

A PROFILE OF MONTGOMERY COUNTY'S CHILD SUPPORT CASELOAD: 2010 TO 2012

LAUREN A. HALL · LETTIA PASSARELLA

The most recent installment of the annual *People & Payments* series documented notable improvement in the percent of current support and arrears cases with payments over a three-year period.ⁱ In July 2012, for example, more than two-thirds of all arrears cases had at least one payment in the previous year, a significant increase since July 2010 (61% to 68%). According to the federal Office of Child Support Enforcement, four out of every five cases had an order for support in federal fiscal year 2012, and approximately two-thirds of owed current support was collected.ⁱⁱ

However, differences among Maryland's 24 jurisdictions may often be masked in the presentation of statewide analyses. Hence, providing relevant caseload information at the local level is a key component of creating informed policies that support Maryland's diverse child support caseload. In this special installment of the *People & Payment* series, we offer a local perspective on the child support caseload for each of the five largest jurisdictions in Maryland—Baltimore City and the counties of Anne Arundel, Baltimore, Montgomery, and Prince George's. In this brief, we focus on Montgomery County's public child support caseload, including data on support orders and payments to current support and arrears.

Methods

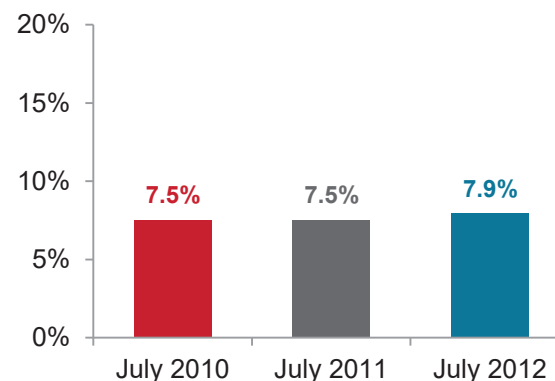
Each July, a random sample of child support cases in the public system is selected for the annual *People & Payment* series. This brief utilizes random samplesⁱⁱⁱ that were selected from July 2010, July 2011, and July 2012. The data provided in this brief were retrieved from the Child Support Enforcement System (CSES), a database maintained by the Department of Human Resources, State of Maryland.

Montgomery County Characteristics^{iv}

With more than one million residents, Montgomery County is home to 17.1% of the state's population. Two-thirds of the residents are Caucasian, and less than 20% are African American, which is below the statewide percentage of 30%. There is also a large concentration of Hispanic residents in Montgomery County, compared to the state (18% vs. 9%). Montgomery County residents are generally educated. Nine out of every 10 adults over the age of 25 possesses a high school diploma, and nearly 6 in 10 have attained at least a bachelor's degree. Being one of the most affluent counties in Maryland, median household income is almost \$25,000 higher than the state median (\$96,985 vs. \$72,999). Hence, poverty is lower in the county than the state (6.5% vs. 9.4%).

Montgomery County has the fourth largest child support caseload in the state with about 17,000 cases. As seen in Figure 1, this makes up approximately 8% of all Maryland public child support cases. This has increased slightly from the July 2010 and July 2011 caseload, up from 7.5% of all Maryland child support cases.

