owed by the non-custodial parent through forgiveness, adjustments, or compromise programs; child support debt was a secondary outcome in the impact analysis. Thus, the noncustodial parent is theorized to gain from decreases in debt, while the government or custodial parent and children that are no longer owed the debt experience a loss. Because it is unlikely that a noncustodial parent would pay the debt in full, the benefit from forgiveness is greater to the noncustodial parent than the party that is owed the debt, resulting in a net gain to society.<sup>5</sup>

Earnings are an exploratory outcome in the impact analysis, and are included as a sensitivity test reported in Chapter 4 and detailed in Appendix B. If participating in PJAC resulted in increases in formal earnings for noncustodial parents, they would experience a gain, as would society. Noncustodial parents would also experience a gain from the fringe benefits paid by employers on their earnings. The increase in earnings would increase the taxes owed by noncustodial parents, which would result in a loss to them, a gain to government through increased revenue, and—since the taxes are a transfer between parties—a neutral effect on society.

## Limitations

The findings presented in this report bring together what has been learned about the effects of PJAC services and the costs of providing those services. The analysis has some limitations, as the research team was not able to monetize all potential costs and benefits, and did not include effects that could not be monetized in the benefit-cost study. Limitations include:

- **The analysis excludes costs for outside services to parents and some court costs.** The research team did not estimate costs for services to which child support staff members (PJAC or business-as-usual) might refer parents, outside of the child support program (for example, employment services). Though the research team monetized most of the legal costs associated with contempt, not all court costs are included in the calculations.

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<sup>3</sup> Jail data were only collected in one site, and effects on jailing were an exploratory outcome in the impact analysis.

<sup>4</sup> The analysis focuses on outcomes that can be monetized. As will be detailed in Chapter 4, the benefit estimates focus on child support payments. The benefits of payment regularity could not be monetized for this study.

<sup>5</sup> The assumptions related to child support debt payments are detailed in Chapter 4.

Excluded court costs are (1) those incurred by law enforcement to execute warrants on parents for failing to appear at hearings, (2) costs for judges who review and sign orders or dispositions related to contempt of court, and (3) costs for the legal representation of noncustodial parents (either paid through legal aid or by the noncustodial parents themselves). Thus the costs of the contempt process are understated to some degree. The research team discussed these excluded costs with sites and determined that they were not substantial. Child support agencies seldom actively sought for law enforcement to exercise warrants and the use of judges' time was limited, with most sites relying on magistrates or administrators to handle the majority of cases.

- **Not all potential outcomes of PJAC could be measured and monetized.** There is no comprehensive, monetizable, or systematic measure of parents' perceptions of fairness, which PJAC services were intended to improve.<sup>6</sup> Similarly, PJAC services could improve the number of interactions between noncustodial parents and their children, the quality of those interactions, or both. However, measuring and placing a monetary value on these interactions would also be challenging. Reduced interaction with the justice system could be beneficial for all perspectives, but estimates of effects on jailing were only available from one PJAC site. The regularity of child support payments was a confirmatory outcome, but the monetary benefits to custodial parents of receiving regular child support payments could not be monetized in this study. Increased child support payments may also reduce the use of government means-tested programs, but the study did not collect data on the usage of such programs.

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<sup>6</sup> The evaluation collected information about parents' perceptions of their interactions with child support staff members and their views on the child support program from a small sample of 121 parents, but this information could not be monetized. See Treskon and Groskaufmanis (2022).



# 3 Cost Estimates of PJAC and Business-as-Usual Services

**T**his chapter compares the costs of PJAC services with the costs of business-as-usual child support enforcement services.

Findings include:

- From the societal perspective, costs per sample member were similar between the two approaches, with business-as-usual services costing about \$70 more than PJAC services in the 12 months after study enrollment.
- Across the perspectives examined, the net costs were small. From the perspective of the government, PJAC services resulted in a small savings of \$29. For the PJAC services group, most government costs were for case management. For the business-as-usual group, case management costs were much lower than they were for the PJAC services group, but contempt-of-court costs were much higher. From the perspective of parents, PJAC services resulted in a small savings to them due to reduction in the number of hearings they were required to attend. Custodial parents in PJAC saved about \$21 and noncustodial parents saved about \$20.
- Comparing the costs to the government of PJAC versus business-as-usual services by site reveals that for four of six PJAC sites, the costs of PJAC were lower than business-as-usual costs. In Stark County, the costs were nearly the same, with PJAC services costing \$28 more than business-as-usual services. One site, Michigan, had a unusual structure for contempt-of-court proceedings that did not rely on separate legal and court staff members; it had both the lowest business-as-usual costs and the highest PJAC costs. Net costs (the difference between the cost of PJAC and the cost of business as usual) were sensitive to the inclusion of Michigan; excluding Michigan from the cost analysis resulted in PJAC services generating a much greater cost savings to society of \$310 per sample member.

## Estimating Unit Costs

The cost estimates are primarily calculated from the costs to the child support agency of providing PJAC or business-as-usual services for the 12 months following each noncustodial parent's enrollment into the study. The data sources used to estimate costs were:

- **Child support staff and partner interviews.** The research team conducted 196 interviews with PJAC and business-as-usual staff members and referral-service partners for the implementation study. The team used these interviews to identify resources required to implement the components of PJAC services, business-as-usual enforcement, and civil contempt of court.
- **Child support agency and court expenditure reports.** The research team gathered expenditure reports from the child support agencies to calculate the costs of PJAC services, business-as-usual enforcement, and civil contempt of court.
- **Caseload and court-hearing reports.** The team used reports from the child support agencies on caseload sizes and number of hearings to calculate per-participant and per-hearing costs.
- **Staff survey and time study data.** The research team fielded a staff survey in the spring and summer of 2020 and a time study in the fall of 2020. The team administered both to PJAC case managers and business-as-usual enforcement workers at each site. Both asked staff members to provide information about how they spent their time. The survey asked staff members to provide general estimates. The time study asked staff members to document how they spent their time each day for a two-week period.
- **Child support administrative records.** These data were extracted from child support agency systems for all parents in the study sample and include information on parents' background and case characteristics, receipt of child support services, child support orders, and receipt of enforcement actions and civil contempt proceedings. While data are available from each of the six PJAC study sites, state systems vary, and information was not available from every site for every data element.

See Table 3.1 for a description of the expenses incurred by the child support agencies that are included in the analysis.<sup>1</sup> Appendix B includes more details about how the study team calculated costs.

Since each noncustodial parent in the study experienced different amounts of child support services or enforcement actions, the average cost estimate per sample member is built up from unit cost estimates. The study team estimated a price per unit for each activity, and then calculated an average cost per participant by multiplying unit costs by participation rates. Participation rates discussed in this report were measured using a 12-month or 30-month period beginning

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<sup>1</sup> Some aspects of child support case management not directly related to enforcement are excluded from the analysis, such as costs for establishing new cases, costs for verifying paternity, and costs associated with emancipation (the process of closing child support cases once children are deemed to be adults and parents are determined to be no longer legally responsible for them).





**TABLE 3.1** Child Support Agency Costs Included in Estimates

Category	Description
Child support case managers	Includes salary and benefits of PJAC case managers and business-as-usual enforcement workers who worked directly with study cases. Costs related to the evaluation of PJAC rather than to providing PJAC services (such as time entering data into the management information system) are excluded.
Support staff members	Includes salary and benefits of other child support staff members who manage or support the work of case workers, including PJAC managers, enforcement managers, and clerical staff members. Staff members' time has been apportioned based on estimates support staff members provided regarding the time they spent on study cases.
Other direct costs	Includes nonlabor costs directly attributed to child support services or enforcement. These may include communications or travel costs.
Indirect costs	Includes overhead expenses such as rent, technology, utilities, and supplies.
Civil contempt	Includes child support or state legal staff members, court costs related to holding contempt hearings, and service-of-process costs.

at study enrollment, in which the calendar month of random assignment is considered the first month of the follow-up period. Unit costs are expressed in federal fiscal year 2019 dollars. The unit costs are applied uniformly across all study participants regardless of when they enrolled.<sup>2</sup>

The top panel of Table 3.2 shows unit costs incurred by the government (in this case, child support agencies). The study team estimated unit costs for three activities:

- **Monthly case management:** The child support agency incurred these costs to provide case management to PJAC services or business-as-usual parents.<sup>3</sup> The average monthly PJAC case management costs were more than double those of business as usual (\$79 compared with \$28). This difference was expected, since PJAC case managers had lower caseloads by design so they could spend more time on each parent. PJAC case managers reported a median caseload of around 255, while business-as-usual enforcement workers reported a median caseload of about 1,155.<sup>4</sup>
- **Contempt-of-court hearings:** Contempt hearing costs are those incurred by the child support agency for each scheduled contempt hearing.<sup>5</sup> The average estimated cost per

<sup>2</sup> The pre-COVID study sample, which is the focus of the analysis, enrolled between February 2018 and April 2019. Federal fiscal year 2019 encompasses October 2018 through September 2019.

<sup>3</sup> Costs for services to which child support staff members (PJAC or business-as-usual) might refer parents outside of the child support agency (for example, employment services) were not included.

<sup>4</sup> Treskon, Phillips, Groskaufmanis, and Skemer (2022).

<sup>5</sup> This report uses hearing rates to calculate contempt costs, rather than overall contempt filings, a confirmatory outcome, because each hearing incurs a separate cost. Noncustodial parents may be subject to multiple hearings as a result of a single contempt-of-court filing. For a more thorough explanation of the contempt-of-court process at the PJAC sites, see Treskon and Skemer (2021).

**TABLE 3.2** Average Unit Costs Per Activity, by Perspective

	Cost (\$)
<b>Government perspective: child support agency and courts</b>	
Case management costs per month	
Cost per business-as-usual noncustodial parent	28
Cost per PJAC noncustodial parent	79
Contempt-of-court costs per hearing <sup>a</sup>	441
Motion to compel seek work costs per hearing	246
<b>Parent perspective: noncustodial and custodial parents<sup>b</sup></b>	
Attending hearings, per hearing (range) <sup>c</sup>	34 - 44
License-reinstatement fees paid by noncustodial parent, per reinstatement (range) <sup>d</sup>	25 - 145

SOURCES: MDRC calculations based on financial, contractual, and caseload-size data provided by PJAC sites and publicly available data on license-reinstatement fees and minimum wages.

NOTES: <sup>a</sup>Includes legal costs and service-of-process costs.

<sup>b</sup>Dollar amounts shown are the ranges at the site level.

<sup>c</sup>Excludes Arizona and Virginia. Assumes a per-hour cost to each parent at the local minimum wage and four hours for travel and attendance per hearing.

<sup>d</sup>Excludes Arizona and California.

hearing across all six sites was \$441. Costs include time for legal staff members to file and litigate cases, service-of-process costs to serve noncustodial parents with notice to appear in court, and costs related to holding hearings in court (for example, for a magistrate and bailiff).<sup>6</sup> Though most of the legal costs associated with contempt were monetized, not all possible costs related to contempt of court are included in the calculations because data were not available to estimate the costs. Costs excluded are those incurred by law enforcement to execute warrants for failure to appear at hearings. Additionally, four of the six study sites used magistrates or commissioners to hear contempt cases, and these costs are included. Costs for judges—who review and sign orders or dispositions related to contempt of court and may hear some cases—are not included. Based on information provided in interviews, judges comprise a small portion of the costs of holding contempt hearings and their exclusion should not have a large effect on overall hearing costs.<sup>7</sup> Additionally, costs related to noncustodial parents' legal representation (either paid through legal aid or by the noncustodial parents themselves) were not included.

- **Motion to compel seek work hearings:** A motion to compel seek work was an approach to enforcement in Stark County, mainly used with PJAC cases. Motion to compel seek

<sup>6</sup> Treskon and Skemer (2021).

<sup>7</sup> As described in Appendix B, only Virginia used judges for all contempt hearings. Because the cost of the judges in Virginia was not available and judges were likely to account for a much greater proportion of the contempt-of-court costs there than at other sites, the team used Arizona's court costs as a proxy for Virginia's in the analysis. Arizona was chosen as a proxy for Virginia because the two sites had the most similar court structures, except for who presided over the contempt cases in court.



work hearings brought noncustodial parents before a magistrate to underscore the seriousness of continued nonpayment, a step short of filing formal contempt. Costs for these hearings were similar to those of contempt hearings, but did not include service-of-process costs. The estimated cost per hearing, which is based on Stark County's expenditure data, is \$246. These costs were included because the hearings were an important aspect of PJAC services in Stark County, and participation rates for motion to compel seek work hearings were averaged across the full sample (using Stark County rates and zeros for the remaining sites).

The bottom panel of Table 3.2 shows unit cost estimates for activities for which parents may incur costs.

- **Attending contempt hearings:** Parents might incur a range of costs associated with attending contempt hearings, such as taking time off work, paying for childcare, traveling to court, or losing time they could have used to attend to other responsibilities. Though custodial parents may not be required to appear in court, they may be encouraged to do so, or have to sign an affidavit or contribute in other ways to the contempt case. The estimates therefore assume that both parents incur costs associated with hearings. The team estimated a cost for the time parents spend traveling to and attending hearings by calculating four hours at the local minimum wage in 2019 (\$34 to \$44).
- **License-reinstatement fees:** Noncustodial parents may incur fees related to having their driver's licenses reinstated. The research team gathered publicly available information about the fees required to reinstate licenses. Fees ranged from \$25 to \$145 per reinstatement.<sup>8</sup>

Data on the number of hearings attended, or the share of noncustodial parents receiving license reinstatements, were not available for all sites. Therefore, these unit-cost estimates are based on the costs at the sites for which data were available. See Appendix Table C.1 for a summary of cost-data availability by site.

