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UNIVERSITY OF WISCONSIN-MADISON

## **Child Support and Child Welfare System Interactions**

### **2022–2024 Child Support Policy Research Agreement: Task 2**

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## INTRODUCTION

This report is the deliverable associated with Task 2 of the 2022–2024 Child Support Policy Research Agreement (CSPRA): “Child support and child welfare system interactions.” The overarching aim of this task is to update the landmark 2017 analysis of the impact of foster care cost-recovery child support orders on children’s foster care placement trajectories (Cancian et al., 2012, 2017). In addition to including a longer time series to provide updated causal estimates on a range of outcomes related to time to reunification, permanency, and foster care re-entry, we describe current child support enforcement policies and practices at the state and federal levels.

Over 1 in 3 children are the subject of an investigation by child protective services (CPS) before their 18<sup>th</sup> birthday, with Black and American Indian/Alaska Native children over-represented by as many as 2 to 1 (Kim et al., 2017). Among the 558,899 children who were substantiated as victims of child abuse or neglect following an investigation in 2022 (7.7 per 1,000), 145,449 children were removed from their home and placed into foster care at an estimated cost as high as \$585 billion per annual caseload (Brown et al., 2011; Fang et al., 2012). Though Title IV-E of the Social Security Act (1961) provides federal reimbursement of state costs of investigation and foster care placement for some children, the remaining costs are shouldered by state and, sometimes, local governments. Stipulations under Title IV-D of the Social Security Act (1975) enabled state officials to recoup foster care costs for IV-E qualifying and non-qualifying children by reassigning existing child support orders from the noncustodial parent to the state (instead of the custodial parent) and/or assigning new child support orders from the (pre-placement) custodial parent to the state. Previous work found that this practice results in longer stays foster care, likely because it reduces the financial resources that are needed

to for reunification, such as safe and stable housing and transportation (Cancian et al., 2017). Recent federal guidance from the US Department of Health and Human Services (HHS) Administration for Children & Families encouraged states to discontinue this cost-recovery practice for IV-E qualifying families, in particular.

Under Title IV-E of the Social Security Act, states are eligible for federal reimbursement of up to 50% of the costs associated with foster care on behalf of children whose custodial parent's income fell below the (historical) Aid to Families with Dependent Children (AFDC) standard in the month prior to their removal (~185% of the federal poverty level; FPL), as implemented in 1996 under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). These reimbursements are meant to cover the costs of screening, eligibility determination, and child placement (Foster Care Maintenance Payments; FCMP), case management, and permanency planning. Other training and administration costs are reimbursed at a higher rate, up to 75%. The non-reimbursed balance, as well as associated costs for children coming from higher-earning families, is funded directly by the state.

Title IV-D of the Social Security Act created the Child Support Enforcement (CSE) program in part to recover the costs associated with cash income support (i.e., welfare, then Aid to Families with Dependent Children; AFDC) which was viewed as taking the place of financial support that should be provided by the nonresident parent. CSE efforts netted more than \$27 billion in 2022 (Office of Child Support Enforcement, 2023). Under Title IV-E, states were also given the autonomy to recoup non-reimbursable foster care costs vis-à-vis child support orders, either by assigning a new order from the custodial parent to the state or by reassigning existing orders from the non-custodial parent to the state, thereby eliminating payments that would have been made to the custodial parent. Despite limited evidence of success, with recovery efforts in

California netting only about \$0.41 for every \$1.00 in arrears, and \$0.39 for every dollar in Washington state, states continue to budget for their half of the cost-recovery revenue (the balance belonging to the federal government) as a standard line item (Dalby, 2020; Washington's Cost Effectiveness for Foster Care Child Support Cases, 2019).

States have sought to recoup non-reimbursable foster care costs through a variety of means since the inception of Title IV-E, including by withholding disability payments and deceased or incarcerated parent's pensions, and intercepting these and other federal benefits on behalf of the child. Given that most families who are involved with Title IV-E public child welfare agencies are low-income or poor (Berger & Waldfogel, 2011; Howard et al., 2013; Pac et al., 2023), re-assigning child support for children in foster care to government may be particularly problematic. Child support payments account for 41% of household income for poor families receiving some child support—and 65% for those living in deep poverty (below 50% FPL)—and have been shown to contribute to stable housing, utilities, food, transportation, and clothing for children (Sorensen, 2016; Turetsky & Azevedo-McCaffrey, 2024). Lost child-support income when children are in foster care is not easily replaced by in-kind benefits—such as Section 8 public housing or transportation support—nor by cash benefits, for which eligibility or benefit size depends on having a dependent child in custody of parental care. Thus, mothers who were experiencing financial precarity prior to their children's placement in foster care may be less likely to reunify with their children when cost-recovery orders are in place because of economic barriers to ensuring a safe and stable home to which children can return.

## **POLICY BACKGROUND**

Many families receiving services from the public child welfare system are also served by the child support system, and recent research and policy efforts address how best to coordinate

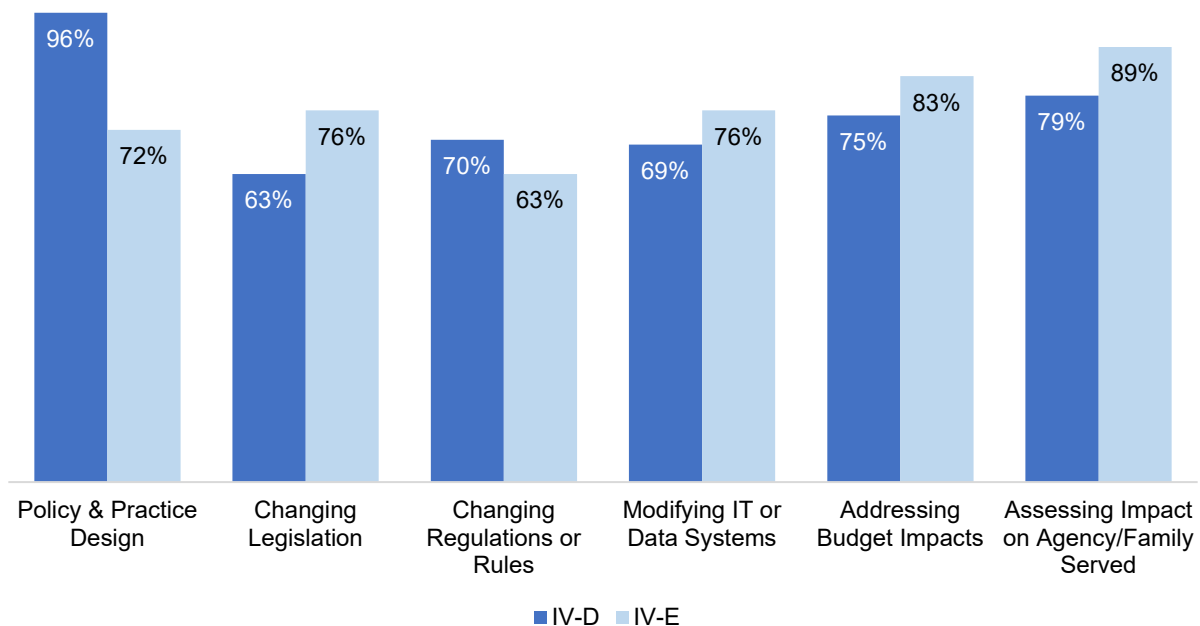
services to support families and serve the public interest. The Wisconsin DCF and BCS have played a leadership role, collaborating with IRP on a series of investigations of policy in Wisconsin and elsewhere, including producing estimates of the cost effectiveness of the cost-recovery program and its impact on child welfare outcomes (Cancian et al., 2017; Chellew et al., 2012; Howard et al., 2013).

As noted above, new guidance (Children’s Bureau, June 8, 2022), addressed in a joint letter from the Office of Child Support Enforcement (OCSE) Commissioner and the Children’s Bureau Associate Commissioner (Schomburg & Gray, 2022, p. 1) “encourages child welfare agencies to implement across-the-board policies that require an assignment of the rights to child support for children who receive Title IV-E FCMPs only in very rare circumstances.” The new guidance cites evidence from the original Wisconsin study suggesting that ordering custodial mothers from whom children were removed to pay child support to offset the cost of foster care delays reunification. It also cites evidence from Orange County, California, and Washington state, that child support enforcement efforts in these cases are not cost effective (Dalby, 2020; Washington’s Cost Effectiveness for Foster Care Child Support Cases, 2019).