Figure 1. Percent of Statewide Caseload**
2010 to 2012



Note: *p<.05 **p<.01 ***p<.001

Cases with a Support Order

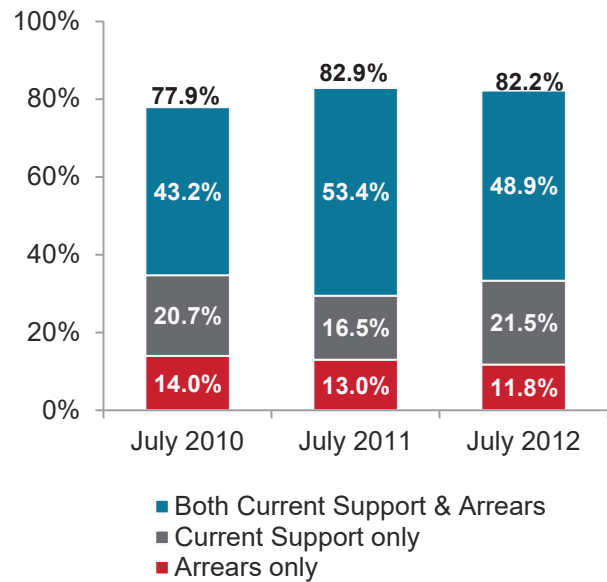
Establishing a support order is one of the first steps to ensure child support can be collected on behalf of families. Two types of support orders exist: current support and arrears orders. A current support order distributes the cost of raising a child among both parents based on their current income. When current support is collected each month, it is then distributed to the custodial family's case. If a noncustodial parent does not pay current support, however, that unpaid balance accrues, and an order for arrears may be established.

Among all sampled Maryland cases, about three in four (77.6%) had an order for support in July 2012. This figure increased by four percentage points between 2010 and 2012. As shown in Figure 2, Montgomery County also had an increase in the percentage of cases with an order for support. In July 2010, just over three-fourths (77.9%) of cases had an order for support, which increased by five percentage points in July 2011. The percentage of cases with an order for support remained stable in July 2012, with 82.2% of cases having at least one order for child support.

Most of the cases with an order for support have both an order for current support and arrears, suggesting that many noncustodial parents were unable to maintain their current support payments. In July 2010, just over two in five (43.2%) cases had an order for both current support and arrears. This increased by 10 percentage points in July 2011 to 53.4% of all Montgomery County child support cases. However, by July 2012, a lower percentage (48.9%) of cases had an order for both current support and arrears.

In July 2010, one in five (20.7%) Montgomery County cases had an order for only current support. This declined to 16.5% in July 2011, but increased back to one in five cases in July 2012 (21.5%). Unlike the other two groups, the percentage of cases with just an arrears order declined throughout this period. Only 14.0% of cases had an arrears-only order in July 2010, compared to 13% in July 2011 and 11.8% in July 2012.

Figure 2. Cases with a Support Order*
2010 to 2012



Note: *p<.05 **p<.01 ***p<.001

Percent of Current Support Paid

After an order for current support is established, the Maryland Child Support Enforcement Administration (CSEA) can collect payments on behalf of the family. These payments are essential to the well-being of children. If received, child support can represent as much as 40 percent of a low-income custodial family's income.^v The majority of Maryland cases with an order for current support receive payments. In fact, 8 in every 10 current support cases statewide receives a payment during a one year period.

Figure 3 shows the percentage of current support paid in the year prior to the study month. To clarify, for the July 2012 sample, this figure shows the percent of current support paid between July 2011 and June 2012. In Montgomery County, an average of about \$5,100 was owed to families in the year prior to July 2012, a higher amount than the state average of about \$4,300.^{vi} Given the higher median income in Montgomery County, the higher support order amount is appropriate.

In each study month, approximately one out of every six cases had no payments to current support during the prior year; however, the