## Estimating Total Costs

Table 3.3 provides costs per noncustodial parent, by perspective. The costs were calculated by multiplying the unit cost of each activity by either the number of units or proportion of study participants who received the service to arrive at an average cost per sample member. From the societal perspective, costs were very similar between the two approaches, with business-as-usual services costing \$70 more than PJAC services in the 12 months after study enrollment. For the PJAC services group, most costs were related to PJAC case management. For the business-as-usual enforcement group, case management costs were much lower but contempt-of-court costs were much higher, as expected. Direct costs to parents were minimal when averaged over the full sample, but the analysis includes only a small number of the potential costs that parents may incur. For example, opportunity costs related to having a suspended license or time spent meeting with or making contact with child support staff members are not included. In the next chapter, costs per noncustodial parent are com-

<sup>8</sup> The benefits of having a license reinstated, such as improving access to work and avoiding other transportation costs, are not included in this analysis.

**TABLE 3.3** Average Cost Per Participant, by Study Group and Perspective, 12 Months After Study Enrollment

Outcome	PJAC				Business-as-Usual			
	Government	Noncustodial Parents	Custodial Parents	Society	Government	Noncustodial Parents	Custodial Parents	Society
<b>Participation rate</b>								
Average number of months of child support case management	11.65				11.68			
Number of hearings scheduled	0.33				1.74			
Number of MTCSW hearings scheduled <sup>a</sup>	0.05				0.04			
Number of contempt hearings attended <sup>b</sup>		0.09	0.09			0.66	0.66	
Number of MTCSW hearings attended		0.01	0.01			0.02	0.02	
Percentage of noncustodial parents with a license reinstatement <sup>c</sup>		16.4				12.0		
<b>Cost per sample member (\$)</b>								
Case management	925			925	331			331
Contempt hearings	143			143	767			767
MTCSW hearings	12			12	10			10
License reinstatement <sup>d</sup>	-7	7		0	-5	5		0
Attending a contempt or MTCSW hearing <sup>e</sup>		4	4	7		25	25	50
Average cost per participant (\$)	1,073	10	4	1,087	1,102	30	25	1,157

SOURCES: MDRC calculations based on child support administrative data; financial, contractual, and caseload-size data provided by PJAC sites; and publicly available data on license-reinstatement fees and minimum wages.

NOTES: Participation results in this table are regression-adjusted, controlling for pre-random assignment characteristics. Rounding may cause slight discrepancies in sums and differences. The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

<sup>a</sup>MTCSW hearings = motion to compel seek work hearings. These hearings were part of PJAC services only in Stark County but are included in the pooled site analysis.

<sup>b</sup>Averages exclude Arizona and Virginia.

<sup>c</sup>Averages exclude Arizona and California.

<sup>d</sup>Fees noncustodial parents needed to pay to reinstate their licenses.

<sup>e</sup>Assumes four hours for travel and attendance at hearings at an hourly cost equivalent to the local minimum wage.



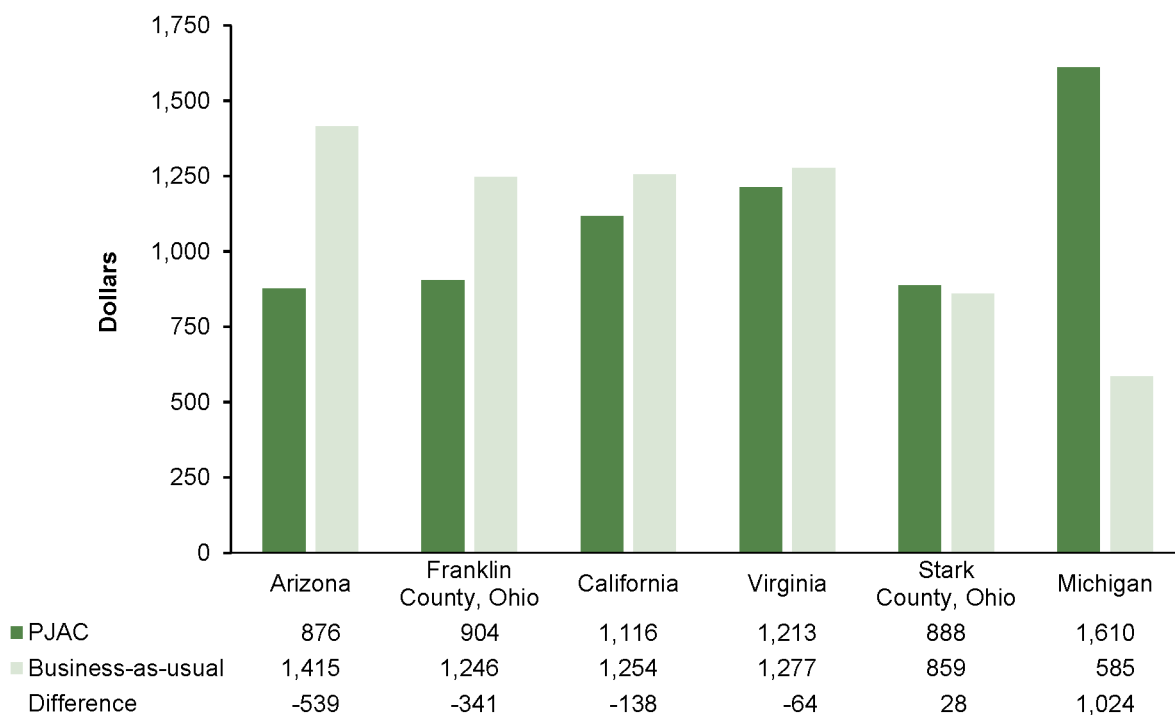
bined with estimates of monetary benefits to determine the net benefits of PJAC services compared with business-as-usual services.

## Costs by Site

Comparing the costs to the government of PJAC versus business-as-usual services by site reveals that at four of six PJAC sites, the costs of PJAC were lower than business-as-usual costs (see Figure 3.1). Detailed site breakdowns, which include costs from parental perspectives, when available, are in Appendix Table C.2. At sites where PJAC costs were lower than business-as-usual costs, the savings due to PJAC from the government perspective ranged from \$539 to \$64. These sites with cost savings had higher contempt costs for the business-as-usual group than the two sites without cost savings. Of the two sites without cost savings, Stark County’s PJAC costs were just slightly higher (\$28) than business-as-usual costs. The other site, Michigan, was an outlier with both the lowest business-as-usual costs and the highest PJAC costs; PJAC services cost \$1,024 more than business as usual at this site.

Michigan has a “friend of the court” structure that is unique among the PJAC sites and unusual among child support agencies more broadly. In this structure, child support agency nonlegal staff members handle contempt cases and hold contempt hearings. The other PJAC sites and many other child sup-

**FIGURE 3.1** Government Costs Per Noncustodial Parent After One Year, by Site



SOURCES: MDRC calculations based on child support administrative data and financial, contractual, and caseload size data provided by PJAC sites.

NOTE: Costs shown only include those from the government perspective but do not include government revenue from license-reinstatement fees since data on rates of reinstatements were not available for Arizona and California.

port agencies in the country staff civil contempt-of-court processes using separate legal child support staff members and court staff members, including magistrates and commissioners. These other sites also incurred costs for the use of court facilities, clerks, and bailiffs. Thus, the substantial legal and court costs for contempt-of-court activities that the other agencies in PJAC paid in addition to their case management costs are built into the case management costs in Michigan. Additionally, PJAC expenses were also higher in Michigan, because Michigan staff members had higher salaries and the Michigan agency assigned more supervisors to PJAC than most other sites, and Michigan also had lower caseloads per case manager. Combined, these factors led the costs in Michigan to look very different than those from the other sites. The research team therefore determined that sensitivity tests were warranted to assess how much Michigan was influencing the overall findings. Excluding Michigan from the analysis of net costs resulted in a savings of \$310 per PJAC sample member (compared with a savings of \$70 when Michigan was included). Chapter 4 and Appendix B present the results of the additional sensitivity tests the team conducted to assess the influence of Michigan's costs on the overall calculation of net benefits.



# 4 Estimates of Benefits and Net Benefits of PJAC Compared with Business as Usual

**T**his chapter primarily focuses on the monetary total benefits and net benefits (total benefits minus net costs) of PJAC services at 12 months after study enrollment. Exploratory net benefits for PJAC services at 30 months after study enrollment are presented at the end of the chapter and detailed in Appendix D. Findings include:

- PJAC services produced positive net benefits for society of \$33 per PJAC participant in the 12 months after study enrollment. Though PJAC services produced positive net benefits for the government (\$44) and noncustodial parents (\$128), they produced negative net benefits for custodial parents and children (-\$139).
- Net benefits varied across sites and by perspective. PJAC services produced positive societal net benefits at four sites and negative net benefits at the other two sites. Net benefits were positive for noncustodial parents at four of the six sites. Net benefits to the government were positive at four of the six sites. Net benefits to custodial parents were negative at all but one site.
- An exploratory analysis of the long-term net benefits of PJAC services 30 months after study enrollment found that PJAC services resulted in a loss to society of \$712 per PJAC participant.
- Sensitivity analyses found that the results change substantially if Michigan is excluded. (Sensitivity analyses explore whether changes to the underlying assumptions or sample affect the overall findings, and if so, by how much.) As discussed

in the prior chapter, Michigan had an unusual structure for staffing contempt-of-court cases, which led it to be an outlier in terms of net costs (with Michigan having the highest PJAC services costs and the lowest business-as-usual costs). The net benefits of PJAC services increase from \$33 in the primary analysis to \$285 when Michigan is excluded.

## Monetary Benefits and Data Sources

Table 4.1 summarizes PJAC's potential monetary benefits and the data sources the research team used to calculate them. The top panel of Table 4.1 shows the primary benefits used in the analysis. The bottom panel shows benefits used in exploratory analyses discussed later in the chapter and in Appendix B. The benefit estimates presented in this report are the estimated effects of PJAC services on outcomes; that is, the regression-adjusted difference between the outcomes of the PJAC services group and the business-as-usual group.<sup>1</sup> As is standard for conducting a benefit-cost analysis, effect estimates are used regardless of statistical significance.<sup>2</sup> The team conducted sensitivity tests to determine how uncertainty in the effect estimates affects the overall conclusions (see Appendix B).

Most of the estimated effects are expressed in monetary terms and thus, benefit estimates often come directly from effect estimates. For example, the monetary benefits of changes in child support payments are equal to the difference in the dollar amount of child support paid by those in the PJAC services group compared with the business-as-usual group. When effect estimates are not measured in dollars (for example, days in jail), the research team converted effects to dollar values using other data sources.<sup>3</sup> Additional details about how benefits were calculated are included in Appendix B.

## Total Benefits and Net Benefits at 12 Months

This section describes the total benefits and net benefits of PJAC services at 12 months after study enrollment. Total benefits are the sum of all benefits. Net benefits are the total benefits minus the net costs of PJAC.

### Total Benefits

The top panel of Table 4.2 shows the total benefits of PJAC services per participant. Estimates in Table 4.2 are pooled across sites and presented by perspective. Overall, the total benefits of PJAC services at 12 months were relatively small across perspectives. Total societal benefits were -\$37, meaning PJAC services produced slightly less in benefits for society than business as usual. Total benefits were negative for custodial parents and children (-\$161), primarily due to a reduction in child support payments, and positive for noncustodial parents in PJAC (\$108) and the government (\$15). Changes in child support

<sup>1</sup> Skemer (2023).

<sup>2</sup> Levin et al. (2018); Farrow and Zerbe (2013); American Institutes for Research (2021).

<sup>3</sup> Monetary values of child support payments, debt, and earnings are measured in the year they occurred and are not adjusted to fiscal year 2019; however, inflation from first enrollment to the last month of the follow-up period was relatively low at 3 percent, and had these outcomes been adjusted for inflation, it would not have changed conclusions. The cost of jail stays, tax rates, and fringe benefit rates are measured during federal fiscal year 2019.