Limiting cost-recovery referrals to child support enforcement to only specific cases in which referral has been judged to be in the child’s best interests requires a range of efforts from states. A recent collaborative survey fielded by the American Public Human Services Association (APHSA), Casey Family Programs, and the Child Welfare League of America (CWLA) provides an indication of the evolving policy landscape. In total, 34 jurisdictions responded to the survey, with most respondents working in the child support and/or child welfare system. Seventy-five percent reported that legislation governs their referral and collection practices, and that changing legislation was among the key barriers to pursuing policy and

practice changes (cited by 63% of all IV-D and 76% of all IV-E respondents). As shown in Figure 1, most respondents also cited barriers such as policy and practice design (especially IV-D respondents), changing regulations or rules, modifying IT systems, addressing budget impacts, and assessing impacts on agency and families served (especially IV-E respondents) (*Child Support Engagement for Child Welfare Involved Families: State Policy Landscape- Survey Results*, 2023). Most respondents felt that all these areas needed to be addressed for their jurisdiction to change policy and practice.

**Figure 1. State Barriers to Pursuing Policy and Practice Change Requiring Support to Address**



**Source:** Reproduced from *Child Support Engagement for Child Welfare Involved Families: State Policy Landscape- Survey Results*. (2023). American Public Human Services Association (APHSA), Casey Family Programs, and the Child Welfare League of America (CWLA).

Notwithstanding these substantial barriers, several states have already moved forward with policy changes. Professor Jill Duerr Berrick and a team at the University of California, Berkeley developed the Families Not Fees website (<https://familiesnotfees.weebly.com/>) to track

foster care cost-recovery child support policy by state. They report changes in law or regulation to restrict child support collection for foster care cost-recovery in California, Colorado, Michigan, Montana, North Dakota, Oregon, Washington, and the cities of New York and Philadelphia.<sup>1</sup> The approaches have varied significantly across jurisdictions. For example:

- New statewide guidance from the California Department of Social Services (*New Statewide Policy on Referring Families with a Child in Foster Care to Child Support Agencies. All County Letter #23-29.*, 2023) eliminates referrals to child support services of families with a child in foster care except “when [the] parent’s annual income is greater than \$100,000 annually or 400 percent of the federal poverty level, whichever is greater, **and** [emphasis in the original] a referral to the child support agency will not pose a barrier to reunification.” The guidance reflects amendments to California Family Code made by California Assembly Bill 1686. Further, California Department of Child Support Services guidance (*Foster Care Arrears. CSSP Letter: 23-02.*, 2023) defines foster care arrears owed by families below the income limits (\$100,000 annually, or 400 percent of the federal poverty line) to be uncollectable such that associated arrears and fees be removed from accounts.
- Michigan used executive branch authority to change regulations for all current and future referrals. As of August 2023, “the IV-D program will discontinue the establishment of new child support orders on agency placement cases that the CSA refers to the IV-D program.” (*IV-D Memorandum 2023-011: Changes to Processing Agency Placement Cases*, 2023).
- Philadelphia DHS requested that “Family Court withdraw ‘all pending child support petitions and terminate all current child-support related orders against families involved with DHS including standing support orders, arrears orders, and non-financial obligation orders.’” (Personal communication reported in the *Pennsylvania State Fact Sheet; (Families Not Fees, n.d., a)*).

While our discussion thus far has focused on explicit changes in policy in states and large cities that is intended to reduce referrals to child support for families with children in foster care, it is noteworthy that some jurisdictions (including some counties in Wisconsin) have, for some time, had very low, or zero, collections (we do not have national data on the prevalence of foster care cost-recovery child support orders). According to the latest OCSE report (2023), child

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<sup>1</sup>In addition to these changes following the new guidance, the Families Not Fees (n.d., b) website reports seven states that had previously taken steps to limit child support referrals on foster care cases (Arizona, Florida, Indiana, Nevada, New Mexico, Rhode Island, Vermont).

support distributions on foster care cases accounted for \$78.7 million, or only 0.29% of all distributed collections in 2022 (authors' calculations from Tables P-4 and P-12). And, no such distributions were made in Florida, Nevada, New Mexico, Vermont, or in Guam or the Virgin Islands. Moreover, Arizona, Texas, Washington, Rhode Island, and Massachusetts, reported less than 0.02% of all collections due to foster care cost recovery. Even the top 10 states in terms of percent of collections associated with foster care cost recovery, which include Wisconsin, typically had modest collections. Oregon and Alaska had the highest collections, at 0.99% and 1.61% of total distributed collections due to foster care cost recovery. Notably, foster care cost-recovery distributions were relatively high in 2020 and 2021, likely due to offsets from expanded unemployment benefits, economic impact payments, and other COVID-19 related benefits. However, it is still early to assess the impact of the change in guidance and subsequent state policy changes.

### **CHILD SUPPORT COST RECOVERY IN WISCONSIN**

Wisconsin's Title IV-E child welfare program is state-supervised but county-operated. As such, counties are given a great deal of autonomy in interpreting state statutes in their individual policies and practices. Specifically, counties independently decide whether to refer families to child support enforcement for cost recovery when a child is removed from home by CPS or when reunification is delayed. Child support actions may include reassigning to government an existing order in which the noncustodial parent provides child support to the custodial parent, such that the government retains (for cost recovery) the noncustodial parent's payments, and/or initiating a new order, such that the custodial parent (prior to child removal by CPS) owes child support to government to partially reimburse its foster care expenditures for the child.



A growing body of evidence indicates that, in general, increased income reduces a family's likelihood of becoming involved with CPS (see review in Pac et al., 2023). In addition, evidence from Wisconsin, which has been a leader in examining interactions between child support and child welfare, indicates that child support income received by custodial parents, in particular, reduces risk of child welfare involvement (Cancian et al., 2013). Of particular relevance to this report, a 2013 report (subsequently published as Cancian et al., 2017) using data from 2004–2010 demonstrated that there was substantial variation in child support orders owed to government for children in foster care across Wisconsin counties. At the time, county variation in reassigning orders to the state ranged from 0% to 65% for noncustodial parents and 0% to 78% for custodial parents. Notably, the proportion of cases for which such orders were made was not associated with county, family, or foster care placement case characteristics, suggesting that such variation is driven by county practices in this area rather than by other factors such as the composition of a county's population or of its CPS caseload. As CPS-involved families are unlikely to relocate to a specific county on account of this practice, the cross-county variation in order reassignment rates is exogenous (i.e., random vis-à-vis individual cases). The 2013 report used this variation to show that quasi-random assignment to child support enforcement for foster care cost recovery resulted in longer foster care spells and delays in permanency. We adopt the same approach to identification in the current study but expand the observation period by a decade to include mothers with children placed in foster care for the first time between 2004 and 2016 and observing these families through 2019.

## **DATA**

We employ data from the Wisconsin Administrative Data Core (WADC), a composite of linked administrative datasets encompassing data from Wisconsin's child welfare system

(WiSACWIS), Child Support Enforcement system (KIDS), Client Assistance for Re-employment and Economic Support system (CARES), Unemployment Insurance system (UI), and the Department of Corrections. Our study sample originates from WiSACWIS and is augmented with data from KIDS. Additionally, we integrated sociodemographic data, including income and engagement in various cash-assistance programs (e.g., W2/TANF, SSDI, SSI), sourced from the UI and CARES data systems.

Our unit of analysis is Wisconsin mothers with at least one child placed into foster care between June 2004 and June 2016, whom we follow for 3 to 5 years after removal, through June 2019. Mothers whose cases were closed due to reasons other than placement exit (e.g., the child ran away or died) were excluded from the study. Additionally, we select mothers who were their child's custodial parent in the month before foster care placement. We further restrict the sample to mothers with at least one child aged 14 or less at the time of removal and with at least one child with an identified father in the WADC. Lastly, mothers with unidentified counties were dropped from the analysis.

A mother's entry into an analytic period starts when any of her children are placed in foster care and ends when all of her children have exited care, signifying the end of any temporary placements for any of her children, regardless of whether some or all children were reunified, adopted, or placed in other permanent arrangements. Our focus on periods involving temporary foster care placements is informed by federal and state guidelines allowing cost-recovery child support orders to recoup some foster care expenses.

Our primary outcomes capture various dimensions of permanency and care continuity for children and their mothers. We define our outcomes as follows:

- a) *Length of the first episode*: The timeframe from when children are first removed from their mother's custody to when they either achieve permanency or exit foster care to a non-permanent setting.
- b) *All children reached permanency*: All the mother's children exited foster care to a permanent setting.
- c) *Any children reached permanency*: Any of the mother's children exited foster care to a permanent setting.
- d) *Reunification*: Any of the mother's children exited foster care by being reunified with their mother/primary caregivers.
- e) *Other permanency*: Any of the mother's children exited foster care to a permanent home that did not involve reunification (e.g., adoption, legal guardianship).
- f) *Re-entry*: Any of the mother's children returned to foster care after exiting the initial episode of care.