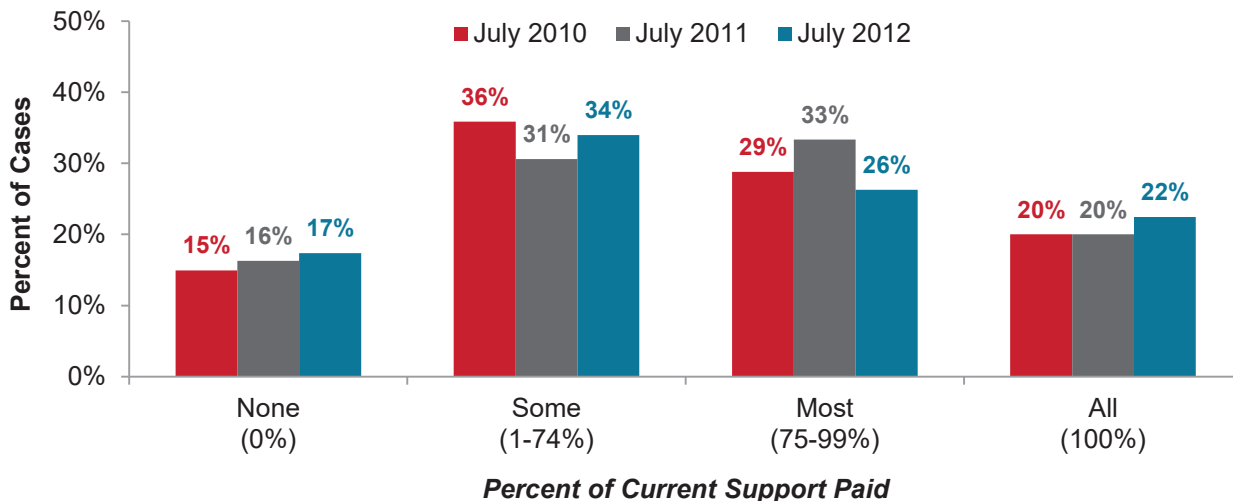
percentage of cases with no payments grew minimally each year from 15% in 2011 to 17% in July 2012. Approximately one out of every three cases received some of the current support that was owed. For example, in the year prior to July 2012, one-third (34%) of all cases received *some*—1% to 74%—of the current support that was owed in that year.

Figure 3 also shows that most or all of the current support owed in the prior year was paid to half of the cases. In our sample from July 2012, for example, one-quarter (26%) of cases received *most* (75% – 99%) of the current support owed to them and one-fifth (22%) of

cases received *all* (100%) of the current support that was owed in the prior year.

Additionally, the July 2011 sample stands out as an anomaly throughout this three-year analysis. That is, there was a five percentage point decline in cases receiving *some* (1%-74%) current support and a corresponding increase in cases receiving *most* (75%-99%) of owed current support. The July 2012 sample did not see the same trend, although there was an upward trend in each of the payment groups except those receiving *most* of the current support due.

Figure 3. Percent of Current Support Paid in Previous Year*
2010 to 2012

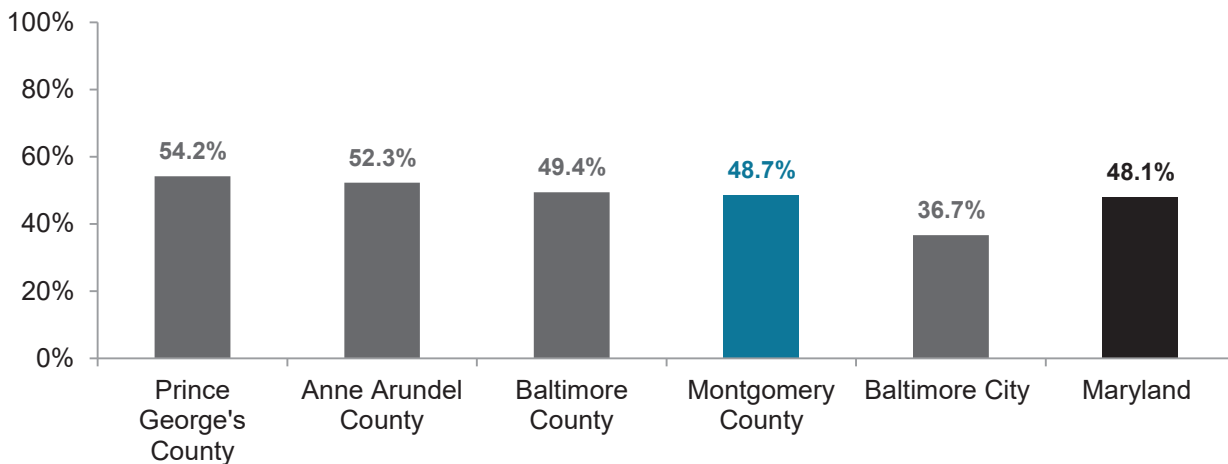


Note: Only cases with current support due in the previous year were included in this analysis. Payments made by noncustodial parents are distributed among their various child support accounts; represented in Figure 3 is the payment amount that was distributed to a current support account. *p<.05 **p<.01 ***p<.001.