**TABLE 4.1 Potential Monetary Benefits and Data Sources**

Benefit	Description	Data Sources
<i>Primary benefits</i>		
Child support payments	<p>PJAC services were intended to increase the amount of child support paid. Benefit estimates are the difference between research groups in the total child support paid by noncustodial parents during the follow-up period (12 or 30 months). Child support payments are owed either to the custodial parent or to the government to reimburse the state for Temporary Assistance for Needy Families (TANF) or other benefits provided to the custodial parent or child. Child support payments are transfers between parties. Any increase in child support payments is considered a loss to noncustodial parents and will have no monetary benefit to society as the payment transfers from one party to another. The research team estimated the portion of child support payments that should be allocated to the government based on the percentage of custodial parents who received TANF.<sup>a</sup> The remainder was allocated to the custodial parent.</p>	<p>Effects estimated using child support administrative data</p>
Child support debt	<p>Because PJAC services included a focus on debt forgiveness and compromise, this analysis assumes that observed reductions in debt occur when debt is compromised through an agreement between parties or adjusted downward rather than through payments. Therefore, effects that show a reduction in debt owed represent a monetary benefit to the noncustodial parent and a financial loss to the custodial parent or government. Estimated effects are the difference between research groups in child support debt owed by the noncustodial parent to the custodial parent and government at the end of the follow-up period (12 or 30 months). Following the approach of Moore, Magnuson, and Wu (2019), this analysis assumes noncustodial parents pay no more than 27 percent of the debt owed over a period of 10 years.<sup>b</sup> Thus, estimates include the net present value of the total difference in debt for the noncustodial parent and the net present value of 27 percent of the difference in debt owed to the custodial parent and government.<sup>c</sup> This measure does not add interest on debt owed that may be accrued in the future.<sup>d</sup></p>	<p>Effects estimated using child support administrative data, adjusted by amount of debt probably paid</p>
<i>Exploratory benefits</i>		
Jail stays (Arizona only)	<p>Reduced use of jail lowers costs to the government and noncustodial parents.<sup>e</sup> For the impact analysis, the research team estimated effects on the total number of days a noncustodial parent was in jail during the year after study enrollment. The research team converted jail stays to a dollar amount by multiplying the percentage of noncustodial parents who were admitted to jail by the cost to admit an individual and then adding the daily jail housing cost multiplied by the average number of days a noncustodial parent was held in jail.</p>	<p>Jail data and annual Maricopa County per diem rate study</p>
Earnings	<p>PJAC services may increase formal employment among noncustodial parents. The benefit is the difference between research groups in total earnings from formal employment during the first year after study enrollment. Earnings from informal employment were not available and are not included.</p>	<p>National Database of New Hires quarterly earnings records</p>

(continued)

**TABLE 4.1 (continued)**

Benefit	Description	Data Sources
Fringe benefits	Changes in earnings also affect the legally required benefits that employers must pay that benefit the noncustodial parent: Social Security, Medicare, unemployment insurance, and worker's compensation. The research team used the benefit rate for those in the tenth wage percentile for all civilian workers.	Employer-provided benefits data from the U.S. Bureau of Labor Statistics
Tax payments	Changes in earnings affect the taxes that noncustodial parents pay and the government receives. Estimated employee payroll taxes were calculated based on total formal earnings of noncustodial parents during the first year after study enrollment. <sup>f</sup>	Joint Committee on Taxation (2019)

NOTES: <sup>a</sup>Precise data on the share of parents receiving TANF were unavailable. The research team estimated this percentage using the share of custodial parents on the primary case (the case that made a noncustodial parent eligible for the PJAC study) who received TANF at enrollment.

<sup>b</sup>Moore, Magnuson, and Wu (2019) incorporate estimates of the portion of debt paid from Sorensen, Sousa, and Schaner (2007). Appendix B includes sensitivity analyses that vary assumptions regarding the amount of debt repaid.

<sup>c</sup>The net present value reflects the current value of a future gain or loss by applying a discount rate. The team used a 3.5 percent discount rate.

<sup>d</sup>Whether interest is charged on child support debt, and if so how much, varies by state. Some states, including states in the PJAC study, allow courts to determine whether interest is charged, and if so how much. Due to the wide variability, the team did not estimate interest on debt.

<sup>e</sup>Data on jail stays are only available from Maricopa County, Arizona.

<sup>f</sup>Earned Income Tax Credit (EITC) payments are excluded from the analysis. Deriving these payments requires tax-related information that is not available for this study, including the total number of children claimed as dependents and head-of-household status. Furthermore, because PJAC services reduced earnings, including EITC payments would generate negative benefits to noncustodial parents and positive benefits to the government; however, because EITC payments are a transfer between noncustodial parents and government, their inclusion would not affect estimates of societal net benefits.

payments act as a transfer from the noncustodial parent to the custodial parent, the government, or both. From the societal perspective, there is no monetary benefit from these transfers.

The negative benefit to society was largely the result of an increase in child support debt owed by noncustodial parents. PJAC services increased the overall amount of child support debt owed by noncustodial parents by \$60, generating a negative benefit to noncustodial parents of -\$51 when discounted over 10 years. Custodial parents in the PJAC services group were owed less in child support than custodial parents in the business-as-usual group (-\$70), probably due to debt forgiveness and adjustment. Following the approach described in Box 4.1 to account for the reality that not all debt owed is likely to be paid, the analysis assumes that only 27 percent of that debt would be repaid over 10 years, which amounts to a loss of \$16 to custodial parents when discounted. Child support owed to the government increased by \$130 for those in the PJAC services group, probably due to lack of payment and interest compounding. This increase is a benefit to the government because it is owed a greater amount; however, this amount must also be adjusted for the likely payment rate (27 percent over 10 years), yielding a positive benefit of \$29 to the government when discounted. The societal benefit from changes in child support owed is -\$37, which is the sum of benefits to noncustodial parents (-\$51), custodial parents (-\$16), and the government (\$29).



**TABLE 4.2 Total Benefits and Net Benefits Per Participant in the Year After Study Enrollment, by Perspective**

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefit</b>				
Child support-related benefits				
Child support payments	-14	159	-145	0
Child support debt	29	-51	-16	-37
Total benefits	15	108	-161	-37
<b>Cost</b>				
Net cost of PJAC services	-29	-20	-21	-70
Net benefits	44	128	-139	33

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

## Net Benefits

Net benefits account for the added cost of implementing PJAC services relative to business-as-usual services. Net benefits were calculated as the total benefits minus the net costs of program services at 12 months. As described in Chapter 3, PJAC services saved society an average of \$70 per PJAC participant. PJAC services saved the government \$29, noncustodial parents \$20, and custodial parents \$21.

Subtracting the societal cost of PJAC services from the total societal benefits results in an estimated net benefit of \$33, meaning PJAC services generated \$33 more in benefits per PJAC participant in the 12 months after study enrollment. Though PJAC services produced positive net benefits for the government (\$44) and noncustodial parents (\$128), they produced negative net benefits for custodial parents and children (-\$139).

## Site-Specific Estimates

Total benefits and net benefits varied considerably across sites (see Appendix Tables C.3 through C.8).<sup>4</sup> In Arizona and California, and in Franklin and Stark Counties in Ohio, PJAC services produced

<sup>4</sup> See Appendix C for total benefit and net benefit estimates by site and perspective.

## BOX 4.1 CHILD SUPPORT DEBT OWED ACROSS PERSPECTIVES

Decreasing child support debt is associated with positive outcomes for noncustodial parents such as increased labor force participation, improved parent-child interactions, improved child behavioral outcomes, reduced stress, improved credit scores, and improved housing status.\* Additionally, due to compounding, accrued interest will increase more as debt increases. The research team assumes that reducing child support debt will benefit noncustodial parents regardless of whether the owed amount is paid, forgiven, or adjusted, and include the entire face value of the debt reduction for noncustodial parents.

If child support debt increases, the government and custodial parents experience an unrealized gain because they are owed a greater sum of money. Those monetary benefits are realized only when the debt amounts are paid. Sorensen et al. (2007) found that noncustodial parents with earned incomes between \$1 and \$10,000 paid, on average, 27 percent of their debt over a 10-year period. Therefore, the present analysis assumes that 27 percent of the difference in debt owed between the PJAC services and business-as-usual groups will be repaid over 10 years and calculates the net present value of these payments for noncustodial parents, custodial parents, and the government.

For example, if at the end of the follow-up period, the PJAC services group members owe \$4,000, on average, and the business-as-usual group owes an average of \$5,000, then the difference in debt owed is -\$1,000. With a 27 percent debt repayment rate, then, on average, PJAC services group members will repay \$1,080 and business-as-usual group members will repay \$1,350, producing a difference in debt owed of -\$270, or 27 percent of the original \$1,000 difference. In this example, noncustodial parents would gain \$1,000 in benefits from reduced debt, whereas custodial parents or the government (depending on who was owed the debt) would experience a loss of \$270. Note that this simplified example excludes calculations of net present value. Similar calculations occur if parents in the PJAC services group owe more than business-as-usual group members.

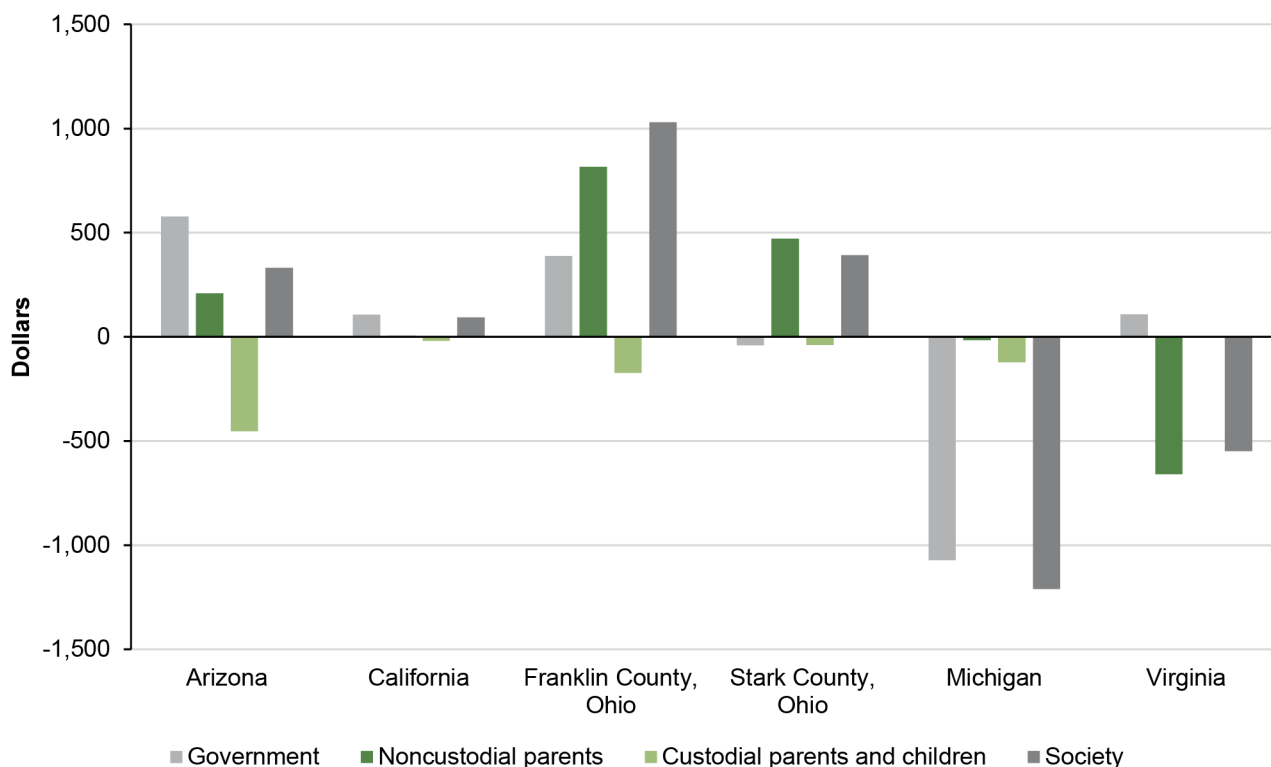
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NOTE: \*Hahn, Kuehn, Hassani, and Edin (2019); Miller and Mincy (2012); Nepomnyaschy et al. (2021).

positive societal net benefits (see the dark gray bars in Figure 4.1). The largest positive net benefits were observed in Franklin County, where societal benefits were the result of a large reduction in debt for noncustodial parents and savings from the lower cost of PJAC services compared with business as usual. Stark County also had a positive societal benefit as a result of reducing noncustodial parent debt. In Arizona and California, increases in debt owed by noncustodial parents resulted in negative societal benefits, but they were offset by savings from the lower costs of PJAC services, resulting in positive net benefits for society. PJAC services produced negative societal net benefits in Virginia and Michigan. In Virginia, which had the highest negative total benefits, negative net benefits were the result of large increases in debt owed by noncustodial parents. Michigan generated the largest negative net benefits. Though Michigan had total benefits that were less negative than Arizona and Virginia (-\$227 compared with -\$365 and -\$658, respectively), PJAC services had high positive net cost (\$994), leading Michigan to have the largest negative net benefit. As was described in Chapter 3, Michigan's net costs were an outlier among the PJAC sites due to how it staffed its contempt-of-court process. The research team conducted a sensitivity analysis to explore how omitting Michigan from



**FIGURE 4.1** Net Benefits at 12 Months, by Perspective and Site



SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Data on jail stays are available for Arizona only. The benefits from reductions in jail stays are excluded from Arizona’s calculations in this figure to allow for comparability across sites.

Net benefits equal total benefits minus net costs of PJAC services for each perspective and site.

Net costs of PJAC services are not available for noncustodial and custodial parents for every site, and the pooled value across all sites is used for these perspectives. Net costs for these perspectives are small (\$20 and \$21, respectively), and site-level information on these costs would not change any conclusions.

the impact and cost analyses would affect the results. This analysis, which resulted in a positive net benefit to society from PJAC services of \$285, is described below and is detailed in Appendix B.

Because data on PJAC’s effects on days in jail were only available for Maricopa County, Arizona, the team calculated the total benefits and net benefits with the estimated effect on jailing for the Arizona site only. PJAC services did not have a statistically significant effect on either the proportion of the sample that was admitted to jail or the number of days in jail. Those in the PJAC services group experienced a small decrease in admission to jail (13.4 percent compared with 14.3 percent) and an increase in the number of days in jail during the 12 months following their enrollment into the study (5.0 days compared with 3.8). These differences for PJAC participants yielded a negative benefit to society and government of -\$117 in additional jail costs (see Appendix Table C.3). These benefits are excluded from the primary findings because they are only available for one site.