Our primary independent variable is a binary indicator for whether a cost-recovery child support order was assigned from the mother to the state to offset foster care costs. In all models, we include a range of covariates to account for differences in permanency and reunification risk due to parental characteristics. These include the mother's race and ethnicity, mother's age, oldest father's age, oldest sibling's age, number of children in the household, mother's and father's earnings, and whether the mother received W2/TANF, SSI, and SSDI in the year prior to the removal. Additionally, we account for county-level practice differences and economic factors by including as controls the county CPS report substantiation rate in the year of removal and the county unemployment rate in the year prior to the removal. All models also control for county and year of removal fixed effects. All dollar amounts are adjusted for inflation (CPI-U2019).

## **METHODS**

A key challenge to estimating the causal effect of foster care cost-recovery child support orders on children's foster care trajectories is that such orders might be endogenous, meaning that they are related to unobserved characteristics of the family or county agency. For example,

counties might only pursue orders when children are expected to be placed for a long period, or some counties might use such orders as a punitive measure for specific types of cases, such as those involving substance abuse. They may also reflect other factors, such as county resources, that are correlated with cost recovery actions and family involvement with CPS and/or child support enforcement. Estimating the causal effect of cost-recovery orders on foster care trajectories necessitates purging such county- and family-level sources of bias that are unobserved in our data. We therefore employ a two stage instrumental variables (IV) technique in which we instrument (predict) the probability that a mother receives a cost-recovery child support order based on the county-year proportion of foster care cases that receive such orders. In the first stage, we predict the mother's likelihood of receiving a cost-recovery order with the estimating equation:

$$(1) Order_{ict} = \theta + X_{ict}\vartheta + Z_{ict}\gamma + \zeta_t + \eta_c + \epsilon_{ict}$$

where,  $Order_{ict}$ , is an indicator that the mother  $i$  in county  $c$  with first child removed in year  $t$  received a cost-recovery order, and is estimated as a function of the instrumental variable,  $Z_{ict}$ , the year-specific proportion of foster care cases with such orders in place in the county, a vector of covariates  $X_{ict}$ , a vector of time-invariant county fixed effects  $\eta_c$  to account for differences in agency practices and preferences that are associated with permanency timing, and a vector of year-of-removal fixed effects  $\zeta_t$  to account for macroeconomic trends and other factors that might have driven removal or placement decisions over time, with an error term  $\epsilon_{ict}$ .

In the second stage, we use the estimating equation:

$$(2) Perm_{ict} = \alpha + \widehat{Order}_{ict}\delta + X_{ict}\beta + \rho_t + \tau_c + \mu_{ict}$$

where,  $Perm_{ict}$ , is a permanency outcome for mother  $i$  in time  $t$  and  $\widehat{Order}_{ict}$  is predicted under equation (1) above. This two-stage ordinary least squares approach removes any bias in the

effect of cost-recovery orders on foster care trajectories under the condition that our instrumental variable,  $Z_{ict}$  is highly correlated with cost-recovery orders, only influences foster care trajectories via whether or not a mother receives an order, and is unrelated to maternal, child, and family characteristics. We interpret our coefficient of interest  $\delta$  as the Local Average Treatment Effect (LATE), or the average effect of cost-recovery orders on families whose orders are in place as a result of county-level practices (Angrist & Imbens, 1994). The F-statistic for excluded instruments in the first stage (1) ranges from 956.6 to 1203.1, as shown in Table 5, indicating that our instrumental variable is strong and relevant, relative to minimally acceptable F-statistic threshold of 10 (Stock et al., 2002). In supplemental analyses, we also estimated equation (1) using a one-year lagged instrumental variable and found that this strategy produces virtually identical results to those of our primary strategy, supporting this assumption and suggesting that our choice to include covariates is justified. In supplemental analyses, we deployed generalized method of moments regressions for all specifications and probit models to estimate binary dependent variable specifications and found that our results are not sensitive to either choice. We estimate White robust standard errors in all models.

By limiting our sample to mothers whose children are removed for the first time, we are eliminating the possibility that previous placements or CPS interactions led to cost recovery orders. Families are unlikely to relocate to counties on account of their diversionary practices which are not known to the public. While it could be that caseworkers have unobserved preferences based upon client or case characteristics, we assume that these preferences are correlated with observed maternal and county characteristics, such as race/ethnicity and county-level CPS report substantiation rates and are not particular to specific counties. Therefore, conditional upon controlling for these characteristics, our resulting estimates can therefore be

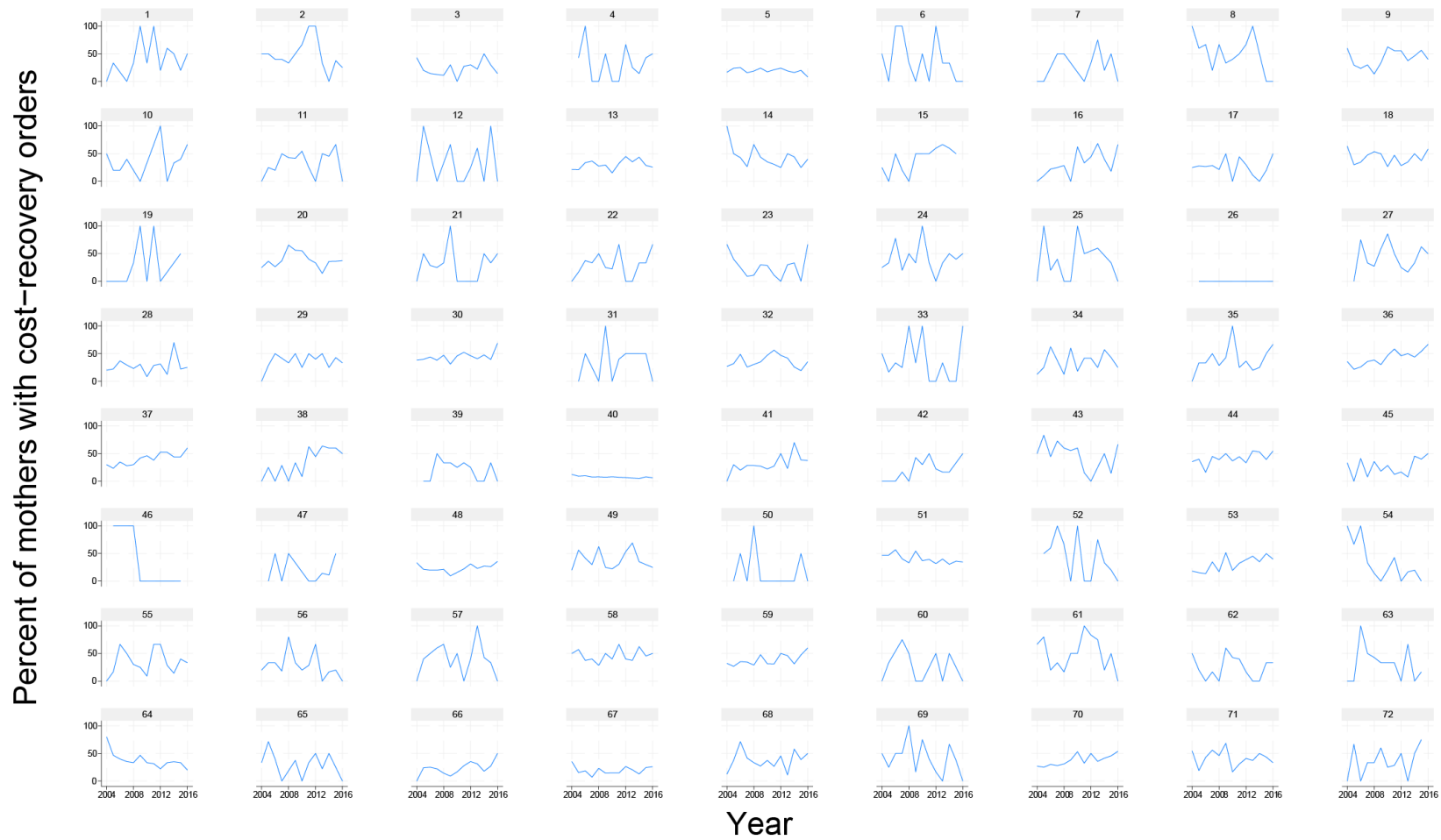
interpreted as the causal effect of child support order diversions on permanency outcomes. Identifying variation of our instrument is shown in Figures 2 and 3. Notably, county-year variation spans from 0 to 100 percent, with child support collections occurring for up to 9 percent of cases in the first quartile, versus 39 to 100 percent of cases in the fourth quartile.

