



The Impact of Cost-Recovery Child Support Orders on Foster Care Trajectories^a

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Summary: This analysis documents that child support orders for cost recovery, which require parents to pay child support to offset the costs of their child's foster care placement, substantially lengthen children's time in foster care, decrease their chances of reunifying with their families, and increase their chances of having their parents' rights terminated. Moreover, cost recovery leads to increased government costs, given that the funds recovered are modest relative to the costs of the associated increase in placement length. Our results are consistent with widespread concerns that referring foster care cases to child support enforcement is contrary to the best interests of children and families, agencies, and taxpayers. The findings demonstrate the potential gains to jurisdictions following recent federal guidance calling for cost-recovery child support orders to be used only in rare occasions.

Data and methodology. Using state-wide Wisconsin data from 2004 to 2019 we leverage substantial county policy variation to identify the causal impact of cost-recovery orders on foster care outcomes (county/year rates of cost recovery orders range from 0% to 100% and are uncorrelated with county demographics or child protective services caseloads).

Key findings.

- ***Cost-recovery child support order establishment approximately doubles the number of months children spend in foster care***, increasing the average duration from 15 months to 28-30 months (among children who exit foster care within 36 and 60 months).
- ***Cost-recovery child support order establishment both substantially decreases the likelihood that children will achieve reunification within 60 months of foster care entry and substantially delays reunification***. On average, mother-to-government cost-recovery order establishment decreases the likelihood of reunification within 12, 36, and 60 months of foster care entry, respectively, from 48% to 7% (an 85% decrease), 61% to 35% (a 43% decrease), and 66% to 43% (a 35% decrease). Similarly, father-to-government cost-recovery order establishment decreases the likelihood of reunification within 12, 36, and 60 months, respectively, from 48% to 10% (a 79% decrease), 61% to 36% (a 41% decrease), and 66% to 41% (a 38% decrease).
- ***Cost-recovery child support order establishment markedly increases the likelihood that children will experience termination of parental rights within 60 months of foster care entry***. A mother-to-government cost-recovery order increases the likelihood of termination of parental rights within 36 and 60 months of foster care entry, respectively, from 6% to 10% (a 67% increase) and 10% to 23% (a 130% increase); father-to-government cost-recovery order establishment increases termination of parental rights in these period from 6% to 8% (a 33% increase) and 10% to 19% (a 90% increase).

Conclusion and policy implications. Results document that cost-recovery child support orders substantially delay foster care exits and family reunifications and increase terminations of parental rights. These outcomes stand in contrast to the best interests of children and families, agencies, and taxpayers. They therefore lend support to recent federal guidelines to limit such orders to rare exceptions.

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