## Total Benefits and Net Benefits at 30 Months

This section describes the longer-term monetary benefits of PJAC services and net benefits, measured 30 months after study enrollment. The findings are detailed in Appendix D. PJAC services cost more than business-as-usual services 30 months after study enrollment, resulting in a net cost to society of \$741. The higher monthly case management net costs of PJAC (\$51 per month) accumulated over the 30-month period, pushing the overall net costs of PJAC higher each month. These increased case management costs were not offset on the business-as-usual side by contempt-hearing costs, which did not increase substantially between 12 and 30 months. On the benefits side, at 30 months, PJAC services did not result in improved payments or reduced debt levels. Subtracting the net cost of PJAC from the total societal benefits results in an estimated net benefit of -\$712, meaning PJAC services resulted in a loss of \$712 per PJAC participant in the 30 months after participants were enrolled in PJAC. However, these estimates should be interpreted with caution and viewed as exploratory. First, most people in the sample had part of their follow-up period occur after the start of the COVID-19 pandemic, which initially closed many courts and caused some child support agencies to hold off on sending parents to contempt. Thus, contempt costs, which mostly affect the business-as-usual group, may underrepresent what would typically occur during a steady-state period. Additionally, 30 months of contempt-hearing data were only available for three sites and may not be an accurate reflection of what occurred for the full six-site sample.

## Sensitivity Analyses

The research team conducted numerous analyses to assess the sensitivity of the estimates above to changes in assumptions and the sample. The sensitivity tests intend to identify whether such changes would affect the overall findings, and if so, by how much. The sensitivity analyses conducted were:

- Changing the proportion of child support payments that go to custodial parents and children or the government
- Changing assumptions regarding the proportion of child support debt that noncustodial parents will pay
- Excluding Michigan from the cost and benefit calculations, for reasons discussed above
- Including effect estimates on earnings and related potential effects on fringe benefits and tax payments
- Conducting a Monte Carlo analysis where 10,000 simulations were conducted that simultaneously accounted for uncertainty in several measures<sup>5</sup>

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<sup>5</sup> Monte Carlo analysis is a standard approach for simultaneously assessing uncertainty across multiple measures. Though the analysis does not indicate which measures lead to differences in benefit-cost estimates, the Monte Carlo analysis examines the sensitivity in benefit-cost estimates given overall uncertainty. In this Monte Carlo analysis, the likely range of values that could result from the main analysis are specified using standard errors. Then the benefit-cost estimates are simulated 10,000 times by drawing randomly from those distributions and reestimating the benefits and costs of PJAC services using these randomly drawn values. The distribution of these simulated values captures how uncertainty in the inputs affects the benefit-cost estimates.



Changing assumptions about the proportion of child support payments owed to different parties or the assumption of child support debt that noncustodial parents would pay altered net benefits only minimally. The largest change from varying these assumptions resulted from the extremely unlikely scenario where custodial parents receive 0 percent of debt owed and the government receives 100 percent of debt owed, which would boost societal net benefits to \$57.

Excluding Michigan from the analysis resulted in an increase of more than \$250 in societal net benefits. This change primarily reflects changes in the government perspective, which has a \$285 net benefit when Michigan is excluded (compared with \$44 in the primary analysis). Excluding Michigan does not substantially change the monetary loss experienced by custodial parents and children or the monetary gain experienced by noncustodial parents.

Earnings are an exploratory outcome in the impact analysis and are therefore included as a sensitivity test rather than a component of the primary benefit-cost analysis. Any changes in noncustodial parents' earnings from participating in PJAC would affect their income, taxes owed, and fringe benefits paid by employers. The impact study found no significant difference for earnings from formal employment: Parents in both research groups earned an average of over \$5,000 (\$5,058 for parents in the PJAC services group and \$5,204 for parents in the business-as-usual group). Incorporating the small difference in earnings and their estimated fringe benefits and tax payments changes the benefit-cost results from a small positive net benefit to a small negative net benefit (\$33 compared with -\$131).<sup>6</sup>

The Monte Carlo analysis considered uncertainty in the costs of services, the effects of PJAC services, and the proportion of child support debt that will be paid. The Monte Carlo analysis showed that net benefits were positive in 53 percent of simulations. Most simulations produced net benefit or cost estimates within \$500 of \$0; fewer than 10 percent of few simulations resulted in net benefits that were larger than \$1,000 or -\$1,000. This result shows that most values were clustered around \$0, similar to the main result of \$33, indicating that whether or not PJAC services had a positive or negative effect on society from a monetary perspective was close to a coin toss.

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<sup>6</sup> The research team used National Directory of New Hires (NDNH) data to measure quarterly employment and earnings. These data include most employment, with the main exceptions of independent contract employment, informal employment, and self-employment. Lack of information about earnings outside of the NDNH reflects a significant gap in the research team's understanding of parents' earnings.





# 5 Cost and Benefit- Cost Findings by Subgroup

**T**his chapter presents benefit-cost findings for subgroups of parents defined in six different ways, to examine whether costs and benefits differ for parents' who had different characteristics at the time of study enrollment.

Subgroup costs could differ because of differences in rates of contempt referrals or months of case management provided. Benefits could differ by subgroup if PJAC services had different effects for different subgroups on child support payments or debt levels. The identification of subgroups and the rationale for selecting them are described in the PJAC impact analysis plan.<sup>1</sup> The six subgroups are:

- Noncustodial parents' racial/ethnic group (Black, Hispanic, or White)<sup>2</sup>
- Time since the establishment of noncustodial parents' oldest case (less than six years versus six years or more)
- Noncustodial parents' payment status in the year before study enrollment (any payment versus no payments)
- Noncustodial parents' previous contempt referrals (any contempt referral before

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<sup>1</sup> The PJAC impact analysis plan was finalized in March 2021 and is publicly available on Open Science Framework at <https://osf.io/zps8w/>.

<sup>2</sup> In this chapter "Black" and "White" are used as shorthand for "Black, non-Hispanic" and "White, non-Hispanic."

study enrollment versus no contempt referrals before study enrollment)

- Noncustodial parents' number of open cases (one versus multiple)
- Parents whose follow-up period predated and overlapped the COVID-19 pandemic (enrollment before May 2019 versus enrollment in May 2019 or after)<sup>3</sup>

Findings include:

- Costs were largely the same for all subgroups in both the PJAC services and business-as-usual groups. Variations in costs among subgroups were mainly the result of differences in contempt-hearing rates.
- The analysis of net benefits revealed a small number of larger overall differences in net benefits (in this instance, meaning that the difference in net benefits between subgroups was more than \$250). Most net benefits varied by small amounts across subgroups.

## Costs by Subgroup

The costs of services in various subgroups were largely the same for both PJAC services and business-as-usual group members. Across all subgroups in the PJAC services group, differences in costs were very minor (less than \$100 in all comparisons). These cost variations were primarily the result of small differences in the scheduled contempt-hearing rate rather than variations in case management costs. Across all business-as-usual subgroups, costs were also mostly the same, with the maximum difference between subgroups being less than \$200. Most of the variation in subgroup costs was also the result of differences in the number of hearings scheduled. Since business-as-usual cases had more contempt hearings, which had a high unit cost (\$441 per hearing), there was more variation in costs among subgroups for parents in the business-as-usual group, though as noted, the variation was still minor.

## Net Benefits by Subgroup

Since the benefits calculations are derived from the estimated effects, differences in effects among subgroups will result in differences in benefits and net benefits. With few exceptions, for measures included in the benefit-cost analysis, PJAC services did not have effects for different subgroups that were different to a statistically significant degree.<sup>4</sup> Therefore, in many cases, differences in net benefits across subgroups are small and not meaningful: less than a couple hundred dollars over 12 months, which is unlikely to make a substantial difference in well-being for noncustodial parents or custodial parents and children. However, for a few subgroups, PJAC services generated larger over-

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<sup>3</sup> To assess COVID-19's influence, this COVID-19 subgroup analysis extends the sample used in the rest of the report to include parents randomly assigned through the end of the enrollment period in September 2020.

<sup>4</sup> See Skemer (2023) for detailed results of the subgroup impact analysis on confirmatory and secondary outcomes. There were statistically significant differences in effects for subgroups defined in three ways: PJAC services had greater downward effects on child support payments for those with older cases, previous contempt referrals, and multiple cases, compared with its neutral effects for parents with shorter or less complex histories with the child support program. As described in Chapter 2, effect estimates are used regardless of their statistical significance.



all differences in net benefits (in this case, meaning that the difference in net benefits between the subgroups was more than \$250). These instances are outlined below but should be interpreted with caution as there were many tests conducted across the subgroups and some of the results that appear meaningful may have been random.<sup>5</sup> Appendix Tables C.9 through C.14 show the benefit-cost results by subgroup.

PJAC services generated positive net benefits for society when delivered to Hispanic participants, while societal net benefits were negative when services were provided to Black or White participants (see Appendix Table C.9). However, these findings should be interpreted with considerable caution. Notably, there were no statistically significant differences in effects across racial or ethnic groups, producing uncertainty in the benefit-cost estimates.<sup>6</sup> This uncertainty makes it difficult to differentiate between effects related to site characteristics and effects related to individual demographic characteristics.

For parents with less or shorter involvement with the child support system—that is, those with only one open case and those with newer cases—PJAC services generated greater net benefits for society. Societal net benefits were positive for those with one open case (\$140), whereas for those with more than one open case, PJAC services produced negative societal net benefits (-\$281; see Appendix Table C.13). Similarly, for participants with cases less than six years old, PJAC services produced positive net benefits (\$451), while for those with cases six years and older, PJAC services generated negative net benefits (-\$264; see Appendix Table C.10). In all these instances, noncustodial parents experienced reductions in child support debt that led to a positive societal benefit.

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<sup>5</sup> See Skemer (2023) for additional discussion of the subgroup results. The research team conducted additional analysis to adjust for multiple comparisons, as discussed in that report.

<sup>6</sup> Skemer (2023).



## Discussion

# 6

**T**he benefit-cost analysis found that PJAC services produced a small net benefit of \$33 from the societal perspective after 12 months. PJAC services, which focused on case management infused with procedural justice to encourage compliance with child support orders, cost society nominally less (\$70) than business-as-usual child support enforcement that focused on civil contempt of court. PJAC resulted in a smaller, positive net benefit to society because it increased the debt owed by noncustodial parents and reduced the debt owed to custodial parents (presumed to come from debt compromises and adjustments), resulting in negative total benefits of \$37.

By perspective, the government and noncustodial parents experienced positive net benefits (\$44 and \$128 respectively), and custodial parents and children had negative net benefits of -\$139. The exploratory analysis of benefits and costs after 30 months suggests that PJAC services became more costly to society over time, as the more expensive case management costs of PJAC continued to accrue but were not offset by benefits. The 30-month results should be considered with caution given limitations on data availability and the fact that much of the follow-up period occurred during a time when contempt processes were disrupted by the COVID-19 pandemic.

Across all perspectives, the gain or loss amounts were small. The estimated loss to custodial parents and children of \$139 in the first year is unlikely to reflect a material difference in a child's standard of living. From the child support agency's perspective, the cost differences between the approaches were negligible. Assuming a child support agency diverted 500 cases to PJAC services from contempt of court, PJAC saved the government \$14,500 in direct child support enforcement expenses in the first year. However, the analysis of the longer-term costs of continuing to provide PJAC services—though exploratory—suggests that PJAC services will

become more costly for all perspectives over time. These additional costs are borne most by the child support agency.

## Implications of the Findings

The PJAC benefit-cost analysis suggests that child support agencies can adopt alternatives to contempt of court processes, such as the procedural justice–infused case management approach used in PJAC, without having a large effect on child support agency costs, child support payments, or debt levels. The PJAC case management approach may have also led to nonmonetary benefits to families that were not captured in this analysis via less involvement with the justice system, improved parent-child interactions, or improved relationships between parents, which could benefit custodial parents and children. Further research is needed to determine whether services like those provided under PJAC result in improvements in these areas.

In order for custodial parents and children to benefit monetarily from PJAC services, they would have needed to experience an increase in child support payments. For context, PJAC services had a small, negative effect on the proportion of monthly child support obligations parents paid, reducing it from 27 percent to 25 percent.<sup>1</sup> In the year before their enrollment into the PJAC study, parents paid about 17 percent of their total child support obligations, suggesting neither the standard contempt process nor the PJAC approach is particularly effective at increasing payment compliance. The PJAC services and contempt-of-court processes used in this study may have been limited in their ability to achieve payment compliance due to noncustodial parents' employment circumstances. While the PJAC model was not designed to address parents' employment challenges, inadequate earnings seem to be at the heart of nonpayment for many parents in the PJAC study. All parents in the study had to be assessed as having an ability to pay before they could be referred for contempt or be eligible for the PJAC study. However, the research team learned from parents and child support staff members that, in actuality, many parents struggled with obtaining and maintaining consistent employment that paid sufficient wages to meet their basic needs and allowed them to make child support payments. Staff members and parents cited employment struggles as the primary reason for nonpayment of child support, as previous PJAC briefs and reports describe.<sup>2</sup> Employment and earnings data from the National Directory of New Hires further corroborate these struggles: fewer than half of parents in both research groups had formal employment the year after study enrollment, and they earned only about \$5,000 from that employment.