## RESULTS

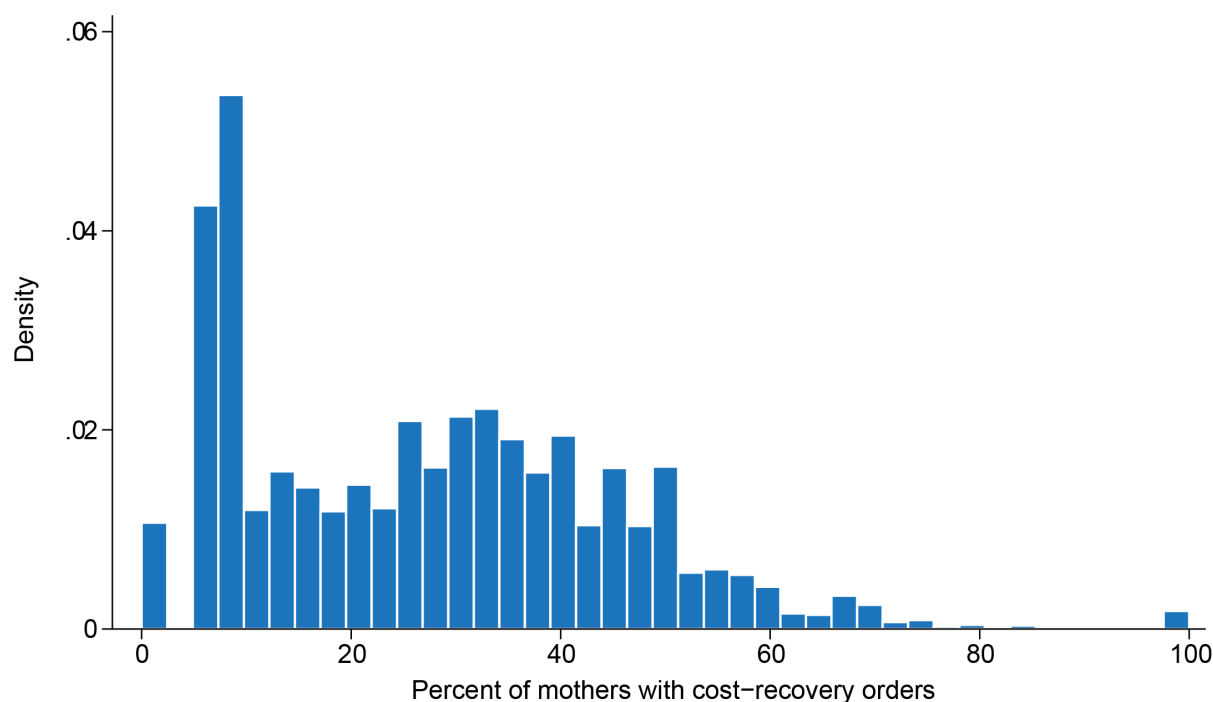
### Descriptive Statistics

*Child support orders.* Table 1 presents descriptive statistics for child support orders from fathers to mothers, fathers to government (“the state”), and mothers to government in the month prior to foster care placement and during placement. In the month prior to having a child placed in foster care, 43.5% of mothers had an order in place for the father to pay them child support and a small fraction had an order in place for the father (3.8%) or them (2.1%) to pay child support to the state government for foster care cost-recovery, presumably from a spell prior to July 2004. During at least one month of the foster care episode, 52.1% of mothers had father-to-mother orders, 41.1% had father-to-government orders, and 27.1% had mother-to-government orders in place and, in the month prior to the child exiting care, these figures were 28.9%, 27.8%, and 18.1%. Among mothers with such orders, the order was in place on average for 60.6%, 70.0%, and 60.3% of the months during which children were in care. Orders from fathers to mothers tended to be larger than those from fathers or mothers to government, both prior to and during the placement episode. For example, among those with orders in place, mean orders from fathers to mothers, fathers to government, and mothers to government were \$517, \$272, and \$210, respectively, in the month prior to permanency.

**Figure 2. Identifying Variation in Child Support Order Diversion by County and Year**



**Note:** Authors' calculations from WADC data. Sample includes mothers who have at least one child aged 14 or younger who entered foster care between July 2004 and June 2016. The number in the header of each panel in the figure represents the county FIPS code. Each panel presents that 2004-2016 time trend in the proportion of foster care cases in sample for which a child support cost-recovery order from the mother to government was enacted (child support order diversion).

**Figure 3. Instrumental Variable Histogram**

**Note:** See note under the Figure 2.

**Table 1. Child Support Ordered Before and During Foster Care Placement**

	Father-to-mother order	Father-to- government cost- recovery order	Mother-to- government cost- recovery order
<b>Any support ordered (%)</b>			
In month prior to foster care	43.5%	3.8%	2.1%
During any month of foster care	52.1%	41.1%	27.1%
In month prior to permanency	28.9%	27.8%	18.1%
<b>Months with support ordered during foster care (% conditional on any)</b>			
During foster care	60.6%	70.0%	60.3%
<b>Mean support ordered (\$)</b>			
In month prior to foster care	\$245.70	\$8.52	\$3.51
During any month of foster care (over all months)	\$160.36	\$76.46	\$34.45
In month prior to permanency	\$149.57	\$75.68	\$37.91
<b>Mean support ordered if positive (\$)</b>			
In month prior to foster care	\$564.63	\$227.12	\$169.63
During any month of foster care (in months with order)	\$427.59	\$257.12	\$206.43
In month prior to permanency	\$516.66	\$272.02	\$209.52

**Note.** 14,712 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care.



*Child support payments.* Table 2 shows descriptive statistics for child support payments by order type. The overall pattern is quite consistent with that for orders in that payments from fathers to mothers are most prevalent both prior to and during the foster care episode, followed by payments from fathers to government, then payments from mothers to government. It is also consistent with the pattern for orders in that mean payments from fathers to mothers during the foster care episode are largest in magnitude, followed by payments from fathers to government, then payments from mothers to government.

**Table 2. Child Support Paid Before and During Foster Care Placement**

	Father-to-mother order	Father-to-government cost-recovery order	Mother-to-government cost-recovery order
<b>Any support paid</b>			
In month prior to foster care	32.3%	1.8%	0.8%
During any month of foster care	44.8%	31.5%	20.9%
In month prior to permanency	25.0%	17.3%	11.0%
<b>Months with support paid during foster care (% conditional on any)</b>			
During foster care	83.9%	80.3%	73.2%
<b>Mean support paid (\$)</b>			
In month prior to foster care	\$195.66	\$3.42	\$1.73
During any month of foster care (over all months)	\$132.20	\$41.05	\$18.41
In month prior to permanency	\$129.63	\$46.43	\$26.45
<b>Mean support paid if positive (\$)</b>			
In month prior to foster care	\$606.02	\$184.77	\$203.08
During any month of foster care (in months with order)	\$709.69	\$198.22	\$151.75
In month prior to permanency	\$518.38	\$268.63	\$241.25

**Note.** 14,712 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care.

*Characteristics of families by child support order status.* Table 3 presents descriptive statistics, by family characteristics, for the likelihood that each type of order was in place, the amount of the order, whether payments were made on the order, and the amount paid (if any) on the order, before and during foster care. On the whole, the estimates indicate that child support orders and payments of all types are more common and, typically, largest among families with

higher-earning fathers and families in which the mother is non-Hispanic White (noting that, although order and payment amounts are largest for mothers who are Asian/Hawaiian/Pacific Islander, this is a small group of mothers totaling just 263, or 1.8% of the sample). Orders and payments are disproportionately more likely among families in which the mother has children with more than one father, but order and payment amounts are higher for families in which the mother has children only with one father. Consistent with the results for fathers' earnings, order and payment amounts are typically higher for higher-earning mothers, as is the likelihood that child support was paid on each type of order. However, the pattern for whether each type of order was in place is less consistent. Specifically, higher-earning mothers are disproportionately more likely to have had a father-to-mother order in place, whereas mothers with earnings between \$1 and \$10,000 per year are disproportionately likely to have had father-to-government and mother-to-government orders in place. Finally, mothers who received W2/TANF and child support are disproportionately likely to each type of order and to have payments made from fathers to mothers, and fathers to government, on those orders; mother-to-government orders and payments are less likely for mothers who received SSDI and SSI. Order and payment amounts of all types are highest for mothers who received child support prior to the foster care episode and lowest for those who received W2/TANF and SSI and, to a lesser extent, SSDI prior to the episode.