To ensure that custodial families have the necessary financial resources, they would ideally receive most or all of the current support that is owed to them. In order to examine how many custodial families receive that much in the larger jurisdictions, Figure 4 provides the percentage of cases that received 75% or more of the support due in the year prior to July 2012. The percentage of Montgomery County's caseload that received 75% or more of their current support was on

par with the statewide average (48.7% vs. 48.1%). Among other large jurisdictions, Montgomery County had the fourth highest percentage of cases that received 75% or more of the current support owed in the year prior to July 2012. With the exception of Baltimore City, approximately half of cases in the large jurisdictions received most or all of the current support owed in the year prior to July 2012.

Figure 4. Cases that Received 75% or more of Current Support Owed: Largest Jurisdictions***
July 2012 Sample: Payments between July 2011 and June 2012



Note: Only cases with current support due in the year prior to July 2012 were included in this analysis. *p<.05 **p<.01 ***p<.001

Arrears Cases with a Payment

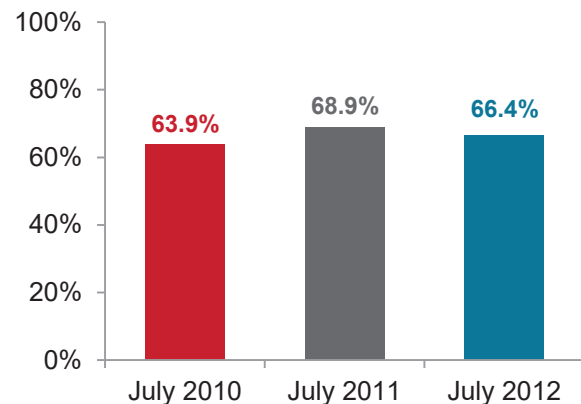
If a noncustodial parent falls behind in current support payments, or if a support order is retroactive, arrears accumulate. When a non-custodial parent begins to accrue an arrears balance, it can be difficult to make payments toward both current support and arrears, especially if the current support order already exceeds the noncustodial parent's ability to pay. In July 2012, the average arrears balance for cases with any arrears due in Maryland was about \$10,300, and Montgomery County's average balance was slightly higher, around \$11,100.

At the federal level, arrears performance is measured by the percent of arrears cases with any payments, rather than the percentage of the arrears that was paid. Therefore, Figure 5 shows the percent of arrears cases that had at least one payment in the year prior to the study month. Across study months, approximately two-thirds of arrears cases received at least one payment. There was a small increase in the percentage of arrears cases receiving a payment between the July 2010 and July 2011 samples (63.9% to 68.9%) followed by a small decrease in the July 2012 sample. In the July 2012 sample, two out of every three (66.4%) arrears cases had at least one payment in the prior year.

Figure 6 compares the large jurisdictions on the percentage of July 2012 cases with an arrears balance that had a payment between July 2011 and June 2012. While Montgomery County has the fourth highest percentage of arrears cases with a payment, it is on par with the other large jurisdictions and the state. Aside from Baltimore City, at least two-thirds of arrears cases in the largest jurisdictions had at least one payment in the year prior to July 2012.