Regardless of the benefit-cost results, all people engaging with social service programs should be treated fairly and respectfully. Thus, procedural justice remains an important and useful framework to be applied by social service agencies. However, understanding structural limitations to any intervention, such as the labor market context described above, is important so policymakers, practi-

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<sup>1</sup> This effect is statistically significant. See Skemer (2023).

<sup>2</sup> Cummings (2020); Treskon, Phillips, Groskaufmanis, and Skemer (2022); Treskon and Groskaufmanis (2022).



tioners, and researchers can identify additional possible solutions to child support compliance and assist families in need of additional financial resources.







# APPENDIX A

Baseline Characteristics of  
Noncustodial Parents in  
the PJAC Study



**APPENDIX TABLE A.1** Baseline Characteristics of Noncustodial Parents in the PJAC Services and Business-as-Usual Groups, Full Sample

Characteristic	PJAC	Business-as-Usual	Full PJAC Study Sample
<b>Parent characteristics</b>			
Male (%)	90.2	90.2	90.2
Age (mean number of years)	38.2	38	38.1
Race/ethnicity (%)			
Black, non-Hispanic	41.1	41.5	41.2
White, non-Hispanic	35.8	35	35.5
Hispanic	20.7	21.3	20.9
Other	2.5	2.2	2.4
Noncustodial parent is a custodial parent on another case (%)	8.6	8.0	8.4
<b>Case characteristics</b>			
Number of cases per noncustodial parent <sup>a</sup>	1.7	1.7	1.7
Number of years since the order on a parent's oldest case was established <sup>b</sup>	10.0	9.8	9.9*
Monthly amount due (\$)	412	434	420
Total debt due (\$)	26,340	25,786	26,146
Number of months since last payment, among those who made a payment in the year before study enrollment	5.1	5.3	5.2**
Ever referred to contempt before study enrollment (%)	34.5	35.7	34.9
Family violence indicated <sup>c</sup> (%)	17.6	18.1	17.8
Has a debt-only case (%)	31.2	29.6	30.7*
Custodial parent and child(ren) on the primary case receiving Temporary Assistance for Needy Families <sup>d</sup> (%)	10.1	9.8	10.0
<b>Employment and earnings</b>			
Total formal earnings in the year before study enrollment (\$)	4,865	4,846	4,858
Ever formally employed in the year before study enrollment (%)	53.1	53.1	53.1
Sample size	7,381	3,991	11,372

SOURCES: MDRC calculations based on child support administrative records and quarterly employment and earnings data from the National Directory of New Hires.

NOTES: Sample sizes may vary because of missing values and gaps and delays in data. Statistical significance tests were conducted to assess differences in characteristics across research groups. Statistical significance levels are indicated as follows: \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

<sup>a</sup>This measure includes cases in which the sample member was the noncustodial parent only (as opposed to cases in which the sample member was the custodial parent or child).

<sup>b</sup>This measure is calculated among cases open at the time of study enrollment only.

<sup>c</sup>This measure indicates family violence for either the noncustodial or the custodial parent on a noncustodial parent's cases except for in Arizona, where the measure only includes instances where the noncustodial parent is indicated as the victim of family violence.

<sup>d</sup>A noncustodial parent's primary case is the case that made the parent eligible for contempt and the PJAC study.

**APPENDIX TABLE A.2** Baseline Characteristics of Noncustodial Parents in the PJAC Services and Business-as-Usual Groups, Pre-COVID Sample

Characteristic	PJAC	Business-as-Usual	Full Pre-COVID-19 Sample
<b>Parent characteristics</b>			
Male (%)	90.8	90.5	90.7
Age (mean number of years)	37.9	37.8	37.9
Race/ethnicity (%)			
Black, non-Hispanic	39.6	39.9	39.7
White, non-Hispanic	36	35.7	35.9
Hispanic	21.8	22.1	22
Other	2.5	2.3	2.5
Noncustodial parent is a custodial parent on another case (%)	9.1	8.0	8.7
<b>Case characteristics</b>			
Number of cases per noncustodial parent <sup>a</sup>	1.8	1.7	1.7
Number of years since the order on a parent's oldest case was established <sup>b</sup>	9.9	9.6	9.8
Monthly amount due (\$)	424	415	421
Total debt due (\$)	27,522	25,761	26,903 *
Number of months since last payment, among those who made a payment in the year before study enrollment	5.0	5.2	5.1
Ever referred to contempt before study enrollment (%)	32.8	34.1	33.2
Family violence indicated <sup>c</sup> (%)	18.0	18.7	18.3
Has a debt-only case (%)	31.7	28.9	30.7 *
Custodial parent and child(ren) on the primary case receiving Temporary Assistance for Needy Families <sup>d</sup> (%)	11.0	10.9	11.0
<b>Employment and earnings</b>			
Total formal earnings in the year before study enrollment (\$)	4,655	4,337	4,543
Ever formally employed in the year before study enrollment (%)	51.7	51.2	51.5
Sample size	3,650	1,978	5,628

SOURCES: MDRC calculations based on child support administrative records and quarterly employment and earnings data from the National Directory of New Hires.

NOTES: Sample sizes may vary because of missing values and gaps and delays in data. Statistical significance tests were conducted to assess differences in characteristics across research groups. Statistical significance levels are indicated as follows: \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

<sup>a</sup>This measure includes cases in which the sample member was the noncustodial parent only (as opposed to cases in which the sample member was the custodial parent or child).

<sup>b</sup>This measure is calculated among cases open at the time of study enrollment only.

<sup>c</sup>This measure indicates family violence for either the noncustodial or the custodial parent on a noncustodial parent's cases except for in Arizona, where the measure only includes instances where the noncustodial parent is indicated as the victim of family violence.

<sup>d</sup>A noncustodial parent's primary case is the case that made the parent eligible for contempt and the PJAC study.



**APPENDIX TABLE A.3** Baseline Characteristics of Noncustodial Parents in the PJAC Demonstration, by Site

Characteristic	Arizona	California	Michigan	Franklin County, Ohio	Stark County, Ohio	Virginia	All PJAC Sites
<b>Parent characteristics</b>							
Male (%)	93.5	92.9	88.7	92.6	86.6	87.7	90.2
Age (mean number of years)	39.7	37.2	35.7	37.3	39.0	39.0	38.1
Race/ethnicity (%)							
Black, non-Hispanic	16.6	16.4	44.8	61.1	33.8	84.8	41.2
White, non-Hispanic	32.6	19.7	50.2	36.3	64.6	13.6	35.5
Hispanic	46.3	60	1.8	1.4	0.9	1.3	20.9
Other	4.5	3.9	3.2	1.2	0.7	0.3	2.4
Noncustodial parent is a custodial parent on another case (%)	1.4	12.1	17.6	5.7	7.6	5.3	8.4
<b>Case characteristics</b>							
Number of cases per noncustodial parent <sup>a</sup>	1.3	1.3	2.1	1.8	2.1	1.8	1.7
Number of years since the order on a parent's oldest case was established <sup>b</sup>	9.7	8.8	10.2	8.4	10.7	11.4	9.9
Monthly amount due (\$)	427	522	259	528	340	455	420
Total debt due (\$)	44,742	33,943	15,362	21,431	16,747	21,311	26,146
Number of months since last payment, among those who made a payment in the year before study enrollment	4.8	5.2	5.0	4.7	6.0	5.4	5.2
Ever referred to contempt before study enrollment (%)	24.2	8.0	63.9	38.5	31.9	50.2	34.9
Family violence indicated <sup>c</sup> (%)	5.7	10.2	43.2	6.3	5.6	29.9	17.8
Has a debt-only case (%)	29.1	17.3	32.7	19.8	34.6	43.9	30.7
Custodial parent and child(ren) on the primary case receiving Temporary Assistance for Needy Families <sup>d</sup> (%)	1.3	21.5	4.5	4.4	11.3	14.9	10.0
<b>Employment and earnings</b>							
Total formal earnings in the year before study enrollment (\$)	5,949	4,324	5,680	4,779	3,459	5,041	4,858
Ever formally employed in the year before study enrollment (%)	52.0	45.8	63.6	54.5	48.2	55.5	53.1
Sample size	2,085	2,070	1,730	1,416	2,166	1,905	11,372

(continued)

### APPENDIX TABLE A.3 (continued)

SOURCES: MDRC calculations based on child support administrative records and quarterly employment and earnings data from the National Directory of New Hires.

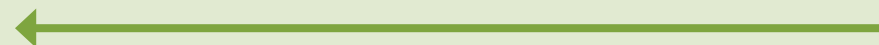
NOTES: Sample sizes may vary because of missing values and gaps and delays in data.

<sup>a</sup>This measure includes cases in which the sample member was the noncustodial parent only (as opposed to cases in which the sample member was the custodial parent or child).

<sup>b</sup>This measure is calculated among cases open at the time of study enrollment only.

<sup>c</sup>This measure indicates family violence for either the noncustodial or the custodial parent on a noncustodial parent's cases except for in Arizona, where the measure only includes instances where the noncustodial parent is indicated as the victim of family violence.

<sup>d</sup>A noncustodial parent's primary case is the case that made the parent eligible for contempt and the PJAC study.



# APPENDIX B

Technical Details on the  
Analysis





This appendix contains the following technical details:

- The cost data collection process
- Approach to calculating unit costs
- Approach to calculating benefits
- Approach to and results from sensitivity tests
- Approach to and results from Monte Carlo analysis

## Cost Data Collection

The research team collected cost data from expenditure reports from PJAC sites for the federal fiscal year 2019 (FFY 2019, or October 1, 2018, through September 30, 2019). In cases where data elements were available for a different period (for example, the calendar year 2019), prices were adjusted to March 2019 (the midpoint of FFY 2019) using the U.S. Bureau of Labor Statistics' Consumer Price Index Inflation Calculator.<sup>1</sup>

The research team included off-budget costs when feasible. Off-budget costs are those costs incurred that do not appear on expenditure reports. Examples include child support agency staff members who supported PJAC activities but were not charged directly to the grant, or facility costs paid for by another entity and not charged to the child support agency.

Though the research team sought to collect similar cost data across the six PJAC demonstration sites, it was not always possible. For example, service-of-process costs differed by site. Franklin County's costs were only for successful service, while Stark County's included unsuccessful and successful service attempts. Virginia could not provide data about the costs incurred by the courts for contempt hearings (for example, the costs of judges who oversaw hearings, of bailiffs and other court staff members, and of the facilities where hearings were held). Instead, Arizona court costs were used as a proxy for Virginia because the two sites had similar structures overall, except that Virginia used judges paid by the state to hear cases and Arizona used commissioners paid by the child support agency.

The PJAC staff survey and time study asked participants to estimate how much time they spent on activities related to the PJAC evaluation. The costs of the time staff members spent supporting the evaluation were removed from the cost estimates as they are not part of implementing the PJAC model.

## Calculation of Unit Costs

The team estimated unit costs for the two central aspects of service and enforcement contrast: monthly case management costs and costs for contempt hearings. They also estimated unit costs for motion to compel seek work hearings, an additional service component in Stark County that is similar to contempt hearings. The research team produced initial estimates of the unit costs, described

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<sup>1</sup> U.S. Bureau of Labor Statistics (n.d.).

below, and reviewed these estimates with each site to explain the approach they used and identify whether adjustments to the calculations were warranted.

## PJAC Case Management Costs

The team estimated the per-participant case management costs for PJAC by first estimating the total cost of PJAC case management based on expenditures and off-budget costs. Next, unit costs were estimated by dividing total costs by the number of participant-months of case management provided in FFY 2019. Participant-months were estimated using the study build-up report, which tracked the number of noncustodial parents randomly assigned to the PJAC services group each month. Each noncustodial parent enrolled in PJAC before the start of FFY 2019 was assumed to have received 12 months of services in FFY 2019. Noncustodial parents who enrolled during FFY 2019 were estimated to receive services for each month remaining in FFY 2019 from their month of enrollment. For example, a noncustodial parent enrolled in January 2019 was assumed to receive 9 months of PJAC services in FFY 2019.

## Business-as-Usual Case Management Costs

The team used two approaches to estimate business-as-usual case management costs. At two sites (Michigan and Stark County), one or two caseworkers managed the business-as-usual study cases. For those sites, the team used an approach to estimate business-as-usual costs per participant similar to the one it used for participants in the PJAC services group. At the remaining sites, business-as-usual study cases were spread among enforcement workers who handled both study cases and nonstudy cases. For these sites, the team used the average salary of an enforcement worker and loaded that salary to account for fringe benefits and indirect costs (the same overhead applied to PJAC salaries). In addition, a portion of support staff members' salaries and overhead were added. Combined, these costs became the total enforcement worker cost. Next, the team calculated a cost per paying and nonpaying case since enforcement workers spend more time on nonpaying cases than on paying cases. To do so, the research team took the average caseload size for enforcement workers and used the results of the staff survey and time study to calculate site-level estimates for the share of time workers spent on paying cases, nonpaying cases, or both. These estimates were used to create a monthly cost estimate for paying and nonpaying cases. Finally, the per-case costs were adjusted by the average number of cases per noncustodial parent and the share of paying and nonpaying cases to estimate costs at the participant level.