**Table 3. Child Support Ordered and Paid During Foster Care Placement by Parents' Characteristics**

	Observations	Percent of sample	Any support owed (%)			Mean support owed if positive			Any support paid (%)			Mean support paid if positive		
			Father-to-mother order	Father-to-government cost-recovery order	Mother-to-government cost-recovery order	Father-to-mother order	Father-to-government cost-recovery order	Mother-to-government cost-recovery order	Father-to-mother order	Father-to-government cost-recovery order	Mother-to-government cost-recovery order	Father-to-mother order	Father-to-government cost-recovery order	Mother-to-government cost-recovery order
<i>All mothers</i>	14,712	100%	52.1%	41.1%	27.1%	\$426.44	\$256.05	\$206.17	44.8%	31.5%	20.9%	\$532.07	\$146.03	\$113.00
<b>By earnings of highest-earning father in year before foster care</b>														
No SSN	859	5.8%	20.6%	12.0%	19.0%	\$380.20	\$237.68	\$202.21	17.2%	7.0%	12.9%	\$514.04	\$176.86	\$143.14
No UI reported earnings	4,699	31.9%	48.3%	36.0%	24.2%	\$424.81	\$231.45	\$207.29	35.8%	23.1%	18.3%	\$643.53	\$160.92	\$151.64
< \$5,000	2,388	16.2%	52.5%	47.9%	30.8%	\$353.41	\$219.18	\$200.58	41.1%	33.3%	23.5%	\$485.61	\$109.99	\$132.40
\$5,001 to \$10,000	1,522	10.3%	56.7%	45.5%	28.6%	\$329.55	\$227.69	\$211.31	49.7%	37.1%	22.7%	\$537.82	\$151.69	\$145.55
\$10,001 to \$25,000	2,826	19.2%	55.3%	44.3%	29.1%	\$373.45	\$251.52	\$206.94	51.9%	37.9%	23.2%	\$714.00	\$196.66	\$153.27
> \$25,001	2,418	16.4%	63.7%	47.8%	28.6%	\$608.95	\$358.08	\$208.69	64.5%	44.1%	22.2%	\$1015.90	\$333.51	\$174.07
<b>By earnings of mother in year before foster care</b>														
No SSN	1,243	8.4%	33.3%	30.2%	10.4%	\$438.74	\$242.04	\$180.82	29.6%	22.5%	5.7%	\$903.70	\$226.86	\$163.53
No UI reported earnings	5,470	37.18%	47.5%	40.8%	24.7%	\$381.69	\$252.27	\$193.41	41.2%	30.5%	16.0%	\$698.53	\$183.28	\$110.53
< \$3,000	2,783	18.9%	52.8%	45.4%	33.4%	\$371.43	\$254.33	\$203.26	45.0%	34.5%	25.1%	\$637.08	\$187.35	\$114.52
\$3,001 to \$10,000	2,195	14.9%	57.1%	43.7%	31.5%	\$445.11	\$267.16	\$200.68	50.7%	34.9%	27.1%	\$747.46	\$209.39	\$135.75
> \$10,001	3,021	20.5%	62.9%	40.7%	29.9%	\$521.28	\$265.68	\$237.65	53.3%	31.8%	27.4%	\$719.91	\$221.81	\$236.46
<b>By mother's race/ethnicity</b>														
Non-Hispanic White	8,170	55.5%	53.4%	45.0%	32.9%	\$453.00	\$282.33	\$212.95	49.1%	36.8%	26.2%	\$787.19	\$227.23	\$154.36
Non-Hispanic Black	3,761	25.6%	51.9%	35.0%	14.7%	\$337.86	\$188.67	\$181.83	38.5%	22.9%	9.8%	\$476.64	\$110.55	\$125.97
Non-Hispanic Asian/ Hawaiian Pacific Islander	263	1.8%	41.8%	31.9%	20.5%	\$697.63	\$282.65	\$232.76	35.0%	23.6%	17.5%	\$1026.32	\$270.37	\$175.36
Non-Hispanic American Indian	1,107	7.5%	52.2%	42.8%	33.2%	\$460.84	\$253.44	\$194.81	44.4%	32.8%	25.1%	\$754.62	\$155.86	\$153.60
Hispanic	1,376	9.4%	47.7%	35.6%	23.5%	\$445.39	\$249.18	\$232.76	39.8%	25.1%	17.6%	\$692.41	\$194.54	\$154.66
None or missing	35	0.2%	8.6%	14.3%	2.9%	\$235.67	\$109.84	\$155.01	8.6%	14.3%	0.0%	\$219.21	\$150.24	\$0.00
<b>By number of men with whom mother has children</b>														
One	4,425	30.1%	36.7%	33.5%	23.9%	\$538.26	\$268.17	\$221.49	29.5%	25.5%	18.6%	\$976.15	\$207.89	\$177.87
Two fathers	5,380	36.6%	55.1%	42.6%	27.8%	\$417.81	\$256.72	\$206.01	47.0%	32.3%	21.2%	\$672.40	\$210.87	\$158.25
Three or more fathers	4,907	33.4%	62.7%	46.2%	29.3%	\$378.93	\$250.31	\$195.74	56.3%	36.2%	22.5%	\$628.65	\$181.32	\$124.12
<b>By benefit receipt (prior year of removal)</b>														
W2(TANF) received	3,013	20.5%	59.5%	46.0%	26.5%	\$309.62	\$234.51	\$199.87	48.5%	33.2%	19.8%	\$564.11	\$157.67	\$113.76
Child support received	6,531	44.4%	83.4%	55.5%	30.0%	\$463.34	\$273.19	\$204.98	80.9%	46.5%	24.2%	\$760.01	\$212.84	\$158.91
SSDI received	909	6.2%	50.3%	40.0%	15.2%	\$381.73	\$265.98	\$150.59	48.3%	31.1%	11.9%	\$762.88	\$200.19	\$150.10
SSI received	1,821	12.4%	43.2%	40.1%	9.0%	\$321.74	\$239.33	\$146.78	40.7%	28.2%	5.4%	\$723.10	\$187.54	\$112.85

**Note:** 14,712 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care.

*Foster care placement episode length by child support order status.* Table 4 presents descriptive statistics for foster care episode length by child support order status. Placements were shortest in duration when no order was in place (20.3 months) and when a child support order from the father to the mother was in place (15.3 months, on average). By comparison, episodes averaged 24.1 months with father-to-government orders and 25.2 months when a mother-to-government order was in place. This general pattern holds for the time-to-permanency indicators for whether all of a mother's children achieved permanency, any of her children achieved permanency, and any of her children were reunified. That is, permanency and reunification with the mother were more likely to occur, and occurred more quickly, when a father-to-mother order was in place and, to a lesser extent, when no order was in place. In contrast, permanency and reunification were less likely to occur, and occurred less quickly, when a father-to-government or mother-to-government order was in place. Notably, however, this pattern does not hold for achieving permanency outside of reunification (e.g., via adoption or legal guardianship). Finally, the pattern for re-entry into foster care, which indicates that permanency had been achieved but subsequently disrupted, is somewhat mixed, but generally suggests a lower likelihood of re-entry when no order or a father-to-mother order was in place and a greater likelihood of re-entry when a father-to-government or mother-to-government order was in place.

**Table 4. Children's Foster Care Trajectories by Child Support Order Status**

	No order	Father-to-mother order	Father-to-government cost-recovery order	Mother-to-government cost-recovery order
<b>Placement length (months)</b>	20.28 (28.86)	15.26 (24.30)	24.07 (30.80)	25.22 (31.85)
<b>All children reach permanency</b>				
within 12 months	51.0%	61.2%	39.8%	37.5%
within 24 months	71.8%	81.2%	65.7%	65.8%
within 36 months	81.3%	87.5%	78.3%	75.8%
within 48 months	87.0%	91.5%	84.7%	84.4%
within 60 months	90.9%	92.8%	89.3%	89.0%
<b>Any child reaches permanency</b>				
within 12 months	51.1%	61.3%	39.9%	37.5%
within 24 months	72.3%	81.4%	66.0%	65.8%
within 36 months	82.2%	88.1%	79.5%	76.4%
within 48 months	88.4%	92.3%	86.2%	86.3%
within 60 months	92.6%	94.5%	90.8%	91.1%
<b>Reunification</b>				
within 12 months	43.7%	53.9%	33.7%	32.0%
within 24 months	55.1%	65.3%	49.3%	48.9%
within 36 months	59.2%	68.0%	54.7%	53.1%
within 48 months	61.0%	70.9%	58.5%	58.0%
within 60 months	63.4%	73.3%	60.5%	58.0%
<b>Other form of permanency</b>				
within 12 months	7.4%	7.5%	6.2%	5.0%
within 24 months	17.2%	16.1%	16.7%	16.9%
within 36 months	23.0%	20.0%	24.8%	23.3%
within 48 months	27.4%	21.4%	27.7%	28.3%
within 60 months	29.2%	21.2%	30.3%	33.1%
<b>Re-entry into foster care</b>				
within 12 months	8.7%	9.4%	11.1%	9.8%
within 24 months	14.8%	14.6%	19.6%	20.8%
within 36 months	18.3%	16.9%	24.8%	24.8%
within 48 months	21.2%	18.5%	28.1%	24.9%
within 60 months	21.7%	18.4%	28.2%	28.7%

**Notes.** 14,712 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care at 12, 24, and 36 months; 13,536 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2015 and lived with the mother in the month before entering care at 48 months; and 11,856 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care at 60 months.