Figure 5. Arrears Cases with a Payment

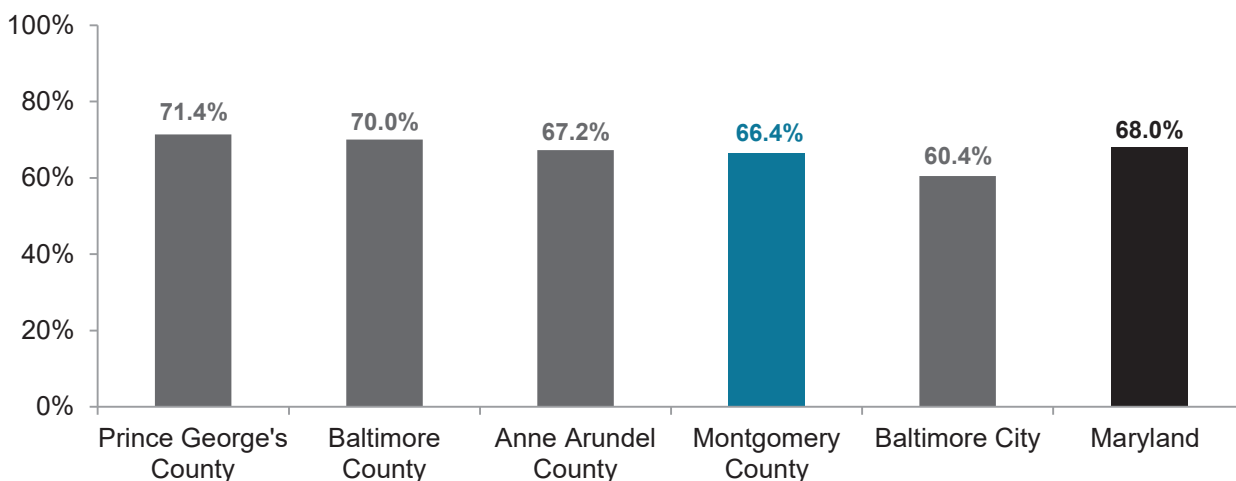
2010 to 2012



Note: Only cases with an arrears balance were included in this analysis. *p<.05 **p<.01 ***p<.001

Figure 6. Arrears Cases with a Payment: Largest Jurisdictions***

July 2012 Sample: Payments between July 2011 and June 2012



Note: Only cases with an arrears balance were included in this analysis. *p<.05 **p<.01 ***p<.001

Welfare Participation

Poor families may, at times, require the assistance of welfare benefits to meet their basic needs. This may be especially true of poor families that do not receive child support on a regular basis. In order for families to receive cash assistance through Maryland's welfare program, Temporary Cash Assistance (TCA), most applicants must pursue child support through the public child support system. The establishment of a child support order for families that receive TCA benefits is beneficial for both the state and the family. It allows states to recoup the costs of providing TCA benefits to the custodial family. That is, in Maryland, families are not able to receive TCA and child support concurrently; rather, the state retains child support collected while the family is receiving public welfare benefits. The participation in the public child support system also ensures that an order is in place when the family leaves TCA, and it may increase the likelihood that custodial parents receive child support after they leave welfare. Receipt of child support may also reduce a family's need to return to TCA.

Although there is a requirement to cooperate with child support, not all cases are in the public child support system due to TCA receipt. Nonetheless, about half of custodial families in the Montgomery County child support caseload are former or current TCA recipients. As shown in Figure 7, the percentage of child support cases that received TCA remained stable over time. In July 2010, 47.4% of child support

cases previously received TCA, and 4.7% received TCA in the study month. In July 2012, these percentages were virtually the same. Fewer than half (46.8%) of all cases formerly received TCA, and 4.8% received TCA in July 2012.

For comparison purposes, Figure 8 shows the percentage of the custodial families with a child support case that were former or current TCA cases in July 2012 for each of the other large jurisdictions and the state. Montgomery County's percentage was lower than the total percentage for the state (51.6% vs. 62.8%) and second lowest among the other large jurisdictions. In the other three large counties, between two-fifths and one-half of custodial families were former recipients, and less than one in ten were current recipients.