## Contempt Hearing Costs

There were slight differences in how some sites handled contempt hearings for the PJAC and business-as-usual cases. The cost differences were minor, so the research team calculated one unit cost to use for all contempt hearings rather than separate costs for each research group. That cost per contempt hearing was calculated by summing all the available legal costs incurred by the child support agency (child support agency legal staff costs, court costs, service-of-process costs) and dividing by



the number of scheduled hearings in FFY 2019. This approach assumes the child support agency incurs costs for hearings whether or not noncustodial parents attend the hearing. Child support agencies hold multiple types of court hearings, including hearings on establishing paternity, determining order amounts, and contempt. Interviews with child support agency staff members indicated that costs did not vary systematically by hearing type, so the team calculated the average cost per contempt hearing based on hearings of all types. For the motion to compel seek work costs, the team used the Stark County contempt costs minus service-of-process costs (as service of process was not used for the motion to compel seek work hearings) to calculate the unit costs for that activity.

## Calculating Benefits

This section describes the methodology used to derive monetary benefit estimates for child support payments, jail stays, fringe benefits, and taxes paid.<sup>2</sup>

### Child Support Payment Distribution

The benefit of child support payments to the noncustodial parent is the estimated effect of PJAC services on child support payments; that is, the regression-adjusted difference in mean child support payments between those receiving PJAC services and the business-as-usual group. However, the custodial parent does not necessarily receive the entire child support payment. If custodial parents receive government cash assistance, then the government receives some portion of the child support payment as reimbursement. At some sites, the government receives reimbursement first, while other sites with pass-through policies provide some portion of the payment to custodial parents before the government receives any payment. For all sites, the team estimated the distribution of child support payments using the proportion of custodial parents on a noncustodial parent's primary case who were receiving Temporary Assistance for Needy Families (TANF) at enrollment for each site (see Appendix Table B.1). The primary case is the case that qualified the noncustodial parent for the study.

For sites with no pass-through, the portion of child support payments paid to the government is the proportion of custodial parents receiving TANF, as defined above. In California and Virginia, which have pass-through policies, the pass-through amount must be subtracted from the portion the government receives. California and Virginia pass \$50 and \$75 of the child support payment, respectively, to the custodial parent each month that payment occurs. The government then receives the remaining amount.<sup>3</sup>

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<sup>2</sup> The approach to calculating benefits resulting from changes in child support debt is detailed in Chapter 4, Box 4.1.

<sup>3</sup> To calculate the total pass-through amount in California and Virginia, the monthly pass-through amount was multiplied by the estimated number of months with a payment. The total pass-through amount was then subtracted from the average child support payment for the PJAC services and business-as-usual groups. The result was then multiplied by the proportion of custodial parents receiving TANF (defined above) to determine the government portion. The portion of child support payments to custodial parents is the difference between the average payment for the PJAC services and business-as-usual groups and the portion the government receives. Finally, these estimates were converted to percentages (as shown in Appendix Table B.1). To estimate the number of months with a child support payment, the number of months in the one-year follow-up period in which a parent had an open case and any payment was made was calculated and then divided by the number of months in the follow-up period in

## APPENDIX TABLE B.1 Estimated Percentages of Child Support Paid to the Government and Custodial Parents

Percentage (%)	Arizona	California	Michigan	Franklin County, Ohio	Stark County, Ohio	Virginia	All PJAC Sites
Percentage of custodial parents on the primary case receiving TANF at enrollment	1.3	21.5	4.5	4.4	11.3	14.9	10.0
Percentage of child support paid to the government	1	19	4	5	11	12	9
Percentage of child support paid to the custodial parent	99	81	96	96	89	88	91

SOURCE: MDRC calculations based on child support administrative records.

NOTE: Rounding may cause slight discrepancies in sums and differences.

For all sites, these percentages were multiplied by the effect estimate to derive the monetary benefit to the government and custodial parents. For the pooled sample, the percentages were averaged across sites and then multiplied by the pooled effect estimate.

### Avoided Cost of Jail

Administrative data from Maricopa County indicate that booking costs \$342 per individual, and the per diem cost to hold someone in jail is \$100 (in 2019 dollars). The effect estimates—none of which are statistically significant—indicate that PJAC services slightly decreased the share of PJAC participants who were booked into jail but increased the number of days PJAC participants were held in jail. Multiplying the booking cost by the change in the proportion of participants admitted to jail (1 percentage point) and the per diem cost by the change in days in jail (1.2 days) yields the monetary benefit of reduced bookings (\$3) and the negative monetary benefit of increased jail stays of -\$120. The sum of these two estimates yields the total negative monetary benefit from increased jail stays of -\$117.

### Methodology for and Detailed Findings from Sensitivity Analyses

The research team conducted numerous sensitivity analyses to determine how assumptions and uncertainty in estimates affected the overall benefit-cost estimates. The sensitivity analyses were to assess how benefit-cost estimates changed when an outlier site (Michigan) was excluded, to adjust single inputs (assumptions about child support payment distributions and child support debt recovery rates), to include effects on earnings, and to gauge the variability in results that could arise from altering multiple inputs simultaneously (the Monte Carlo analysis).

which that parent had an open case. Next, this estimate was multiplied by the pass-through amount to get the total amount that was passed through to custodial parents.



## Excluding Michigan from Benefit-Cost Calculations

Michigan handles contempt cases in a different way than other sites do. As discussed in Chapter 3, Michigan has lower business-as-usual costs and higher PJAC costs than other sites. The negative net costs in Michigan are an outlier among the sites, and thus warrant an exploration of how Michigan's net costs and benefits affect the pooled net benefit estimates.

Appendix Table B.2 shows differences in cost and benefit estimates when Michigan is excluded completely. Excluding Michigan does not change the overall findings, but does increase the size of the net costs and net benefits, particularly from the government perspective. If Michigan is excluded, PJAC services cost about \$310 less than business as usual, a more than \$240 savings per PJAC participant compared with the cost when Michigan is included. This change in costs results in a change in net benefits to the government from \$44 in the primary analysis to \$289 when Michigan is excluded. In both scenarios, custodial parents and children experience a monetary loss due to PJAC and excluding Michigan does not substantially change the size of the loss. Noncustodial parents experience a positive net benefit in both scenarios, and the size of the benefit also does not change substantially when Michigan is excluded.

**APPENDIX TABLE B.2** Total Benefits and Net Benefits Per Participant in the Year After Study Enrollment, by Perspective, Excluding Michigan

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-13	144	-131	0
Child support debt	36	-34	-27	-25
Total benefits	23	110	-158	-25
<b>Costs</b>				
Net PJAC program costs	-266	-21	-23	-310
Net benefits	289	131	-135	285

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



## Child Support Payment Distribution

The research team based the child support payment distribution on the proportion of custodial parents on the primary case who received TANF at study enrollment in each site, accounting for any pass-through amount. The primary pooled analysis uses the average of these proportions across sites, estimating that 9 percent of child support payments paid by noncustodial parents will go to the government and 91 percent will go to custodial parents. The actual proportion of child support payments that custodial parents receive might differ, as the proportion of custodial parents with TANF cases might differ when all the cases associated with noncustodial parents are considered, plus custodial parents' TANF status may change throughout the study period. To test the sensitivity of the primary findings to such alterations, the research team employed a break-even analysis. Specifically, the research team calculated what distribution of child support payments between the custodial parent and the government would be necessary to change the primary findings.

The primary analysis of benefits found a negative net benefit of -\$145 for custodial parents and -\$14 for the government in child support payments. Decreased child support payments generate a negative benefit for custodial parents and the government because that party receives less money. If a party is due less of the child support payment, that party's net benefits would increase because it would experience less loss from the decreased payments.<sup>4</sup> These benefits represent a transfer from one party to another, so an increase in the share of benefits going to one party would decrease the share that went to the other party.

Total and net benefits are positive for the government and negative for custodial parents; thus, this sensitivity analysis intends to identify the portion of child support payments that would produce negative total or net benefits for the government and positive total or net benefits for custodial parents. In other word, the sensitivity test intends to identify whether there are assumptions that would change the direction of the findings. Appendix Figures B.1 and B.2 show the total benefits and net benefits for custodial parents and the government resulting from different child support payment distribution assumptions. For custodial parents, total benefits are negative whatever the portion of the reduced child support payment they receive. Net benefits are positive when the proportion of child support payments owed to the custodial parent are assumed to be under 4 percent.

From the government perspective, total benefits and net benefits are positive in the primary analysis when the government is estimated to receive 9 percent of the child support payments. If the government is assumed to be owed more than 19 percent of child support payment, then governmental total benefits become negative. Net benefits to the government are positive up until it is assumed to be owed 38 percent of the child support payments, at which point net benefits become 0.<sup>5</sup> This analysis

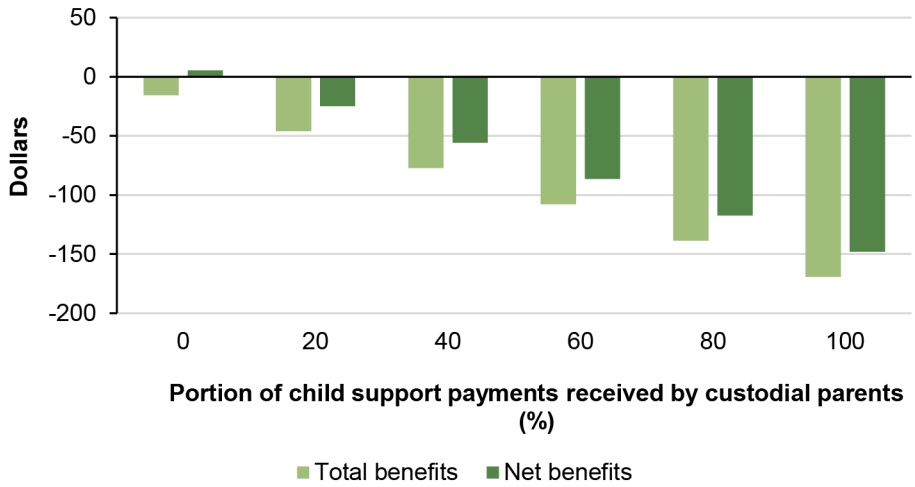
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<sup>4</sup> Because child support payments represent a transfer from noncustodial parents to custodial parents and the government, there is no gain or loss to society from changes in child support payments. This sensitivity test, therefore, focuses on changes to net benefits to custodial parents and the government.

<sup>5</sup> When the government receives 38 percent or less of the child support payment, net benefits to the government are positive because the negative net costs of PJAC services offset the negative benefit from reduced child support payments. However, in this case, custodial parents would be owed 62 percent or more of that payment, yielding large negative benefits to the custodial parent (see Appendix Figure B.1).

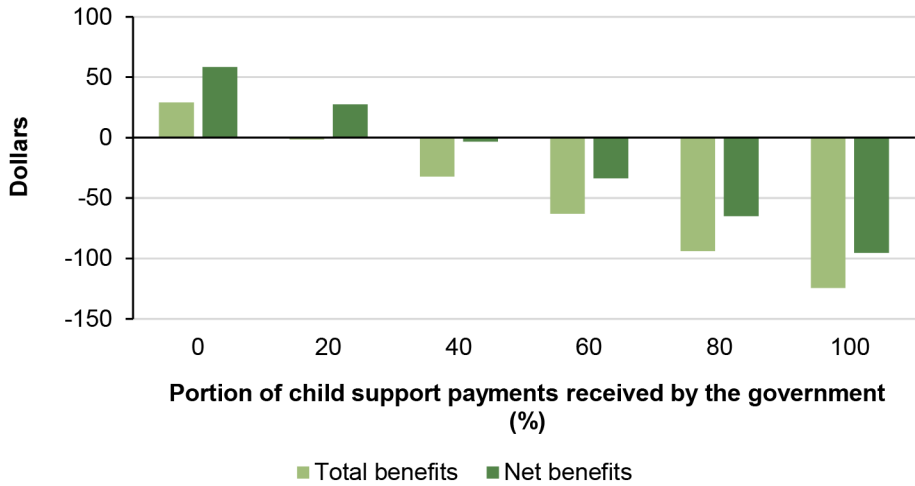


**APPENDIX FIGURE B.1** Total Benefits and Net Benefits by Percentage of Child Support Payment Received: Custodial Parent Perspective



SOURCE: MDRC calculations based on child support administrative data.  
 NOTE: Net benefits equal total benefits minus net costs of PJAC services.

**APPENDIX FIGURE B.2** Total Benefits and Net Benefits by Percentage of Child Support Payment Received: Government Perspective



SOURCE: MDRC calculations based on child support administrative data.  
 NOTE: Net benefits equal total benefits minus net costs of PJAC services.

demonstrates that the net benefits and total benefits of PJAC services to custodial parents and the government are nearly always negative regardless of the proportion of child support payments they receive.

## Child Support Debt Recovery Rate

This sensitivity analysis examines how different debt recovery rates alter total benefits and net benefit estimates for society, custodial parents, and the government. A 2007 study found that only some noncustodial parents are able to pay their child support debt.<sup>6</sup> Specifically, the study estimates that noncustodial parents with earned income between \$1 and \$10,000 (comparable to the average income of PJAC participants) paid 27 percent of their debt, on average, over a period of 10 years. Primary benefit-cost estimates in this analysis therefore assume that noncustodial parents will pay 27 percent of their child support debt over 10 years, meaning custodial parents and the government will recover 27 percent of the monetary benefits, while noncustodial parents receive 100 percent of their debt reductions.