## IV Regression Results

*Time to foster care exit.* Table 5 presents estimates from IV regressions for the effect of having a mother-to-government cost-recovery child support order in place on the length of time

children spend in foster care, for children who entered care between 2004 and 2016 and were observed for the subsequent 36 months, entered care between 2004 and 2015 and were observed for the subsequent 48 months, and entered care between 2004 and 2014 and were observed for the subsequent 60 months. The estimates are interpreted directly as the difference in foster care duration associated with the presence of a mother-to-government child support order, since the dependent variable is measured in actual month units. Thus, by dividing the regression coefficient by the average number of months spent in foster care by the control group, which consists of individuals without child support orders, we can calculate the proportional increase in the likelihood of an extended duration in care. As such, our estimates suggest that having a mother-to-government order in place roughly doubles the length of time children spend in care, with increases in length of care of 15.4 months (105.47%), 13.5 months (91.83%), and 13.7 months (93.79%) for the 36-month, 48-month, and 60-month observation samples, respectively (row 1, columns 1 through 3).

**Table 5. IV Regression Results, Time to Foster Care Exit**

	<b>Removal 2004–2016 (36 month)</b>	<b>Removal 2004–2015 (48 month)</b>	<b>Removal 2004–2014 (60 month)</b>
Mother-to-government cost-recovery order	15.3985*** (1.5451)	13.5494*** (1.4307)	13.6630*** (1.5993)
Mother is Black non-Hispanic	0.5329 (0.5928)	0.9252 (0.6172)	0.3949 (0.5771)
Mother is Hispanic	-1.0887+ (0.6491)	-0.8490 (0.6653)	-0.4949 (0.7004)
Mother is “Other” non-Hispanic race/ethnicity	-0.2413 (0.6677)	0.0526 (0.7007)	0.2058 (0.7002)
Mother’s age	-0.0609 (0.0499)	-0.0874+ (0.0498)	0.0100 (0.0500)
Oldest father’s age	0.1320*** (0.0302)	0.1506*** (0.0313)	0.0964** (0.0294)
Oldest child’s age	-0.1724*** (0.0482)	-0.1630*** (0.0486)	-0.2202*** (0.0491)
Number of siblings	3.3876*** (0.2266)	3.3571*** (0.2330)	3.4012*** (0.2448)
Two fathers	0.0440 (0.4124)	-0.2206 (0.4258)	0.1210 (0.4231)

	<b>Removal 2004–2016 (36 month)</b>	<b>Removal 2004–2015 (48 month)</b>	<b>Removal 2004–2014 (60 month)</b>
Three or more fathers	0.6576 (0.5143)	0.1430 (0.5253)	0.1485 (0.5072)
Earnings of highest earning father <5K (but >0) prior year OHC	-0.2144 (0.8042)	-0.4477 (0.8416)	0.1864 (0.8143)
Earnings of highest earning father 5–10K prior year OHC	-1.0292 (0.8957)	-0.5653 (0.9762)	-0.1808 (0.9760)
Earnings of highest earning father 10–25K prior year OHC	-0.2210 (0.8574)	-0.8610 (0.8759)	-1.4213+ (0.7991)
Earnings of highest earning father >25K prior year OHC	-2.4608*** (0.7281)	-2.5941*** (0.7773)	-1.9955** (0.7375)
Earnings of mother <3K (but >0) prior year OHC	-1.2890 (0.8754)	-1.9094* (0.9216)	-2.6052** (0.9920)
Earnings of mother 3–10K prior year OHC	-2.4764** (0.8621)	-2.9159** (0.9274)	-2.8615** (1.0148)
Earnings of mother >10K prior year OHC	-4.6724*** (0.7714)	-4.6784*** (0.8685)	-5.0047*** (0.9363)
County substantiation rate (of the first removal year)	-0.8439 (3.8385)	-1.4115 (3.9336)	-2.8816 (3.8976)
Unemployment rate prior year OHC	0.2568 (0.3756)	0.5046 (0.4048)	0.2034 (0.3798)
Mother has no SSN in the WADC system	-2.3780** (0.9029)	-1.9637* (0.8984)	-0.9035 (0.8651)
Mother is not in the UI system	0.2387 (0.8747)	0.5919 (0.9434)	0.4572 (1.0101)
Father has no SSN in the WADC system	1.4376+ (0.7531)	1.4455+ (0.7730)	1.2396 (0.8371)
Father is not in the UI System	-1.9787*** (0.4986)	-2.0944*** (0.5080)	-1.8173*** (0.5136)
SSI received	4.7136*** (0.7837)	4.4009*** (0.7868)	3.8317*** (0.7659)
SSDI received	-0.0935 (0.9024)	-0.1812 (0.9073)	1.0853 (0.9484)
W-2 (TANF) received	-0.3579 (0.5182)	-0.0880 (0.5445)	0.3672 (0.5558)
Constant	5.3169 (4.7390)	3.4305 (5.1189)	7.9830 (5.1703)
Observations	13,870	12,907	11,421
First-stage F-statistic	1,095.3494	1,049.7483	892.0817
Mean DV (months)	18.0483	18.0443	17.6691
Control DV (months)	14.6649	14.7507	14.4643

**Notes:** Second-stage coefficients (and White robust standard errors) from two-stage IV regressions presented.

\*\*\* p<.001; \*\* p<.01; \* p<.05; + p<.1.

*Probability that children reach permanency.* Table 6 presents results from linear probability IV regressions estimating the likelihood that children attain permanency within 12,

24, 36, 48, and 60 months, as a function of whether a child support order was in place. The estimates are interpreted as the percentage point difference in the probability of achieving permanency in the relevant period associated with a one percentage point increase in the probability that a mother-to-government child support order was in place. Thus, again, multiplying these estimates by 100 provides the approximate difference in the probability of achieving permanency in the time period when a mother-to-government child support was in place, relative to no order being in place, all else being equal. Overall, these results indicate that having a cost-recovery order in place reduces the likelihood that any or all of a mother's children achieve permanency in each time period. Furthermore, the pattern of estimates indicates that the effect is particularly large with respect to achieving permanency within 12 months and falls in magnitude over time. For example, we find that having a mother-to-government child support order in place reduces the likelihood that any of a mother's children exit foster care to permanency within 12 months by 42.6 percentage points and the likelihood that any of her children exit care to permanency within 60 months by 4.9 percentage points (Panel B). Given that mothers with no such order in place (mean control DV) experience, on average, a 59.1% likelihood that any of their children will exit care to permanency within 12 months and a 93.8% likelihood that they will do so within 60 months, these estimates indicate that having a cost-recovery order in place reduces the likelihood of children exiting care to permanency within 12 and 60 months by 72.1% and 5.2%, respectively.



**Table 6. IV Regression Results, Probability that Children Reach Permanency**

	Within 12 months	Within 24 months	Within 36 months	Within 48 months	Within 60 months
<b>Panel A. All children reached permanency</b>					
Mother-to-government cost-recovery order	-0.4278*** (0.0322)	-0.2863*** (0.0296)	-0.2026*** (0.0257)	-0.1286*** (0.0240)	-0.0823*** (0.0241)
Observations	14,712	14,712	14,712	13,536	11,856
First-stage F-statistic	1,203.0580	1,203.0580	1,203.0580	1,124.8759	956.5572
Mean DV	0.4951	0.7168	0.8139	0.8733	0.9091
Control DV	0.5888	0.7797	0.8562	0.8989	0.9269
<b>Panel B. Any children reached permanency</b>					
Mother-to-government cost-recovery order	-0.4260*** (0.0322)	-0.2842*** (0.0295)	-0.1991*** (0.0255)	-0.1118*** (0.0229)	-0.0493* (0.0223)
Observations	14,712	14,712	14,712	13,536	11,856
First-stage F-statistic	1,203.0580	1,203.0580	1,203.0580	1,124.8759	956.5572
Mean DV	0.4964	0.7205	0.8219	0.8868	0.9248
Control DV	0.5905	0.7834	0.8632	0.9098	0.9382

**Notes:** Second-stage coefficients (and White robust standard errors) from two-stage IV regressions presented. All models control for mother's and father's age, number of children in the household, age of the oldest sibling, mother's and father's earnings in the prior year, mother's race and ethnicity, number of fathers with whom the mother has children, the county-year CPS report substantiation rate and unemployment rate), county and year of removal, and whether the mother received SSI, SSDI, and W2/TANF. \*\*\* p<.001; \*\* p<.01; \* p<.05; + p<.1.