Figure 7. TCA Receipt
2010 to 2012

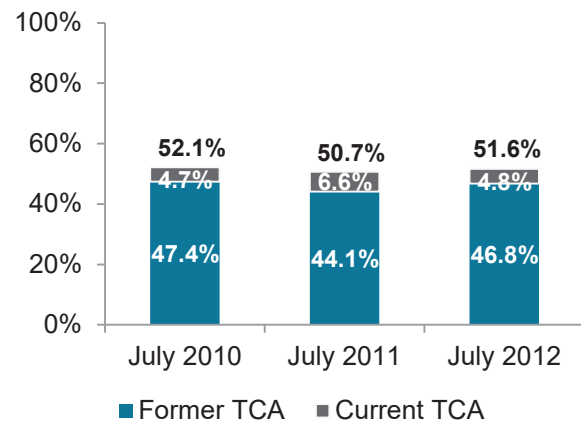
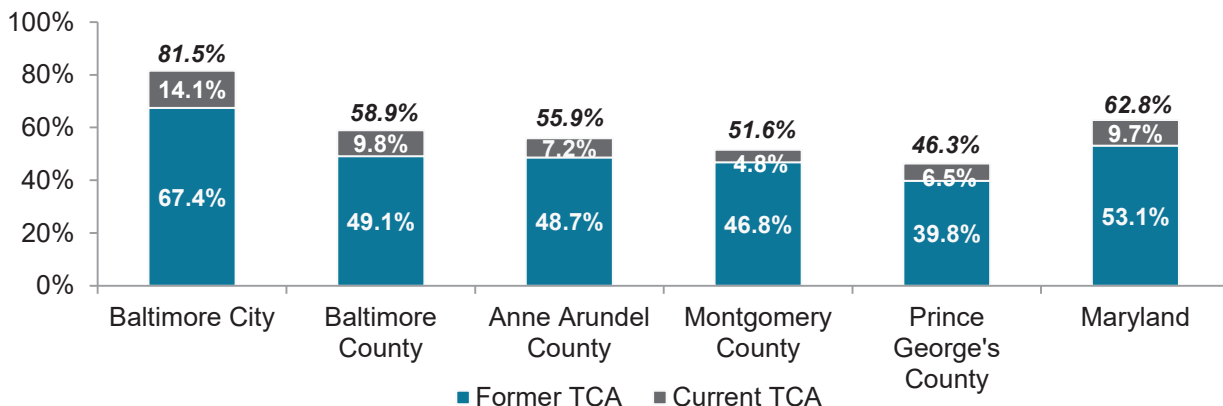


Figure 8. TCA Receipt: Largest Jurisdictions***
July 2012 sample



Note: *p<.05 **p<.01 ***p<.001

Summary

This brief provides a local perspective of the public child support caseload in Montgomery County and highlights differences with other large jurisdictions and the state. Montgomery County has the fourth largest child support caseload in Maryland, representing about 8% of all public child support cases. Between 2010 and 2012, there was an increase in the percentage of cases with an order for support. Just under half of current support cases in July 2012 received 75% or more of the amount that

was due in the previous year. About two-thirds of the July 2012 arrears cases received at least one payment, which is on par with the state percentage. About half of Montgomery County's custodial families received welfare benefits at some point, suggesting that there are still vulnerable families in this affluent county. Child support enforcement should continue to improve the percentage of cases with a support order as well as the percentage of current support that is paid by noncustodial parents.

Sources:

- ⁱ Passarella, L. & Born, C.E. (2014). *People & Payments: A profile of Maryland's child support caseload in July 2012*. University of Maryland, Family Welfare Research & Training Group.
- ⁱⁱ Office of Child Support Enforcement, Administration for Children & Families. (2013). *FY2012 Preliminary report*. Retrieved from: <http://www.acf.hhs.gov/programs/css/resource/fy2012-preliminary-report>
- ⁱⁱⁱ In July 2010 (n=12,545) and July 2012 (n=10,952), a five percent random sample was drawn. In July 2011 (n=7,270), a three percent random sample was drawn.
- ^{iv} Data retrieved from the United States Census Bureau: <http://quickfacts.census.gov/qfd/states/24/24031.html>
- ^v Sorensen, E. (2010). Child support plays an increasingly important role for poor custodial families. Retrieved from the Urban Institute website: <http://www.urban.org/UploadedPDF/412272-child-support-plays-important-role.pdf>

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For additional information about this research brief, please contact Letitia Logan Passarella from the School of Social Work at 410-706-2679 or llogan@ssw.umaryland.edu.

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