Effect estimates show that PJAC services slightly increased child support debt owed by non-custodial parents. Estimates also indicate that child support debt owed to custodial parents decreased for those in the PJAC services group while debt owed to the government increased. With a higher debt recovery rate, PJAC services would produce an increased benefit to the government and an increased loss to custodial parents.<sup>7</sup>

Assuming that recovery rates are *equal* for custodial parents and the government, the results of the sensitivity test indicate that no debt repayment rate alters the overall conclusion regarding societal net benefits, and under none of these rates can PJAC services generate positive net benefits to society or to custodial parents. If recovery rates differ for custodial parents and the government, then some scenarios generate positive societal net benefits. In the best-case scenario, a 0 percent recovery rate for custodial parents and a 100 percent recovery rate for the government would generate positive societal total benefits of \$57 per PJAC participant.

## Including Earnings in Benefit-Cost Calculations

Earnings are an exploratory outcome in the impact analysis and are therefore included as a sensitivity test rather than a component of the primary benefit-cost analysis. Any changes in non-custodial parents' earnings that arose from participating in PJAC would affect their income, as well as how much in fringe benefits are paid by their employers on their earnings. Changes in earnings would also affect the amount of taxes owed by noncustodial parents and received by the

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<sup>6</sup> Sorensen, Sousa, and Schaner (2007).

<sup>7</sup> Note that custodial parents experience a loss from PJAC services from a high recovery rate, but they might still receive some repayment on their debt. For example, if PJAC services group members owed \$10,000 and business-as-usual group members owed \$12,000 and custodial parents recovered the entire amount owed, then PJAC services would reduce the amount received by PJAC custodial parents by \$2,000. This effect would generate a loss relative to the business-as-usual group even though custodial parents in the PJAC services group would recoup \$10,000 in owed child support. It is also important to note that PJAC could affect the amount owed and the recovery rate, though the latter measure was not part of the analysis.





government. Since the taxes are a transfer between parties, they would have a neutral effect on societal benefits.

The research team used National Directory of New Hires (NDNH) data to measure quarterly employment and earnings. Maintained by the federal Office of Child Support Services, the NDNH contains data collected by state workforce agencies for jobs covered by unemployment insurance, as well as data on federal employees. These jobs include most employment, with the main exceptions of independent contract employment and self-employment.

The team calculated fringe benefits and taxes paid as some portion of one's earnings. Fringe benefits used in this analysis include benefits employers are legally required to pay, specifically, Social Security, Medicare, unemployment insurance, and worker's compensation. These benefits are estimated for all civilian workers in the tenth wage percentile in 2019 as reported by the U.S. Bureau of Labor Statistics.<sup>8</sup> This wage amount, \$10.28 per hour or about \$21,000 for full-time employment, is substantially higher than the reported earnings from formal employment for parents in the study sample the year after study enrollment. However, the earnings for this study are not based on hourly wages, which could be similar to the tenth hourly wage percentile. Those in the study sample might have similar hourly wages but not work full time. Moreover, the tenth wage percentile is the closest approximation available to the reported earnings for the study sample. Legally required benefits for civilian workers in the tenth wage percentile are \$1.27, resulting in an estimate of legally required benefits at 12 percent of earnings ( $\$1.27 \div \$10.28$ ). Multiplying this percentage by the estimated effect on earnings yields the monetary benefits of legally required employee benefits. The Bureau of Labor Statistics also reported that total benefits, including legally required and additional benefits, average \$2.43 for those in the tenth wage percentile. The analysis does not include these additional benefits to provide a conservative estimate of the additional earnings benefits.

The team also estimates taxes paid as a portion of earnings. The analysis estimates the change in federal payroll taxes paid by noncustodial parents due to changes in earnings. The federal payroll tax rate is 7.65 percent of earnings according to the 2019 Joint Committee on Taxation.<sup>9</sup> This rate is multiplied by the earnings effect estimate to determine the effect of PJAC services on taxes paid. The analysis excludes the employer perspective and thus changes in employer taxes paid are excluded as well.

The impact study found that PJAC services had no significant effect on earnings from formal employment. Parents in both research groups earned an average of over \$5,000 (\$5,058 for parents in the PJAC services group and \$5,204 for parents in the business-as-usual group). As shown in Appendix Table B.3, incorporating the small difference in earnings and their estimated fringe benefits and tax payments changes the benefit-cost results from a small positive net benefit to a small negative net benefit (\$33 compared with -\$131).

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<sup>8</sup> U.S. Bureau of Labor Statistics (2019).

<sup>9</sup> Joint Committee on Taxation (2019).



**APPENDIX TABLE B.3** Total Benefits and Net Benefits Per Participant in the Year After Study Enrollment, by Perspective, Including Earnings

Benefit or Cost (\$)	Perspective			Society
	Government	Noncustodial Parents	Custodial Parents and Children	
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-14	159	-145	0
Child support debt	29	-51	-16	-37
Employment-related benefits				
Earnings		-146		-146
Fringe benefits		-18		-18
Tax payments	-11	11		0
Total benefits	4	-45	-161	-201
<b>Costs</b>				
Net cost of PJAC services	-29	-20	-21	-70
Net benefits	33	-25	-139	-131

SOURCES: MDRC calculations based on child support administrative and financial data and quarterly employment and earnings data from the National Directory of New Hires.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics. Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

Fringe benefits Social Security, Medicare, unemployment insurance, and worker's compensation were estimated at the level of all civilian workers in the tenth wage percentile in 2019 as reported by the Bureau of Labor Statistics.

Tax payments are estimated at a rate of 7.65 percent.

## Monte Carlo Analysis

Monte Carlo analysis is a standard approach for simultaneously assessing uncertainty across multiple measures. Though the analysis does not indicate which measures are responsible for differences in benefit-cost estimates, it examines the sensitivity in benefit-cost estimates given overall uncertainty. The first step of the Monte Carlo analysis is to define what inputs will vary and the distribution for those measures.<sup>10</sup> Next, benefit-cost estimates are simulated by drawing randomly from those distributions and reestimating the benefits and costs of PJAC services using these randomly drawn values. This step is repeated numerous times (10,000 simulations in

<sup>10</sup> The Monte Carlo analysis does not account for correlations among effect estimates and therefore assumes no covariation among effect estimates. This assumption could potentially over- or underestimate the uncertainty in the results depending on the direction of the correlations. See Gubits, Greenberg, and Nichols (2021). However, given the considerable uncertainty in the findings—the confidence interval is large and contains \$0—it is unlikely that accounting for covariance would substantially alter the results.



this analysis). The distribution of these simulated values captures how uncertainty in the inputs affects the benefit-cost estimates.

The Monte Carlo analysis represents uncertainty in benefit-cost findings from the societal perspective. There are no monetary benefits to society from changes in child support payments or taxes paid because these are transfer payments from noncustodial parents to custodial parents and children, the government, or both. Thus, uncertainty in these measures is not considered in this Monte Carlo analysis.

Uncertainty in the estimated effects of PJAC services on child support debt is responsible for the uncertainty of the monetary benefits in the primary benefit-cost analysis of PJAC services. For these inputs, random values are drawn from a normal distribution with a mean equal to the effect estimate used in the primary analysis and a standard deviation equal to the standard error of the effect estimate.

The Monte Carlo analysis also accounts for uncertainty in child support debt recovery rates. In Sorensen, Sousa, and Schaner (2007), the authors estimate that the proportion of debt paid over 10 years for those with no reported income is approximately 16 percent, while the average proportion across all incomes is about 40 percent. The Monte Carlo analysis accounts for uncertainty in the debt recovery by drawing the estimates for the debt recovery rate parameter from a uniform distribution between 16 percent and 40 percent.

In addition to the uncertainty in the benefit estimates of PJAC services, program costs vary considerably across sites. To account for cost uncertainties, the Monte Carlo analysis draws cost parameter estimates from a normal distribution with a mean equal to the average net cost of PJAC services across sites and a standard deviation equal to the standard deviation across sites. This approach captures uncertainty arising from variation among sites, though the approach does not account for uncertainty within sites. Appendix Table B.4 summarizes the parameters used in the analysis.

Reported results of the Monte Carlo analysis include the mean and standard deviation of the 10,000 estimates. The 95 percent confidence interval is equal to the average of the 10,000 estimates plus or minus 1.96 times the standard deviation.<sup>11</sup>

The mean value of the 10,000 simulations is \$32 in societal net benefits with a standard deviation of \$542. PJAC services generated positive societal net benefits 53 percent of the time. The 95 percent confidence interval is -\$1,031 to \$1,096, indicating that PJAC services generate positive net benefits about half of the time.

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<sup>11</sup> Gubits et al. (2018).

**APPENDIX TABLE B.4** Parameters Used in the Monte Carlo Analysis

Measure	Distribution for Random Draw	Base Case	Data Source
Child support debt owed by noncustodial parents	Distribution: Normal Mean: \$60 Standard deviation: \$331	\$60	Effect estimate and standard error on the effect estimate
Child support debt owed to custodial parents	Distribution: Normal Mean: -\$70 Standard deviation: \$402	-\$70	Effect estimate and standard error on the effect estimate
Child support debt owed to the government	Distribution: Normal Mean: \$130 Standard deviation: \$286	\$130	Effect estimate and standard error on the effect estimate
Child support debt recovery rate multiplier	Distribution: Uniform Range: 0.16 to 0.40	0.27	Sorensen, Sousa, and Schaner (2007) simulations of debt recovery rates over 10 years
Discount rate	Distribution: Uniform Range: 1% to 6%	3.5%	Base case based on Washington State Institute for Public Policy (2019)
PJAC services	Distribution: Normal Mean: -\$70 Standard deviation: \$556	-\$70	PJAC expenditures and calculations from sites, effect estimates



# APPENDIX C

## Miscellaneous Supplemental Tables



**APPENDIX TABLE C.1** Data Sources by Site

<b>Data Element (12 Months)</b>	<b>Arizona</b>	<b>California</b>	<b>Franklin County, Ohio</b>	<b>Michigan</b>	<b>Stark County, Ohio</b>	<b>Virginia</b>
Child support case management costs	✓	✓	✓	✓	✓	✓
Child support legal staff costs	✓	✓	✓	✓	✓	✓
Court hearing costs <sup>a</sup>	✓	✓	✓	✓	✓	
Average number of months in which a noncustodial parent has an open case	✓	✓	✓	✓	✓	✓
Average number of open cases per noncustodial parent	✓	✓	✓	✓	✓	✓
Percentage of noncustodial parents who ever had a license reinstatement			✓	✓	✓	✓
Average number of scheduled contempt hearings	✓	✓	✓	✓	✓	✓
Average number of contempt hearings attended		✓	✓	✓	✓	
Average number of days in jail	✓					
Total amount of child support paid	✓	✓	✓	✓	✓	✓
Total amount of debt owed	✓	✓	✓	✓	✓	✓
Total amount of debt owed to custodial parent	✓	✓	✓	✓	✓	✓
Total amount of debt owed to the state	✓	✓	✓	✓	✓	✓
Noncustodial parent's total earnings	✓	✓	✓	✓	✓	✓
<b>Data Element (30 Months)</b>	<b>Arizona</b>	<b>California</b>	<b>Franklin County</b>	<b>Michigan</b>	<b>Stark County</b>	<b>Virginia</b>
Child support case management costs	✓	✓	✓	✓	✓	✓
Child support legal staff costs	✓	✓	✓	✓	✓	✓
Court hearing costs	✓	✓	✓	✓	✓	
Average number of months in which a noncustodial parent has an open case	✓	✓	✓	✓	✓	✓
Average number of open cases per noncustodial parent	✓	✓	✓	✓	✓	✓

(continued)

**APPENDIX TABLE C.1** (continued)

	✓			✓		✓
<b>Data Element (30 Months)</b>	<b>Arizona</b>	<b>California</b>	<b>Franklin County, Ohio</b>	<b>Michigan</b>	<b>Stark County, Ohio</b>	<b>Virginia</b>
Average number of scheduled contempt hearings	✓			✓		✓
Total amount of child support paid	✓	✓	✓	✓	✓	✓
Total amount of debt owed	✓	✓	✓	✓	✓	✓
Total amount of debt owed to custodial parent	✓	✓	✓	✓	✓	✓
Total amount of debt owed to the state	✓	✓	✓	✓	✓	✓
Noncustodial parent's total earnings	✓	✓	✓	✓	✓	✓

NOTE: <sup>a</sup>Arizona's court estimates were used for Virginia because the two have the most similar legal structure among the PJAC sites.