*Probability of exiting care to reunification versus adoption, guardianship, or other permanency.* Table 7 presents results from separate linear probability IV regressions estimating the likelihood that children reunify with their mothers and exit care to another type of permanency (e.g., adoption, guardianship, other) within 12, 24, 36, 48, and 60 months, as a function of whether a cost-recovery order is in place. These results indicate that the overall reduction in exiting care to permanency, found in Table 6, is fully driven by a reduction in reunification. Indeed, we find a large reduction in the likelihood that any of a mother's children reunify within each time period which, again, is largest for reunification within 12 months and decreases steadily over time. Relative to mothers with no cost-recovery order in place, we find that those with an order in place are 79.2% less likely to reunify with any of their children within 12 months and 34.4% less likely to reunify with any of their children within 60 months. In contrast, we find no effect of having a cost-recovery order in place on whether any of a mother's

children exit foster care to another type of permanency in 12, 24, or 36 months, and a 51.3% and 66.2% greater likelihood that any of her children exit to another type of permanency in 48 and 60 months, respectively.

**Table 7. IV Regression Results, Probability of Exiting Care to Reunification Versus Adoption, Guardianship, or Other Permanency**

	Within 12 months	Within 24 months	Within 36 months	Within 48 months	Within 60 months
<b>Panel A. Any children reunified</b>					
Mother-to-government cost-recovery order	-0.3993*** (0.0321)	-0.3084*** (0.0332)	-0.2496*** (0.0333)	-0.2459*** (0.0346)	-0.2289*** (0.0378)
Observations	14,712	14,712	14,712	13,536	11,856
First-stage F-statistic	1,203.0580	1,203.0580	1,203.0580	1,124.8759	956.5572
Mean DV	0.4202	0.5403	0.5787	0.6075	0.6285
Control DV	0.5037	0.5999	0.6265	0.6488	0.6661
<b>Panel B. Any children experienced adoption, guardianship, or other permanency</b>					
Mother-to-government cost-recovery order	-0.0267 (0.0200)	0.0242 (0.0275)	0.0505 (0.0301)	0.1341*** (0.0327)	0.1796*** (0.0357)
Observations	14,712	14,712	14,712	13,536	11,856
First-stage F-statistic	1,203.0580	1,203.0580	1,203.0580	1,124.8759	956.5572
Mean DV	0.0762	0.1802	0.2433	0.2793	0.2963
Control DV	0.0868	0.1836	0.2368	0.2610	0.2721

**Notes.** Second-stage coefficients (and White robust standard errors) from two-stage IV regressions presented. All models control for mother's and father's age, number of children in the household, age of the oldest sibling, mother's and father's earnings in the prior year, mother's race and ethnicity, number of fathers with whom the mother has children, the county-year CPS report substantiation rate and unemployment rate), county and year of removal, and whether the mother received SSI, SSDI, and W2/TANF. \*\*\* p<.001; \*\* p<.01; \* p<.05; + p<.1

*Probability of foster care re-entry.* Table 8 shows results from linear probability IV regressions estimating the likelihood that children re-enter foster care within 12, 24, 36, 48, and 60 months, as a function of whether a child support order is in place. Notably, for re-entry to occur, a child must have first exited care. These estimates do not explicitly account for such exits. Rather, they represent the combined probability that any of a mother's children both exited and re-entered foster care. We find that, without accounting for the lower probability of exiting care in the first place, having a mother-to-government cost-recover child support order in place

reduces the likelihood of re-entry. We caution, however, that the reduction in re-entry is likely largely driven by the large reduction in reunification for those with a cost-recovery order in place relative to those without such order, which we are unable to take into account in these analyses.

**Table 8. IV Regression Results, Probability of Foster Care Re-Entry**

	Within 12 months	Within 24 months	Within 36 months	Within 48 months	Within 60 months
Mother-to-government cost-recovery order	-0.1337*** (0.0199)	-0.1421*** (0.0248)	-0.1223*** (0.0272)	-0.1008*** (0.0291)	-0.0953** (0.0313)
Observations	14,712	14,712	14,712	13,536	11,856
First-stage F-statistic	1,203.0580	1,203.0580	1,203.0580	1,124.8759	956.5572
Mean DV	0.0876	0.1534	0.1892	0.2129	0.2196
Control DV	0.1056	0.1699	0.2018	0.2244	0.2331

**Notes:** Second-stage coefficients (and White robust standard errors) from two-stage IV regressions presented. All models control for mother's and father's age, number of children in the household, age of the oldest sibling, mother's and father's earnings in the prior year, mother's race and ethnicity, number of fathers with whom the mother has children, the county-year CPS report substantiation rate and unemployment rate), county and year of removal, and whether the mother received SSI, SSDI, and W2/TANF. \*\*\* p<.001; \*\* p<.01; \* p<.05; + p<.1.

*Heterogeneity by mother's income-to-poverty ratio.* The result presented in Tables 9 and 10 consider whether there is variation in length of time children spend in care and their probability of exiting care by the mother's income-to-poverty ratio in the month before the foster care placement. We note that 'total' income cannot be computed using WADC data. As such, our income measure includes only earnings reported to UI and W2/TANF, SSDI, and SSI cash benefits. In addition, it is important to consider that mothers may not match to the UI data system (despite having UI-reported earnings) because their Social Security Number (SSN) is not available in any of the other data systems included in the WADC, and also that not all earnings are reported to UI (such that a mother with zero reported UI earnings may have earnings that are not reported). We therefore exclude mothers without an available SSN from our calculation of income and model them as a separate group. We code mothers with an SSN (and thus a match to the UI earnings data system) as having zero earnings in any quarter in which no earnings are reported and both include them in our calculation of income and model them as a separate group.

These limitations, as well as that the WADC does not include the full range of earnings- and benefit-related income that mothers may receive, necessarily mean that we likely underestimate mothers' incomes. To compute mothers' income-to-poverty ratios, we simply divide our computed 'total' cash income value by the federal poverty threshold for their household size.

Table 9 shows results from linear IV regressions estimating, for each income-to-poverty group, the length of time children spend in care, as a function of whether a mother-to-government foster care cost-recovery child support order is in place. These regressions are estimated for the sample of children placed in care between 2004 and 2016 and observed for the subsequent 36 months. Within each group, we find having a cost-recovery order in place increases the length of time children spend in care, with effect sizes of 8.24% (1.7 months) for mothers with no available SSN for UI linking, 96.5% (16.2 months) for those with no reported UI wages, 107.0% (17.3 months) for those with income below 50% of poverty (deep poverty), 100.2% (15.6 months) for those with income below 100% of poverty (inclusive of those with income below 50% of poverty), 122.9% (11.1 months) for those with income between 100% and 200% of poverty, and 83.2% (6.6 months) for those with income at or above 200% of poverty.

**Table 9. IV Regression Results, Time to Foster Care Exit by Income-to-Poverty Ratio**

	Total	No SSN	No UI wages	<50%	<100%	100–200%	200+%
Mother-to-government cost-recovery order	14.8039*** (1.5359)	1.6949 (11.6150)	16.1958*** (2.4957)	17.3463*** (1.9327)	15.5852*** (1.7011)	11.0571** (3.4759)	6.6389 (4.9349)
Observations	13,870	1,146	5,114	10,240	12,095	1,273	502
First-stage F-statistic	1,105.4908	48.8087	456.4806	870.8563	1,015.5770	54.8351	12.0909
Mean DV (months)	18.0483	21.2769	20.0275	19.8026	19.0456	11.7183	10.3378
Control DV (months)	14.6649	20.5043	16.6978	16.2279	15.5447	8.9937	7.9743

**Notes:** 14,712 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care and were observed for the subsequent 36 months. Second-stage coefficients (and White robust standard errors) from two-stage IV regressions presented. All models control for mother's and father's age, number of children in the household, age of the oldest sibling, father's earnings in the prior year, mother's race and ethnicity, number of fathers with whom the mother has children, the county-year CPS report substantiation rate and unemployment rate), and county and year of removal. \*\*\* p<.001; \*\* p<.01; \* p<.05; + p<.1.