**APPENDIX TABLE C.2** Unit Costs, Average Per-Participant Costs, and Net Costs, by Site and Perspective

Cost (\$)	PJAC				Business-as-Usual			
	Government	Noncustodial Parents	Custodial Parents	Society	Government	Noncustodial Parents	Custodial Parents	Society
<b>Arizona<sup>a</sup></b>								
Cost per sample member								
Case management and enforcement costs	719			719	142			142
Contempt costs	157			157	1,273			1,273
Average cost per participant	876			876	1,415			1,415
<b>California<sup>b</sup></b>								
Cost per sample member								
Case management and enforcement costs	1,029			1,029	397			397
Contempt costs	87			87	857			857
Attending a contempt hearing		2	2	4		28	28	55
Average cost per participant	1,116	2	2	1,120	1,254	28	28	1,309
<b>Michigan</b>								
Cost per sample member								
Case management and enforcement costs	1,610			1,610	585			585
Contempt costs	0			0	0			0
License-reinstatement fees	-8	8		0	-8	8		0
Attending a contempt hearing		0	0	0		15	15	30
Average cost per participant	1,602	8	0	1,610	577	23	15	616

(continued)

**APPENDIX TABLE C.2** (continued)

Cost (\$)	PJAC				Business-as-Usual			
	Government	Noncustodial Parents	Custodial Parents	Society	Government	Noncustodial Parents	Custodial Parents	Society
<i>Franklin County, Ohio</i>								
Cost per sample member								
Case management and enforcement costs	593			593	219			219
Contempt costs	312			312	1,026			1,026
License-reinstatement fees	-11	11		0	-8	8		0
Attending a contempt hearing		6	6	13		21	21	42
Average cost per participant	893	17	6	917	1,238	29	21	1,288
<i>Stark County, Ohio</i>								
Cost per sample member								
Case management and enforcement costs	702			702	323			323
Contempt costs	51			51	462			462
Motion to compel seek work costs	134			134	74			74
License reinstatement fees	-1	1		0	-1	1		0
Attending a contempt or motion to compel seek work hearing		7	7	13		37	37	74
Average cost per participant	886	8	7	901	859	38	37	933
<i>Virginia<sup>c</sup></i>								
Cost per sample member								
Case management and enforcement costs	972			972	328			328
Contempt costs	241			241	948			948
License-reinstatement fees	-6	6		0	-3	3		0
Average cost per participant	1,207	6		1,213	1,274	3		1,277

(continued)



## APPENDIX TABLE C.2 (continued)

SOURCES: MDRC calculations based on child support administrative data; financial, contractual, and caseload-size data provided by PJAC sites; and publicly available data on license-reinstatement fees and minimum wages.

NOTES: Participation results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

<sup>a</sup>Hearing attendance and license reinstatement rates not available.

<sup>b</sup>License reinstatement rates not available.

<sup>c</sup>Hearing attendance rates not available.

**APPENDIX TABLE C.3** Total Benefits and Net Benefits by Perspective: Arizona

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-7	529	-522	0
Child support debt	45	-340	47	-248
Jail-related benefits (Arizona only)				
Jail costs	-117			-117
Total benefits	-78	189	-475	-365
<b>Costs</b>				
Net cost of PJAC services	-539			-539
Net benefits	460	189	-475	174

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.4** Total Benefits and Net Benefits by Perspective: California

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-20	104	-84	0
Child support debt	-11	-119	43	-87
Total benefits	-31	-15	-41	-87
<b>Costs</b>				
Net cost of PJAC services	-138	-25	-25	-189
Net benefits	107	10	-15	102

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.5** Total Benefits and Net Benefits by Perspective:  
Michigan

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-12	275	-263	0
Child support debt	-35	-311	119	-227
Total benefits	-47	-36	-143	-227
<b>Costs</b>				
Net cost of PJAC services	1,025	-15	-15	994
Net benefits	-1,072	-21	-128	-1,221

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.6** Total Benefits and Net Benefits by Perspective: Franklin County, Ohio

Benefit or Cost (\$)	Perspective			Society
	Government	Noncustodial Parents	Custodial Parents and Children	
<b>Benefits</b>				
Child support-related benefits				
Child support payments	4	-87	83	0
Child support debt	40	883	-278	645
Total benefits	44	796	-195	645
<b>Costs</b>				
Net cost of PJAC services	-344	-12	-15	-371
Net benefits	388	808	-180	1,016

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.7** Total Benefits and Net Benefits by Perspective: Stark County, Ohio

Benefit or Cost (\$)	Perspective			Society
	Government	Noncustodial Parents	Custodial Parents and Children	
<b>Benefits</b>				
Child support-related benefits				
Child support payments	7	-65	58	0
Child support debt	-21	516	-118	377
Total benefits	-14	451	-61	377
<b>Costs</b>				
Net cost of PJAC services	27	-30	-30	-32
Net benefits	-41	481	-30	410

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.





**APPENDIX TABLE C.8** Total Benefits and Net Benefits by Perspective: Virginia

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-27	221	-194	0
Child support debt	67	-901	176	-658
Total benefits	40	-680	-18	-658
<b>Costs</b>				
Net cost of PJAC services	-67	4		-64
Net benefits	108	-683	-18	-594

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.9** Total Benefits and Net Benefits by Perspective and Noncustodial Parents' Racial and Ethnic Group

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<i>White, non-Hispanic</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-17	193	-176	0
Child support debt	115	-322	-28	-235
Total benefits	98	-129	-204	-235
<b>Costs</b>				
Net cost of PJAC services	-38			-38
Net benefits	136	-129	-204	-197
<i>Black, non-Hispanic</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-13	146	-133	0
Child support debt	-58	-105	86	-76
Total benefits	-71	41	-47	-76
<b>Costs</b>				
Net cost of PJAC services	59			59
Net benefits	-130	41	-47	-135
<i>Hispanic</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-8	94	-86	0
Child support debt	17	115	-48	84
Total benefits	9	209	-134	84
<b>Costs</b>				
Net cost of PJAC services	-166			-166
Net benefits	175	209	-134	250

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

**APPENDIX TABLE C.10** Total Benefits and Net Benefits by Perspective and Time Since Establishment of Noncustodial Parents' Oldest Case

Benefit or Cost (\$)	Perspective			Society
	Government	Noncustodial Parents	Custodial Parents and Children	
<i>Oldest case six or more years old</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-18	209	-191	0
Child support debt	50	-378	52	-276
Total benefits	32	-169	-139	-276
<b>Costs</b>				
Net cost of PJAC services	-12			-12
Net benefits	44	-169	-139	-264
<i>Oldest case five or fewer years old</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-7	77	-70	0
Child support debt	-45	533	-99	389
Total benefits	-51	610	-170	389
<b>Costs</b>				
Net cost of PJAC services	-62			-62
Net benefits	11	610	-170	451

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.11** Total Benefits and Net Benefits by Perspective and Noncustodial Parents' Payment Status in the Year Before Study Enrollment

Benefit or Cost (\$)	Perspective			Society
	Government	Noncustodial Parents	Custodial Parents and Children	
<i>Made a payment</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-17	194	-177	0
Child support debt	35	-205	20	-150
Total benefits	18	-11	-157	-150
<b>Costs</b>				
Net cost of PJAC services	-50			-50
Net benefits	67	-11	-157	-100
<i>Did not make a payment</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-12	139	-127	0
Child support debt	52	122	-85	89
Total benefits	39	261	-211	89
<b>Costs</b>				
Net cost of PJAC services	-6			-6
Net benefits	45	261	-211	95

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.12** Total Benefits and Net Benefits by Perspective and Noncustodial Parents' Previous Contempt Referrals

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<i>Previous contempt referral</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-28	316	-288	0
Child support debt	104	-108	-75	-79
Total benefits	76	208	-363	-79
<b>Costs</b>				
Net cost of PJAC services	21			21
Net benefits	55	208	-363	-100
<i>No previous contempt referral</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-6	69	-63	0
Child support debt	11	-43	0	-32
Total benefits	5	26	-62	-32
<b>Costs</b>				
Net cost of PJAC services	-53			-53
Net benefits	58	26	-62	22

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.13** Total Benefits and Net Benefits by Perspective and Noncustodial Parents' Number of Child Support Cases

Benefit or Cost (\$)	Perspective			Society
	Government	Noncustodial Parents	Custodial Parents and Children	
<b>More than one case</b>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-18	204	-186	0
Child support debt	6	-399	102	-291
Total benefits	-12	-195	-84	-291
<b>Costs</b>				
Net cost of PJAC services	-10			-10
Net benefits	-2	-195	-84	-281
<b>One case</b>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-12	139	-127	0
Child support debt	74	137	-111	100
Total benefits	62	276	-238	100
<b>Costs</b>				
Net cost of PJAC services	-40			-40
Net benefits	102	276	-238	140

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.



**APPENDIX TABLE C.14** Total Benefits and Net Benefits by Perspective and Timing of Parents' Study Enrollment Relative to the COVID-19 Pandemic

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<i>Follow-up period predated the COVID-19 pandemic</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-14	158	-144	0
Child support debt	28	-56	-13	-41
Total benefits	14	102	-157	-41
<b>Costs</b>				
Net cost of PJAC services	-30			-30
Net benefits	44	102	-157	-11
<i>Follow-up period overlapped the COVID-19 pandemic</i>				
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-17	190	-173	0
Child support debt	-14	186	-36	136
Total benefits	-31	376	-209	136
<b>Costs</b>				
Net cost of PJAC services	33			33
Net benefits	-64	376	-209	103

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.







# APPENDIX D

## 30-Month Benefit-Cost Analysis



This appendix describes the longer-term monetary costs, benefits, and net benefits of PJAC services 30 months after study enrollment.

## Costs

The research team estimated costs for the 30-month period following study enrollment from the government perspective only. Data about the percentages of parents who had a license reinstatement or attended a contempt hearing were not available at 30 months; therefore, the analysis of costs only includes the government perspective. The team estimated case management costs using percentages of PJAC and business-as-usual group members who had open cases at 30 months and contempt hearing costs using the average number of contempt hearings scheduled per group member at 30 months. All other unit costs remain the same.

At 30 months, PJAC services cost \$741 more than business as usual (\$2,709 compared with \$1,967, as shown in Appendix Table D.1—with a slight discrepancy due to rounding). This substantial additional cost of PJAC services at 30 months compared with the small savings at 12 months (\$33) is primarily the result of PJAC services' monthly case management costs. PJAC services' case management costs were \$2,301 at 30 months, compared with \$803 for the business-as-usual group. At 30 months, contempt-of-court costs were \$407 for the PJAC services group and \$1,164 for the business-as-usual group.

**APPENDIX TABLE D.1** Average Cost Per Participant, Government Perspective, 30 Months After Study Enrollment

Outcome	PJAC	Business-as-Usual
<b>Participation rate</b>		
Average number of months of child support case management	28.99	29.18
Number of hearings scheduled <sup>a</sup>	0.92	2.64
<b>Cost per sample member (\$)</b>		
Case management	2,301	803
Contempt	407	1,164
Average cost per participant (\$)	2,709	1,967

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

Data about the percentage of parents who had a license reinstatement or attended a contempt hearing were not available at 30 months; therefore, the analysis of costs only includes the government perspective.

<sup>a</sup>Excludes California, Franklin County, and Stark County.



The 30-month cost estimates should be interpreted with caution. First, the sample had months of their follow-up period fall after the start of the COVID-19 pandemic. Many courts closed during the initial months of the pandemic, and those closures caused some child support agencies to hold off on sending parents to contempt. Thus, the hearing rate may underrepresent what would typically occur. To put it in context, business-as-usual participants would have needed nearly an additional two hearings in the 30-month follow-up period for their 30-month costs to approach those of the PJAC services group. Additionally, 30-month hearing data were only available for three sites and may not be an accurate reflection of what occurred for the full sample.

## Benefits

Appendix Table D.2 reports the total benefits and net benefits of PJAC services per participant 30 months after study enrollment. Estimates in Appendix Table D.2 are pooled across sites and presented by perspective. Total societal benefits are \$29, meaning PJAC services generated a relatively small societal benefit, primarily the result of changes in child support debt for noncustodial parents. PJAC services produced positive total benefits for noncustodial parents and the government at 12 months,

**APPENDIX TABLE D.2** Total Benefits and Net Benefits Per Participant 30 Months After Study Enrollment, by Perspective

Benefit or Cost (\$)	Perspective			
	Government	Noncustodial Parents	Custodial Parents and Children	Society
<b>Benefits</b>				
Child support-related benefits				
Child support payments	-42	475	-433	0
Child support debt	-1	40	-9	29
Total benefits	-43	515	-442	29
<b>Costs</b>				
Net cost of PJAC services	741			741
Net benefits	-785	515	-442	-712

SOURCES: MDRC calculations based on child support administrative and financial data.

NOTES: Outcome results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Rounding may cause slight discrepancies in sums and differences.

Net benefits equal total benefits minus the net cost of PJAC services.

Child support debt represents the net present value of expected repayments over 10 years and excludes interest on debt owed.

The sample includes noncustodial parents enrolled from February 1, 2018, through April 30, 2019.

Benefits are discounted over three years using a 3.5 percent discount rate.

Contempt data were not available for the 30-month follow-up period from California, Franklin County, or Stark County.



but this pattern does not hold 30 months after study enrollment. Reductions in child support debt and reduced child support payments generate a benefit of \$515 for noncustodial parents. The reduced child support payments and reductions in child support debt produce a monetary loss for custodial parents and children of \$442 and a loss to the government of \$43.

## Net Benefits

Net benefits, which account for the added cost of implementing PJAC relative to business-as-usual services, are calculated by subtracting the net costs of PJAC services from total benefits. PJAC services cost \$741 more than business-as-usual services 30 months after study enrollment. Subtracting the cost of PJAC from the total societal benefits results in an estimated net benefit of -\$712, meaning PJAC services resulted in a loss to society of \$712 per PJAC participant. As described above, these estimates should be interpreted as exploratory, as the COVID-19 pandemic changed many court processes and the business-as-usual groups' costs may underrepresent what would typically occur.



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