In Table 10, we present results for each income-to-poverty ratio group from linear probability IV regressions estimating the likelihood that children attain each of the permanency outcomes, as well as that they re-enter foster care, as a function of whether a child support order is in place, again, using the sample of children placed in care between 2004 and 2016 and observed for the subsequent 36 months. We find that, for mothers with no reported earnings and those below 50% and below 100% of poverty, having an order in place reduces the probability that all and any of a mother's children exit care to permanency and that any of her children reunify within 36 months. For mothers between 100% and 200% of poverty, having an order in place also reduces the probability of any children reunifying. For higher income mothers and mothers with no available SSN, the estimates continue to be negative in direction for both permanency and reunification but fail to attain statistical significance. In addition, we find no consistent evidence of a causal relation between having a cost-recovery order in place and children exiting to other types of permanency besides reunification. Finally, the estimates for re-entry are consistently negative for all groups, with the sole exception of mothers at or above 200% of poverty and are statistically significant for all groups except mothers at or above 100% of poverty.

**Table 10. IV Regression Results, Probability that Children Reach Permanency and Re-Enter Care by Income-to-Poverty Ratio and Permanency Type**

	Total	No SSN	No UI wage	<50%	<100%	100–200%	200+%
<b>Panel A. All children reached permanency</b>							
Mother-to-government cost-recovery order	-0.1939*** (0.0255)	-0.1255 (0.1582)	-0.2401*** (0.0434)	-0.2328*** (0.0312)	-0.2083*** (0.0281)	-0.1370 (0.0856)	-0.0266 (0.1228)
N	14,712	1,243	5,470	9,660	11,601	1,339	529
F statistics	1,214.0461	77.9808	464.9594	845.3613	1,014.5387	62.6272	15.6705
Mean DV	0.8139	0.7598	0.7814	0.7952	0.8065	0.8920	0.9036
Control DV	0.8562	0.7686	0.8257	0.8478	0.8568	0.9208	0.9337
<b>Panel B. Any children reached permanency</b>							
Mother-to-government cost-recovery order	-0.1908*** (0.0253)	-0.1026 (0.1563)	-0.2375*** (0.0428)	-0.2307*** (0.0309)	-0.2069*** (0.0278)	-0.1284 (0.0846)	-0.0252 (0.1220)
N	14,712	1,243	5,470	9,660	11,601	1,339	529
F statistics	1,214.0461	77.9808	464.9594	845.3613	1,014.5387	62.6272	15.6705
Mean DV	0.8219	0.7693	0.7906	0.8037	0.8149	0.8979	0.9055
Control DV	0.8632	0.7783	0.8326	0.8548	0.8637	0.9279	0.9361
<b>Panel C. Any children reunified</b>							
Mother-to-government cost-recovery order	-0.2376*** (0.0332)	-0.1836 (0.1817)	-0.3024*** (0.0550)	-0.2817*** (0.0392)	-0.2622*** (0.0358)	-0.2866* (0.1203)	0.2775 (0.2102)
Observations	14,712	1,243	5,470	9,660	11,601	1,339	529
First-stage F-statistic	1,214.0461	77.9808	464.9594	845.3613	1,014.5387	62.6272	15.6705
Mean DV	0.5787	0.4811	0.5239	0.5483	0.5649	0.7228	0.7400
Control DV	0.6265	0.4926	0.5700	0.6091	0.6225	0.7645	0.7494
<b>Panel D. Any children experienced adoption, guardianship, or other permanency</b>							
Mother-to-government cost-recovery order	0.0468 (0.0298)	0.0810 (0.1544)	0.0648 (0.0516)	0.0510 (0.0361)	0.0553+ (0.0325)	0.1581 (0.1117)	-0.3027+ (0.1815)
Observations	14,712	1,243	5,470	9,660	11,601	1,339	529
First-stage F-statistic	1,214.0461	77.9808	464.9594	845.3613	1,014.5387	62.6272	15.6705
Mean DV	0.2433	0.2882	0.2667	0.2554	0.2500	0.1751	0.1655
Control DV	0.2368	0.2857	0.2626	0.2457	0.2411	0.1635	0.1867
<b>Panel E. Any children re-entered care</b>							
Mother-to-government cost-recovery order	-0.1206*** (0.0269)	-0.2725+ (0.1469)	-0.1007* (0.0461)	-0.1322*** (0.0320)	-0.1207*** (0.0291)	-0.1555 (0.1169)	0.2115 (0.2167)
Observations	14,712	1,243	5,470	9,660	11,601	1,339	529
First-stage F-statistic	1,214.0461	77.9808	464.9594	845.3613	1,014.5387	62.6272	15.6705
Mean DV	0.1892	0.1898	0.1870	0.1910	0.1878	0.1940	0.2055
Control DV	0.2018	0.1893	0.1950	0.2059	0.2018	0.2071	0.2236

**Notes:** 14,712 observations of mothers in Wisconsin with at least one child aged 14 or younger who entered foster care between 2004 and 2016 and lived with the mother in the month before entering care and were observed for the subsequent 36 months. Second-stage coefficients (and White robust standard errors) from two-stage IV regressions presented. All models control for mother's and father's age, number of children in the household, age of the oldest sibling, father's earnings in the prior year, mother's race and ethnicity, number of fathers with whom the mother has children, the county-year CPS report substantiation rate and unemployment rate), county and year of removal.

\*\*\* p<.001; \*\* p<.01; \* p<.05; + p<.1.

## CONCLUSION

This report provides an up-to-date summary of recent state and federal policy developments regarding assignment of child support to government to recoup the costs of foster care, describes the range of policy variation in this area among Wisconsin counties, and presents new empirical evidence on the impact of doing so on foster care trajectories for Wisconsin children. As such, it both provides insights into the efficacy of child support enforcement actions on permanency for children in foster care and presents potential policy options—based on developments in other states and at the federal level—that the State may wish to consider.

Consistent with the 2013 report, we find rigorous evidence that cost-recovery child support orders to offset the cost of foster care substantially delay reunification. In particular, the 2013 report (subsequently published as Cancian et al., 2017) used data from 2004–2010 and estimated the relation between child support orders and length of foster care placement, finding that a \$100 increase in child support orders leads to a 6.6-month delay in reunification (measured at the mean). In this analysis, we incorporated more recent data, used the longer time series with new techniques to improve the estimates, considered a broader set of outcomes, and estimated the causal effect of the extensive margin effect—of having an order reassigned from mother-to-government—versus the intensive margin, or amount of the reassigned order, estimated in the previous study. Consistent with the prior analysis, we find that having a mother-to-government order in place significantly increases the length of foster care placement; point estimates suggest the length of time about doubles. Further, we find that having a cost-recovery order in place reduces the likelihood that any or all of a mother’s children achieve permanency—a result fully driven by a reduction in reunification, as we find no effect of having a cost-recovery order in place on whether any of a mother’s children exit foster care to another type of permanency. These results provide further evidence suggesting that eliminating child support orders for cost

recovery can reduce length of placement—a cost saving strategy, given that foster care placement costs typically far exceed child support ordered (even putting aside collection costs and compliance issues).

We also examine differences in the effect of a child support order by income, generally finding larger effects for families with lower incomes. This is consistent with child support orders delaying reunification by reducing economic resources that may be necessary to provide, for example, safe and stable housing, or other resources required for reunification. Additional research should further explore evidence of heterogeneous effects and consider this and other evidence regarding the mechanisms underlying the effect of child support orders. Finally, we examine the relation between a cost recovery order and the probability of re-entry, without accounting for the lower probability of exiting care in the first place. We find that having a mother-to-government cost-recovery child support order in place reduces the likelihood of re-entry, but the reduction in re-entry is likely largely driven by the large reduction in reunification for those with a cost-recovery order. Additional research should further analyze the relation between cost-recovery orders and patterns of exit and reentry, considering both orders during placement, and whether an order for arrears is pursued after children are reunified.

Federal guidance now calls for eliminating cost recovery orders for families of children receiving Title IV-E FCMP, with rare exception. Previous research in Wisconsin, responses to the APHSA/Casey/CWLA survey, and discussions with advocates and policy leaders highlight several challenges to implementing related reforms. Moreover, experience across jurisdictions suggests the need for significant engagement across a range of stakeholders.<sup>2</sup> It is also important

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<sup>2</sup>See Howard (2018) for a detailed discussion of Wisconsin, and, for example the Minnesota “Costs-of-Care Workgroup” report (2023), which addressed a range of issues, and includes a summary of issues and provides both a “Majority Opinion” and an “Minority Opinion” across many dimensions. (Howard et al., 2013; Moore et al., 2023)



to disentangle how costs and savings are distributed across systems (e.g., child support enforcement, TANF, and child welfare), and jurisdictions (Federal, State, and County). Policy changes that reduce costs overall will generally have differential impacts across systems and jurisdictions—and may even increase costs from some perspectives. Nonetheless, our results are consistent with widespread concerns that referring foster care cases to child support enforcement is contrary to the best interests of families, agencies, and taxpayers. Results therefore support current federal guidance and highlight the value of additional analysis to support appropriate policy change and implementation at the state and local levels.

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